

URL: <https://stvp.stanford.edu/clips/ingraining-sustainability>

David Allemann, co-founder and executive co-chairman of On, explains how he and his co-founders built their team by creating a clear mindset and making it generational. He urges aspiring entrepreneurs to consider who they want to have next to them if they scale quickly and advises them to know when to let go.



## Transcript

- For us it was super important as soon as we had solved 00:00:07,650 the basic issues of producing shoes, because I can tell you that was a big nightmare at the beginning, we started to think about, what do we have to do, to do that in a sustainable way? Because 98% of our CO2 footprint comes purely from product, so we have to solve it in product.. And so we started to think across three horizons.. First we said, hey let's limit down the materials that we can use in creating shoes.. And so our team reduced down only to recycled materials and today of all our uppers, all our uppers are recycled.. So fully recycled polyesters, polyamides.. And we're increasing the materials, recycled materials used in all our shoes.. But then we said, hey that's great if we have recycled materials in our shoes, but what happens if you then only do use them for a certain amount of time and then they end up in a landfill? Couldn't we kind of borrow a little bit from the digital industry? Couldn't we borrow from Netflix and not kind of give you that shoe, but basically say it's a subscription model? You're never gonna own it.. And so we created a shoe which is called the Cloudneo, that is fully made from beans, from Ricinus beans.. And so it's bio-based material.. But then you don't own it, but you subscribe to it and you give it back..

Once you have used it, you ping us, you get a new shoe.. And in the box that you get, you send the shoe bags so it becomes circular and thousands of people have signed up.. It's really a large scale experiment.. We don't know whether that's gonna scale to 70% of our customers.. Probably could just be for the hardcore customers that know that they're gonna use shoes again and again and not just kind of see it as a special fashion items that sits in their cupboard.. But we are very much on that journey, how can we make it circular? And the interesting thing is that we found out you can do a very, even a bio-based material shoe that is actually really a great performance shoe.. So that sustainability and performance is not in juxtaposition to each other, but they can be really synergetic.. Now let's do a third dimension.. How can we actually suck carbon emission from industry emissions and create a unique material out of that? And that's our third dimension.. How can we use these carbon emissions? And we created a material called CleanCloud™..

So we sock carbon emissions from industry emissions, and then through a fermentation process, we get to ethanol and then we can use that ethanol again to create materials.. So that's eventually the dream, that it's not just recycled, not just circular, but eventually that on a large scale we can bring back carbon emission...