

SHARK TANK

SECRETS TO SUCCESS:

HOW TO PROPEL
YOUR BUSINESS FROM
THE TANK TO THE BANK



MICHAEL PARRISH DUDELL

CHAPTER SIX



INVESTOR: **BARBARA CORCORAN**

COMPANY: Grace and Lace

FOUNDERS: Rick Hinnant and Melissa Hinnant

SEASON: Five

THESE BOOTS ARE MADE FOR SOCKING

Behind every flourishing business is a story—one of passion, prosperity, and success. For Rick and Melissa Hinnant, however, the tale is a bit more complicated and begins not with triumph but tragedy.

In 2010, the couple experienced one of the greatest traumas of their life: the loss of their unborn daughter. Married for only two years, they found themselves facing a challenge the likes of which they had never known. But through hope, faith, and a little good fortune, the resilient husband and wife transformed excruciating heartbreak into vibrant opportunity and, in the process, changed the lives of countless people around the world.

Rick and Melissa appeared on season five of *Shark Tank* and made a deal with Barbara for \$175,000 in exchange for 25 percent equity of Grace and Lace—an Austin, Texas-based apparel company that sells high-quality, on-trend knits and clothing.

How did they overcome such grief and sadness? Where did they find the courage to choose optimism over despair? The answers, of course, are woven deep within their narrative and have become a central part of their life and business.

ONCE LOST, NOW FOUND

Rick Hinnant was one of those kids you could never forget. Strong-willed

and wildly ambitious, he was on a constant quest to find the next big adventure. From selling coffee cups and “other knickknacks” as a small child to launching a landscape business in middle school, the Texas native was drawn to entrepreneurialism from an early age.

“I’ve been starting businesses since the fourth or fifth grade,” says Rick. “I was never afraid to knock on a door or pick up a phone. It was always fun for me.”

His passions, however, were not strictly limited to commerce. A natural-born athlete, he was a top-ranked tennis player and was even sponsored by Wilson Tennis Racquets—a leading industry brand. Whether scoring a point on the court or landing a sale in the neighborhood, Rick, it seemed, was destined for success.

Melissa, on the other hand, had a different vision in mind for her future. The daughter of two enterprising parents, she saw firsthand what it took to run a company.

“I grew up in a very successful family,” says Melissa. “From as far back as I can remember, everyone has been entrepreneurial in some way or another.”

While inspired by her family’s accomplishments, she had no interest in pursuing the same goals. For Melissa, the dream was to grow up, get married, and raise a family. Until that day arrived, she devoted her time and energy to her second passion: philanthropy.

“I’ve always been called to charity and mission work,” says Melissa. “From the age of thirteen, I spent every summer in a foreign country working with the poorest of poor.”

Throughout high school and college, Rick and Melissa led divergent lives. Melissa continued to focus on philanthropy and eventually relocated from Michigan to East Texas to work for the missionary group she had volunteered with as a teenager.

Melissa was passionate about the work and inspired by the group’s mission of providing volunteer opportunities in impoverished communities around the world. When the organization offered to pay for

her college tuition after just a year of employment, she knew she'd found the perfect job.

Just a few cities away, Rick attended the University of Texas at Austin, where he majored in kinesiology with plans of becoming a doctor. But things were not as sublime as they might have looked on paper. The reality was that he was not the slightest bit interested in medicine. In fact, he abhorred seeing people in pain and would often pass out at the mere site of blood. Rick had chosen the major only after a high school guidance counselor suggested it would be the best way to make a living while maintaining his independence. Needless to say, he never did make it to medical school.

In the years following college, Rick's feelings of purposelessness began to take a toll on his mental health. He had lost the fire and determination that had defined his youth, and he desperately wanted it back. With no real prospects in site, he took a series of odd jobs and even tried his luck at an acting career, but nothing seemed to fit.

"It was a scary point in my life," says Rick. "I didn't know how to do what I wanted to do, and I was absolutely miserable."

There was more to this restlessness, however, than a mere lack of direction. Years of bad habits and too much partying had left him feeling empty and out of control. If he didn't make a dramatic change, Rick felt as though he may never build the career and life he'd always wanted.

Then, in October of 1996, shortly after returning home from a raucous night of drinking and carousing at a local bar, Rick got down on his knees and started to pray—something he hadn't done in years.

"God, I think I'm blowing it," he said. "I don't know what it means to be a man. Can you help me? Will you forgive me?"

The next morning Rick awoke a changed person. It was as though the destructive habits and negative behaviors he had developed over the years had evaporated into thin air. He was back on track and determined not to let anything slow him down.

Over the next five years, Rick found a supportive group of friends who provided necessary guidance and mentorship. He started a handful of successful companies, which netted him a large amount of money by the time he'd reached his late twenties. But after one of his most ambitious ventures failed to succeed, he fell into a downward financial spiral and soon found himself more than \$80,000 in debt. The timing couldn't have been worse; he and Melissa had just met.

"I don't think I was all that shocked when he told me about the debt," says Melissa. "I believed in him and knew he was going to be successful in whatever he did."

Motivated to regain his financial independence, Rick decided to go back to the basics, reviving the landscape business he had started as a middle school student. With the clock working against him, he took to the streets and began searching for new customers.

"I just started knocking on doors," says Rick. "I literally went door-to-door talking to each customer personally. It was a humbling experience, but I knew it's what had to be done."

Eighteen months (and many doors) later, Rick's new company Four Seasons Landscape was booming. As profits increased, Rick was able to pay off his debt and eventually hire a team.

Meanwhile, Melissa had gone into real estate and was one of the highest performing agents at her firm. But no matter how much she accomplished, she remained uninspired by the work and concerned that she was moving further away from her ultimate goal of having a family.

"Growing up, I always wanted to be a wife and mother," says Melissa. "I never wanted to be some professional career woman. That just wasn't me, and I felt like somehow I had turned into that."

Shortly after getting married, with both husband and wife confident that Rick's landscape company was stable enough to support the family, Melissa left her job and the couple began trying to get pregnant.

In 2010, after numerous attempts and one miscarriage, Melissa became pregnant with a baby girl. The first-time mother was overwhelmed with

joy; her dream of parenthood was finally coming true—or at least she thought it was.

Halfway through the pregnancy, while at a routine doctor visit, Melissa received alarming news that she was about to give birth and that the child would likely not survive. Immediately, she was rushed into emergency surgery.

“I couldn’t believe what was happening,” says Melissa. “It felt like everything came crashing down all at once. It was a massive whirlwind.”

The procedure was successful and they were able to prevent the baby from being delivered. But the doctor insisted she stay in the hospital for the remaining five months of the pregnancy, tipped backwards in bed to avoid further complications.

It was a scary time for both soon-to-be parents, but their confidence never wavered. They were committed to doing whatever it took to ensure a safe and successful delivery.

“The thought of having to stay in the hospital that long was completely overwhelming,” says Melissa. “But honestly, at that point I would have done anything to keep her until full-term.”

By the third day of bed rest, Melissa was growing increasingly bored. Longing to do something creative, she began knitting a baby blanket for her daughter and was surprised by the comfort it provided. Such comfort, however, would only be temporary.

Just two weeks into her five-month hospital stay, the doctors could no longer prevent Melissa from going into labor, and she was forced to deliver the severely premature baby. Tragically, their daughter was unable to survive. In a flash, Rick and Melissa’s world came shattering down.

“We had so much faith,” says Rick. “We never thought it was going to turn out like that. We never thought we were actually going to lose her.”

SHARK BITE

My favorite entrepreneurs on Shark Tank have had the same spirit, the same gumption, to keep going after what they believed in, even in the face of tremendous personal and professional obstacles. So when I’m watching pitches... I know what to look for: the people who know how to pick themselves back up.²³

—Barbara

A NEW BEGINNING

The couple returned home from the hospital, overcome with grief. Determined to finish the blanket she had started for her daughter, Melissa spent hours at the sewing machine fervently stitching away.

“I found so much healing through sewing,” she says. “It was the only thing that brought me peace.”

Soon Melissa began making baby blankets for her friends and relatives who, impressed by the craftsmanship, suggested she sell her pieces on Etsy—an online marketplace for handmade or vintage items, art, and supplies. Melissa had never considered turning the new hobby into a business, but she found the idea exciting.

“I’d sell a few here and there,” says Melissa. “It was nothing significant, but it was the first time I had been passionate about anything in years.”

Then, in the fall of 2011, Melissa created a product that would forever change the course of her and Rick’s life. After exhaustively searching for a pair of lacey socks that could ascend above her boots, Melissa decided to take a stab at making them herself. Ever the DIY aficionado, she was confident she’d be able to whip them up in no time at all. Nine long hours

later, the exhausted seamstress descended down the staircase with socks in hand.

“They turned out great,” says Melissa. “But they took so much work. I swore I’d never make another pair again.”

Proud of her accomplishment, Melissa wore her homemade socks everywhere she went and was bombarded with compliments and queries. It wasn’t uncommon for her to return home from a trip to the store with a pocketful of phone numbers and e-mail addresses from strangers who’d expressed interest in purchasing a pair.

Shocked by all the attention, Melissa snapped a quick picture of the socks and uploaded them to her Etsy page. This, she thought, would be a perfect way to assess demand and see if there really was a need in the market for her product. The experiment worked.

“Those socks sold instantly. I mean instantly,” says Melissa. “I couldn’t believe it.”

Orders continued to pour in, and just two days later she had sold over four hundred pairs. Melissa was ecstatic at the response but unsure how she was going to fulfill so many orders.

“I was in big trouble,” says Melissa. “I knew I wouldn’t be able to make all of them myself. But I’m a business-minded person, so I wasn’t about to turn down all that interest.”

With limited time and resources, she set up a makeshift workshop in her house and began hurriedly recruiting any friends, family members, or neighbors who could sew. After only two weeks on Etsy, Melissa received a call from Nordstrom department store with a request for fifty thousand pairs.

Although she couldn’t supply the massive order, it provided the validation she needed to continue pursuing the idea—even if she wasn’t entirely sure what she was doing.

“My high school volleyball coach used to tell me that if you can’t do it, just fake it,” says Melissa. “Because if you fake it for long enough, eventually it will become a reality. So that’s what I did: I faked it.”

After two months of “faking it,” Melissa looked up from her sewing machine to find that she had done over \$40,000 in sales. The couple recognized that if they wanted the growth to continue, it was time to seek outside counsel.

Through one of Rick’s longtime mentors, they were connected to an industry veteran with over thirty-five years of manufacturing experience. The executive-turned-investor shared crucial guidance and support, and even offered to come on board as a partner.

“She was passionate about the product and fell in love with our story,” says Rick. “During our fourth month of business, she made an offer to buy a large percentage of the company.”

Rick and Melissa were grateful for the offer, but felt it was too early to raise capital. The organization was only twelve weeks old, and they had yet to embark on any long-term strategic planning. Plus, they had other investment plans in store.

“We’ve been avid *Shark Tank* fans since day one,” says Rick. “I really felt like we were supposed to be on the show. I thought it was the route God had in store for us.”

Although Melissa appreciated Rick’s enthusiasm, she was less than convinced. Battling with the Sharks in front of millions of viewers didn’t seem like her idea of a wonderful time.

“I thought he was nuts,” she says. “I had absolutely no interest in going on TV and being eaten alive by Mr. Wonderful.”

Melissa relented, however, and finally agreed to let Rick submit an application. With so many entrepreneurs vying for a spot, she didn’t actually think they’d be chosen. And she was right, at first.

Rick filled out the lengthy form and eagerly awaited a reply, but no response ever came. So he submitted another one, and then another one. After a third attempt, he decided *Shark Tank* just wasn’t in the cards and moved on to other things.

Then, just days after he’d given up hope, Rick was on a call with his former business partner and mentioned he’d applied for the show. As luck

would have it, his friend knew a producer at ABC and offered to put them in touch. By the end of the afternoon, Rick was on the phone with *Shark Tank* casting. Shortly thereafter, they were chosen to tape an episode.

“It was a mad rush to get everything together,” says Rick. “Melissa was pregnant with our son, and because it was a high-risk pregnancy we had to get permission from our specialist to fly to Los Angeles.”

Although the couple did eventually manage to secure the necessary consent, the *Shark Tank* production team felt the risk was too large. So the husband-and-wife team were asked to resubmit for the following year.

“I was crushed,” says Melissa. “I felt responsible for us losing this big opportunity.”

Rick was also disappointed but felt confident everything would work out in due time. Less than one year later, he was back on the phone with *Shark Tank*.

“When we first started talking to them, we only had a few months of sales,” says Rick. “But at this point we had been in business for over a year and had sold more than eight hundred and fifty thousand dollars.”

Blown away by their progress, the producer felt that Grace and Lace would be a perfect fit for the show. After a few months of back and forth, Rick and Melissa landed a spot and headed off to sunny California. Rick’s vision had become a reality.

SHARK BITE

The Corcoran Group became the innovator in my industry because I was always willing to fail. Most of my innovations were built on a leap and a prayer, using money I should never have spent in the first place.²⁴

—Barbara

BARBARA OR BUST

As tried-and-true *Shark Tank* fans, the couple had been watching the series for years and were acutely familiar with each investor. Still, they put in hours of additional research before boarding the flight to California.

“That was a really big deal for us,” says Melissa. “If you’re going to give up a portion of your company, you owe it to yourself to have as much information as possible.”

Rick and Melissa started the preparation process by re-watching each of the previous seasons, carefully studying the most and least effective pitch techniques. Next they read each of the Sharks’ books and scoured the Internet for interviews and articles that could provide additional insight into their personal and professional stories. They’d only have one shot to land a deal, so they wanted to be as prepared as possible.

It didn’t take long for the duo to reach a unanimous decision. There was but one Shark who could help elevate the organization to new and uncharted heights: Barbara Corcoran.

“Of course any smart person would love to do business with all of the Sharks,” says Rick. “But for this particular business we knew we had to get Barbara.”

Convinced that Barbara was the right partner, they made a pact to only accept an offer if Barbara was somehow involved. She didn’t need to be the only Shark in the deal, but her participation was required. Armed with a concrete plan of attack, Rick and Melissa entered the tank.



With almost \$1.5 million in sales, they asked for \$175,000 for a 10 percent equity share in the enterprise, valuing the business at almost \$1.75 million—an indisputably fair sum.

Although nervous at first, they felt confident in their pitch and that their sales would speak for themselves. But right away they experienced an unexpected curveball: Lori Greiner went out.

“That totally threw me off,” says Melissa. “She kept saying that she felt like we were hiding something—that the business was too good to be true. It really surprised me.”

Luckily, the other Sharks had different outlooks, including their top choice, Barbara Corcoran. In fact, it was she who made the initial offer, but it came with a catch. Barbara was willing to put up half the money but only if they could convince another Shark to go in for the remaining half. It wasn't exactly what they were hoping for, but Rick had faith he could make it work.

“At that point I knew we were gold,” says Rick. “We had it in the bag. We were in.”

Kevin O’Leary was the next Shark to make a bid, offering \$175,000 for 20 percent equity, which would drop to 10 percent once he had recouped his initial investment. While they were grateful for the interest, it didn’t align with their strategy.

“He gave us a good offer,” says Rick. “But we knew it wasn’t the right deal for us.”

Impressed by their numbers and entrepreneurial spirit, Robert Herjavec was the next investor to step up to the plate, offering the husband-and-wife team exactly what they had asked for: \$175,000 for a 10 percent equity stake.

This threw Rick and Melissa for a loop. They didn’t expect to get so many offers and certainly not one that echoed their initial valuation. Still fixated on working with Barbara, Rick asked if she could come in on the deal.

“All I was trying to do was buy time,” says Rick. “I was just stalling to get Barbara to reconsider her offer.”

But stalling isn’t always the best tactic, especially when a Shark is willing to honor a full valuation. Frustrated with the back and forth, Robert rescinded his offer, accusing the founder of “mistaking his kindness for weakness.” They were back to square one.

“At this point I’m just thinking I got to get Barbara in somehow,” says Rick. “I just kept looking back at her and making it pretty obvious that she was the one we wanted.”

Mark Cuban was the final Shark to chime in and he made the same proposal as Robert: \$175,000 for 10 percent of the business—once again, the exact deal Rick and Melissa had proposed. But without Barbara they wouldn’t accept.

And then, just when they thought they’d be leaving the tank empty-handed, Barbara revised her offer: \$175,000 for 10 percent of the company—half in cash and half in a line of credit.

“At the last second Barbara decided to revise her offer and gave us the deal we wanted,” says Rick. “I had been holding on to faith the whole time.”

Rick and Melissa immediately accepted the offer and left the tank feeling triumphant. They came. They pitched. They conquered.

SHARK BITE

I have never met a really smart person who didn't over-prepare, and after flunking my audition for the high school cheerleading squad because I hadn't bothered to learn the cheers, I swore to myself that I would never be caught unprepared. I find that over-preparation and the insecurity that drives it have always guaranteed my success.²⁵

—Barbara

GROWING, GROWING, GONE

Grace and Lace's episode aired on November 22, 2013, and, as the couple recounts, what happened next can only be described as “absolute and utter insanity.”

Rick and Melissa were aware that it's common for companies that appear on *Shark Tank* to experience a sudden burst of rapid growth and wanted to ensure they were adequately prepared. Uncertain of how many orders to expect, they met with Barbara to review potential outcomes.



“Barbara couldn't give us an exact number,” says Rick. “But she estimated that we might sell an additional seven thousand to ten thousand units.”

With fifty-four thousand pieces of inventory in stock, the husband-and-wife team were certain they could weather the busy holiday season. Even taking into account the most optimistic of projections, fulfilling ten thousand extra orders would be more than manageable. Little did they know just how enthusiastically America would respond to their product.

“The night our episode aired we were at our viewing party and my phone wouldn't stop buzzing,” says Melissa. “We sold ten thousand units almost instantly. I couldn't believe it.”

Nervous they might run low on merchandise if orders continued to come in at such a steady pace, she excused herself from the celebration and called their manufacturer. Her instinct was correct.

Over the next five days, Grace and Lace sold one hundred and fifty-thousand units—bringing in over a million dollars in revenue. To say the company was unprepared for the flood of business would be a gross understatement.

“We went from getting one hundred and fifty orders a day before *Shark Tank* to getting ten thousand orders a day after,” says Melissa. “We actually thought about taking the site offline, but I just couldn’t do it.”

Instead of closing up shop, Rick and Melissa changed the shipping notifications to allow for additional time and alerted customers that orders wouldn’t arrive for the holidays. But it would take more than extra time to fulfill the influx of orders. If they were going to survive the year, they needed additional inventory and staff.

“We grew from six employees to thirty-six in about two or three days,” says Rick. “We asked everyone to bring in their friends, their neighbors, anyone they knew.”

But even with thirty new employees, they still faced an array of complex challenges. Prior to going on *Shark Tank*, Grace and Lace had fulfilled each order in-house. With one hundred and fifty thousand additional orders, continuing such a laborious process became impossible. Time was running out, and they weren’t sure where to turn.

“I remember getting a call from Barbara one day while I was shopping at Target,” says Melissa. “I hadn’t slept or showered in days and just sat down in the middle of the aisle and started crying.”

Barbara knew the small company didn’t have the infrastructure capable of processing such a high volume of orders, so she recommended they hire a fulfillment center—an outside firm that specializes in receiving, packing, and shipping goods on a company’s behalf.

Melissa agreed and quickly began searching for vendors, eventually hiring two local companies to offload some of the labor. Even with the additional help, however, it took almost two months to fulfill all the orders. The business was booming, but Rick and Melissa were fading fast.

“It was two months of hell,” says Rick. “Literally, hell. “We were not prepared for that.”

Most disturbing was the barrage of angry e-mails and phone calls they received from customers who had grown frustrated with the wait. In the few years since launching, Grace and Lace had never received a single piece of negative feedback from a customer—not one. And now all of a sudden they were bombarded with complaints.

“We had to play Santa Claus to thousands upon thousands of people,” says Melissa. “And we just couldn’t keep up. I took it really personally.”

Fortunately, Rick was able to take a step back and help Melissa put the situation in perspective.

“I didn’t take it as hard as she did,” says Rick. “It wasn’t the end of the world, nobody was dying. We were just two weeks late on getting a few people their socks.”

Eventually, the storm subsided and daily operations stabilized. Although the initial spike has mellowed, today business continues to flourish, with a growth rate of 1,000 to 1,500 percent over the prior year.

While Rick and Melissa recognize the enterprise’s massive expansion would never have been possible without *Shark Tank*, they attribute much of their continued success to their committed team of loyal employees.

“Our staff is just absolutely incredible,” says Rick. “I’ve never seen anything like it in all my years. It’s just mindboggling how dedicated they are.”

Melissa seconds Rick’s praise and insists that it’s the people working behind the scenes who’ve turned Grace and Lace into such a flourishing venture.

“It really is all about them,” says Melissa. “Everyone we’ve hired has been directly connected to the company—either through friends, family, or neighbors. There’s a whole cul-de-sac that works here. That’s something you don’t see a lot in business, and that’s a huge reason why we’ve been successful.”

SHARK BITE

The fact is, it's a huge personal challenge to navigate the uncharted waters of a big second act, especially without a map to guide you. I soon learned that the trusted old blueprints that had worked for me in life so far were pretty much obsolete the moment I decided to move on, shift gears, and start fresh.²⁶

—Barbara

THE GRACE AND LACE PLAYBOOK FOR SUCCESS

As both business and life partners, Rick and Melissa believe it's crucial for their definitions of success to remain consistently aligned. While they're passionate about growing the brand, they're equally dedicated to their roles as parents.

"I think of success in a larger context than just business," says Rick. "Am I a good husband and father? Do I have an identity outside of just what I do? Of course I'm prosperity-minded, but it's by no means the barometer to which I measure success."

Melissa shares Rick's sentiment and believes it's crucial to view achievement through a wider lens that promotes both personal and professional satisfaction.

"I think of success as contentment," says Melissa. "It's not about the fulfillment of what you want, but the realization of the things you already have."

As a first-time business owner, Melissa has found that "constantly striving" for the next best thing only breeds emptiness and doubt—not joy or meaning. This ideology is contrary to how many of Melissa's

entrepreneurial counterparts view achievement and is paramount to who she is as a founder, mother, and wife.

"I feel peaceful and content," says Melissa. "I get to exercise my God-given abilities in business, and also have the freedom to spend time with my family."

Balance, gratitude, appreciation, respect: these are just a few of the values that Rick and Melissa practice on a daily basis and have infused into their Playbook for Success.

FOSTER A STRONG COMMUNITY

Spend an afternoon with the Grace and Lace team and you'll quickly observe just how much emphasis they put on community. One of their first hires, a neighbor, now runs the warehouse. Chris Cowden, a longtime family friend, is the director of operations and Rick's "number two." For Rick and Melissa, community is what their company is and always will be about.

"There is no way we would be successful if we didn't have such a strong community," says Melissa. "Every aspect of this business was built around it."

But their circle isn't limited to just staff and colleagues. Rick has maintained an influential circle of mentors who've advised and guided him along the way. Likewise, Melissa relies on the support of a close group of like-minded entrepreneurs.

"There are very few people who understand what it's like to run a small business," says Melissa. "It's priceless to be able to learn from and lean on those who've had a similar experience."

Barbara Corcoran has also become an important part of Rick and Melissa's community, connecting them with a large pool of thought leaders and media influencers.

"Those connections have been huge," says Rick. "Barbara adds instant credibility to us and to our business."

Devise a Give-Back Strategy

From as early as she can remember, Melissa has been driven by a single motivator: to make the world a better place. Rick also champions this philosophy and believes altruism to be a critical piece of long-term prosperity.

"Our mission is really simple," says Rick. "We're going to change the world. Period."

To help them achieve this important goal, Grace and Lace has developed a partnership with Angel House—a nonprofit organization that brings

abandoned children from the slums of India to safety and empowers them to become "future leaders of their generation."

Melissa first visited India during the summer of her senior year of high school. Having previously done mission work in other indigent communities, the destitution she witnessed there was unlike any she'd ever experienced, and it left a lasting impression.

"I had never seen poverty like this before," says Melissa. "I left there with a note in my journal that said, 'I've been so broken for this place. They need help so badly. I have to do something more.'"

Never would Melissa have guessed that one day she'd own a profitable company and be able to contribute in such a meaningful way.

Today, Grace and Lace donates a portion of each sale to Angel House and has thus far funded two orphanages, which, combined, house fifty children.

"There's poverty here in the U.S., but there's deep utter depravity there," says Rick. "We're trying to give these kids hope and show them they have a chance in this world."

In addition to building orphanages, they've also begun funding the organization's first Freedom House, which provides a safe haven for victims of human trafficking. Already home to more than thirty girls and young women, Freedom House offers shelter, counseling, and job training.

"We're equipping them with the healing they need while also giving them a trade skill so they can enter back into society," says Melissa.

To its customers, Grace and Lace may be a hub for quality fashion-forward clothing and apparel. But for Rick and Melissa, the company has always been about so much more than the product they make.

"This is the motivation," says Melissa. "This is why I do what I do—to see that we're giving these lives a chance. It's why I wake up every morning."

Pay Strict Attention to Detail

Although Grace and Lace has already achieved incredible success, Rick and Melissa have a larger vision for the enterprise. And they believe that to accomplish the big tasks, one must first learn to master the small ones.

"Everything we do as an organization can impact the larger vision," says Rick. "And if we execute each detail with absolute excellence, we'll ultimately build a better business."

Rick first developed an appreciation for strict attention to detail after reading a navy seal book and applying the principals to his own life. Immediately surprised by the overlapping viewpoints, he made a commitment to become a more detail-oriented person and approach even the most mundane tasks with precision and finesse.

“We’re not in a war here,” says Rick. “But if we don’t pay attention to the little stuff, we may not be able to build the next orphanage. So in some way, Grace and Lace is about saving lives.”

While Melissa shares this approach, she’s better at tackling more big-picture creative projects and relies on Rick for many of the day-to-day tasks.

“The operations side is not my strong suit,” says Melissa. “When Rick came on full-time I was able to focus on what I’m naturally good at and let him handle a lot of the details.”

Prepare for Adversity

There are many who view success as a finish line—a threshold that, once traversed, can never be uncrossed. But as any seasoned entrepreneur will reveal, achievement is leased, not owned, and rent is due every day in the form of hard work, sacrifice, and dedication.

“It’s like the classic iceberg visual,” says Melissa. “The public only sees a small part of the business: the product. But underneath is this huge, complicated operation.”

For Rick and Melissa, part of running an effective company means anticipating adversity before it occurs and making a mindful effort to manage hardship in a direct and productive way.

After appearing on *Shark Tank* and experiencing such intense demand, they were bombarded with an endless stream of complicated challenges that pushed both founders far beyond their comfort zones.

“Honestly, we thought about shutting the business down,” says Melissa. “I didn’t know if we would be able to survive.”

But even though they were left feeling disoriented and overwhelmed, the husband-and-wife team chose to recommit to their mission and power through the storm.

“As a business owner you have to decide from the beginning how you’ll deal with adversity,” says Rick. “Do you face it head-on? Do you find solutions? Or do you let the challenges conquer you?”

Practice Absolute Honesty

At Grace and Lace, honesty isn’t just the *best* policy; it’s the most important policy. And it’s one the company expects each employee to faithfully respect and observe.

“I’m a huge proponent of being totally truthful with everyone involved,” says Rick. “Whether it’s with those you’re working for or those you’re working with, there’s got to be a base level of trust.”

But as Rick and Melissa have experienced, practicing absolute honesty isn’t always easy or comfortable, especially in times of turmoil.

“Some of our employees get really upset when they make a mistake, even when it’s just a minor one,” says Rick. “When that happens we try to remind them that we’re all figuring this out together and that it’s a process. As long as it doesn’t jeopardize our core values or break the law, we’re okay with mistakes and want everyone to be open about them.”

This commitment to honesty doesn’t only apply to their employees. As cofounders, Rick and Melissa uphold the same commitment and always try to be both communicative and forgiving of their mistakes.

“We’re not perfect,” says Rick. “But we always try to extend grace to ourselves and to each other. That’s such an important part of running a business.”