

Shark Tank's Most Successful Brand of All Time Wasn't Even Supposed to Be a Business at First. Here's How It Became One With \$1 Billion in Lifetime Revenue.

It was 2014 when Bombas' co-founders Randy Goldberg and David Heath found themselves on the set of *Shark Tank*'s sixth season. *Three, two, one* went the countdown. They walked through the doors and in front of the judges, sweating under the lights for an "awkward" minute while production captured room tone, and waited for the cue to start pitching their sock business. A psychologist was on standby backstage, just in case – because "adrenaline takes over." It's fight or flight.

"They warned us about it," Goldberg and Heath recall. "For the first 15 minutes after you walk out, you're actually not going to remember what happened. It's almost hallucinatory like you're in shock. The psychologist is on hand to brief you to make sure you're not traumatized. Can you imagine people going on and saying the wrong thing and feeling like they just embarrassed themselves on national television?"

Fortunately, the co-founders said the *right* things. After an hour and a half in the tank fielding all of the questions they'd worked tirelessly to prepare for, they landed a deal with Daymond John: \$200,000 for a 17.5% equity stake. And once the very real shock wore off, Goldberg and Heath were elated. John, a fellow New Yorker who'd bootstrapped his own large apparel business, had been their first-choice shark from the start.

“We knew that even though the mechanics of our business would be different, the nature and the heart of what it takes to build something from an idea from your home and turn it into something that is recognized all over the country [would be the same],” Goldberg says. “[We needed] somebody like that in our corner, validating and challenging us. That’s why we wanted Daymond as a shark. And it’s been a fruitful and amazing relationship.”

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John became an invaluable “friend and mentor” to the co-founders as they built Bombas from scratch, and the company’s since become the *Shark Tank* franchise’s most successful of all time – with \$1 billion in lifetime revenue. But more important to Goldberg and Heath than that staggering figure is another 100 million. To date, the company has donated more than 100 million essential apparel items to people experiencing homelessness.

And it’s the very reason Bombas exists in the first place.

Entrepreneur sat down with Goldberg and Heath to learn more about their founding journey and unwavering commitment to the mission that’s fueled their business from the start.

“Maybe there’s a way to solve this problem in the homeless community by starting a brand that donates a pair of socks for every pair of socks sold.”

Although Goldberg and Heath became fast friends in 2007 when they met at a media company they both worked at and “always kind of toyed with the idea of starting a business together,” Bombas didn’t grow out of an initial business inclination at all. It began in February 2011 when Heath stumbled upon a Facebook post that revealed socks as the No. 1 requested clothing item in homeless shelters.

Heath was surprised socks were the most in-demand, even beating out jackets and shoes, and so was Goldberg when Heath shared the discovery with him the next day. "At the time, we weren't like, 'Oh my god, let's start a business,'" Heath says. "We were like, 'Okay, there's this interesting problem in the homeless community.' And we started carrying socks in our bags to and from work, and we'd give them out to people. The more we started to interact with that community, [the more we started to] realize firsthand how valuable this piece of clothing is to someone living on the streets."

The wheels continued to turn. Soon, their awareness of how other brands were making giveback initiatives central to their operations – Toms Shoes and Warby Parker both used buy-one-give-one models – got them thinking about how they might leverage their interest in entrepreneurship for good: *Maybe there's a way to solve this problem in the homeless community by starting a brand that donates a pair of socks for every pair of socks sold.*

Image credit: Courtesy of Bombas

Bombas was born out of a mission, one it continues to uphold in deed *and* name: “Bombas” comes from the Latin word for “bumblebee,” and “Bees live in a hive and work together to make their world a better place,” the company explains on its website. “They’re small but have a big effect on things.” What’s more, the company’s “Bee Better” mantra, stitched into its apparel, is a reminder to be better for yourself and your community.

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The co-founders started with an Indiegogo campaign in August

2013. In the campaign's FAQ, they said that if they could hit the milestone of a million pairs donated, Heath would get a tattoo (he had no tattoos at the time). Goldberg and Heath were fairly certain no one would even remember the campaign a decade later. But the ink on Heath's arm – the Bombas bee logo and mantra – is permanent proof otherwise. Within the campaign's first 30 days, they did \$150,000 in sales; that ballooned to \$500,000 by month six. Because they kept selling out and needed to fund inventory, they turned to friends and family, ultimately raising another \$1 million from angel investors. That's when they were approached by *Shark Tank*.

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At first, Goldberg and Heath thought the whole thing was a joke. The email inviting them to audition for *Shark Tank* came from a Gmail address. "It felt like a bit of a prank, and then quickly felt real," Heath recalls. The co-founders continued fundraising as they underwent the "drawn out and intensive" audition process, which involved stacks of legal contracts and calls with the show's producers. But then they were in – and in the thick of preparation.

"There is a very real fear factor going on national TV and embarrassing yourself," Goldberg says, "and that incentivizes you to make sure that you can answer any question that somebody might ask you about your business, even the questions you avoid talking about as a team – the hardest things, the most uncomfortable things. There's a forcing mechanism to the process of going on *Shark Tank*: It's almost like a business school boot camp for your company."

Goldberg and Heath knew only two things would be in their full control when they went on the show: their pitch and whether or not they chose to accept any deal that might be offered. So

they made sure that pitch was rock-solid, and, fortunately, the decision to work with John was easy. He was “one of the few sharks that understood the mission.” Others warned it would “destroy” the company’s margins and questioned their impulse to give away so much product.

Even though Bombas’ commitment to giving back might “feel obvious” by today’s standards, with no shortage of reports about the power of social impact and how much customers care about where their dollars go, just 10 years ago, it wasn’t nearly as commonplace, Heath points out. John saw Bombas’ mission as its driving factor before such initiatives became the “table stakes” they are now, according to the co-founders.

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“You need to remember that Bombas was doing this before every brand was doing it,” John tells *Entrepreneur*. “Sure, there was famously Toms Shoes that led this type of giveback initiative, but Bombas made it part of the company’s core mission. It wasn’t an afterthought. And from going on a handful of charitable giveaways at homeless shelters with Dave and Randy, it’s still very much core to the business.”

Image credit: Courtesy of Bombas

Bombas' mission-oriented approach wasn't the only thing that initially set the company apart. It was also one of the first direct-to-consumer (DTC) brands and an early adopter of the "relatively new frontier" of ecommerce and digital marketing – both major factors in their success story, Goldberg and Heath say.

"Nothing revolutionary around socks had been done in a long time," John says. "And the fact that it was direct-to-consumer allowed the brand to tell its story and show off the product's features in a way that could never be done when the socks were just hanging on a rack at a sports store or another brick-and-mortar retailer."

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In those first few years, Bombas saw such impressive growth (tripling year over year) that it wasn't long before the company considered launching other products. But John urged them to be cautious, the co-founders recall: "You've captured lightning in a bottle within the socks category. There's no real competition. Just keep doubling down on the thing that you're doing really, really well."

"If you're building a for-profit business that's mission-oriented, [the product] has to be best-in-class."

So Goldberg and Heath did double down on socks for the next eight or so years. And once they decided it was time to expand, they kept in mind the guiding principle that had helped them come so far: Focus.

"The company's extreme focus has been a key driver for growth," John says. "Their focus on making sure their initial product was the best pair of socks; their focus on not expanding into too many product categories too quickly; their focus on making sure to create a digital marketing flywheel. They had a huge night when they initially aired on *Shark Tank*, and they didn't let that get to their heads. They knew they needed to focus on building the business in a sustainable way to truly take advantage of this *Shark Tank* tidal wave."

Focusing meant falling back on the fail-safe, mission-first strategy Bombas had used to master socks: Create the best possible version of a product so that customers will love it and buy it, which leads to more donated items. "That great product translating to more donated socks became cemented like two pillars that really propped the company up," Heath says.

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“If you’re building a for-profit business that’s mission-oriented, [the product] has to be best-in-class,” Goldberg says. “Both things have to be great. The mission won’t work as a business without the product side being great. And the product side will be much less resilient without the mission. And by creating the necessity and the relationship there, you make something defensible for the long term.”

Underwear and shirts were the No. 2 and No. 3 most requested products at homeless shelters, respectively, which made them clear choices for Bombas’ first expansion. (The company also makes slippers, which the co-founders consider “sock adjacent.”) Paying attention to what customers want and what the homeless community needs helped Bombas determine its product roadmap and remain consistent with its “thoughtful approach to design” – considering the “small details” like a toe seam, how a fly is constructed, the material for a bralette, the way a shirt is cut and finished – ensures all products continue to meet the brand’s high standards.

Image credit: Courtesy of Bombas

“From day one, obviously, our mission and business were always mutually aligned and tethered,” Heath says. “So it’s why, over the years, we continue to focus on building this great business with great products. It ultimately led us to donate over 100 million items to those in need, which we surpassed just earlier this year.”

“The mission really shows up in everything that we do, from customer experience interactions, to the website, to the creative, to the product.”

To celebrate the 100 million milestone, Bombas launched a campaign to thank customers and educate people about the

reality of homelessness – like the fact that anybody earning minimum wage in the U.S. can't afford a one-bedroom apartment anywhere in the country.

“We wanted to use our microphone and our voice to help remind people that when we talk about this issue, we're actually talking about people,” Goldberg says. “We wanted to interview those people firsthand, present some surprising facts, [to show that] the first image you think of when you think of homelessness is not the full picture. And by getting the full picture and having a little bit more understanding, maybe we'll create a little bit more compassion. And by creating a little bit more compassion, maybe that'll change the way that you speak the next time you hear something, someone talking about this at a dinner party or in your friend group. And if we can put our advertising dollars behind shifting compassion, shifting knowledge a little bit, that creates a ripple effect and a movement in the world towards something positive and more human.”

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For other founders who hope to launch successful mission-oriented businesses of their own, Goldberg and Heath have some advice. First, “get close [to the mission] personally.” The co-founders still regularly volunteer their time with giving partners in New York, travel to other cities to meet up with them, and have regular calls to address issues and current needs in the community.

You must also ensure the mission is “fully integrated into the business.” Not only does Bombas have a dedicated giving team that serves as a liaison for more than 3,500 donation partners across 50 states, but it also has an operations team that's responsible for getting products from factory to warehouse to customer *and* for getting products from factory to warehouse to donation partners.

“Every team at Bombas is responsible for the mission in either a direct or an indirect way,” Heath says. “And I think having that so intertwined makes our employees feel good about our mission. But it also makes it so that the mission shows up in everything that we do, from customer experience interactions, to the website, to the creative, to the product. It’s so much a part of our DNA that you could never separate the mission. It’s not an afterthought.”

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