

# It's not all glitter and unicorns for female founders

In another "myfirstminute" webinar Jenny Fleiss co-founder of Rent the Runway shared the stories behind her \$1B company, her plans for the future and her key advice for entrepreneurs.

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Rent The Runway is a clothing rental subscription-based business that was founded in 2009 by both Jenny Fleiss and Jenny Hyman, friends who had met at Harvard Business School. When we think of renting clothing some people might wince at wearing a pre-worn gown, however, it is an idea that has seen the company valued at over \$1B in 2019. For female entrepreneurs focusing on creating a business for women, this is no mean feat.

During a "myfirstminute" webinar last week Jenny Fleiss co-founder of Rent the Runway told her story, shared her experiences and gave top tips for other entrepreneurs.

## The spark

The idea was sparked from a story that Jenny H was relaying about her sister spending \$2K on a dress for a wedding that she could hardly afford. As her sister continued, "I might meet my future husband in this dress" suddenly the dress had greater importance, it was a dress that could be a gateway to her future. Keen to tap into that highly sought after emotional pull and confidence

that women get when they are wearing the right outfit. They wanted to own that moment that friends/colleagues/a crush says to you “you look great in that”.

## Show rather than tell

Building a business model around a feeling is hard, but they choose to invite investors even during seed-round funding, to their test pop-ups or take videos to highlight to potential investors just how women are more emotional towards clothes. With a “Show rather than tell” mentality, they were keen to make it visual.

They were building “aspirational luxury”, or more simply put, they were making magic for women in their twenties (like they were at the time) with little disposable income to spend on purchasing luxury looks. They were solving the problem of income as a barrier to looking the part, with rentals as the solution. Fleiss was, in essence, levelling the playing field for those in NYC keen to impress their peers, but without the means to make substantial retail purchases.

RTR subscription service starts at \$69 for the basic package of four items per month. Rental is usually worked out at around 10% of the retail value of the product. This subscription process has seen them branch out into accessories and everyday clothing and also gives them the chance to purchase the item for a fraction of the cost. So you really can try before you buy!

RTW is also the “biggest dry cleaners in the world” a fact that very few recognise, and a key pillar of success in their business model. Fleiss realised that if she could turn around the product from it being returned to being re-resent out within a day she would have less inventory to house and be more profitable, detailing a key pivot point.

## Consumer Insight should always be at the forefront of your business

Fleiss makes it clear that she always looks to her consumers for insight into where they have gone next and pivoted to as a business. Moving to a monthly subscription process, there was a great deal of testing, researching. They crunched the numbers, ran the data and talked to their consumers. They were also keen to produce change that was authentic, a keyword in Fleiss vocabulary.

Although Fleiss makes it look easy with hindsight, she mentions that

entrepreneurship has this look from the outside of being “glitter and unicorns” when in reality it is “a lot more highs and lows, grit, uncertainty.” It isn’t easy but it’s worth it if you persevere.

## Don’t be afraid to get it wrong

It is easy to see that Jenny Fleiss is without a doubt a smart woman, who is able to wear many hats at different points in the development of her businesses. Being smart, being adaptable and really basing a lot of her decisions through her interaction with and by listening to her consumers has, in my opinion, enabled her business to thrive.

She is also not afraid to get it wrong, to pivot, to go with her gut instinct and to operate outside of her comfort zone. It becomes clear that Fleiss is someone who has dealt with the minute details of the production line, alongside the big picture and this variation is what makes her skill-set as an entrepreneur incredibly valuable.

*Discover Rent The Runway*

## Top Tips for (Female) Entrepreneurs

Solve a problem: Ladies in their 20’s want to wear designer clothes to events but can’t afford it

Show don’t tell: Be visual, use video in your sales pitch to VC’s especially if the product is for women and you are pitching to men

Choose and align yourself with the right capital partners: this is key to growing and scaling the business with authenticity

PR is very important, prepare two avenues for press:

1. Your product
2. Your story (RTR tapped into the fact that they were two female founders, starting a business aimed at women which is both true and a great USP)

Use a PR agency, but shop around, if possible always have someone in-house making sure the agency is doing what they need to do etc. This is especially relevant when scaling.

Change the mindset and the narrative through conversation and how people

talk about your product. (It was never cool to shop at discount stores, but now people think you are silly paying full price for items).

firstminute capital runs a webinar series called “My firstminute” in which they interview some of the world’s top minds – ranging from unicorn founders to VCs, to athletes who double up as angels or venture investors. The interviews are upbeat discussions around the “first minute” of their careers and how they battled through some of their hardest business days, and how they now enjoy helping or backing early-stage entrepreneurs.

*Discover the myfirstminute webinars*

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