

URL: <https://stvp.stanford.edu/clips/honing-the-initial-idea>

Outrageous approaches and ideas can lead to success, observes Cruz Foam co-founder and CEO John Felts — if you're willing to steer your idea toward a scalable product that can reach a bigger market.

Transcript

- When we landscaped the kind of transition, 00:00:08,190 and novel early-days technology around bioplastics, nobody was really looking at foams.. I think at the time TemperPack was just getting legs.. I think Ecovative was maybe getting something underneath them, but we didn't see anybody addressing it well.. And when we looked at Kite and the material properties, the mechanical strength-to-weight ratio is so fantastic.. We're like, "Why not? Why couldn't this be a foam?" And that's where we thought, surfboards are almost always made out of polystyrene or polyurethane.. Plastic foam trash, for all intensive purposes.. We're riding around on that in the ocean.. This just seems like it makes absolutely no sense.. And so that's where the idea kicked on.. And we're like, "Let's make surfboards out of this." And we tried for a year, and the stories I have behind that are intense, and I'll share a couple..

But I think what really benefited us choosing that was a: it was really what we were passionate about.. And it really lended a lot to what the core mission was.. Was around ocean focus, changing what we're doing to our oceans.. But I think also having that high, lofty target really allowed us to pivot later on, and I'll touch on that.. And that's specifically because styrofoam, or surfboard foam is so high mechanically strong, the requirements behind it and performance are probably the highest foam out there.. There probably isn't anything higher, with guys surfing down a hundred foot waves.. It has to stay intact.. It has to perform.. And so when we kind of really tried to develop it, the real issue for us became scale.. How do we scale this properly, keeping that performance and really matching what the industry needs? And probably the best story is we, near the end, before we pivoted, we were at a point where I think there was three of us total..

one guy we got from Cabrillo College.. He's actually working for us now again.. It's great when you see people come back, but he's super hands-on.. We had him build us steel surfboard molds out of sheet metal.. He welded them together.. We put them in our parking lot behind our closet facility.. We were literally working in 200 square feet at the time.. And we had to mix the foam, originally, in five gallon buckets, in series, dump them into this steel case mold, and heat it over barbecue.. And this is how we originally tried to make our surfboard foam.. (Interviewer laughing) And so, you think about that starting point, and people look at startups and think they happen like that..

It takes time.. And it starts always with the most outrageous approaches and ideas, because you don't know.. No one's done it.. And we tried, we kept trying it for a little while, and what we saw was, people loved it.. People really wanted what we were trying to make.. The scale was gonna be really difficult, and the market was just tiny.. And at the end of the day, you basically need a team, a market, and product.. And for us, it was really this moment where we saw, if we don't change what we're doing, we're gonna be done.. And we had a really honest sit-down session.. I think Toby was actually part of it, and it was me and my original co-founder..

And we said, "What's the core mission behind what we're doing, and how are we gonna realistically achieve that?" And we boil it down.. And it was simply that we had to have a catalytic moment to change the amount of plastic and impact we're having on our oceans.. And the technology to do that is gonna need to be something that can really displace one of the biggest offenders in that space, and that is single-use materials like packaging.. And when we looked at that landscape, and the need around that industry, it was absolutely enormous.. Not only because consumers were there, brands were starting to make really, really big ESG goals, and regulations were starting to really gain legs.. And this was in 2018, I believe, yeah, 2018.. And at this time, when we noticed this, we're like, "Okay, well, we don't know anything about this industry." You know, packaging, we're surfers, we kind of get it enough, but we didn't know anything about packaging, besides that's what we saw our technology being a really, really strong fit for.. And we went through this program called the National Science Foundation I-Corps.. It has nodes around the U.S., where you go through a weeklong program, and the goal is to help you really define

your business model and the goal.. And by doing this, you have to go do in-person, I dunno if it's still in-person with COVID, but the idea then was in-person, over a hundred interviews to fully define your business model..

I flew to Australia to do some of these interviews, because realistically, you have to find conferences.. And going through this arduous process, I'm not gonna lie, it is extremely daunting, really, really tough.. They really, really challenge you, but it's good.. It's what's needed, because it really helps you kind of be honest with what you're trying to build.. And coming out of that, that's where we pivoted really, really hard, really, really aligned with single-use plastic packaging, and specifically, protective foam packaging.. But that's just the beginning...