

Masters of Scale: Rapid Response Transcript – Heather Hasson

“A prescription for healthy growth, with FIGS Co-CEO Heather Hasson”

[Click here to listen to the full Masters of Scale: Rapid Response episode with Heather Hasson.](#)

HEATHER HASSON: So last spring, the world really changed.

And immediately I thought, "Oh my God. What does this mean for us? What does it mean for FIGS?" And then I started to get a lot of phone calls from a lot of my healthcare professionals, all my friends, literally calling me, texting me, "Hey, Heather. Do you have extra PPE? Do you have any masks? Do you have any gowns? Do you have anything?" I'm thinking, "Oh my God. We don't. How do we not have this?"

So, we really shifted. We gave them KN95 masks actually, hazmat suits. We donated over 70,000 units of FIGS, so jackets, lab coats, isolation gowns.

There was no limit on this because this company doesn't exist without healthcare professionals. We won't have a business if we don't have healthcare professionals. And there's no amount of money that was too much to donate and no amount of isolation gowns that was too much. We did what we could afford. We did what was right. And we're going to keep giving, and we're going to keep giving them everything we possibly can so they are always protected and always celebrated and always feel empowered.

BOB SAFIAN: That's Heather Hasson, co-founder and co-CEO of FIGS, an emerging lifestyle brand for medical professionals that built its name around premium scrubs.

In 2020 FIGS saw its revenue climb past \$250 million, but the company also leaned into giving gear away to support frontline workers in need.

I'm Bob Safian, former editor of Fast Company, founder of The Flux Group, and host of Masters of Scale: Rapid Response.

I wanted to talk to Heather because many startups struggle to handle key inflection points.

At FIGS, amid both rising demand and rising attention this year, Heather and co-CEO Trina Spear used the moment to reinforce their relationship with their customers.

Hasson identified early on that medical professionals were like star athletes, under high pressure for hours on end, with huge stakes in the balance.

By treating them with special care – and championing their contributions – Figs has built a brand allegiance that many enterprises would envy, among a community that, until Covid hit, was often overlooked.

[THEME MUSIC]

SAFIAN: I'm Bob Safian, and I'm here with Heather Hasson, co-founder and co-CEO of FIGS, the purveyor of stylish and comfortable scrubs and other medical apparel for healthcare workers. Heather's coming to us from the FIGS offices in Los Angeles as I ask my questions from my home in Brooklyn, New York. Heather, thanks for joining us.

HASSON: Bob, thank you so much for having me. Really appreciate it.

SAFIAN: So over the past year, as COVID-19 has washed across the world, we've seen a renewed appreciation for doctors, nurses, other healthcare workers who find themselves on the front lines. FIGS came into being to serve that community well before that, back in 2013, you were inspired by a friend who was a nurse to create scrubs that were better fitting and better looking. But you're not a healthcare worker if I'm correct. What made you focus on this group and their needs?

HASSON: Well, Bob, I actually was in pre-med, if that counts for anything. I'd like a little bit of credit, so ...

SAFIAN: It counts. Sure.

HASSON: But to answer your question about why focus, in 2013, on healthcare professionals, I'm just going to take you back to how this company started. So I was having coffee with a friend of mine, a nurse practitioner, and she was wearing these big boxy scrubs with the size on the back of her neck. And it was bright orange. Literally, the size. And I was just thinking, how is it still possible that people are still wearing these types of scrubs?

And then I said, why do you think that the entire world is focused on the athlete or the weekend warrior? The Nikes, the Lululemons, all the multi-billion dollar companies, they're all focused on the athlete, which is, athletes are amazing. And I'm so respectful of them. But I didn't understand why nobody was focused on millions of people who save lives every single day. I didn't get that. And I even asked her. I said, "How come nobody's focused on you? Where's your technical product so you can go to work?" And she's like, "Heather, this is what we have."

So I literally said to her, I said, "I'm probably one of the best shoppers in the world and I will find something." And she's like, "Okay." So she sent me to this store in Westwood Boulevard. And I walked into the store, and I'll never forget this. There were literally bed pans on the wall. There were boxes. All the scrubs were squished together. And the

store closed at 5:00. And I'm thinking, okay, RTs walk in here, dentists, NPs, neurologists, oncologists, the whole gamut of healthcare professionals. And I was like, "Okay, everybody has Master's degrees, they're walking in this depressing experience. And it closed at five. What is this?"

And I go back to her. I was like, "I'm going to make the best product possible for you." And that's kind of when the light bulb went off. We wanted, one, to make the most exceptional product for the most exceptional people in the world. And two, let's get them product so they can order it at 2:00 in the morning, 3:00 in the morning, so they can have their uniform the next day.

SAFIAN: What were you doing at that time? You had been pre-med. You were a designer?

HASSON: So I didn't do very well in pre-med. I respect people who actually go through it. In the beginning though, making these scrubs were a lot of fun. I changed the silhouettes. I was in a hospital for about at least a year watching every movement, watching how they drank coffee. I was in the cafeterias of hospitals. I watched every single movement on how they use their cell phones, where they put things, where they put their iPods, where they put their rings. And that's how the first designs came about.

SAFIAN: Your business was blossoming before 2020. Revenue reportedly over \$100 million annually. But like everyone else, I suspect your plans were disrupted by the pandemic. How did that transition emerge for your business and for you personally?

HASSON: Yeah, so last spring, the world really changed. So I was hearing a little bit about it, but then on March 12th, everything closed in Los Angeles. And it was a real shock, I would say, to the world. And immediately I thought, "Oh my God. What does this mean for us? What does it mean for FIGS?" And then I started to get a lot of phone calls from a lot of my healthcare professionals, all my friends, literally calling me, texting me, "Hey, Heather. Do you have extra PPE? Do you have any masks? Do you have any gowns? Do you have anything?" I'm thinking, "Oh my God. We don't. How do we not have this?"

And we're prepared for everything. We really are. Except obviously, we didn't have masks and isolation gowns and PPE. I thought we have to protect our people. We have to get them the proper gear. And we are up all hours of the night, trying to shift our supply chain and make isolation gowns, make masks.

And hospitals, they weren't giving out the PPE. So I said we have to distribute these to our healthcare professionals. What do we do? So we put them online, and we were just giving them for free. So they would just 'Add to cart' and then they would have a mask. And they were so thankful. Of course, we all have masks now today. But at the time, they did not have proper protection and they would just carry one in a plastic bag like it was gold. It was because that's all they had.

But it was unfathomable for me to think that the people that we support had to face COVID head on with no protection. So, yeah, we really shifted. I mean, it was very emotional for our team, for our community. And I think we got it together. We gave them KN95 masks actually, hazmat suits. We donated over 70,000 units of FIGS, so jackets, lab coats, isolation gowns.

SAFIAN: So you donated thousands of gowns and scrubs and masks to medical institutions. You partnered with an initiative to help hospitals serving hard-hit Black communities. You donated \$100,000 to the Frontline Responder Fund. How did you decide what to do, how much to do?

HASSON: So that's when I call my business partner. And I say, "Hey, Trina. We're going to do all these things. We're going to spend all this money because we got to protect our healthcare professionals." And she's like, "Okay, let's do it."

I think there was no limit on this because this company doesn't exist without healthcare professionals. So there is no amount of money that was too much. And for a business, I know that sounds, oh, that's crazy because you need to take into consideration your shareholders and stakeholder value and all that business stuff. But we won't have a business if we don't have healthcare professionals. And there's no amount of money that was too much to donate and no amount of isolation gowns that was too much. We did what we could afford. We did what was right. And we're going to keep giving, and we're going to keep giving them everything we possibly can so they are always protected and always celebrated and always feel empowered. And we are the company that is there for them.

SAFIAN: For a lot of entrepreneurs, the past 12 months have been tough on the business, but I can imagine that in the market you serve, demand in business has been good. Has it been a good year for the business?

HASSON: It has been a good year for the business, but in terms of our trajectory, in terms of growth, it was all planned, right? So we've been growing sustainably year over year since inception.

So the healthcare and medical industries are some of the largest in the world, our pre-COVID 2020 growth plans were locked in several months in advance of the first reported case in the United States. So meaning our core product inventory decisions, as well as our new 2020 styles and color unit counts, everything was determined at such an early time relative to the pandemic. A lot of digitally native consumer brands and their respective and prospective investors are struggling with this whole concept of COVID bump, which largely was a shift from retail to e-commerce, driven by the choice or lack of choice. But before COVID, FIGS was already rolling, we had significant and consistent growth year over year since we started in 2013.

But I would say COVID really shined a light on one of the things that makes FIGS truly differentiated and very special, which is our e-commerce business model. We had long felt that e-commerce was a much better way to serve healthcare professionals in our view, those benefits are more important in our business than virtually anyone else's. It's great if for people like myself or you, Bob, we can go and buy clothes online rather than in a store, but it's just a matter of convenience for us, it's just easy.

But for healthcare professionals, this is a matter of necessity. Our community, they're working 12 hour shifts, they're with their families if they're not working, and they're not able to go on a hunt to find medical apparel at odd hours, or at odd retail locations that are very far away from their offices or hospitals. And more than anyone else that I can think of the buying process needs to be streamlined, convenient, and tailored to their specific needs.

It was a very similar trajectory than what we had planned from a revenue standpoint. Obviously from a product standpoint, we did create different gear than what we would have created if COVID did not exist. We have these High-Def face shields that are anti-fog, all this stuff that we would not have done, but yeah, our trajectory stayed the same.

SAFIAN: And you mentioned this ergonomic face shield that you came out with recently – lightweight, anti-fog – it must be different designing masks and shields and PPE than it is apparel. How is that transition? How is that different?

HASSON: So we brought in industrial designers to help us refine all the details, and to really focus on the polymers, really focus on all the little pieces that will make the best possible face shield out there. And we started this actually in March, and we just launched it today, because it takes a very long time to perfect. But I do believe it is best in the world. You can wear all the masks and glasses, and you're fine. But the whole vision behind it was to protect our health care professionals.

SAFIAN: So you started with scrubs, you expanded into outerwear and accessories and socks, and there's a partnership with New Balance for footwear. Did you know at the outset that this was going to be a lifestyle brand for a community?

HASSON: Yes. That was the intention. So day one, you see healthcare professionals, you see they have really terrible scrubs. So that was number one to fix. But if you look at what they're wearing, the to and the from. We got a design for that. We have to make clothes specifically for that person. So yes, it's outerwear, but it's outerwear that can hold different types of pagers, and stethoscopes, and anything they need that a normal layperson doesn't necessarily need to hold to go to work.

So, yes, from the beginning of time, it was always a lifestyle brand. And how do we outfit the customer from head to toe, and how do we give them everything they need, and how do we design from a technical lens and a functional lens, and something beautiful as well? Because I think design has to also be beautiful.

SAFIAN: My son is in medical school. Everybody wants FIGS. It's what all the cool kids wear, even though it is a premium-priced product. I know your monthly drops of new items routinely sell out in 48 hours. How do you build and nurture this community? Is it just the product, or are you engaging with the community to build that feeling of connection?

HASSON: In order to build connection, yes, one, it is product. Two, community is everything to us. We have an ambassador program, but in order for us to understand our community, we have to connect to them. So we connect with them every single day. Whether it's focus groups, we have, pre-COVID, we had retreats, health and wellness retreats.

And before us, I would say, it's very segmented. So dentists would stick together, oncologists would stick together, and we've built kind of a, I guess a forum, if you will, for everybody to just come and talk and talk about their experiences. And I think it's just another way we support them.

We also do actually something very cool, pre-COVID as well. We used to go on these giving trips. So we take maybe 10 healthcare professionals, and we go to a resource-poor country, and we solve for something. Whether it's cleft palate, whether it's women issues, but that also brings our healthcare community together, because they don't even know each other, and we just put together this group to go solve some on the ground issue that this one community doesn't have access to healthcare. So I think we've done a lot of great things to bring our community together.

SAFIAN: You use this phrase awesome humans on your site. Can you explain what that is, where it came from?

HASSON: Awesome humans are extraordinary people. And healthcare professionals are extraordinary. They're the most awesome people in the world. They are working 16 hour shifts. They're creating COVID vaccines that nobody's ever heard of this disease before, right?

They're pushing the limits of what a human is. I mean, when you're in residency, you're working 32 hour shifts sometimes. This is almost the impossible, but these people are so dedicated, they're so dedicated to making an impact on this world. They're so dedicated to saving lives, that they're awesome. There's nobody better than healthcare professionals. I can't even think of a better human than these people.

[AD BREAK]

SAFIAN: You've expanded into new international markets in Canada, in the UK, and Australia. And I can see there being kind of a strategic choice about expanding geography as a focus, or expanding the product line, the reach and definition of the lifestyle part of the brand. How do you balance those two choices?

HASSON: Sure. So I think going into these specific countries first was from ... they were English-speaking countries, right? So from a business standpoint, that's the easiest to do, in terms of expansion. But it was also, we saw a lot of demand coming from those countries. So we thought we have to open up in those countries, especially during COVID, even if we're not really ready, we still have to do that. Because we have to supply uniforms. So we did our best to get out to these specific countries during COVID. And in terms of product, yeah, there is different product for different countries. And we do think about that. We do think about the seasonality, the colors.

What they need in the UK the styling is different from what we'd wear here in the United States, but yeah to your point, it is different. We're going to go really deep this year in expanding our product to these countries even more so than we do today.

SAFIAN: It sounds to me a little bit like in some ways you're responding to demand you're seeing.

HASSON: I think it's about listening to our customers. I mean, face shields are face shields, right? So they're like, we need face shields. Amazon makes these really cheap, not price-wise, but the actual plastic, and the way it feels on your head, and your bridge of your nose, we see them wearing all these.

We hear them, "We need face masks, we need face shields, face shields, face shields." It's like, okay, we heard you, but now let's up your expectations. Let's make it better. Let's make it more premium. Let's make it more conducive to your environment, and make something that you didn't even know you really wanted. So I think it's a combination.

SAFIAN: You mention combination. You mentioned earlier your partner, your co-founder, and co-CEO, Trina Spear. I noticed in one of the playful videos on your website, in the credits, you're listed as creative mastermind, and she's listed as a motivational speaker. How does it work between you as co-CEOs? Many startups have co-founders, not as many of them have co-CEOs. How does that partnership work?

HASSON: Well, I think at the end of the day if you share the same values, and you have the same vision. Because we want to both win. We both have the same vision. We come at it a little differently, but at the end of the day if you just share that we're going to get to the same place. I would say how I think about things: I handle most of the creative. I would say I'm about hyper-growth, and she's our EBITDA. I think when you're so

focused on these two areas. And you have two heads, two brains, the results are what we have today.

SAFIAN: I mean, organizations end up with one person because sometimes when you have two people they don't agree, and how do you reconcile things when they don't agree? At the end of the day this is the theory, someone has to make the decision. What happens when you guys don't agree?

HASSON: I think that it's important to both be heard, but at the end of the day, like I said, we have the same outcome. She trusts me like I trust her and her decisions on her part of the org, and she trusts me in my part of the org. I think it's being pragmatic, listening to one another. I think it's being both level-headed human beings that we can hear each other's perspective, and we come to a decision as intelligent human beings. And then we also, in terms of our team, too, our team, we listen to them as well, so it's not just us two.

SAFIAN: You mentioned early on visiting a store, a physical store, where the experience was terrible. How do you guys think about physical space as opposed to digital channels, and whether that is something that should be part of the FIGS brand and lifestyle, or whether it should always be digital?

HASSON: I believe in physical space, I really do. I think people need to touch and feel and smell things, they do, because we don't live in a two-dimensional world. And eventually we will have retail stores. I do think it's important. It's very, very important. We were actually about to do a little bit of retail in 2020, but COVID, we shifted gears, and we really just focus completely on digital just so we can have a little more impact than retail stores.

SAFIAN: Have you worked on what prototypes that in-person experience looks like?

HASSON: Well, we did have, we had a couple of pop-ups back in 2019. We had one in Los Angeles, and we had one in New York City. They were always half a mile away from a hospital, that is our rule. We have to be within walking distance of a hospital, so it's easy and convenient for our healthcare professionals. It was so much fun. We had lines out the door, actually, here in Los Angeles. It was so special, and so cool to see because it was our first retail experience.

And we were right next to Cedars-Sinai. We actually had these bicycles that would pick people up from Cedars-Sinai and bring them to the store, like these little taxicabs.

SAFIAN: I noticed that you launched a program in New York. This come together program, ads on city buses featuring real life health professionals. Why was now the time to do that kind of outreach, that kind of advertising?

HASSON: The “Come together, but stay six feet apart.” Yeah. I think it was extremely important for this time because of COVID. More than ever healthcare professionals are having really hard days, and we need to be there to support them, and they need to be able to support each other. So it was a message of let's all come together. Meaning healthcare professionals, lay people, let's support each other, we're all human beings. We're on this planet together. Let's all come together, and fight this battle of COVID.

SAFIAN: I guess it was an inflection point for your brand, too, right? Giving your brand that public exposure.

HASSON: Well, on New York City buses? So normally we go underground so we cover the subways. This is our first year that we decided to be above ground. When we do advertise, we will cover everything because that's how we roll. We don't do little pieces here and there. We literally will saturate everything. So we actually covered over 73% of New York City buses because we wanted lay people, and also other healthcare professionals, to always be clapping for our people, for our awesome humans, and to recognize them. And we do it in a very cool way. It's not your standard ad, but yeah this is our first year going above ground.

SAFIAN: So CEOs at big brands have increasingly been pressed to take positions on social issues, even political issues. How much do you think newer brands like FIGS need to engage at that level? Do you have those dialogues?

HASSON: I think that if you don't take a stance as a brand, you'll be lost in the shuffle. I think it's very important for brands to take a stance. The number one thing that we do believe is taking care of our healthcare professionals, our awesome humans. So we will do anything in our power to make their lives easier – whether it's donation for tuition, whether it's donation for underprivileged students that can't afford medical school, or nursing school. So I think that's how we take a stance.

SAFAN: What's at stake in this moment for you, for FIGS?

HASSON: What is not at stake, right? Everything's at stake. I mean, every day, you're thinking about how to be better, how to be more innovative, how to make your team happy, how to inspire your team, how to keep them motivated. I think everything is always at stake and you can't live like it's not. You have to live like something's at stake, or you can't be complacent in life. You really have to always live on the edge a little bit.

As far as the business, I think that we're going to continue to take risks. We're going to continue to face challenging times. We're going to continue to be there for our healthcare professionals. We're going to continue to design thoughtful, innovative technical product. We have a very cool innovation lab here, that's actually where the face shield came from. And we're going to continue to, as a business, just knock it out of the park and do it with heart too.

SAFIAN: Well, this has been great. So thank you so much for doing this Heather. I really appreciate it.

HASSON: Bob, thank you so much. Thanks for having me.