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Daymond John is the embodiment of the Entrepreneurial Mindset. He has been an analytical thinker from a young age, able to "do math and science in [his] sleep", and he has a knack for experimenting with business models to see what works. He grew up in Hollis, Queens, what was the "center of mass" of hip-hop at the time. Unfortunately, he also grew up during the crack epidemic, which hit neighborhoods like Hollis particularly hard. As he saw more and more people turn to buying and selling drugs, he did the math, and realized that between legal costs and jail time, he was likely to make more money working at McDonalds than from selling drugs.

It was discussed in class that everyone has the entrepreneurial spirit inside of them, and Daymond John agrees, saying "we all have the same engine underneath our hoods" [1].

When he started his business, the opportunity hit him. He followed the design opportunity pathway, which involves meeting latent customer needs. In the case of his company, FUBU, the problem was that the clothing brands that were popular amongst the hip-hop/rapper communities were not happy with who was wearing their clothes. This presented the opportunity to create a brand that supported those communities.

He began bootstrapping FUBU by putting his logo on his own clothes for exposure. After failing to get a \$500 startup loan from his girlfriend at the time, he noticed that a specific type of tied off ski hat was becoming popular in his target market. Following an effectuation pathway, he used his mother's knowledge to turn rolls of fabric into that type of hat. Importantly, he was able to do it for about 50¢ per hat.

He found a spot at the mall where he could sell his hats, catching people as they were leaving and entering. On his first day, he turned the \$40 he spent on fabric into \$800. While he lost the money almost immediately to pay off the costs of hitting

another car, he knew that his model was viable. Recognizing a viable model is an important part of the entrepreneurial mindset. After all, being an entrepreneur is all about experimenting with startups and knowing when to transition them into a business.

With a successful experiment, Mr. John was able to start branching out. Following a design thinking process, he was able to empathize with the "big black guys", who had to pay a premium for larger clothes. He was able to leverage them as advertising as well. Since most of them were bouncers or body guards who would wear the same pieces of clothing again and again, having his brand on the front was like having a billboard in front of bars and clubs.

He continued to branch out his business by sneaking into the MAGIC trade show, and receiving about \$300,000 in orders. To meet these orders, and with a \$100,000 loan, he converted his home into a factory. He was unable to keep up with demand, and on the brink of bankruptcy, his mother had the idea that he needed a knowledgeable partner.

He spent \$2,000 on a newspaper ad, and was able to land a partnership with the Samsung textile division. Using their resources to build the company, he was able to earn over \$350 million.

By sticking to strategies that worked, and avoiding ones that didn't, Daymond John was able to build a fashion icon from forty bucks. He is proof that the entrepreneurial mindset exists in all of us, and proof that with hard work, dedication, and perseverance, making it big time from almost nothing is possible.

References

- [1] Guy Raz. *FUBU: Daymond John*. NPR. How I Built This, Nov. 2019. URL: <https://www.npr.org/2019/11/01/775448775/fubu-daymond-john>.