

## [BUSINESS★] HOW IGNORANCE HELPED UGG BOOTS BECOME A MULTIMILLION-DOLLAR COMPANY

(P1) When starting a new business, you probably think you'd want to know everything. But as it turns out, ignorance can actually be beneficial.

(P2) According to Brian Smith, founder of Ugg Australia and author of "The Birth Of A Brand," a healthy dose of ignorance is the key to becoming a successful entrepreneur and building a big brand.

(P3) At Ugg's genesis in 1979, Smith knew virtually nothing about running a business. With a mere \$200, he was able to order six sample pairs of Uggs, which he presented at a convention in New York. However, no one saw the boots catching on and he walked away without selling a single pair.

(P4) Yet a blissfully ignorant Smith still had faith in the success of the idea. "We didn't care we still hadn't made a single sale, we were too enthused with how rich we would be," he explained at the 2014 Small Business Summit in New York last month.

(P5) Smith quickly realized that Americans saw sheepskin as a delicate, fragile material and were afraid to wear them in rain and snow the way Australians would, making the concept a hard sell at first. Still, Smith kept persevering, selling the boots door to door at California surf shops and out of the back of a van during surfing competitions.

(P6) Uggs finally caught on with a mainstream audience, but Smith then discovered that they're a seasonal product, and only turned a profit in the winter. Still, he kept at it, working odd jobs through the summer and concentrating on Uggs when the weather cooled.

(P7) But when looking back on the brand's early years, Smith believes his initial ignorance to these issues is what kept him motivated. "Had I known about all these barriers and roadblocks, I would have given up," he tells Business Insider. "But the ignorance is what made it happen. If I didn't have that ignorance, you wouldn't know about Ugg today."

(P8) While it's important to be prepared before jumping into a new business, Smith's blind faith in Uggs forced him to find a way to make it work no matter what. Had Smith let the fear of running a seasonal business keep him from starting, he would have missed out on building a multimillion-dollar company.

**Words:** 374

**Source:** <http://www.businessinsider.com/ignorance-is-helped-ugg-succeed-2014-11>

## DISCUSSION QUESTIONS

If you found the passage difficult to read or had problems understanding specific words or idiomatic expressions, please discuss them with your tutor. The following discussion questions should be answered in your own words and with your own arguments.

1. Briefly summarize the content of the article in your own words.
  2. Why does Brian Smith say that “a healthy dose of ignorance is the key to becoming successful entrepreneur”?
  3. Do you agree with Smith that “[his] blind faith in Uggs forced him to find a way to make it work (P8)? Why or why not?
  4. How much is a “healthy dose of ignorance”?
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## WHAT / WHO / WHERE ARE THEY?

### Brian Smith

(Person) By the mid-1970s, several surf shops in Santa Cruz, California and the San Fernando Valley were selling Ugg boots purchased by the shops owners while visiting surfing events in Australia. Seeing the success of the boots in the U.S., in 1978, Australian surfer Brian Smith, then living in Santa Monica, California, and Doug Jensen applied to be the United States distributors for the Western Australian Ugg boot manufacturer, Country Leather. Family friends invested \$20,000 into the new venture and the group set up Ugg Imports. In their first season in business, Ugg Imports sold 28 pairs of boots. Due to other business commitments, in 1979 Jensen handed over his share of the company to Smith. Sales steadily grew and Smith set up Ugg Holdings Inc. and in 1985 registered a US trademark on a rams head logo with the words "Original UGG Boot UGG Australia".<sup>[7]</sup> In 1995, Deckers Outdoor acquired the business and continued to expand it. Despite being a unisex brand and having world wide popularity, UGG Australia has been stigmatized as a women's only product. In hopes of attracting more male consumers, UGG started an ad campaign with New England Patriots quarterback Tom Brady in 2012. In 2012, UGG had over \$1 billion (U.S) in sales. UGG footwear is manufactured in China, from Australian sheepskin.

### Ugg Australia

(Company) an American footwear company and is a division of the Deckers Outdoor Corporation. UGG is a registered trademark in the United States and over 130 other countries for their brand of sheepskin boots and other footwear, as well as bags, clothing, outerwear and other goods. Deckers also owns registrations for their UGG Australia brand in various countries around the world. Deckers is headquartered in Goleta, California with an e-commerce division located in Flagstaff, Arizona.

## VOCABULARY

It turns out	(expression) 모습을 드러내다[나타나다]; (일·진행·결과가 특정 방식으로) 되다[되어 가다]
Ignorance	(n) 무지, 무식
Dose	(n) (어느 정도의) 양, 약간
Genesis	(n) 기원, 발생
**Virtually	(adv) 사실상, 거의
Pair	(n) <특히 함께 사용하거나 몸에 착용하는, 똑같은 종류의 두 물건>
Convention	(n) 컨벤션; (전문직 종사자들이나 정당 등의 대규모) 대회
**Catch on	(expression) 유행하다[인기를 얻다]
Blissfully	(adv) 더없이 행복한
Have faith in	(expression) ...을 믿고 있다[신앙하다]
**[Be] enthused with	(expression) ~에 대해 열광하다
Summit	(n) 정상 회담
Sheepskin	(n) (양털이 그대로 있는) 양가죽
Delicate	(adj) 섬세한, 우아한
Fragile	(adj) 부서지기 쉬운
Persevere	(v) 인내하며 계속하다, 인내심을 갖고 하다
Surf shop	(n) 서핑관련상점
Caught on	(expression) = catch on의 과거
Mainstream	(n) (사상·견해 등의) 주류
Odd	(adj) 이상한, 특이한
Barrier	(n) (어떤 일에 대한) 장애물
Roadblock	(n) (계획의 진행을 가로막는) 장애물
Make [smth] happen	(expression) (어떤 일이) 일어나게 만들다
**Jump into [smth]	(expression) 뛰어 올라타다
**Miss out on	(expression) ...을 놓치다.