

## Entrepreneurship

# Meet the founders with the boomerang factor

Some of the most successful CEOs share a pattern of leaving the company they started — and returning again

**Jill Martin Wrenn** JULY 4 2022

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Vicky Tsai will never forget the debut date of her beauty brand, Tatcha, in January 2009. “We launched Tatcha the day that I gave birth to my daughter, which is why I always know how old it is,” she says. “It was a very long day.”

Inspired by the skincare rituals she discovered on a trip to Japan, Tsai, a Taiwanese-American and Harvard Business School graduate, developed products to help alleviate her own irritated skin condition. She sold her engagement ring to raise money to finance her young company, which began in her mother’s San Francisco garage. She did not draw a salary for Tatcha’s first nine years. In those early days, Tsai says finding retail partners was challenging.

“We have always historically dealt with a lot of scepticism,” she explains. “That initially impacted our ability to raise money, get retail distribution, have agency partners. Across the board, you had people saying, ‘Asian beauty is not aspirational in the western world.’ So we just did it on our own.”

The British beauty retailer Space NK was the first to sell Tatcha’s products. Tsai reached out directly to beauty magazine editors with product samples and handwritten notes to build the brand by word-of-mouth. After nine years, still in the chief executive role, she brought in institutional investors.

“When we were in this hypergrowth phase, I ended up making the decision to bring in a private equity company to give us some buffer for growth capital,” she says. The firm recommended that Tatcha bring in a new leadership team, including a new CEO. “And I never wanted to be the kind of founder who gets in the way of their company,” Tsai says. “So I stepped aside, and was actually very excited to be able to learn from the greats in the industry.”

Unilever bought Tatcha in 2019 for a reported \$500mn. Two years later, Tsai returned to the company. “I can’t say too much about that era, with the exception of the fact that when I was asked to return by Unilever in January of 2021, it was a

turnround,” she says.

Tsai is part of a small group of founder-CEOs, through various industries, who leave and return to the companies they created. Steve Jobs famously went back to lead Apple, 11 years after his ousting; Howard Schultz, who turned an 11-store Seattle coffee chain into a global brand, recently returned to Starbucks as interim chief; and Superdry founder Julian Dunkerton returned to the helm of the clothing retailer after four years away.

## **I went from thinking not just as a founder, but more to the CEO mindset — it’s not just about me, but the group**

**Francesco Clark, founder and CEO,  
Clark’s Botanicals**

Founders who pour their heart, soul and personal finances into a company they create often find it hard to let go. When they do leave, they can find it hard to resist returning, particularly in the beauty industry. “I think when you have an independent company that breaks through and begins to see success, it’s a pretty common story to take out the founder,” Tsai says. “And a lot of the founders are women.”

Denise Sutton, associate professor in the department of business at the New York City College of Technology, points out that the mission of beauty brands become personal to their founders, particularly when they develop products to use themselves. “A lot of these entrepreneurs make huge sacrifices to start a brand,” Sutton says. “Even though you’re getting a huge payout when you actually sell your company, you still have this emotional attachment to all of the blood, sweat and tears you put into it. You want to make sure someone is taking care of your baby, and it won’t get lost among the hundreds of brands.”

Sutton believes this is especially true in the beauty industry because beauty is so personal. “Whatever brands we use, whatever ingredients . . . it’s right out there for the world to see, whether it’s our skin, whether it’s the colour cosmetics, or whether it’s the hair dye . . . it’s just so visible,” she says. “And I can’t think of other industries where the product or the service that they’re selling is so intimately personal for the consumer.”



Francesco Clark says he started Clark's Botanicals as an emotional and psychological exercise 'because I didn't have a sense of self' © Pascal Perich/FT

Francesco Clark developed his skincare brand Clark's Botanicals when he was 24, after suffering spinal cord damage in a diving accident in 2002. "I started Clark's Botanicals as an emotional and psychological exercise because I didn't have a sense of self," he says. Because his skin had stopped sweating as a result of his injury, he turned to his father, a homeopathic doctor, to help him develop face cream to ease his own irritated skin.

Five years later, the New York-based Italian-American showed his homemade creams to his former boss at fashion magazine Harper's Bazaar, where he had worked as an assistant. Impressed, his former boss featured the face cream in the 2010 September issue. "With Clark's Botanicals, we have always been the underdog that has somehow finished the triathlon," he says.

As the brand grew, Clark says he was approached by potential suitors. In 2016, he sold Clark's Botanicals to Glansaol, a company backed by private equity firm,

Worhurg Bivona, for undisclosed terms. Clark tried to separate himself from his

wardburg Pincus, for undisclosed terms. Clark tried to separate himself from his company as he prepared for the deal. “I went from thinking not just as a founder, but more to the CEO mindset — it’s not just about me, but the group.”

He stayed on as CEO of Clark’s Botanicals during the change in ownership. “It was an incredible experience that I do not regret at all, and it’s what needed to happen in order for Clark’s Botanicals to grow to the brand that you see today,” he says.

Two years later, when Glansaol filed for bankruptcy protection, Clark acted fast to regain control of Clark’s. He bought it back in 2019. “That was the way to fix it and to grow it and to make it better,” he says. “I never realised how that might be perceived as nearly impossible.”

His company resumed its independence just before the pandemic hit, but Clark says he enjoys the hectic pace. He also appreciates his deep connection to the brand.

“I mean, I was facedown in a pool paralysed from a diving accident, and I was told I had a 19 per cent chance of surviving. And then I was told I would never be able to breathe, talk or move my arms. Now, I don’t shut up,” he says. “Somebody telling me that something is impossible doesn’t mean anything to me.”

*Jill Martin Wrenn is the host of the podcast ‘How to Build a Village’*

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