

How to Turn Frustration into a Multi-Million Dollar Business Idea

Daniel Kane explains how a rubber band gave him the idea to launch his accessories company The Ridge.

September 12, 2019 8 min read

Opinions expressed by *Entrepreneur* contributors are their own.

Searching for the next business idea? The opportunity may be much more obvious – and closer – than you imagine. Fed up with having having a bulky wallet in his back pocket, Daniel Kane, CEO and co-founder of The Ridge, turned that frustration into a multi-million dollar brand. What started with The Ridge Wallet – which is now sitting in the front pocket of over a million people worldwide – has turned into a full suite of everyday essentials including phone cases, bags, Power Banks and charging cables.

Daniel was able to accomplish all of this by breaking one of the cardinal rules of entrepreneurship: working with family. His first hires included his father and sister. During our interview, Daniel discusses what it's like to manage your dad and shares insight on how you can start a brand without taking on debt.

An entrepreneur from the start

"I grew up just north of Los Angeles in Agoura Hills and had a number of odd jobs through high school. I would charge my tennis teammates and their friends to restring their rackets and did a lot of math tutoring. Really I would take any quick job that could help make enough money to hang out with

friends. Once I turned 17, my main source of income was always some e-commerce business. I started selling retrofit Rock Band drumkits through Reddit and other online forums with a few of my childhood friends. This was pre-Shopify and before I knew anything about digital advertising, so the entire business was pretty shoddy, but it was exciting to run after tennis practice and an interesting way to generate some cash.”

Related: 5 Priorities for Young Entrepreneurs

Turning frustration into opportunity

“I always hated carrying around a big, leather wallet in my back pocket. I just have never liked the way they make jean pockets bulge, and the annoyance of having to take it in and out of my pocket every time I would get in and out of my car. It got to the point that when I was in college, I began using a rubber band to carry around only the most essential cards and cash I needed for that day.

However, a rubber band, of course, looks pretty bad and doesn’t make the sharpest impression, so I started shopping around for a solution that would be more minimal than the traditional leather bi-fold while offering more style than a rubber band. When I couldn’t find anything on the market, I realized that there was an opportunity and that there were many other people looking for the same kind of product. That’s when the idea for the Ridge Wallet was born.”

Related: 9 Ways Your Company Can Encourage Innovation

Scaling his business with the help of Family and Friends

“By the time I launched The Ridge on Kickstarter in 2013, I

had been running e-commerce operations for years. However, we're a bootstrapped brand, so the first year really required us to have our hands in every phase of the product from design to packing boxes to customer service. I was really fortunate that my family and friends were able to jump in and take on what I couldn't, and many of them are actually still on the team today. My father in particular really helped me bring the brand to life. Being in college at the time of launch, I relied on him heavily to be able to attend meetings I couldn't, and his expertise and background as an entrepreneur have always been invaluable.

I didn't completely grasp the potential market size for The Ridge until we began experimenting with performance marketing in 2014. Between 2014 and 2015, we grew 10x with Facebook ads, going from \$30k/mo to \$350k+/mo in revenue, which was insane. A year later we had our first million-dollar month, and it's only continued growing from there."

Would you like to hear Daniel speak about starting a company with no VC and developing innovative products? Attend his free Entrepreneur Insider fireside chat How to Build Products People Actually Care About. He'll provide more great tips and answer your questions live.

Building an 8-figure brand with no venture capital

"Despite having started a number of my own companies, I'd consider myself strategically risk-averse. With The Ridge, I was able to de-risk a lot of the scenarios that startups raise money to avoid.

Rather than going straight to production, I was able to prove demand for the product on Kickstarter and pre-sell over 7,000 wallets. The campaign gave us plenty of capital to iterate on the product and do our first run of production and gave us the

confidence that we were onto something really special.

Operationally, we've also kept everything deliberately lean. Until 2016 when our annual run rate was over 8-figures, we still only had 5 employees, and everything else was outsourced. Managing cash flow to reinvest in products and inventory allowed us to prove out a lot of growth opportunities before we started building out our team internally, and that foundation has been key to our success."

Image Credit: The Ridge

Related: Beyond Kickstarter: 10 Niche Crowdfunding Platforms for Startups

Working with family and friends without making it awkward

"People say don't work with your friends and family, but I started a company with my Dad and our first hire was my best friend. Our third hire was my older sister. There are times where managing personal and work relationship can be tricky, but for 99% of our time together we work wonderfully. We know each other so well and are really lucky because we have some of the deepest levels of trust possible, and are all really dedicated to the success of the brand.

We're a small team and everyone has specific, dedicated roles, so 'managing' my friends and family is easier because we can stay in our lanes. As long as we're clear about our overall goals and the steps to get there, we're able to be really effective in our tasks."

Creating everything you need and nothing you don't

“Over the years, we’ve considered a ton of items, but part of our mission is to intentionally *not* offer everything. We want to take the streamlined-nature and durability found in our Ridge Wallet, and apply it across our product line to streamline and simplify how people carry their everyday items.

Our brand motto is ‘everything you need and nothing you don’t,’ and in order to uphold that idea, we have to deliberately grow our product catalog with items that provide utility and reliability, and be able to stand behind each of those new offerings.

A lot of our inspiration comes from our own lives and observing how people are using our current items, and what we can design to complement certain behaviors. For instance, the card slots built into our leather and shockproof cases were added as a non-RFID blocking alternative to the wallet; for people constantly buzzing in and out of office buildings, it quickly streamlines how you go about your day.”

Related: 22 Successful Entrepreneurs Share What Inspires Them to Keep Going

Applying lessons learned from Tim Ferriss

“The future of entrepreneurship is simply allocating resources to high-yield opportunities. I was reading Tim Ferriss’s *4 Hour Work Week* recently and he cited that simple concept as being one of the original definitions of entrepreneurship, which really resonated with me.

I don’t believe you need to be starting companies or raising capital to be an ‘entrepreneur’. Being thoughtful about how and where you’re spending your time and what you’re yielding is textbook entrepreneurship – whether you’re launching a new

brand or working within an existing one.

I started The Ridge because I wanted to solve what seemed like a very personal problem of hating my wallet, and in doing so found over a million other people who were seeking the same solution. As we scale, we continue to find new areas where we can solve everyday issues people have with their accessories, and it's exciting to offer new ideas."

<https://www.entrepreneur.com/article/339367>