

[Transcript] The Diary Of A CEO with Steven Bartlett / E239: NastyGal Founder: I Was A Stripper! A Shoplifter! Then Built A \$400m Business! Sophia Amoruso

Didn't you get an offer to sell the company for \$400 million?

Yeah, I did.

I would have made you super rich.

Why didn't you say yes?

You're very good at this.

Sophia!

And Aruso!

Founder of the Nasty Gallant, a best-selling author,
and a powerhouse in the entrepreneurial world.

I was rebellious from a very early age.

I was a stripper.

I wasn't even 21.

I used someone else's ID to work there.

Built an online business.

And the first thing I sold online was stolen.

Get a whole shopping cart of stuff.

Put them on Amazon for \$0.10 less than the other resellers.

And then gotten arrested for shoplifting.

I'm a little dark.

I realized I could connect my creativity to something legitimate.

Started Nasty Gall, selling vintage.

Nasty Gall went from \$150,000 a year to doing \$150,000 over lunch.

I didn't realize the amount of responsibility I had
being the poster child of entrepreneurship.

Then I was this girl boss,

but my naivete and lack of experience did send me to the grave.

Nasty Gall fell apart after 10 years.

My husband of like a year left.

The headlines weren't nice.

Then Netflix comes out.

You just got played.

What is it like from a mental perspective?

It's hard to pull yourself out of a hole
when you don't want to get out of bed.

It's challenged my confidence.

And I'm still like, I don't belong here,
but I don't belong here is also a really great motivator.

I don't belong here means I don't fit in,
but that's going to be a super power.

I can do things differently.

What was the plan in life at that point?

Oh gosh.

Sophia, take me back to those suburbs in San Diego

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and give me your earliest context.

Wow.

I was born in San Diego at Sharp Memorial Hospital.

Only child, eternally an only child.

I think wound up having the personality of a probably seven children and the challenge of maybe seven children for my parents.

We moved a few times, you know, our house was like, it was, it was happy ish when I was young.

I lived in San Diego till I was seven and it's a beautiful place.

And I so wish we would have stayed there,

but we moved to beautiful Sacramento, California.

And that was really the suburban experience where,

you know, when you're a kid, a little kid,

you don't know what a suburb is

and chasing the ice cream man is great.

But once you get older, living in the suburbs,

if you have any amount of curiosity about the world,

the homogenous, you know, nature of living in the suburbs

is something that totally crushed me.

I knew there was more out there and I didn't know what it was,

but I wanted, I like wanted out from a very early age.

What did you, what did you want at a very early age

when you say you wanted out?

Oh, yeah.

What did you want?

Yeah, I wanted out of my family home.

It wasn't happy.

My parents didn't get along.

I was playing referee, you know?

Really?

Yeah.

At what age?

Starting at like 10 or something.

I mean, yeah, it was just,

it wasn't a super happy place and they, yeah,

they didn't get along.

They didn't always agree on how to raise me.

And I think when your parents, you know,

everybody's relationship has issues and everybody's,

not everybody's, but most people's parents,

you know, sometimes don't get along.

When you have a sibling, I think you can go be like,

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that's funny.

Or they're whatever, let's just go play with Legos

or something like that.

Or let's go ride bikes.

But I think being isolated in a house that wasn't super happy as an only child made it worse.

And I just remember so many drives, silent car drives, where I was in the backseat alone and I just remember like the silence and the light of the street lights, it's like washing over the car, just in silence with my parents in the two front seats.

You know, they were really like only affectionate after like an argument.

And even then it was like, I don't know, hand holding or something.

They were very strict as well.

I had to beg to go to a boy's birthday party in sixth grade.

We weren't super religious, but my mom grew up in the 50s in a Greek Orthodox household, just not puritanical because that sounds less cultural than Greek Orthodoxy, but strict, you know.

What about money?

A lot of them, a lot of arguments happened in my household when I was younger because of money.

Yeah, I mean, my dad sold, my dad did loans and my mom sold houses, but track homes in the suburbs and they were both working with builders and banks and manufactured homes.

And so on the weekends, by the time I was, I don't know, maybe 10, my mom was working in the model homes that are all kind of dressed up and you can tour them and pick your manufactured home and change a couple things.

And there was like a fake keyboard in there and just all kinds of funny things to play with.

And then so I was with my dad on weekends and they both worked entirely commission.

So I've never seen either of my parents work for a salary and my mom's dad didn't work for a salary and my dad's dad owned a motel and they all grew up on a motel.

So there's like generations of my family who wouldn't necessarily call themselves entrepreneurs but they're people who ate what they killed

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and that's what I witnessed.

Money was good, I think when I was like,
you know, when we were in San Diego
and I think it got tougher over time.

I remember very vividly being in a credit counselor's office.

I just can't believe they brought me

but there was no, I don't know where they would have put me.

Watching them cut up their credit cards,

like cut their credit cards in half

and put them in a clear jar with like other people's,

cut up credit cards and file for chapter 11.

Bankruptcy.

Yep.

Did you know what was going on?

No.

No, I still don't know what happened, I don't know.

As an adult, are you able to look back on that,

that first sort of chapter of your life

and figure out how it had a lasting impact

on various elements of who you are today?

I think it allowed me to,

even though it was so challenging younger in life,

to learn how to assimilate into different environments,

to, I guess, entertain myself independently,

to realize that authority was,

like adults were not trained to be parents

and weren't any further along with their maturity sometimes,

then I was at my age, I looked at teachers and thought,

wow, you have domain expertise, you know some stuff,

but I can tell that you're morally bankrupt

and I don't trust you

and why have I been put in your hands?

I think the thing that had the biggest impact on me

is how critical my dad was.

So he's half Italian and half Portuguese

and his dad was a mean, mean guy.

And my dad's very charismatic and I love him

and he's super chill now,

but when I was young he had a lot of pressure on him

and he didn't really have the best model

of what a great parent looked like

and I can't say he was a bad parent,

you know, he did his best.

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I know that both of my parents did their best with the materials that they had, the ingredients that they had to be parents, but it instilled in me this unfortunate but also very fortunate always peeling back another layer of the onion, examining myself, but also a real internalized drive to do better and a self-criticism that has worked very well for me. That's been challenging. It's challenged my confidence over time, but it also has been a superpower to, in some ways, I don't know, in some ways hold myself accountable because I'm always, I almost want to say second guessing myself. But also very, in a very, I guess, someone said Jesuit way at one point, but a way where I can see both sides of everything, you know, challenging my doubts and my ego, but the problem with that is sometimes it's hard to differentiate between the two. What is, you know, fiction and what isn't and what of my self-critiques are accurate because I want to be, and I think I am a pretty self-aware person. And even with the things that I'm not great at, I'm super proud of that because I've got a ton of advantages and things that I'm really great at. But I think it was the criticism I experienced early on in life for so long that instilled that in me, and I've learned how to turn it into something that's more balanced than what it was when I inherited it. When you inherited it? When it was handed to me, you know, the model I had, the level of critique that I had that didn't have the counterpoint that I'm able to provide for myself.

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You're talking about your father here?

Yeah.

He would critique you?

Yes.

When you say critique, do you mean...

Oh, that's naughty.

Don't do that.

No.

No, like, that's not how you do something.

Or why did you do it like that?

Or can you not?

Or, you know...

I mean, I love my dad,

and he's...

You know, as both of my parents have gotten older,

they split when I was 17,

and I've just watched them

both become such better people.

I remember congratulating them

when they finally split up

and was so glad

at 17 years old, and I was also like,

I'm out of here.

Yeah.

You seem to become a bit of a rebel,

you know, from when you moved out

of your parents' house

for the next couple of years.

The behavior looked really rebellious.

Oh, yeah. No. I mean, I was rebellious

from a very early age.

I remember

in middle school, a teacher,

I was eating an apple in class.

I was eating an apple. It was healthy.

I was hungry. I've got agency over my body.

I didn't know what that word meant.

I'm hungry. I'm going to eat food. I'm a human.

I'm hungry. I'm going to eat food

in the middle of class.

But, like, who...

How could you tell someone not to eat

when they're hungry? It's like a simple bodily function.

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And it keeps me healthy
and it's going to make me a better student.
And it's...
And the teacher told me to throw the apple away.
And I just started the apple.
And, of course, I had the attention
of the entire class.
And I got up
and I
sauntered over
to the trash can
super slowly.
And I just, like, ate the apple
all the way to the core, like, super fast.
Finished the apple and was, like, dink
in the trash can.
So I was like that.
If someone said not to do something,
I did the thing that they didn't say I couldn't do
that was similar.
It was peripheral.
And then by the time I got to high school,
I was going to the Anarchist Book Fair
in San Francisco.
I was sure capitalism
was, you know, the worst thing ever.
I was very angsty.
I thought that
adulthood, it's funny,
there's a Netflix series about my life
and the first thing that the character says
is adulthood is where dreams go to die.
And it's so weird to reference your own Netflix series.
Like, who does that?
But that's how I
felt. I wasn't trying to be a child,
but I also didn't want to go
work in an office. I also wasn't ambitious.
So somehow
along the way that
lack of desire to live a conventional
life became something that turned into ambition
because I

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didn't even ambition just curiosity, something that
I was good at and, you know,
eventually built a business.
But I,
in high school,
in high school,
I remember
bells, like right, there's a bell that rings
and you go from one room to another room
all day.
A bell rings.
You sit at a desk, a bell rings
and you stand up
and you shuffle over to the other room
and then you sit down
and you like memorize some stuff
and then you like, this is my youth?
I was sure I was being trained for something
super mediocre, not that I wanted excellence,
I just wanted out.
Why are you like that?
Because, you know, all the other kids were cool.
I came out like that.
I actually came out, I came out like that.
Yeah, it is not,
I mean, I might have
some hereditary
just kind of like Italian,
I'm not sure what,
or something, it's not,
it wasn't a nurture thing, that was
a nature thing, or I don't know, I just
like came out,
I actually hatched out of a disco ball,
but that's the way
that's how I came out.
I had a Gabal Mate here
who's this like, I think he's just interviewed Prince Harry
actually,
in a little like, pay-per-view
therapy session or whatever, and Gabal Mate said something to me
that I've been pondering ever since, he said that
as children, we're like narcissists

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and we are that way because it helped us to survive, so we think that everything is about us when we're like babies and young, so if the parents were arguing, we actually interpret that as there being something that to do with us and that's the way we view the world as a survival mechanism, he says one of the things that happens when we're a young child and we're in a house where there's lots of arguing and lots of drama and shouting, is we learn to avert our attention as a way to help us deal with the emotional distress, and that develops into something they call ADD and ADHD.

Yeah, I took Adderall this morning.

Well, yeah.

Just to prepare for the podcast, just kidding, you know, I have major

ADD.

ADD.

But they diagnosed me as a kid and I was like, no, this is mind control.

Forget it, I'm not focused because

I thought it was situational, I thought it was my environment and it

maybe was partially because I wasn't interested in what was happening

and distracted because I was curious about other things, but also

it's a real thing and it wasn't until

a few years ago that I finally

realized it was a thing

and sought treatment

and it's helped, but it's helped marginally.

It's not

helped. How did you realize it was a real thing a couple of years ago?

I mean, I go to

a psychiatrist and I talk about

what's going on with my brain

and

do what I can to

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help myself
holistically,
but also I know
I'm also predisposed to depression.
I'm not predisposed. I've suffered
with depression my whole life.
Since when? My whole life.
I can't remember an age where
I wasn't
depressed.
I wasn't always miserable
but I'm kind of a dark.
I'm a little dark
and that's not something
it's hard to pull yourself out of a hole
when you don't want to get out of bed.
Like that's
I don't have the willpower
to just get over depression
and put on a happy face
and whatever people do get in an ice bath
and jump in the sauna and meditate
and
I'm still struggling to be the well-rounded person
but I'm functional.
I think we're all struggling to be a well-rounded person.
I don't know. Some people seem to
have these parents that teach them that
and they come out and they're like
boop boop boop boop boop boop
and that's almost
punishing to be like
but
yeah, there's people
who just seem to you know
and some people come out of the womb like that.
I know parents that are creative,
chaotic, I know people
who are well-rounded, whose parents were
addicted to drugs and somehow
they just wound up like that
and how to attribute that to
your parents, that's a hard correlation

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to make.

Did you ever, you said a curious phrase
made me

ponder, you said I'm a little dark.

Uh-huh.

What do you mean by I'm a little dark?

Why are you giggling? You're making me think
you are a little dark. I am.

I'm not evil.

I'm not a witch.

I

am a

I guess I have

just

you know like I said I've struggled with depression

I'm not a bubbly person

I'm

not someone you know as a child my mom

has said

you only laughed when something was really funny

you know I think kids run around like laughing

and smiling because they're like children

or something but I had to have a reason

I'm not

sure why and it's still kind of like that

and maybe it's I don't know as an adult

it's become something that requires

it's just being genuine

and maybe I'm not

I think maybe I'm not impressed

maybe in general I'm just

skeptical. You went to see a psychiatrist

when you were 16. Oh I went to see

a psychiatrist when I was like

10. I mean I was

in therapy when I was like 10

11. With what symptoms?

Trying to be diagnosed like what's wrong with her

why can't she stay on task

why is she so weird why doesn't she get along

why is she distracted

so I have report cards

that say

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chooses to disturb others
you know doesn't stay on
task it's stuff like that
it was like I was always like
you know not paying attention curious
about something else engaged with something else
it wasn't always to be rebellious
sometimes it was very good natured
and I would get in trouble for things that I
didn't think were bad or intend to be
bad it was also just very
a very willful
independent
thinker
who didn't fit into a traditional
educational environment
and you know
that's something
for whatever reason seem to be
needed to
be diagnosed
but then I was like no
I'm not taking well mutrin
and I'm not gonna take it's like an antidepressant
I didn't take it I was like no I'm not taking any
of this
that was by high school so you were 16
around that time when they yeah 15
16 and I was like this is
it's
I don't feel like myself
feel wired and weird and
I got out like I think
I got riddling and someone tried to buy it off me
and like high school and I was like what do you what
I don't even get it it's like
I'm just throwing this stuff in the trash
and
then so you get
diagnosed and prescribed antidepressant at
16 ish
your parents break up at 17 ish
I move out

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I move out at 17 before I graduate
high school I was homeschooling so I got my
diploma in the mail I thought
like most embarrassing thing would be
would be to wear the cap and gown I was
like what is that I don't understand
what's the tassel
why do you have to wear a robe what is this robe
I wouldn't
proud standing in a group doing some
group thing I'm not a group person
even though I've built a lot of really
powerful communities
I'm not I don't assimilate well into groups and
I think groups are responsible for the most
painst things in like human history so
so I moved into a closet
you moved into a closet under the stairs
for \$60 a month
with a sleeping bag
these guys that were like in bands
and artists
who had met going to shows
because I was really into music
and went downtown in Sacramento
and saw music and
what was the plan in life at that point
was there a plan you know you're like 17-18
no he told me there was a plan
I wanted to go to
first wanted to go to Reed College but that was
expensive
but then I wanted to go to the Evergreen College
so by the time I was 18
I had moved to Olympia Washington to get
residency to go to the state
school called the Evergreen State College
which is a
super duper hippie
state school that's interdisciplinary
and there's no majors
to the point of it not
really being worth

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going but if I was gonna go
to college I was gonna go to a place like that
but even state tuition
was expensive so I lived in
Washington state for a year
to get state to get residency
so I could go to that school
and by the time I got residency
I was like this school's not gonna
do anything for me
You described this chapter of your life as being very lost
Super lost
super lost I was looking for my
I kind of hate this word
tribe
I was looking for people like me
I thought I would find people like me and then
all would be well like
you know some Disney character
that you know ugly duckling
or someone who
loses you know they're lost from the wolf
pack I don't know what these movies are
and then they find their family and
people understand them and so
from the time I was 17
I moved from
downtown Sacramento to Olympia
Washington lived in two places there
Seattle lived in two places there
San Francisco
lived in one or two places there
Oakland with my alcoholic
fry cook boyfriend
and I had met in Olympia
we couldn't get jobs and
my parents were like yeah
we can't help you with college stuff
so
then we moved to
Portland I was a stripper
I was lost I was lost
That's an interesting turn of events

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Yeah
that was an interesting turn of events
and
That chapter of your life in some ways
mirrors the transience of the start of your life
you said you moved to like 8
or 10 different schools when you were young
and then when you leave the nest you end up bouncing around
as in your own words like
looking for your family
I was yeah I was looking for some place
to belong and I never found it and I kind of
love that
cause it's forced me to make
my own and forced me to stay a creative thinker
and also I don't know
this isn't fair but the people
in some of those communities
like peaked and never left it's like
you know I listen to pop punk in high school
can you imagine
I'm sorry if anybody listening is like
never graduated from listening to pop punk
but if you don't graduate
to metal or
some other
it's not even more sophisticated but
like less juvenile
varieties of rock
it's the same as finding
you know some
comfortable community when you're
20 and then never leaving
that sounds
awful to me so
I'm glad I didn't find
a comfy place
and it's been uncomfortable since then
How long did you try the stripping thing?
I don't know
I mean when you're in your late teens
early 20s
time just feels

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like it felt like a decade
that I was bouncing around to these places
probably 3 or 5 months
it was fun
I loved it nobody pulled anything
I never got
messed with I drank my white
russians and ate the subway sandwich
from next door
and played photo hunt
and I wasn't even 21 I used
someone else's ID to work there
and I got to dance to music
that I liked
I made money I didn't really have to engage
with anybody
and I got really comfortable with my body
in a way that I hadn't before
it was cool
You know they say
I read in your book
where you said that you
believe you hold the world record
for having the most shitty jobs
like back to back throughout that period of your life
they say you know I've learnt this from this podcast
that every job teaches you something
and that thing can be applied to business
there's always a sort of a transferable skill
or whatever learn
what was the transferable skill
that you learnt from stripping
today
I think that
even though I wasn't
didn't have the upper body strength to be
the traditional one upside
down swinging around
what I could do
I mean it was like shuffle around
and whatever
was enough and still
charismatic enough and still

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great enough to entertain
other people
and then being comfortable with my body
like exposure therapy
you know I was the girl at
18
I would like make out with someone
and then if I was like naked or something
I'd like
put on my clothes to go to the bathroom
or something I was like
not
I didn't sleep with anybody until I was 19
so I was kind of late by 20
I was
stripping in Portland
I'll tell you the crescendo of that experience
so dating with
the alcoholic
fry cook who was 10 years older than me
I was on birth control
I went off birth control
for like one day
and there was almost
we were hardly even
you know engaging
in the way that someone might
like get pregnant
like so
briefly like that day
and then
no other day
yeah I'm like I don't know
who's watching
and I wound up
I wound up pregnant
so I'm like 20
maybe 19
and
I went to the sliding
scale women's clinic
and
but it was the only day I could get in

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but it also happened to be
the day of my court date
because I had
gotten arrested for shoplifting
so I had to have the women's clinic
write an excuse
to the court
telling them why this poor girl
couldn't make it
to her court date and the whole thing got there
just I kept following up to be like when is it rescheduled
and I think they all just felt so bad
for me it kind of vanished
but that was that was like
okay no more shortcuts
it wasn't like I'm gonna go be a CEO
but it also
just
taught me that
breaking
some rules puts you in
other people's hands
and I was
you know being arrested I'm not
as autonomous as I
would have liked to have been and
you know even with stripping to a certain extent
it was a shortcut I was trying to evade
like working hard but it was also
a lot of fun
but that was really
that was a low point
it had lots of low points
but at least it's like this right
it's been like this
you know
doesn't
this doesn't ever go that low
there's clearly a slight issue here with
authority and it feels to me like
the ultimate authority which is the law
eventually was like you can't fuck with us
we're not the teacher

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I like maybe just figure out how to
get along
it wasn't like wow I'm gonna go have a career
and do everything
I'm gonna just do everything differently
but also
I just didn't want to cut corners
I didn't want to
end up
not in control of my environment
or stuck in jail or something stupid
shoplifting
mm-hmm
where'd you make that sound
it was fun
what was your favorite thing to steal
I don't endorse shoplifting
neither do I
my rationale for shoplifting was
that there was so much excess
in
our culture
that it would never make a dent to steal
organic tampons from Fred Meyer
which is like Target
in Portland or whatever
so
when I did get caught
and this was my favorite thing was just walking out
with stuff
so I would get a whole shopping cart of stuff
I had a little teeny tiny little
razor thingy
so I knew where the sensors were
and I would cut them off they were there
and
pile a shopping cart
high and just walk out
with no bags or anything
I did it at grocery stores
I furnished apartments
places with literal rugs
this high

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just walked out because nobody expects you to be that obvious about it they're looking for somebody who's putting stuff in their pockets and when I did get caught I had a George Foreman grill I think a basketball organic tampons some food really nice shower curtain rings they were metal and then they had ceramic they were heavy and they had a ceramic thing that said hot and then the other one said cold and I was like yes this is this is luxury worth jail time and I built an online business and the first thing I sold online was stolen so another thing and I learned this from people who were professionally trying to avoid getting jobs and participating in capitalistic culture which is a privilege it's lazy it was I was really young and I just didn't want to work you know it was some kind of quasi political lazy excuse for just not working hard anyway I learned from some of the best I had a friend who had written a book called Evasion literally and I went to Barnes & Noble and they had a no chase policy like I knew what the policies were at these places

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because if their employees
chase someone shoplifting
it's gonna cost them way much more
if they get like a knife or something
than it would for them to lose a few books
and so I would
go on Amazon
and I would look at the
best selling books
this is in 2002
2003 it's like
and
even look at the ratio of
most expensive book to lease pages
so I could stack them
as many of them as high as possible
and I would just walk to the front
like the front of the store would have all the best
sellers and huge stacks
and I would just like
pile them high I look like an employee
like who's carrying a huge stack of books
I was right in the front of the store and I just like
walked my car and I
put them on Amazon for 10 cents less
than all the other resellers
I'd sell them overnight
I'd ship a media mail and I'd pay my
\$350 a month rent
Why weren't you scared?
I think I was
but it's when you get scared that you get caught
and it's when you hesitate you fail
it's the same thing
if you're snowboarding and you're like
uh oh it's kind of icy
let me look down
you're just like pfft catch an edge
you're surfing and you look at the nose of the board
right
so even that's what you're a life lesson
I guess I guess
I'm not proud of this

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I was really young and I was finding my way
I never
stole from individuals
that was like not on thesis for me
who can justify it
no I couldn't justify it I would never
feel comfortable doing it
but big box retailers
I was like
over the last couple of how long
for months I've been
changing my diet shall I say
many of you who have really been paying attention
to this podcast will know why
I've sat here with some incredible health experts
and one of the things that's really come through for me
which has caused a big change in my life
is the need for us to have these super foods
these green foods, these vegetables
and then
a company I love so much
and a company I'm an investor in
and a company that's sponsored this podcast
and that I'm on the board of
absolutely spoke to exactly
where I was in my life and that is Huell
and they announced Daily Greens
Daily Greens is a product that contains
91 super foods
nutrients and plant based
ingredients which helps me meet that dietary
requirement with the convenience
that Huell always offers
unfortunately it's only currently available
in the US but I hope
I pray that it'll be with you guys
in the UK too so if you're in the US check it out
it's an incredible product I've been having it here
in LA for the last couple of weeks
and it's a game changer. Ladies and gentlemen
our newest brand partnership will come
it's no surprise to regular listeners on this podcast
the first episode of 2023

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I was joined by the incredible Professor Tim Spector to hear more about his work at a company called Zoe using data to understand our bodies better so that we can live more fulfilled higher potential lives Zoe was born from the truth that our overall health is impacted by our gut health by helping you to understand how your body is working Zoe can help you to reduce your risk of long-term disease and increase your energy levels for me this is the future and that is why I became an investor in the company and that is why they are now a sponsor of this podcast you can read up about everything they're doing and you can pre-order your Zoe program at joinzoe.com and they've been kind enough to offer an exclusive 10% off code CEO10 so you can put that code in and check out CEO10 thank you very much let's get back to the episode so by this time you're getting a little bit acquainted with the internet and selling things on the internet clearly because you're selling stolen stuff vintage mm-hmm why vintage, why did you start to sell vintage clothes yeah so by 2006 I had gotten some real jobs after I had worked in shoe stores and record stores and photo labs subway again dry cleaners I... how did you get on with those jobs? it didn't last very long I like jobs very alphabetizing though so record stores

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photo labs
bookstores
like paper makes me feel important for some reason
mailing things I don't know
worked out with my eBay store
and the last job I had
was in the lobby of an art school
in San Francisco
at 79 New Montgomery Street
called the Academy of Art University
it was a job I got because I needed
to get health insurance and at the time
you couldn't get health insurance
with the pre-existing condition
you...
is this your hernia?
yeah the hern
yeah so a hernia if you don't know what it is
is a place
it's a hole in your muscle wall
where your butts poke out of and it makes a little
bump and I had one
kind of in my groin area
called an inguinal hernia
and it didn't hurt
but they're kind of dangerous because they can
like if your muscle tense is up or something
they can get strangulated and necrotic
which is a disgusting word
so I had to get it fixed
but before I got it fixed it was kind of fun
I shaved everything but the hernia
my poor boyfriend
my poor boyfriend
and
it was entertaining it was kind of funny to have
a small lump in my pants for
a few weeks or something
but at the time
you could not get health insurance with
pre-existing condition even with depression
if you had medical records that said you had
depression and your insurance lapsed

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insurance companies would decline you now
that's not the case
you can have a pre-existing condition apply for
health insurance you'll be given health insurance
you could only
get health insurance
with a pre-existing condition
like a hernia
with group health insurance
with a job
so I had to go
find a job that had health insurance
and I got this job
in the lobby of the art school as a campus
safety host
which was a different way of saying
you're cheaper than a unionized security guard
and I wore a starchy white shirt
it was like a men's clothing
I had to wear this awful uniform
with like a magnetic
thing here that had my name
and the school's logo on it
and check students in
and say hi you need to sign in
can I see your ID that was
were you doing anything sort of criminal at this point?
my job no
so all of your money came from that
job and
and so there was a three month waiting period
for health insurance
and while I was there
I had to
I had some downtime in this lobby
and there was a computer
and there was no Facebook or Instagram at the time
this is
2006
and I
was starting to get friend requests from these ebay sellers
on my space
I wore only vintage

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I was like you know
rootin tootin scootin to like oldies
and rock n roll and dive bars
and subsisting on burritos
I wasn't necessarily into fashion
and I didn't want to be in
fashion but I loved style
and I loved vintage
and I loved thrifting
and I saw what they were doing
and their auction prices were
crazy like I thought heat street was expensive
because I had
shopped at thrift stores and found great stuff
and saw what their
auctions were going for and these were actual prices
that the customer was determining
they would start the auction price at
\$999 and these things were going
for like \$200-\$300
and they were just making it look like
something that
Sienna Miller or some boho at the time
it was like boho, Olsen twins
Sienna Miller kind of vibes
and
they would do that
put this stuff online and the customer
determined the price
and it was so much money
and so I thought okay so I waited
my three months for my health insurance
waiting period, got the hern fixed
and
I started an eBay store and I wasn't
trying to be an entrepreneur
I was trying to legitimately
not work for anybody
and that's when I realized
that I could connect my curiosity
and independence
and creativity
and resourcefulness

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to
something legitimate
that made money that I learned from every step
that I was taking
and
started nasty gal
selling vintage out of my boyfriend's apartment
Before that point
would people have called you lazy
or unmotivated?
I didn't know any people who would have said something
like that because
my friends were just like me
so people
objectively
I think just lost
I think it would be a judgment to say I was lazy
I can relate to so much of what you said
especially all the stuff about authority
I just decided to stop going to school
and I was polite about it but I've always had a
challenge with authority, every job I had
through that period of my life lasted for three months
I was just call centre whole thing
get to the bonus, threshold, quit
because it'd be two months where I don't have to get a job
call up another call centre
I'm one of them
and it's funny because I think people would have looked at me
in school and stuff and said
like written me off, oh he's lazy
my thesis is that
most people are lazy and you should be lazy
for things that you absolutely hate doing
because you should be
I'm only motivated by things I'm curious about
if someone assigns me something
I've tried to write a second book
I published two books after Girl Boss
which was a thing
I can't
I cannot be assigned something
it either comes out or it's not there

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Do you think that's the rebel in you?

It is

but it's why everything I do is so inspired
and honest and

I don't want to be like I'm unique but

Because you never accepted or learnt compliance

It's an actual representation

of who I am and what I think

and how I feel in my perspective

instead of a manufactured version

because somebody has given me an assignment

Like you didn't even want the bell in school to tell you what to do

No

It's a gift and a curse though right?

I mean it's pretty logical that you

would question

what a bell ringing

and someone moving from

one room, the same room to the next room

every single day

Do you think anyone else questioned it?

No

But if you really think about it

it's pretty wild right?

That e-base

store that you start in your free time

when you're working that job

you took to fix the heron

and

it was successful

and

you kind of frame it as you saw

maybe a price arbitrage or whatever

but it's more than that

to be successful at that time

I'm sure a lot of people saw that price arbitrage

and they didn't build a nasty girl

so when you reflect on why and how

you were particularly successful

how did you diagnose that?

I reverse engineered everything

everyone else did

and did a better job

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and did it with my signature on it

Do you think

and I'm thinking now about that bell again in school

where you were like analyzing the bell when no one else was

do you think that kind of default

to thinking in terms of first principles

like asking the question why

why the fuck do we do it that way

has been part of the reason why that e-base store

was successful?

I think so

I think

most people that start an e-base store

are not being what other people are doing

they might reverse engineer some things

and see what their competitors are doing

and I did that

but I just did it ten times better

with a totally different spirit

with excellent copywriting

with great styling

great models and increasingly better photography

and

I was

extremely resourceful

I would buy stuff on ebay and sell it for more than I paid for it

I was searching for

just misspelled

you know

misspelled

even that's first principle thinking

you've got a convention

on one end which says do what's being done

and then you've got these first principle

thinkers who kind of think first about

what they know to be true

and they're really good at filtering out convention

they can kind of see through it at the truth

whereas convention is safety

it's comfort, it guarantees you

a pre-tried blueprint

so people follow that

but then these other little rebels

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they have this almost inbuilt ability
to just like fucking see through
to that truth that nobody can see
and in that case I mean that's a great idea
but even caring more about the copy
and you having your own belief as to why the copy mattered
or the photography
like why photography really really mattered
on ebay
which a lot of people wouldn't have had
and it was called nasty gal
the spirit of it was really irreverent
at the time the ebay sellers were selling
like you know
it was called momma stone vintage
was a really big one and it was all very hippie-dippy
and vintagey and mine was vintagey
but it was like very
hard-hitting edgy
I named it after an album
by a woman named Betty Davis
who had an album
called nasty gal
she was so stylish
in the 70s
put out some incredible records
I married to Miles Davis for a short period
and was allegedly too
wild for him
her lyrics are just so
and I was stripping her music when I was like 20
and then I was like
cool nasty gal
and it cut through the noise and I think
when you start a business and you don't need to survive
you might have more time
to navel gaze
or you might do things super conventionally
but
when
you survive there are certain things
that other people have done right
that you can see

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accelerate what it is that
you may do on your own
but learn from them
and then also take
and make your own way
I think had I tried to do things completely differently
than everybody else
I wouldn't have
survived I would have been dead in the water
Speaking to something really interesting there
which is like this balancing act between
naivety which is great for
innovation and then convention
which is great for staying alive
I'm talking about the nasty girl
needing a CFO
you see what I mean
that's how I feel being a young founder
21 years old start this business
it grows incredibly quickly
the naivety made us interesting
but our naivety will also send us to the grave here
if we don't know what we don't know
I've been
I died and now I'm in the afterlife
and it did send me to the grave
my naivety and lack of experience
did send me to the grave
It happened so fast
that's a quote
it was shocking how fast it all happened
nasty girl went from doing
\$150,000 a year
to doing \$150,000 a day
and then \$150,000 over lunch
yeah \$150,000 over lunch
it was either
a day or over lunch
we all worked out of this warehouse
with kids in the east bay
in Emeryville
I had this 7,000 square foot warehouse
which I thought was the hugest thing

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and I was like when we hit \$150,000 a day
God was it a day
it must have been the holidays
I was like I'm gonna get a bounce house
you know those things
that people jump on the inflatable things
that children jump on
it was an upside down horse
and its legs were in the air
when you jumped on it the legs
on our breaks we got to jump
in the bounce house
I was like 23
24 years old
it did happen really quickly
to be fair, now you say it
when we raised investment for the first time
the first thing I bought was a 13,000 pound
slide
big blue slide which we had in our office
that was the first thing I bought before we got desks
talking about naivete
I paid off my mom's mortgage
oh did you
spend that with investor capital
no it wasn't with investor capital
no it was the first time I
made money
okay yeah no
they actually those investors did really well
they got bought out within six months
good job
what do you attribute at such a young age
I'm just gonna interview you for a second
because you couldn't have had a ton of
experience under leaders
to give you a model of what leadership looked like
you were naive
I couldn't empathize
with the people I was managing because I had never
experienced leadership and I just
showed up and I did what
needed to happen and what I said I was gonna do

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I didn't understand that people needed to be held accountable because I held myself accountable especially C level executives and grownups whose careers were longer than I had been alive like how did you do that at such a young age well I think I messed up I think like for the first two years I hired people that were very very inexperienced and I reflect and I go I think I did that because I thought they were easier to manage and I couldn't fathom the concept that I could hire someone who was two times my age and three times my experience and A they'd want to come here and B with us with with our slide and dogs and tree and basketball court and ball pool and they would like take us seriously but also like B like maybe there was an insecurity about how I'd manage them and so what ends up happening is you hire lots of like young people you know I remember the BBC did an article saying is this the youngest company in Britain because I think we were like somewhere but our average age was maybe 20 or something and we had like we had like a hundred almost a hundred people you know and you feel the strain of that you feel things breaking you know this is where you go convention is right about some things processes HR finance you feel things breaking at the seams a little bit because of the growth and then at some point an adult enters the room and you go oh I get I get this and so we hired some some really really great people and the great thing is great people hire great people so we went from being this kind of very lopsided and experienced organization to being a balanced one and I say balanced because it's my belief that to own the

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future you have to understand the present
which is why you want to hire a 16 year old that gets
tick tock or whatever and you also
need to hire someone that's maybe
much double their age
experienced in client services
and understand the old rules of the game
if you understand both games you can
understand the game of the future I think so
made a lot of mistakes and
when I nearly went under several times and had to
call people and beg for money
in the lead up to payday but
somehow managed to
survive but going back to you now
I feel
that we missed a part because you know you're at the
you went from starting that store
to bouncing around on that bouncy castle thing
we call it bouncy castle
horse castle between there
between that bouncing on that horse castle
and the starting the store
what what happened
so
first year
just on eBay did \$75,000 in revenue
I was the only employee it was just
pure cash all of the money
just went back into the business I didn't even know
what expensive things I would have wanted
I had never eaten an oyster
you know I was drinking like
Budweiser
still like eat subsisting on Boston
market and like Starbucks
so I didn't spend any of that money
I thought building a
business and I think for the most
part it is
was
selling things for more than you bought them for
and not spending all the money

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that's it
that's all and so I bought things
I sold them for more than I paid for them
and no one else would have given me money
parents were gonna give me money
I think I had a credit card at that age
I didn't understand what
venture capital was and I was living in the Bay Area
and
had I not bought the company to eventually
you know \$28 million run rate
super profitably
I would never have known
and so
yeah year two
left eBay about halfway through and launched my own website
nastygalvintage.com
and did
\$250,000 in revenue
the next year did 1.1 million
the next year did
six and a half
the next year did 12 and I was coming off
a \$12 million a year
revenue
owned 100% of the company
I had a bunch of kids
working for me
and that's when venture capitalists came in
and at that point
you know
we were selling non-vintage stuff
what really allowed the company to scale was going
to trade shows and showrooms and curating
from the market based on what I had learned
from my customer having sold
vintage to them so I knew
them very very well and that gave me the ability
to then go by
greater breadth and depth
in
things I knew they would love
and that's what

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2011-12

venture capital comes in

2012 was when index ventures invested

\$60 million

on a \$350 million valuation

on a business with a \$28 million

run rate

you were profitable at that time

significantly

pretty significantly

I don't know

I didn't even look at that

I never had to learn to read a P&L

because my company was profitable

and I just generally knew

how much it cost to run

and I didn't buy

expensive office chairs

did you know your gross margins

on the products?

on the operating margins?

I didn't understand what an operating margin was

pretty incredible that you can be running a business

that has a \$28 million

a year run rate and not know

what operating margins you're dealing with

or what your net profit is

it's a luxury but it was also a disadvantage

once we plowed

\$60 million into the business and things got

a lot more complex

and less profitable

You talk about that \$60 million

going into NASDAQ in 2020

2012

what did it break?

hmm

I mean we

no longer had to live within our

means that's what investor money does

unless you maintain profitability

and keep that money in the bank for

another time

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or pocket all of it as a founder
we
you know I had hired a COO
at that time
I had a top tier
investor on my board
and
very little like
historicals
data financials
to base
the future growth on
but it had been exploding
just continue to be exploding and with that capital behind us
we could grow even faster
and
the expectation was that
the next year we would grow from
\$28 million in revenue
to \$128 million
in revenue we just rounded up by
\$100 million and then we hired
into that and we bought into it
oh you believed it and everyone
I had grown ups
forecasting this stuff with me I relied
on them it's why I brought them in you hired
the right ones
clearly I didn't pick the right ones or
not sure what happened but I remember sitting
in a room with them
and
us deciding I didn't push for it this
wasn't you know
we're going to just grow by \$100 million
this year and
someone put a plan together and
this is we hired 100 people it was like the
Tower of Babel you know that story
you don't know it's like a biblical
story where
people are building this
tower or something but they all speak

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languages and
I could be completely wrong
I don't think I am
but none of them get along or understand
one another and it was
it's just a mess trying to integrate 100 people
into a company in a year
especially a company with no processes
and
no real intentional culture
that had been established
no real intentional
anything other than
the brand
the spirit of the brand
what needed to be done
it was like a family business that just got
really big it was
I was a kid
how are you feeling in terms of
at this point in terms of what's going
on around you
\$60 million has just come into the
bank account you're looking at it thinking that's a big
fucking number
because you have a valuation of \$350
yeah
I'm worth \$280 million on paper at this
point
and wherever you go they'll lead with that
and remind you of it and you'll be treated as such
even though it's paper and it's not real
it's not your bank account
how does that make you feel
then they put you on the front cover of Forbes
how does that make you feel
it was a blast
I didn't do
any of it to have glory
or go on a victory lap and I wound up
with it and I embraced it and I had a lot of fun
it distracted me
you know the book in 2014

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turned into a phenomenon
you know
it was champagne clinks
for some milestone with the company
or new hire
promotion
at any given time
people would come up to me and say
congratulations
and I had to ask which thing
they were congratulating me for
it was
it was just like oysters for everybody
finally
you know I got better taste
in wine I got better taste period thank god
but now I spend less
money with a good taste
that I had to spend a lot of money to acquire
a lot of my own
but did you feel
did you feel like it made
sense
like the image that
had been built of you at the time that the world
is now like oh my god
is that what was going on inside
I think it made sense
I think it was a freak show
I was a community college dropout
who bootstrapped a business to 28 million dollars
in revenue
super profitably
investors came out of the woodwork
top tier ones anointed me
as
someone who could pull it off
and I didn't know what I was signing up for
or what I was supposed to pull off
but
it was
the richest story
imposter syndrome

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any of that
for sure yeah
I mean I still walk in rooms
and I'm here I was
talking to your team and I was like oh my gosh
you guys have really big people
I hope I can keep up I say like a lot
I'm
intimidated I hope I can provide some
value what are the comments on youtube gonna say
is this gonna be a valuable
conversation I really hope people like it
you know and she was like
what you wouldn't be here if that wasn't the case
what are you talking about
you're great
but I get nervous
I get nervous on stages
and I'm still like
I don't belong here
but the I don't belong here
is also a really great motivator
the I don't belong here is
I snuck in the back door
I don't belong here means
I can do things differently
and a belong here means
I don't fit in
but that's gonna be a superpower
and I think
it's okay to feel like an outsider
or an imposter
sometimes because
you find yourself in places where
you have
an outside perspective and are able to learn
things
unlike the people
who are invited to the table who all showed up
there with the same pedigree
and then you get to make
oblique connections
between

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who you are, where you came from and then the door
the room that you just snuck into
as an imposter
that is radical
would you remove that
self-doubting voice if I put a button
in front of you and said you press this you'll never die yourself again
no
it's so boring
I had a coach recently
and he was lovely
we did five sessions he was like \$5,000 a month
and I was like
taxes
I'd buy something else to save on taxes
and
he was like can you imagine
he asked me that word
he asked me that question and I was like
but
what would I struggle with
who would I be if I
didn't have challenges
and I was happy all the time
the scaffolding would fall apart or something
that's a story
I tell myself
but it's fun to have
a dark counterpoint
to hold yourself accountable
maybe it is that or not that
and I think that counterpoint
is an opportunity to
gain self-awareness
do you think it's additive to your performance
or reductive
I think it can slow me down
and I can make really
slow decisions
because I doubt myself
but
beyond that
I think I've found a way to harness it

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that really works for me
have you developed
a decision-making framework to help you navigate
the two voices in your head
it's funny because when you're describing your mother and your father
it felt like those were the two voices
your mother would seem to be very supportive
in what's critical at times
or pessimistic
have you found a way of being able to
juggle those voices
so that you can make decisions
decisively and quickly
no
no
so I can have these conversations
and when I do
make a decision
I've learned to be slower with making decisions
because I either make them extremely quickly
or
in an accident
so I want to be very deliberate
in the decisions that I make now
and think more critically
rather than navel gaze
or be reactive to something
I went to this
retreat
even though it's not really a luxury experience
with 30 other people called the Hoffman process
and it's seven days
with no phone
no internet, no books, no music
you're with 30 other people
through this process
of mapping your patterns from your childhood
against your parents
and how you inherited that
and it's all directly correlated
and basically
graduating from your
emotional child

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into an emotional adult
super embarrassing
weird process
so dorky
and everybody came with something different to work on
or what emerged for them
I feel unloved
I don't feel unlovable
my thing
it sounds really weak
I don't trust myself
I don't think I'm deceiving myself
but I think I can rationalize a lot of things
to the point where
I'll tolerate them
too long
and that's gone for relationships
that went for my most recent relationship
and so that's a strange thing
I don't trust myself
because I do have these
voices
I don't have voices in my head
but
I can see things from any perspective
and not be
totally attached to either one
to the point of
being slow
and asking for too much advice
In that retreat
did you have to sort of
go upstream and figure out where that belief
started
is that the point of that retreat?
Did you figure it out? Did you go upstream?
What a good question
You're very good at this
I think it was that my parents didn't agree
on how to raise me
that I felt misunderstood
that my good intentions were sometimes
construed as

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troublemaking
that the fact that I didn't fit into the environment
I was raised in
I was
not accepted and I was some kind of
weird deviant
when I was just being myself
and felt punished for being myself
and I think that
gave me like a lack of confidence or something
and I don't identify with being an
unconfident person
but when it comes to decision making
when everyone around you is telling you
a different story about yourself
than you have
and doesn't understand
why you operate the way you do
that is really
with integrity and in line with
who I was and what I needed to be successful
as a child
if other people like live in a different world
and don't understand
that those are your needs
you just feel wildly alone
and think wow I
am a freak
and that
found its way into my career
through the public too
which has been super fun being told I'm
something
that I'm
mostly not
what have you been told you are
oh gosh
um
so nasty y'all fell apart after 10 years
it was a quick rise
and it was
it was a slow rise
and it was a

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relatively quick fall
couple years in the making
and when it did fall
the headlines were
crazy because I had had all this
press from this book I published
and being the poster child of entrepreneurship
going on the victory lap
national inquires had
had a picture of me and it said
rags to riches like straight up tabloid
American dream
stuff like a caricature
and I didn't realize
the amount of responsibility I had to like
other people as an example
like I kind of did
but as some symbol for entrepreneurship
or my generation
you know the generation of the
entrepreneurs coming up behind me or at least
what the press thought I was
responsible for
the
you know there were headlines like
does the failure of nasty y'all mean
millennials aren't ready to lead
it's like wait how is one example
representative
of a generation
and I've also read
headlines like
when the netflix series came out
the worst thing
about netflix's girl boss is its source
material
not even the show
just me
but I'm not bad
I don't believe it
how does that make you feel at the time though
by the time that netflix series came out
I had been this hero

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as an entrepreneur
then I was this girl boss
because I wrote a
book called girl boss and it was pink and I
was like this and I looked like I knew it was up
but it was like 27
and then there was the me
whose company fell apart
the CEO there was the girl boss
who had built a
toxic culture
or just no intentional culture at all
that like warped into something that
wasn't perfect but wasn't
I still don't think it was the worst
and
now this person this conflation
of all of those things
with this girl on
the scripted comedy
which came out four months after I left
nasty y'all so the biggest
kind of personality or whatever
the humanity crisis
was
you know I'm on the cover of Forbes in
June I think of
2016 July of 2016
my husband of like a year's like
may I change my mind and I'm like oh my god
that wedding was so expensive it was devastating
but I'm just like god that wedding was so expensive
it was a great party
so in that space of like 12 months
you're on Forbes, husband leaves
netflix comes out, nasty girl
goes under
then netflix comes out
so the show had been shot when things
are all like up into the right
and you know we were working
through challenges there had been some layoffs
but the company was still you know

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100 million dollars a year
you know not profitable anymore
but a great brand
and something that was valuable
and
eventually
yeah like
fell apart and
there was really a conflation
of the hero
the failure and now this
girl four months later
who's a caricature
of a person I was when I was
22 in a scripted
comedy playing someone named
Sophia starting an eBay store called
nasty gal when for the first
time in 10 years
in my adult life
since I was 22 years old
I'm no longer associated with
the thing that I had built
and now there are
130 million homes in
195 countries
watching a story of someone that I
was
no longer
and no longer
trying to move on to move on when
there's a full PR campaign
about who used to be
you're someone who's as you said you've had a long
history with mental health challenges
but
what is it like in that 12 month
period what's going on
from a mental perspective
I had fallen in love again
I think I was still like travelling
I started another company
I maintained my mental health

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partially because I keep going
you know I don't stop
and like lick my wounds
I think I was also
I was also on anti-depressants
I wasn't
jumping for joy
but I also
knew that there was a huge
community that still supported me
who had read my book
500,000 women who bought it
and I went on to start
a company called Girl Boss
right as the Netflix series
was hitting put on our first conference
and I had my podcast
and I moved on quickly
and even though
the headlines weren't nice
the people who followed me
my friends, my relationships
everybody in my network
nobody bailed
like the girls who were inspired
by Girl Boss were refreshed
that I had face planted
publicly because everyone else
is face planting in private
and in the same way
that watching some
random community college dropout
from Sacramento start a business
with an internet connection
and a computer gave them license
to
yes they were inspired
but also
embrace their own failures
because the hero
face planted
publicly
and that can also

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inspire people
This is hopefully the most cliché question
I ask but
I want to know
because you have
from that experience you have amazing feedback
you have amazing insight
invaluable insight I would say
because when I think about the things that have taught me the most
it's not when things go right
that's a validation of your hypothesis
it's when things go tragically wrong and you go oh okay fuck
you have all of this new information
about which is correct to your hypothesis
so if we go back
and think about that fundraiser for example
a lot of people will hear
raise investment
at \$350 million and think
amazing that's when people clap
they get the champagne out of their oysters
for people listening that aren't in business
they might not understand
how that can also be a key reason
why the company ultimately went under
the \$350 million
why did a big valuation hurt you?
Yeah I think
the \$350 million valuation
is celebrated as it was
and how wealthy I was on paper
was the nail
in the coffin
it was then in 2012
where we were overvalued
and the expectations
that was
the next round of fundraising
that we do
is at over a billion dollar
valuation and so the company is doing
on an upswing
\$228 million

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in revenue
that's over 10 times revenue
in the fashion business
this isn't a technology business
this isn't Uber
this isn't an infinitely scalable marketplace
it's e-commerce
it was a different era of e-commerce
it was pretty early
it was the era of fab.com
which like imploded
and won Kingslang and Beechman
and ShoeDazzle
there was no playbook
there were no e-com veterans
or
I was hiring executives
who had worked at Macy's
nobody had
it wasn't called direct to consumer
at the time it was very very different
there was no Shopify
and
we were overvalued and I didn't know that
I didn't even hardly negotiate
I didn't shop a term sheet around
and say I'm going to pick the highest
price from different investors
I only had one term sheet and I was like
great I like you
yeah I was like you're awesome
you get it
you know what Danny said
when he invested
with something none of the other potential investors said
and that was you have a community
and I was like yeah
we do have a community
but when you have that much money
you don't know
there's been a nail in the coffin
or that there's a coffin
and that like you might be

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on your way into it
or maybe already laying in it
but just several years
in the future
and
when things are up
into the right
you don't see what's lurking
kind of below the surface
so when the tide lowers
you see the mud
you see weird crab shells
sometimes hopefully not you see trash
and it's only when things
recede
you see the mud that's underneath
and when you're on a victory lap
and you're hitting milestones
everything's great and everybody loves their jobs
and you're a hero
and as soon as things
go a different way
as soon as there's layoffs
yeah there are things
there are things lurking below the surface
that were dynamics
that were already
happening that
because everything was going so well
you know we're harder to
notice and
you know it's hard to be a CEO
it's hard to be a founder
I think something
a lot of people don't realize is that
you only know 10%
of what's happening in your organization
I had hundreds of employees
and ultimately everything was my responsibility
but I'm held accountable
for 100% of what's happening
and when something goes wrong
or something's mismanaged

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or someone has a bad experience in the company
the assumption is that
I have signed off on it
that that is how I want things
to be and these things are happening
you know cattiness
and you know
fiefdoms and silos
and duplications of effort
and all the you know the entire
spectrum of
things that are no fun
at a fast growing company
I didn't know were happening until
we laid people off
and then they were like hey
we didn't like it there
and some of that was
totally overblown
but also anything that any
employees ever said about me
or I've read
even though I don't agree with all of it
has been an opportunity for me to learn
and take from that how I could be better
because there's truth to
almost everything
Didn't you get an offer to sell the company
in dollars? Yeah I did
I owned 80% of it
So that would have made you
quick maths I don't know very fucking rich
Super fucking rich
And why
didn't you say yes?
I went to my investor
and I said
what do you think about this
and he said
you need to ask for more
I controlled the board
I owned the majority of the company
but I also took advice from people

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who I thought knew more from me
but I didn't know that my
interests weren't necessarily aligned
with the interests of my investor
whose interest is to
whether I'm worth it or not
have a piece of paper to show his investors
that says I'm worth
instead of 350 look
they're now worth a billion and they just make
up these numbers and then they can show
their people that your company is worth
more and that was
in his best interest and that's what
he was giving me advice based on
Are you mad that he said that?
I'm not mad
Do you wish you made a different decision?
Is that a regret?
It's a partial regret
but I also know that no deal actually happens
they're not
a real acquisitive company
they could have tried to acquire the company
I don't even know if they've acquired anything
integrating it into their company if I had an earn out
based on
them controlling it
and me trying to hit performance
benchmarks even if I had
sold the company to them who knows how it would have
played out I would have made a bunch of money
my life could have been miserable but 99%
of the time deals fall through
There's also in those situations
a lot of people trying to
get into the data room so they make an offer
so they can see your numbers and what you're doing and how your business is working out
and then they pull the offer later
once they've had a look into the data room and due diligence
yeah and then copy it
yeah exactly
so we didn't get that far

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I don't regret it
but
yeah that was a big thing
for me that would have been a lot of money for him
it was just a teeny tiny bit more than
what he had paid for it so that's not
a lot of them
it's not much of a markup for him
What is the advice you're giving now
to women that are
and men that are looking to start companies
in your community, the communities you're building
within your portfolio companies now that you're an investor
I can think of the
first piece of advice that I give
young founders when they come to me
I'm wondering what your first piece of advice is
I think for Bootstrap founders
the advice would be different
for founders in my portfolio companies
who are raising venture capital
my advice would be
get as far as you can before raising a single dollar
validate your idea
as soon as you can with the ugliest
like most basic
quickest thing your first product
should be super ugly get it in front of people
and get some idea
of whether it's valuable or not
before you go raise money
before you even try to market it
talk to every customer
every potential customer
and Bootstrap it
as long as you can if you can
because when investors do come in
your company is going to be worth more
than if you would raise money
when you just had an idea
and were asking for a check
when you do raise money
having a reasonable valuation

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is important
and a lot of founders optimize for price
because
bigger price an investor pays
the more ownership
the founder has
the more they're worth right
the more they're worth and the more eventually
they could make if they sell the company
but when you have a valuation
that's in line with
market that makes you an attractive
acquisition
something someone might pay a multiple for
that 10%
say you're diluted down to 10 or 20%
if you sell your company
for 500 million dollars
you're in much better shape than
raising 350 and owning
80% of it and going to zero
or whatever
and I think where things are right now
where is
a place that is
close to that
and founders aren't greedy
founders who are raising money in this market
no it's really really hard
they don't want to be overpriced
because the people who raised money over the last few years
raised it such a high valuation
these founders
nobody's going to reinvest in them
they've blown through their money
they're on an upswing
their company might be doing 2 million in revenue
someone told them they were worth 80 million dollars
and now nobody's going to give them money
I've as an angel investor
I have
three of these right now
and it's like Hail Marys

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two of them have figured out how to survive ones like
we have another term sheet
I mean I've been there
What about the psychological advice
you'd give to a client?
I would say to listen to your gut
you know there's going to be a lot of voices around you
and there are people who know more than you
and have
experience
and you should listen to them
but you should also
always maintain
and continue to cultivate
a voice that
when you know it
should be able to
supersede any advice that anybody
gives you
I think it's easy to
take all the advice because you're an
experienced founder
and
and to
lose touch with your intuition
and it's probably
what got you to where you are as a founder
without the money and without the experts
and if you
just rely on the money and the experts
you're losing the thing that
made what you're doing special in the first place
Which day was your hardest day over the last
year?
Since you first started
that store on eBay
is there a day you look back and go do you know
that period or that day was just
the worst
the hardest the darkest
Honestly
and it's weird the hardest day was when my husband
left

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and I don't miss him and I don't wish we were still together
I don't really think about him
I mean that was in 2016
but
I
had agreed to take a big swing in my personal life and make a huge commitment and I thought that bumps in the road were like to be celebrated I thought it was like wow okay you're not feeling great about things we're gonna work through this and we're gonna be so much better as a result of it because
I see commitments as things that go up and down and if you're in a commitment together you're committed to working through those things and it all comes out in the wash because you have that level of commitment to the other person and that wasn't the case for him and so
I felt like I was like hallucinating
you know I like went to a hotel for a week I couldn't be in the house it felt like a crime scene with his stuff around
and yeah
a whole week at the Beverly Hills Hotel with three poodles
is quite the scene with chain smoking in the courtyard in a bathrobe
has that experience put you off being a CEO of a big company
I mean yeah everything I've experienced has put me up for being a CEO of a big company
I'll never do it again
I don't want to that's not the job I want
I'm an early stage founder I'm a master at creating brands

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that cut through the noise
what happens though if you're running
a number of businesses now
you've got your fund
business class
what happens if it becomes
globally
you know
globally successful then
you're back to being a big CEO again though
I would have to work really hard
to make it that and I would have to
invest in that and hire into it
that wouldn't happen
by mistake I have one employee
on business class
business class is super profitable
I launch it twice a year
it's pre-recorded so business class
is my entrepreneurship program
I have two accords a year
April I'm launching it
and I launch in the fall
and
it's an incredible product but it's also something
that is relatively
self-led for the students it's 8 hours
of video and 300 pages of worksheets
and over 60 hours of
interviews with me like this with
entrepreneurs
and you know students get lifetime
access so you know they can take it
over the first 7 weeks they can take it
over the course of a year or the next few years
but it's not
something that requires a ton of my time
outside promoting it twice a year
and I built it for that
I built it for that I'm using
Kajabi and drip
for email and
you know whatever Zapier

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a variety of tools
that allow it to be
relatively low lift
light on human capital
still a lot of effort to promote
and something I do
engage with throughout the year
and to weekly calls of students
and post in the lounge which is our
community that's it no
I'm playing
I'm not playing small
with business class I'm playing
to my strengths that's big
and with trust fund
it's venture fund that I'm raising right now
it's a 10 million dollar fund
what I get to do is not run
a big company and keep trying
to apply this stuff that I've learned
over you know
over time
I get to go from 0 to 1
over and over and over again with early
stage companies and out of fund
I get to be in the weeds if I hired
a bunch of people I they don't want me to be in
the weeds executives don't want you to
micromanage but I get to look at all the
decks and I get to text the founders
and say here's what I think you should
do I can be helpful
and it's so rewarding to
harvest all of my hardship
on behalf of a new generation
of founders and help them
see around the corners that I wish
someone had shown me
around and
I get to keep my firm small
even if I have a 50 million dollar fund
I can do that with a few people
and

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I'm using the assets that I have
I'm the product my relationships
and my network and my access to deal flow
is my product
my expertise and ability
to help founders is my product
million social followers
and being able to amplify them is my product
the engaged
community I have who's interested in the kinds of
things I'm investing in will actually use them
is my product and I don't
I'm just
it's right here and it's an air table
the intentionality is what I
find most surprising
because so many people get dragged
by the temptation of external expectation
if it's great business class is great
but all accounts have been on the website
went on to I saw that the
waiting list is open for 2023
it said like join the waiting list for 2023
yeah so it's launching in April
okay the spring cohort
launches in April so you can enroll
for like a 10 day period at the
end of April when things are great
we get dragged by our own success
mm-hmm what you're saying is
you're going to be intentional and you've designed
it so that that's impossible
so that you can't get dragged because someone's going to come
along and say we love this we're going to give you a check
we love this we'll turn it into some boxer shorts
or some teddy bears
yeah no no I
I
have had the privilege of knowing
what's on the other side of success
and that a lot of it is not what you sign up
for and that when you are
successful you're stuck in it

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so I spent a lot of time thinking about what success looks like for me and what I want my life to look like and how many people I want to have around me and the kind of stakeholders I want to have so that I'm set up for success when trust fund is super successful which I can stay nimble with and with business class I've engineered that revenue was down last year to the year prior and that's so that's okay it's still profitable I'm not going to hire a bunch of people or a CEO or plow a ton of money into it trying to solve problems and pivot things so if I come along and say I'm going to invest 10 millions of you we're going to hire a CEO okay but you take the money yeah take the money just for the record guys when it's there take real money take take the money magical thinking what is that yeah I mean you can call it magical thinking you can call it magical thinking you can call it manifestation you can call it prayer you can call it whatever you want I think it's you know casting the line out not knowing what you're going to catch trusting you're going to catch it and we'll pull it back magical thinking is like Indiana Jones where there's the vast chasm between whatever in the holy grail and he has to trust that there is an invisible bridge and he grabs some gravel and he

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throws it out across this
literal kind of canyon
and
the gravel
just falls on a clear bridge
and he had to
like trust that when he walked
across that he wouldn't fall
and so I see magical thinking
as you know
thinking
beyond what might be obvious
thinking you're capable of doing things
that you shouldn't be
thinking you can
belong in places that you never thought you could
thinking
you can accomplish things that you're completely
unqualified to because nobody's
qualified to
being able to see yourself in a life
in a world
that's beyond your wildest imagination
and just staying there
we have a closing tradition on this podcast
where the last guest leaves a question for the next guest
your question is unfortunately not the hardest question in the world
I really wish you'd been given a real stitch up one
but yours is
fairly straightforward question which is
what is your proudest moment?
my proudest moment is
paying off my mom's mortgage
I mean that I can do that
that was crazy
that was the first thing I did
what about this then, what's going to be your proudest moment?
this requires a little bit of magical thinking
understanding what
is meaningful in my life
and actually spending time on it
you haven't figured that out
there are meaningful things but what is the

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people have kids and that's like
obvious and I don't know if I'm going to do that
I am super
agnostic about it, it's really strange
I'll be 39
in a month
but I think finding that and hanging on to it
what is
there some big meaningful thing
that I'm going to
find and cling to till I die
and it's easy when it's family
or easy when it's a kid
and you can create these meaningful things
in your life
but what is that going to be for me
when I'm dying, what is it
what will it all add up to
Sophia, thank you so much for your time
thank you for the inspiration
you've been an inspiration for me for many many many years
and that's why I reached out to you to sit here with you
and you are absolutely a superstar
in many many respects
but also because of your
inclination to be open and honest and vulnerable
you're incredibly inspiring
and the stories you tell in the way that you tell them
so thank you so much, it's a real honour to meet you
I'm equally privileged that you said yes to come
and do this
and I mean that, I'm not just like gassing you up or anything
I mean that, thank you
you're superb and I can't wait to see what you do
with both trust fund and business class
because they look like exceptional projects
I've looked into the reviews of business class
and with your fund
with the amount of information you've learnt
from your twisting turning professional career
you clearly have a huge amount of
intellectual leverage
and fire power

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that makes for a great
fund founder
so I look forward to seeing what you do then
Thank you
As you might know
the shows now sponsored by Airbnb
absolutely love Airbnb, always have always been a
you know, saved my life on so many occasions
and my team when we first got in touch with Airbnb
were talking about how most people
don't realise that their place where they currently live
could become an Airbnb
and I guess the second question there
is how much could your place be worth
and it turns out you could be sitting on
an Airbnb gold mine without even knowing it
some people Airbnb their entire
homes when they're away, that's what I did in New York
when I left New York
my place was on Airbnb and people rented it out
sometimes for a day, sometimes for two days, sometimes for a week
and it's a great way to cover some of the bills
while you're away, so whether you're looking to go on holiday
or you just want some extra cash for bills
or you want to buy something nice for a Valentine
that you love, whatever it might be
head over to
Airbnb.co.uk
and you can find out how much your current property
where you live can earn while you're not there
I suspect
it might blow your mind because it's certainly blue mine.