

Building Businesses

An Interview with Kevin P. Ryan,
 Founder and Chairman, GILT

EDITORS' NOTE Kevin Ryan has launched several New York-based businesses, including GILT, Business Insider, MongoDB. He helped build DoubleClick from 1996 to 2005, first as President and later as CEO. Currently, Ryan serves on the board of Yale Corporation, Human Rights Watch, and INSEAD, and is a member of the Council on Foreign Relations. He holds a B.A. from Yale University and an M.B.A. from INSEAD.



Kevin P. Ryan

COMPANY BRIEF In 2007, Kevin Ryan along with a founding team, created GILT (*gilt.com*) as an invitation-only site for coveted women's apparel and accessories. Today, GILT has millions of members and has added business lines for the home, children, men's apparel and gear, and local services and experiences (Gilt City), and has launched the leading flash-sale site in Japan (Gilt Japan). GILT recently opened Zola.com, a wedding registry.

How has GILT continued to perform well despite the challenges in retail?

Retail is just execution, so we are relentlessly focused on getting better at what we do all the time, and that means moving down distribution costs, and getting better at personalization and buying. Every year, we get a bit better at doing it – and some things are very visible to the consumer and some things are not.

The good news for us is that discount clothing in the U.S. is an enormous market. Every day we try to do the best job we can and it's working.

What was the vision behind Zola and what made you feel the timing was right?

I've wanted to start Zola for years, but I didn't have enough time until a year ago. The idea was a new take on a wedding registry. At places like Crate & Barrel or Bloomingdale's, they just offer home products. I was as frustrated as the consumer because I would go to someone's wedding and I wanted to get them something that resonated with me. Zola affords you the opportunity to give a more personalized wedding gift.

What is the model from a revenue standpoint?

We're an e-commerce site, so you buy these things from us. It's as if you had the world's largest store but curated. The bride and groom can customize it to choose the things that matter to them. We already have 16,000 couples registered so there is a demand for it.

Is there some common thread throughout everything you do?

No. I think of an idea and then a team, and then it's about execution. You need to raise money too. I can bring things to the table and help the team make decisions.

When you have a proven track record, it would seem easier to raise money, but is the capital available?

There isn't a lot of money available everywhere. However, in New York, it's definitely available. But if you have a great idea, you can do it anywhere. It is harder, because most people like to invest at home. They feel more comfortable there. So if you're in other cities, you don't have the venture capital network or the angel financing network that you have in New York.

In New York, in 1996, there were very few VC firms. Even in 2004, there were few angel networks or funds that invested in seed funds. Now I can name many.

All of that is creating an ecosystem that New York now has, and other cities would like to have but don't.

Are you surprised to see how well the tech sector has done in New York?

I always thought we'd be very successful, which is partly why I decided to make my career here, even though I do start-ups. In 1996, that was an even more innovative choice.

But at day's end, Internet companies are just groups of hard-working, talented people and New York has a lot of them – so that is the competitive advantage.

If you looked at the most successful cities in the U.S., they are all of the most expensive cities. This means it's where most people want to live, which drives up costs, but it's where the talent pools are.

You might think it would be an advantage to have much lower real estate costs like in Atlanta or Dallas. Yet, New York and San Francisco are by far the most successful and are pulling away. Third would be L.A., and fourth would be Boston, which probably correlates to the four most expensive markets.

How does Business Insider remain so relevant?

From day one, the focus on just doing online was a huge advantage. Most competitors, fundamentally at the senior level, wake up and think about their daily newspaper or magazine. They think about their online side as well, but they don't do it all day long. So as a result, we quickly did a better job on mobile, on getting Facebook and Twitter traffic, as well as on showing up in search results through photographs and headlines, so those were key skills to online media success.

Do you anticipate that paper and print will remain relevant over time?

People already overestimate how big the role is. Because the print model still generates more revenue than it should, people think of it as much more relevant.

Whatever market share it has now will go down over the next 10 years. The number of publications that survive will be half of what it is today at best.

When you've had such success, does the bar get raised higher?

In many cases, I only want to get involved with companies that I think can be very significant and quite valuable. In the end, I'm for two things: financially, I'd like to think it can pay off; and I want to have fun.

I often start businesses in areas I know nothing about because I find it interesting.

What advice would you offer young people to build a career today?

In college, I prefer them to be as technical as possible, because whatever they do in their career, more knowledge will be helpful.

Once people start their careers, I encourage them to seriously think about the industry they're going into – it gets harder to switch industries as the years go by. So you will probably only be successful if you love what you're doing, because then you're also doing it on the weekends, it's not even considered work, and you become more knowledgeable and passionate than others over time. ●