MALE 1: Support for this podcast and the following message come from T-Mobile for Business: five G only matters to your business if it works where you do. T-mobile has invested nearly thirty billion dollars in their advanced network to drive true workforce mobility. More at tmobileforbusiness dot com.

MALE 2: Hey, it's Guy here, and happy New Year to all of you. Just a quick heads up that our team is taking a bit of a break over the holidays, so we're running a few of our very favorite episodes from the archives, like this one. We really loved this interview, and we hope you will too. So enjoy.

[MUSIC START]

MALE 3: I left that morning for the office, knowing that's the day, and I was sitting in the office waiting, and my partner was on the phone talking to the lawyers, you know dotting the i's and crossing the t's on the contract.

MALE 2: So you, that day you're about to go and sign your name on the contract that very day?

MALE 3: Yeah, within -- like, within an hour, we were ready to get in the car and go over, and I said, "I got to take a walk around the block," and so I did. I went out to the parking lot, and I just started weeping.

MALE 2: Hmm. You couldn't. You didn't want to do it?

MALE 3: I didn't want to do it.

MALE 2: From NPR, it's "How I Built This," a show about innovators, entrepreneurs, idealists and the stories behind the movements they built. I'm Guy Raz, and on the show today, how Gary Erickson used his mom's recipe and his dad's first name to create Clif Bar, one of the most popular energy bars in the country.

[MUSIC STOP]

[MUSIC START]

MALE 2: So back in the nineteen eighties, an energy bar was something you just kind of shoved down your throat before running a marathon or going skiing. That was about it. There wasn't, like, a whole aisle of Lara and Luna and chia bars in the supermarket, and they weren't in the bottom of our backpacks or in the glove compartment of our cars, and around that time, the late nineteen eighties, Gary Erickson was living in the Bay Area. He was one of those guys who would inhale energy bars right before climbing or racing his bike. And also at that time, he was working at a bicycle-seat factory, which was you know it was fine friend a little while.

MALE 3: I think all along, even through high school, I think I always wanted to have my own business, and even though managing a manufacturing facility making bicycle seats felt close to having my own business, it wasn't my own business. And then crazy thing happened: I was sitting at my mom's kitchen table, and she was serving me this -- My mom is Greek, and my grandmother is Greek, and they taught me how to bake at a young age, and my mom was serving me something. It was like a calzone, and we called it a Greek calzone,

[MUSIC STOP]

MALE 3: and I looked at that, and I said, "You know, I bet I could sell these things."

MALE 2: Hmm.

MALE 3: And so here I am. I've got -- I'm working for the bicycle company. I'm racing bicycles, and now I'm going to start a business. So we made a few in her kitchen. I went out to some delis around Berkeley and San Francisco, and they were a hit. People picked them up.

MALE 2: What was inside of them?

MALE 3: Um So we had different fillings. The typical Greek filling was spanakopita, which is spinach and feta cheese.

MALE 2: Mm-hmm.

MALE 3: Um They were delicious, this wonderful brioche kind of dough, but when I started this business, I needed to keep working so because I didn't have enough money, so I was funding the business with the bicycle company to fund the small bakery that I started called Kali's Sweets and Savories, which was named after my grandmother.

MALE 2: So at night, you would be like baking like all through the night and then get up in the morning and then like go work in the factory, the bike factory?

MALE 3: Exactly, and then one day in nineteen ninety, I was out on a ride with a really good friend, and we did this one long day trip in the Bay Area. It was hundred seventy five-mile, one-day ride. We thought it was going to be hundred twenty-five miles, and we took along with us six energy bars that were on the market at the time, the only energy bar, really, that was on the market at that time that so many cyclists were eating.

MALE 2: That was PowerBar?

MALE 3: Exactly. It was PowerBar.

MALE 2: Mm-hmm.

MALE 3: And they were also from Berkeley, coincidentally, and so we had each packed six of them, probably put a banana in there too, and we did this ride where there was very few stores, and when we were at the top of Mount Hamilton, I had eaten five of those bars, PowerBars, and I looked at the sixth one, and I just said, "No way. I can't do one more." I would rather starve than eat another one of these.

MALE 2: Hmm. Why?

MALE 3: They just -- They're hard. Um They were -- They never really did taste good, but we always, as bike racers, we always thought of them as the bitter pill.

MALE 2: Yeah.

MALE 3: They do the job, but it's not about taste. And here I have a bakery, and everything we do tastes great, so we're riding down the hill. We're coasting down it to San Jose to get to a seven-eleven, and I turn to my friend, Jay, and I said, "You know what? I could make a better energy bar than that."

MALE 2: That was it?

MALE 3: That was it.

MALE 2: That was it.

MALE 3: Literally, the next day, I called my mom, and she had helped me with all these recipes for the bakery, and I said, "Mom, I'm coming over, and we're going to make an energy bar."

MALE 2: Hmm.

MALE 3: And she's like, "What's an energy bar?" So I had to explain it to her, and I said, "It's kind of like that great oatmeal-chocolate-chip-raisin cookie that you make, but we can't use butter. We can't use sugar, and we can't use oil." She goes, "Well, that's impossible." I said, "Well, let's just try." So for the next six months, I brought over bags of ingredients that I had been researching on -- and we're not talking about exotic ingredients. We're talking about whole ingredients because PowerBar was made with stuff that was more kind of highly produced and highly refined, and I wanted it to be more like my mom's cookie.

MALE 2: What kind of ingredients were you using?

MALE 3: We were using whole oats, real fruit and a sweetener. We didn't use oil or butter, but we used a sweetener that was made from rice, and we made -- I made them rectangular, so they were like a bar. It wasn't going to be a cookie. It had to be like a bar, and we had many failures. At times, we tried to talk ourselves into that this is great, and I would bring it out to my friends in plastic bags that I was racing with and training with, and I'd say, "Here, try this, but keep it a secret," and they'd be like, "Well, this is terrible." Well, okay. Back to the kitchen.

MALE 2: At what point did you say, "Okay, I've got this thing. We got it"?

MALE 3: So it was after about six months. I was sampling it, continued to sample it, but we just knew. My mom and I just knew, like, "Okay. This is what we were looking for," and then you take a risk because you're not sure, and then you put a package around it, and that story is, you know another real good friend that I was working with named Doug Gilmour, you know we I helped him out with some of the advertising for the bicycle company.

MALE 2: Mm-hmm.

MALE 3: And I knew that he was very, very creative person, and I said, "You need to design the package for me," and he came up with the climbing image, which is now — You know For us, it’s like iconic and has a very deep meaning you know of the introspection of climbing and especially on an overhang the way it is.

MALE 2: Yeah.

MALE 3: Then we needed a name for it, and there were all kinds of names we were considering. He wanted it to be Gary Bar. I didn't, and one day,

[MUSIC START]

MALE 3: I was crossing the Bay Bridge coming over to work on it with him. And my dad's name popped into my head, and I'm thinking, "That makes sense. I named the bakery after my grandmother. I could name this after my dad. He's the one that influenced me um with the great outdoors. This is about the outdoors. This is about -- This is a connection with adventure. It's about you know taking it on the go when you are outdoors doing your adventures." And it made perfect sense, and so we named it Clif Bar after my dad. My dad's name is Clifford Erickson.

MALE 2: Once you had the bar down, the recipe down, how did you even have the money and the resources to like turn this into a business and a product that you were going to like put your whole life behind?

MALE 3: I never, ever would've thought it's turned into what it has, but all I was thinking was, "I've got this bakery. I can figure out how to make this. If I can just take a small market share from PowerBar, then I can continue my lifestyle and have the freedom of my own business and do something that I love to do, which is both run a business and make a great product.» Um And that was easier said than done.

MALE 2: Why is that?

MALE 3: So we tried to make it in our bakery.

[MUSIC STOP]

MALE 3: We just didn't have the equipment to do it, so I found a bakery down the street that agreed to help me produce it, almost like a cookie bakery, and we leveraged the packaging companies and said, "We'll pay you. We'll make a small run. We'll give you what we can, and when we sell the first amount, we'll pay you.» I mean Back then, I didn't really even know what I was doing. I wasn't -- I didn't learn this college, and maybe it's a good thing I didn't learn this in college because I wouldn't have done it this way, but I just started thinking out loud, like, "How am I going to do this? I have no money."

MALE 2: So basically, you went to these -- to the bakeries. You said, "I'm not going to be able to pay you right away," but then you would turn around to the distributors, and you would say, "Look, can you pay me on delivery?" and then use that money to pay the --

[SPEAK OVER START]

MALE 3: Right.

[SPEAK OVER STOP]

MALE 2: -- factory, but how did you, once you started to manufacture Clif Bars, how did you even get anyone interested in them? What did you do? Did you walk around just shops and stores and just say?

MALE 3: I did a couple things. One is, I would go to bike races, or I went to running events and just started passing out the bar. We did one ad, one advertisement in "Bicycle Magazine" and a few other magazines. That was pretty hard-hitting against PowerBar. It was like, "Okay. There's a new kid on the block," kind of thing.

MALE 2: Hmm.

MALE 3: The title, or the headline was, "It's your body. You decide." Sort of, "Do you want refined ingredients, or do you want whole ingredients?" and pictures of both ingredients. That caused us to be sued immediately.

MALE 2: Oh, wow.

MALE 3: Our insurance picked up the tab, and we ended up settling with PowerBar, but it created this buzz in the bicycle industry where people said, "Hey, have you heard of Clif Bar?" I don't think -- I don't know if you could pull that off now, and we were the — you know now there's hundreds of bars out there, but back then it was just us and them.

MALE 2: I mean Did you have to like go out and raise money? Did you have to ask people to invest in the company, or were you able to somehow do it with very little money?

MALE 3: You know I never thought of either looking for outside money or wanting outside money, and maybe that was a good thing of my naivete because once you do that, you know you lose control of your destiny. I tried to get a bank loan. I did get a twenty-thousand dollars -- My father gave me, off his credit card, twenty-thousand dollars. But most of it -- Man, I look back, and I kind of think, "How did I pull this off?" because -- And it wasn't big.

MALE 2: Yeah.

MALE 3: This was just a few bike shops and a few natural-food stores, and you know I remember being at a show, like or at a marathon, the LA Marathon, setting up a little table and standing out there in the aisle with a tray of cut-up bars, and as people walked by, I'd say, "Hey, try this new energy bar," and they were like, "No, no, no. I've had energy bars. I've had PowerBar. I don't want to try." "Oh, come on. Just try it." And they'd try it, and then they would walk along, and they wouldn't want to look back because they were going to you know didn't want to embarrass me, and then they would be chewing, and they would turn around and come right back and go, "What is that?" And I knew -- You knew you had it then, when you saw that kind of response, and so it was word of mouth, and the word spread throughout the country.

MALE 2: So what happened in that first year after you — Like like I mean You were still working at the bicycle company?

MALE 3: Yeah, I was working at the bicycle company for two more years, still -- And I was using that money, too. I was living hand-to-mouth, and I was sleeping in a garage, and I was just using that money to also fund you know some of the extra bills. And then there was a tipping point. By the end of nineteen ninety-two, we sold seven hundred dollars of Clif Bars.

MALE 2: Wow. So you were making money within a year?

MALE 3: Um Probably a year and a half, two, we really started making money, and from there on, it was like a wild -- It was like getting on a wild horse and hanging on. We almost doubled sales for the next eight years in a row.

MALE 2: You basically were the owner of this company, right? Like did you Did you make any mistakes by that point, or were you just sailing on? Was it smooth sailing, just --

MALE 3: No. One of the larger mistakes was — um you know I call it a handshake deal. At the time, I didn't use corporate counsel very effectively. In fact, I you know Lawyers were too expensive.

MALE 2: Hmm.

MALE 3: So I didn't really use a lawyer, so I did a handshake deal with a distributor in early nineties where it ended up biting me because they weren't performing, and so I canceled their, quote, contract, and they came back and sued me for ownership.

MALE 2: Huh.

MALE 3: Too long of a story, but it ended up, we went to court. We settled, and it cost a lot of money to settle this. I made a big mistake. I never should've done a handshake deal on a national distribution deal like that.

MALE 2: So you almost lost the company?

MALE 3: Yeah. Oh, it was a knockout, drag-out fight, and I -- That was the most sick to the stomach I had felt up to that point about business. One day, when we went to mediation, and at the end of mediation, I thought, "Oh, my god. I could lose this whole thing," so we fought. We fought. We negotiated. It ended up being just pay them off, cost a lot, had to go get a bank loan, went and visited five or six banks, finally found one at a party. This guy talked to me and said, "Hey, I'm interested," and we went and visited with him, and they gave us the loan, and we paid it off in a few years, and then we were free.

MALE 2: How did you like cope with that emotionally, mentally? Like You had to run your company, and you were fighting off this other company that was trying to take you over.

MALE 3: I think I've learned a ton with other things I've chosen to do in my life, like rock climbing. My friend uses the term sharp end of the rope, which means, when you're rock climbing, you're either leading or following, and when you're leading, you're on the sharp on the rope. You could take a pretty big fall, and I had done a lot of leading in my life in rock climbing, and I was used to being in that position of facing danger but being able to stay composed.

MALE 2: Hmm.

MALE 3: The weird thing is, I actually climb better when I'm on lead than I'm following, and I still try to figure out how that metaphor works, but it -- because you're in more danger if you're leading, but I think I'm more focused when I'm leading, and so I was on this big lead, and now I've got this lawsuit.

[MUSIC START]

MALE 3: I've got the company growing. I've got all the manufacturing issues and you know collections and blah, blah, but I think because I was so focused, nothing was going to stop me.

MALE 2: Except something did almost stop him: an offer Gary Erickson almost couldn't refuse. Stay with us. I'm Guy Raz, and you're listening to "How I Built This" from NPR.

[MUSIC STOP]

MALE 1: This message comes from NPR sponsor Athletic Greens, a daily nutritional beverage for active people. Athletic Greens contains seventy five vitamins, minerals, whole-food sourced ingredients, prebiotics, probiotics, adaptogens and more. Tim Ferriss, the USA Cycling Team, longevity expert Peter Diamandis, athletes and top performers start their day with Athletic Greens. Go to athleticgreens dot com slash built to receive twenty free travel packs with your first purchase.

MALE 2: It's "How I Built This" from NPR. I'm Guy Raz. Okay. Let's fast forward a bit. This is now the year two thausand. This is about eight years after Clif Bar has launched, and it's doing incredibly well. It's got a growing staff, almost forty million dollars in sales, and I should mention Gary Erickson has a partner in this venture. They each have fifty percent ownership in the company, and something else is going on at the same time. Big food corporations start get into the game, and they start buying up Gary's competitors.

MALE 3: you know PowerBar was already sold, and Balance Bar had sold, so it was kind of just us as a third, so we got approached by several companies, and in a very uncharacteristic — Um I kind of untied from the rope of being on lead and said, "All right. I guess this is what you do."

MALE 2: What do you mean? What happened?

MALE 3: We hired an investment banker. I mean Long story short, we hired an investment banker, who put the company up for sale. Instead of us talking to the companies, let's higher somebody to talk to the companies, and --

[SPEAK OVER START]

MALE 2: Hmm.

[SPEAK OVER STOP]

MALE 3: -- it was an odd moment. I can remember the exact moment that I got a call from my partner. She said, "I want to tell the company."

[SPEAK OVER START]

MALE 2: Hmm.

[SPEAK OVER STOP]

MALE 3: And I said, "All right." So there we were. We put the company up for sale and started traveling all over the country and visiting these large companies that wanted us to be part of their portfolio, and we got an amazing deal from one of the large companies. We got an offer for hundred twenty million dollars on forty million dollars in sales.

MALE 2: That was from Quaker Oats.

MALE 3: Oh, I guess you heard.

MALE 2: So you guys are sitting at the table. Quaker Oats says, "We'll give you hundred twenty million bucks." This is in two thousand. That meant you would've gotten sixty million. Your partner would've gotten sixty million, and you could walk away, and like did you seriously I mean You were seriously thinking about doing this, right?

MALE 3: More than serious. We had the deal essentially done on April -- I know the date. April seventieth, two thousand.

[MUSIC START]

MALE 3: We were going to meet our investment banker, the people from Quaker and as well as all the lawyers to sign the deal, and that would've been in, and we had told the company what we were doing, told all the employees.

[SPEAK OVER START]

MALE 2: Hmm.

[SPEAK OVER STOP]

MALE 3: And they trusted us. It was a naive thing to say that things wouldn't change, but I still said it, and it was not true, and I knew it wasn't true. Of course it's going to change. I mean It could be better. It could be worse, but you can't say it's not going to change. It's going to change.

MALE 2: Yeah.

MALE 3: And so I left that morning for the office, knowing that's the day, and I was sitting in the office waiting, and my partner was on the phone talking to the lawyers, you know dotting the i's and crossing the t's on the contract.

MALE 2: She was ready to sell?

MALE 3: Oh, absolutely. It was a done deal in her eyes, and she couldn't wait because she was very fearful of the future, and I understand that to some degree, but why would people walk away from buying our product if we didn't sell the company? I never -- For the three months that we were selling the company, I was just living in the dark. I was not sleeping well. I was not riding my bike. I was probably not very fun to be around, and I think I just -- I was fighting it you know internally but not really --you know I should've gone to a counselor and talked about it.

MALE 2: Yeah.

MALE 3: Probably wouldn't have gotten to that point. But there it was, and I started I started to have that amazing moment of just shaking. I'm shaking right now just thinking of it.

MALE 2: So you, that day you're about to go and sign your name on the contract that very day?

MALE 3: Yeah, within -- like, within an hour, we were ready to get in the car and go over, and I said, "I got to take a walk around the block," and so I did. I went out to the parking lot, and I just started weeping.

[MUSIC STOP]

MALE 2: Hmm. You couldn't. You didn't want to do it?

MALE 3: I didn't want to do it. Um I guess it's like you know walking off the field.

MALE 2: Yeah. I mean, this was everything that you built, right?

MALE 3: Yeah, this was -- I had put everything into this. This is my life, and these are our employees, and this is my family, and it's named after my dad.

MALE 2: So what did you do? What did you tell your partner?

MALE 3: So halfway around the block, I decided not to sell the company, and then I felt completely free. It was like, "Oh, my god. I'm free again."

MALE 2: Huh.

MALE 3: Now I had to go back around the rest of the block and figure out what I was going to say to my partner. And I told her. She was on the phone. I said, "We need to put the phone down." I said, "I'm not selling the company."

MALE 2: Wow.

MALE 3: And she knew immediately when I said that that I was serious. And so she was on the phone with the lawyer. She said, "We're not selling the company." So I can imagine -- She's in the room with all these people on the thirty eighth floor of the Bank of America going, um "Deal is off." So now, I'm in a new situation where I've got to now go back and convince our people that we're not selling the company and that it's going to be okay. We told them we couldn't do without selling, and now I'm saying we can. Secondly, my partner wanted out, so I had to negotiate a deal, and so that was seven months of negotiations, and third was I had to go out, as our attorney says, dialing for dollars. I had to go find sixty million dollars.

MALE 2: You had to find sixty million dollars to basically buy out your partner.

MALE 3: To buy out my partner.

MALE 2: Because that's what you were offered, so her argument was, "Look, that's what it's worth."

MALE 3: Exactly. So um these are things that you don't want to have to deal with as you're growing your business because we were growing like crazy.

MALE 2: Yeah.

[MUSIC START]

MALE 3: So I negotiated this deal and decided that I would try to meet with the entire company every week and hold a meeting so that I could be in front of them so they could see me every week saying, "We are not selling the company." Because they were convinced this was going to be a short-term deal and that I would go back and sell the company.

MALE 2: Yeah.

MALE 3: And I got calls from like private-equity groups saying they heard what happened, and they are like, "You are out of your mind. You're never going to make it. You're never going to make it if you didn't have the debt, and now you have sixty million dollars of debt."

MALE 2: And did you think that you … Did you ever think, "Maybe they're right. Maybe I'm not going to make it. Maybe I'm crazy. Like What am I doing?"

MALE 3: Man, I must have been serving some good Kool-Aid at the office because people starting believe that we could do it.

MALE 2: Yeah.

MALE 3: And it took us nine years to pay off that thing, and we did it.

MALE 2: But at that time, Gary, like you could have taken the money and like then had this charmed life and biked and fished and started a foundation and just kind of like gone to conferences and just given talks.

[MUSIC STOP]

MALE 2: But there was something like. What was the thing that prevented you from doing that? Because that would've been an easier route. You would've -- The quality of your life, like the things you could buy and own and the way you could live would not have been substantially different from the way you live today.

MALE 3: True. True. It would probably be the same. Um Well, obviously, it wasn't about money. There was something deep about you know wanting to grow this business, and I mean I think my wife says it very well you know. It's the power of -- Yeah, the power of a lot of money could be good. You could donate a lot of money. You could start a foundation, all that. But the power of a business done the right way is way more powerful than two rich people.

MALE 2: Hmm.

MALE 3: I don't want to overstated because you know there's rich people that are doing some great things.

MALE 2: Yeah.

MALE 3: But as the company has grown, we've gone from sixty to four hundred employees now you know. Our community-service program alone contributed over ten thousand hours of community service last year. We can't do that as two individuals, but we can as a company.

MALE 2: Gary, your dad, Clif, passed away in two thousand nine. Is that right?

MALE 3: Mm-hmm. Yeah.

MALE 2: But it's kind of cool. His legacy, like your connection to him lives on in this brand, this thing that we all buy and eat. Clif Bar, it's him. He's --

MALE 3: Yeah, it's really cool that for um one, um he was able to

[MUSIC START]

MALE 3: experience both that bar named after him and the growth of the company. Yeah, I'm just so happy that he did get to experience is for a very long time. He was from Door County, Wisconsin, and he would go to Wisconsin on vacations and bring Clif Bars, and he'd walk into bike shops, and he'd be like, "Hey, what do you think of those Clif Bars?" "Oh, we love Clif Bars." He goes, "Well, I'm Clif." Like, "What? You're Clif. Oh, my god." Next thing you know, he's a celebrity.

[MUSIC STOP]

MALE 2: There's this narrative, or I would even say a mythology about entrepreneurs that they are -- successful entrepreneurs are like single-mindedly focused on the goal you know and believe in themselves and have very little or no self-doubt. Does that characterize you? Did you ever have any self-doubt? Did you ever have sleepless nights about -- Did you ever think, "What am I doing? Am I doing the right thing?" Or were you just totally focused and just confident in what you were doing? And you just forged ahead.

MALE 3: The latter. I can't remember a day where I didn't believe that we would get through anything. I don't know where that all comes from. I don't know if that's that unique, but you know I do think, back to some of the adventures that I've chosen to do, you know I'm not a super high-risk person. I don't believe in -- I believe in climbing with a rope. But I do think it teaches you a lot because I remember years ago, I climbed the face of Half Dome, and I never once thought I wasn't going to make it up that face. It was just -- I was happy. I call it happy-nervous. I was nervous, and I was happy at the same time. There was no doubt we were going to make it. Not for a second did I think that anything would stop us from doing that,

[MUSIC START]

MALE 3: and that's just one of many climbs I've done or bike adventures. And that's the same way I feel about Clif Bar.

MALE 2: A few years ago, Gary Erickson stepped down as CEO at Clif Bar. He's still super involved with the company, and in two thousand ten, he and his wife, Kit, handed over twenty percent of the company to their employees.

[MUSIC STOP]

MALE 2: Please do stick around because in just a moment, we're going to hear from you about the things you're building.

[MUSIC START]

MALE 2: But first, a quick thanks to one of our sponsors: TD Ameritrade. People who set defined financial goals are more likely to achieve them, and TD Ameritrade can help you craft a plan that's aligned with your specific objectives. So tell TD Ameritrade about your goals, and then you can start building towards something beautiful together. So schedule a complimentary goal-planning session, visit tdameritrade dot com slash podcast.

[MUSIC STOP]

MALE 2: Hey, thanks for sticking around because it's time now for "How You Built That."

[MUSIC START]

MALE 2: And today, we're updating a story we first ran last February featuring Alec Avedissian, who had an idea while he was working and surfing in a fishing village in El Salvador.

MALE 4: And one of my friends that was living in the community actually showed me the roofing on one of the homes. It was colorful and bright, and so it made us just look at it again and be like, "Wait. I think that's a billboard."

MALE 2: And it was. The roof was made from part of a billboard that you'd see on the side of any road, and Alec remembers thinking, "How could that work? I mean Billboards are just paper, right? That roof is going to fall apart in a day." But then he started to do a little research.

MALE 4: And I was like, "Wow. I had no" -- I didn't know that billboards were made of PVC, so it's a heavy duty vinyl material, so they're actually UV protected, waterproof, so then I started realizing, "Well, hey, if they're using these are roofing and they're durable to last and to keep the water out, then they could definitely be turned into some sort of product."

MALE 2: Alec figured all of that bright, heavy vinyl could be made into really strong duffel bags and backpacks and things like that, so after he left El Salvador and moved to Southern California, he started to make a few calls.

MALE 4: I didn't know anything about billboard companies, but I just started calling, and once I told them, «Hey, you know I think I can save you guys some money. Can I have a few of them?" they said, "Yeah, sure."

MALE 2: It turns out, the ad companies were happy because they didn't have to pay to dump the vinyl in a landfill, and Alec was happy because it doesn't cost a lot to get the stuff. Pretty much, the cost of shipping, and when he had his very first sheet of vinyl to cut up, he designed something he actually knows something about: a carry bag for his surfboard.

MALE 4: I figured a surf bag is like a pancake. There's only two sides to it, so that'd be the easiest thing to make. Let's start with that.

MALE 2: But it took him a while to figure out how to actually get it made.

MALE 4: So my first bag, I took to a car-upholstery manufacturer because I didn't know anybody that did sewing.

MALE 2: And that first bag actually looked good enough for Alec to want to make more, so fast forward a couple months, and Alec starts selling these surf bags in sport shops around LA, and then he starts to branch out into other products like backpacks and phone covers.

MALE 4: From one billboard, we can get upwards of hundred fifty backpacks and probably around thousand phone covers at least.

MALE 2: And almost every one of their products is unique: different shapes, different splashes of color because each item is cut from a different part of a giant highway advertisement.

MALE 4: You name it: Virgin Airlines, Alaskan Airlines, Gucci, Pepsi.

[SPEAK OVER START]

MALE 2: The vinyl from the billboards is washed and cut at a warehouse in LA County.

MALE 4: Geico.

MALE 2: And Alec eventually found a factory in Mexico that does all the sewing.

[SPEAK OVER STOP]

MALE 4: Any billboard that you've ever seen, we've turned it into product.

MALE 2: Alec Avedissian. He and his younger brother, Aric, own the company RAREFORM in Agoura Hills, California. Since Alec was first on the show, RAREFORM has been on "Shark Tank," and the company started turning a profit and has grown a lot. They've got a partnership with Coca-Cola. They started selling their bags at Disney parks and at REI, and all this growth means RAREFORM is now repurposing over one thousand billboards every month.

[MUSIC STOP]

MALE 2: If you want to tell us your story,

[MUSIC START]

MALE 2: go to build dot npr dot org. We love hearing what you're up to, and thanks for listening to our show this week. If you want to find out more or hear previous episodes, go to howibuiltthis dot npr dot org. Please also subscribe to this podcast at Apple Podcasts or however you get your podcasts. You can write us. Our e-mail address is hibt at npr dot org. Our Twitter is at howIbuiltthis. Our show is produced this wea ck by Ramtin Arablouei, who also composed the music. Thanks also to Neva Grant, Sanaz Meshkinpour and Jeff Rogers. Our intern is Diane Amuztak. I'm Guy Raz, and you've been listening to "How I Built This" from NPR.

[MUSIC STOP]

3: I didn't want to do it.