

Women in Business and Technology

Transcript of Episode 40 –

Innovating in personal care with Virtue Labs CEO Melisse Shaban

Guests: Karen Okonkwo, Melisse Shaban

Summary: Sonia is back from Amsterdam! Colleen meets Karen Okonkwo, the Co-Founder of TONL—the destination for premiere diverse stock photos. Then, Colleen interviews Melisse Shaban, the Founder & CEO at Virtue Labs, a biotech company creating products to repair hair. Our hosts wrap with a Cutting Edge conversation about the correlation between a company's ROI in building diverse teams and the larger cultural importance of diversity.

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(Music.)

MELISSE SHABAN (VOICEOVER): There's all sorts of this filtering that goes on that you now have that we didn't have even ten years ago. And I think your decision and your process about where you're going to spend your money and the products and the companies you're going to reward, your patronage is one of the few things you actually control. If the company's not behaving the way you want it to behave and not living up to its promise, then you take your patronage away.

VOICEOVER: You are listening to the *Women in Business and Technology* podcast from Microsoft. In each episode, you will hear from women in amazing technology and business roles as well as male allies who are helping make the industry more inclusive, and bringing you tips on how to build a successful career in a supportive community. Welcome to *Women in Business and Technology*. (Music.)

COLLEEN O'BRIEN: Welcome to Episode 40 of *Women in Business and Technology*. I'm Colleen O'Brien.

SONIA DARA: And I'm Sonia Dara.

COLLEEN O'BRIEN: We're kicking off this show in our Community Connect segment with a conversation that I had with Karen Okonkwo, the co-founder of TONL, the destination for premier diverse stock photos.

SONIA DARA: And then we'll dive into a conversation with Melisse Shaban, the founder and CEO at Virtue Labs. Virtue Labs is leveraging biotechnology advancements to heal hair. We'll hear more about how Melisse and her team are leveraging a protein that works to heal battlefield injuries to innovate in the personal care industry.

COLLEEN O'BRIEN: Finally, we'll wrap things up in our Cutting Edge segment with a conversation about conflicting research on whether or not gender diversity improves firm performance.

SONIA DARA: Before we jump in, I went to Amsterdam again. (Laughter.)

COLLEEN O'BRIEN: What were you doing that?

SONIA DARA: I got to attend this conference called ISE, Integrated Systems Europe, it's like 80,000 people in Amsterdam. It was massive. And we were there showing off our latest from Surface, including Surface Hub 2. It was really fun. I got to spend a week there, I avoided the snowstorms that were hitting Seattle. It wasn't bad.

COLLEEN O'BRIEN: What was your favorite thing to do in Amsterdam?

SONIA DARA: I finally made it out to the windmills.

COLLEEN O'BRIEN: Oh, cool!

SONIA DARA: Yeah, so I have a second cousin who lives out there with his wife and newborn baby, who's adorable and I took at least five million photos of, and we took the baby and the dog out to these windmills. And it was fun. Totally did it for the gram, but that was cool.

COLLEEN O'BRIEN: Well, welcome back. We're excited to have you here in the studio. It's great to see you.

SONIA DARA: Yeah. (Music.)

VOICEOVER: Community Connect, get involved and stay connected.

COLLEEN O'BRIEN: I am thrilled to welcome to the studio the co-founder of TONL, Karen Okonkwo. Karen, welcome.

KAREN OKONKWO: Thank you. I'm so excited to be here.

COLLEEN O'BRIEN: What is TONL?

KAREN OKONKWO: So, TONL is a diverse stock photography business designed to represent the misrepresented or underrepresented people who thrive across the world, who otherwise have not been displayed historically digitally, in magazines, in books, and things like that. So, we're a stock photography company.

COLLEEN O'BRIEN: And what is the origin story behind this company? Why did you decide to bring it to life?

KAREN OKONKWO: Yeah. So, the story is kind of twofold. It started off, actually, with a realization that I had when I started a sorority site with my two sorority sisters called *The Sorority Secrets*. And while we were producing a lot of content for the site, we were getting a lot of attention. So much so that one of my friends actually reached out to me and he said, "Hey, out of curiosity, how come you don't show any black people on your site?"

And you know, me being black, I was like, "What are you talking about? Yes, we do, like, lies." And then I went on our site and I scrolled and scrolled and scrolled and realized that he was, in fact, telling the truth and I was embarrassed.

So, I'm one of those people where I'm like, "Let me quickly solve this problem."

So, I went online to try to find images and I could not find decent, if any at all, imagery of people with different ethnic backgrounds. So, it really haunted me in the back of my mind for years to come, even when *The Sorority Secrets* dissolved.

So, flash forward. I meet Joshua Kisse (ph.), who is one of my best friends, now fiancée who I learned was a creative director, photographer, videographer, multi-talented, and has worked with brands like Nike, Adidas, Starbucks, Nordstrom, I mean, his imagery is so beautiful and powerful. And so I thought, "Oh, I wonder if he would be interested in doing stock photography," since years ago I recognized that there was a deficit for people of color.

So, I reach out to him and he's, like, "Oh, yeah, good idea, you know. But I'll only do it if you do it with me." And I was, like, "Oh, no, no, no, I wasn't trying to actually do it, I wanted you to do it." And he's, like, "Oh, well, I'm not going to do it if you don't do it." So, we didn't do it. So, then, I'd say about five months go by, and within that timeframe, unfortunately, Philando Castile and Alton Sterling were murdered by police. And rather than to say that they were sons, brothers, fathers, instead, there were the negative portrayals of them.

So, Josh reached out to me. He's, like, "Karen, that one business you were talking about, the stock photography business, we've got to do that because we need to show our people in their positive natural light. We need to tell their stories." And so, you know, prayed about it and then decided to go full throttle that fall of 2016. And then we launched in 2017.

COLLEEN O'BRIEN: Congratulations.

KAREN OKONKWO: Thank you. Kind of a long story, but definitely worth sharing the progressions to where we got.

COLLEEN O'BRIEN: Yeah, it is an epic and rich origin story.

KAREN OKONKWO: Thank you.

COLLEEN O'BRIEN: That's a good one.

KAREN OKONKWO: Thank you.

COLLEEN O'BRIEN: And it's interesting to me because it seems like there's a lot more talk around stock photography these days.

KAREN OKONKWO: Yes.

COLLEEN O'BRIEN: What's coming to mind for me right now is when Lean In partnered with Getty Images for more representative photography.

KAREN OKONKWO: Yes.

COLLEEN O'BRIEN: Of women and equal parenting and greater gender equity in the workplace.

KAREN OKONKWO: Yeah, absolutely. I do recall that piece.

COLLEEN O'BRIEN: Yeah. Up until that point, I think a lot of stock photography of women was them looking disappointed, standing on a scale or eating a salad with a sad face.

KAREN OKONKWO: Yeah. They were very corny. That's what we called corny and cheesy, not depicting real life.

COLLEEN O'BRIEN: So, I love to hear that you're really innovating in this space. I personally had an experience where I was trying to source images of prominent women in STEM.

KAREN OKONKWO: Oh, yeah.

COLLEEN O'BRIEN: And there was really a dearth of women of color in STEM.

KAREN OKONKWO: Yeah.

COLLEEN O'BRIEN: And I flagged that to all of the services that I was using, but I see some huge opportunity for TONL to help us fill in that gap.

KAREN OKONKWO: Yeah, we actually did a partnership with Google because they, too, recognized that. And we actually did this whole ten-piece story, we chose ten different models and shared their stories. We had people who were Latino, African American, American Indian and Alaskan Native, I mean, Ethiopian American, we really went through the whole gamut to make sure that we showed that representation.

COLLEEN O'BRIEN: So, you mentioned Google here. Who else is using TONL photography? Who is this product for?

KAREN OKONKWO: Yeah, this product is, honestly, for anybody who uses imagery from the personal use user who has a basic blog all the way up to big corporations who use it for forms of advertising to news reporters who use it in their news. You know, we have consumers like Pop Sugar, Nike, OK Africa, I mean, the list goes on from personal use user to big corporations.

COLLEEN O'BRIEN: Those are not small customers.

KAREN OKONKWO: I know, they're amazing. I love seeing -- especially with Pop Sugar, it's really fun to see how they use the images.

COLLEEN O'BRIEN: Yeah. So, what categories of photography are you curating with TONL?

KAREN OKONKWO: Yeah, so we wanted to do a play on the "T" word, since TONL starts with a T. So, you know, some of our categories include taste, for example, which is like food, you

know, drinks, people drinking, engaging around food. We have a trend category, which is more editorial, fashion related. We also have Today, which kind of follows anything that doesn't fall into place with our other categories. Like, you know, people walking to work, per se, in business attire as an example of something you would find in Today. Somebody sitting outside enjoying the weather would be another Today.

Tradition -- Tradition is actually one of the more curated ones because that actually allows you to see other people's traditions and cultures. So, we really wanted to make sure that that was isolated so then people could actually look and see, you know, what are some of the foods that are associated with, say, Ethiopian culture? Or what is some of the attire that a Nigerian person would wear to their wedding? So, there's a lot of education actually in that particular category.

COLLEEN O'BRIEN: And you're doing education not only through these photos, but also through this narrative text?

KAREN OKONKWO: Yes.

COLLEEN O'BRIEN: There is a segment of your website called Narrative.

KAREN OKONKWO: Uh-huh. (Affirmative.)

COLLEEN O'BRIEN: Can you explain a little bit more about that offering?

KAREN OKONKWO: Yeah. So, like I mentioned earlier, we wanted to bring to light people of color in their natural state. But we also understand that there has to be levels of education because there are just some people who, unfortunately, do not have a diverse circle. So, they may have a stigma or a stereotype associated to certain people and we felt like it's our job to help negate that and create, again, education.

So, the narrative section is your opportunity to get to know the subject behind the image deeper than just what they're showcasing.

So, for example, we had a gentleman who, unfortunately, was shot by a former friend and ended up becoming paralyzed from the neck down. And we used that opportunity for him to share his side of the story because he never had a platform to do that, but most importantly, it was just an opportunity for you guys to hear the effects of gun violence and who it impacts and why it's such a dangerous thing when it comes to gun laws and guns. You know, another story that we did was with Urban Indian Health Institute. They wanted to showcase more modern people who are American Indian and Alaska Native because, unfortunately, native people have been extremely underrepresented. You know, their land was stolen, there's just so much history that hasn't been shared about them, and there's no imagery of them in modern life.

So, we created 100 images with them, accompanied it with a story just to educate our users. So, those are just some of the stories that we've been able to curate and the reason behind why we created the narratives.

COLLEEN O'BRIEN: It sounds like you're building a movement in addition to your business.

KAREN OKONKWO: Amen, yeah. We are.

COLLEEN O'BRIEN: You mentioned that there are smaller consumers all the way up to large companies that are using TONL's services for their photography needs.

KAREN OKONKWO: Uh-huh. (Affirmative.)

COLLEEN O'BRIEN: What does your pricing structure look like?

KAREN OKONKWO: Yeah. So, because we are so niche and we're a smaller business, we wanted to make sure that we were approachable for those personal use users, small businesses, people who are self-employed.

So, we offer images a la carte at \$20 for editorial use, \$200 for commercial use, and then if you find that you use images a lot, we have subscriptions that range from \$29 a month to \$75 a month to \$105 a month. And that is in accordance to, again, those set quantities of images that you know that you use on a monthly basis.

COLLEEN O'BRIEN: So, I spent a little bit of time scrolling through the images, and I'm not in the visual content marketing content business right now.

KAREN OKONKWO: Yeah.

COLLEEN O'BRIEN: But even looking at how beautiful and how many images there are on the site, it got me thinking, like, what business could I get into such that I could become a subscriber of this service?

KAREN OKONKWO: Yeah. I know. Even I get excited, too, when I'm looking at the pictures. I'm like, "Hmm, maybe I could put this in this presentation." A lot of people don't know I do medical sales as my main profession here, not for long, and I use my own images in presentations to customers. So, it even passes down to me.

COLLEEN O'BRIEN: That is so cool. I've seen a few social media posts about TONL partnerships with community-based organizations like that Arise Seattle and Gather.

KAREN OKONKWO: Yes.

COLLEEN O'BRIEN: Which we were just talking about. Are photo shoots a part of the services that you're offering or is this just sort of like a pilot phase right now?

KAREN OKONKWO: Yeah, great question. So, we do offer more like agency-style work. For example, Google, if they would like to have more imagery than we are able to create set images for them, and it really just depends on the type of use they want out of it.

So, here's somebody who's a company where you're willing to have the images on TONL as well as use it internally, then we negotiate, of course, pricing and how that all breaks down.

And for the situations with Gather and Arise, we really wanted to showcase their brand and use that technically as a pilot for any other brands or just organizations who want to showcase their organization more. It is technically a charge, but in that situation because we didn't want to get the word out and show what we're doing with our dinner party series, those were just an exchange.

COLLEEN O'BRIEN: They're beautiful images.

KAREN OKONKWO: Thank you.

COLLEEN O'BRIEN: Karen, what does the future of TONL look like?

KAREN OKONKWO: Wow. Well, the future of TONL starts off with an updated website that is more user friendly and really allows people to get deeper into the education piece. But moreover, you know, we're all about scaling and scaling through the community. So, a lot of people are going to be able to submit their own images on TONL. Of course, we'll still have a whole, you know, scanning of the images, make sure that they're to par for TONL, but it allows us to share the wealth more, basically. So, you can definitely expect that.

You'll definitely see TONL on bigger billboards and magazines continuing to push the envelope that diversity matters.

COLLEEN O'BRIEN: I can't wait to see what you're building.

KAREN OKONKWO: Thank you.

COLLEEN O'BRIEN: Karen, where can our listeners find TONL on the Internet?

KAREN OKONKWO: Yes. Sometimes people are confused, they type in T-O-N-A-L and they get confused. So it is T-O-N-L, so no A, dot co, so not dot-com, so tonl.co. You can also follow us on Instagram @tonl.

COLLEEN O'BRIEN: And where can our listeners find you on the Internet?

KAREN OKONKWO: Lovely. Well, you can follow me on Instagram @KarenOkonkwo. K-A-R-E-N, O-K-O-N-K-W-O, and then I have my own little website, it's www.karensots.co.

COLLEEN O'BRIEN: Karen, thank you so much for being here today.

KAREN OKONKWO: Thank you.

COLLEEN O'BRIEN: And for your great work.

KAREN OKONKWO: Appreciate it.

COLLEEN O'BRIEN: Thank you. (Music.) And now, let's get on with the interview.

Well, I am thrilled to welcome to the studio the founder and CEO at Virtue Labs and the founder and CEO of Chrysalis, Melisse Shaban. Melisse, welcome to the show.

MELISSE SHABAN: Thank you. Nice to be here.

SONIA DARA: At Virtue Labs, you're using technology that was originally developed to heal catastrophic battlefield injuries for this new purpose, to rebuild hair. I'm actually wearing the --

MELISSE SHABAN: Your hair's lovely.

COLLEEN O'BRIEN: Thank you. I'm using the shampoo and conditioner today. How did you come to learn about this new technology?

MELISSE SHABAN: So, you know, it's kind of interesting and very coincidental. So, I got a call from a banker friend of mine who had a client in Winston-Salem and said, "You know, look, would you do me a favor and look at this piece of technology? These guys are in the biotech field and really the wound-healing field, and they think they have something really special for cosmetics, game-changing."

Now, I've been doing this decades long, and I've heard this probably a million times in my life. And, oftentimes, you know, people think they have something very special for cosmetics or personal care, but it doesn't really pan out. This time was different.

And just in happenstance, the guy who was the chairman of the board of the biotech company was my next door neighbor at the beach.

COLLEEN O'BRIEN: Hmm, what a coincidence. (Laughter.)

MELISSE SHABAN: So, suffice it to say, after a couple of glasses of wine on a Friday afternoon, we sort of said, "Let's collectively take a look at this." And we came to the conclusion that, frankly, it made pretty good sense that if we could extract keratin, which that's where their patents lie is the extraction of keratin in human hair, process it at low heats and keep it in its full proteomic form, that it would likely bind to the damaged sites in hair naturally.

Now, hair's a dead substrate, right? So, when you think about technology in hair, we're either cleansing hair or coating hair, we're never really repairing hair.

COLLEEN O'BRIEN: Right.

MELISSE SHABAN: And what was unique about this is because it's a human byproduct, even though dead substrate, it's a full human protein. It naturally binds to the cracked sites in the hair. And it stays there.

So, your hair is actually getting reparative benefit and it's progressive. So, as you continue to use it, the hair gets healthier and healthier and healthier.

So, the only people this probably doesn't work for is people with, you know, virgin hair, you know, people who have never colored, never damaged, never put any heat tools, never took a breath. You know, there are so few people who don't damage their hair every day.

COLLEEN O'BRIEN: Right, yeah, I don't fall into that group.

MELISSE SHABAN: Yeah, no, I don't really know many people who do. (Laughter.)

COLLEEN O'BRIEN: And I read in Walter Magazine that you and your staff refer to the regenerative protein in Virtue products by female pronouns. Is this true?

MELISSE SHABAN: It is true. I call her a "she" because she's really impressive and she multitasks like crazy. And she has a tremendous benefit to a lot of different things, but she can be difficult and quirky, kind of like me and women like me, you know, that are like, we can do a lot of things.

And she's not simple; she's complex. And she gives a lot, but she'll take a lot from you, too. And it isn't linear. She's not a linear protein. She makes you work hard and she takes you places that you don't expect to go. (Laughter.)

So, as an example, we most recently launched a product that, in the company's inception, we're nowhere near thinking about. And it is two fractions of the protein. So, the protein has multiple fractions. If you think about keratin, there's beta, gamma, alpha, and there's reactive and non-reactive.

So, we put two of the proteins, one is a non-reactive and one is a reactive, together in a powder that's 100 percent natural that goes into hair color. And it acts as a keratin filler in hair. And it absorbs the color that you're dyeing the hair.

So, think about you're breaking the disulfate bond. So, you actually have to open the hair shaft to dye the hair to get the color in. And we are actually putting the protein back in in the same color that you are dyeing your hair. So, the benefits are really quite extraordinary to the health of the hair.

Coloring your hair is not a healthy thing, right?

COLLEEN O'BRIEN: Right.

MELISSE SHABAN: It's very riddled with chemicals, you're breaking the hair to get it to be a color that does not naturally exist in you. So, this actually helps to repair and give you a healthy color.

So, we had no idea that, you know, it was a stylist, our friend Tracey Farmer who likes to be a little bit of a kitchen witch with the chemicals was messing around with the protein and threw it color and said, "Oh, my God, I can't believe what's happening." And as a byproduct, health of the scalp because we have, you know, anti-inflammatory qualities with the keratin.

So, this thing is -- she's a good one. She's a keeper.

COLLEEN O'BRIEN: Yeah. As someone who has been dyeing my hair since I was about 14 years old, I know firsthand the damage that it can do, and I've oftentimes gotten other treatments after coloring my hair to try to bring it back to normal or state. So, it's amazing that you've cracked the code and you're making that one process and really infusing that chemistry into a consumer product.

MELISSE SHABAN: And, again, you know, it's always important that we remember that we didn't create this, it wasn't our hypothesis, it was a group of folks that were really trying to improve the quality of life of traumatically injured soldiers. So, we are humbled by the opportunity to be -- have it available to us and try and make good product that really delivers on its promise.

COLLEEN O'BRIEN: Absolutely. You're sitting at this intersection of biotechnology and consumer products. And I'd love to dig into that a little bit more because, so often, my cohost Sonia and I are speaking with entrepreneurs here locally in Seattle or over Skype in San Francisco or New York, but I know that you're headquartered in Raleigh. How has setting up shop in that research triangle really influenced your product and how your company is growing now?

MELISSE SHABAN: You know, I've been in Raleigh now over 20 years and really lived a dual residency. I still have my apartment in New York because when I was running Fekkai and Strivectin and all those companies, they were headquartered in New York, so I went back and forth.

But I got to Raleigh through a company called The Body Shop, which was a London-based retail, vertically integrated retailer. And I just have seen the tremendous transformation of this particular area of the country and watched it morph and change. And, you know, we got a lot of great universities in the triangle.

COLLEEN O'BRIEN: Certainly, yes.

MELISSE SHABAN: You know, Duke, UNC, NC State, and we've got great entrepreneurs and restaurateurs and hoteliers and I just wanted to bring this side of business to Raleigh. And a good friend of mine, John Replogle, who was the CEO of Burt's Bees, which Burt's Bees is also Durham, North Carolina.

COLLEEN O'BRIEN: I didn't realize that.

MELISSE SHABAN: Yeah. And John was the CEO there for a very long time. And, you know, he's on this mission to make Raleigh-Durham and Chapel Hill a place where marketers and technology and marketing and fashion and creative all come together for something unique.

COLLEEN O'BRIEN: And I read in Sway that your North Carolina headquarters has also really influenced your fundraising process.

MELISSE SHABAN: Uh-huh. (Affirmative.)

COLLEEN O'BRIEN: How did you finance this venture?

MELISSE SHABAN: So, it's actually been quite a number of rounds of financing, but it originally started out with Piedmont Capital, who is out of Greensboro, good friends of mine, Bobby Long and Louise Brady, and they really want to bring jobs to North Carolina. Their mission, apart of making great investments and being part of bringing great technology to the world is to make sure that we have sort of a resource and a way to continue to attract the best and the brightest into North Carolina into a variety of different jobs and sectors.

COLLEEN O'BRIEN: And to retain them.

MELISSE SHABAN: Yes.

COLLEEN O'BRIEN: So many colleges, you want to have great opportunities to keep those grads around.

MELISSE SHABAN: That's right. I mean, you guys in Seattle have been stealing our folks for a long time now, so we want to keep some of those good, smart kids. (Laughter.)

COLLEEN O'BRIEN: All right. The competition is on for that talent. So, on this show, we are particularly motivated to get more young women and women interested in STEM. And that's part of the reason why I really love your story. You're infusing this military-grade biotechnology into the personal care space. Are there any trends that you're witnessing with this great purview of beauty and personal care as technology becomes more ubiquitous?

MELISSE SHABAN: I think the health and wellness movement, which at your age is ever present, but I can look at it from a little bit different of a prism, and certainly as it relates to cosmetics and hair and skin. It used to be all about nothing more than what something looked like. So, was the style right? Was the color right? Was the fashion right?

I think the movement and how technology has influenced our product sectors in health and wellness has been amazing, and I think it's going to continue to happen. And how do you take technology and make products that are better for you and still achieve those objectives?

And I think it's women who are going to ride that horse. We are the ones who are being thoughtful about what we put in our bodies and on our bodies and in our kids' bodies and on our kids' bodies.

We still have those same objectives, which is to be the best you. And so I think that's just a movement that's going to stay.

COLLEEN O'BRIEN: Yeah. And do you think it's technology and the Internet and people sharing their opinions?

MELISSE SHABAN: Sure.

COLLEEN O'BRIEN: And, you know, the transparency that those mediums provide that is, you know, prompting that conversation around ingredients and what's good for you?

MELISSE SHABAN: Sure. I mean, if we just go back ten or 15 years, which is not really a long period of time, things were curated for you, right? You went into a store and somebody, a buyer, decided what product and brands, and they were mostly big, multinational brands, right, whether it was Procter & Gamble or Unilever or whatever. And they were given a choice that somebody else decided what was right for you.

Now, you as a consumer, you decide what's important to you, and you have the ability to do the research around whether is that authentic? Is it true? Is it right for me? Are there people of like mind that I can relate to, think that this is right for them?

So, there's all sorts of this filtering that goes on that you now have that we didn't have even ten years ago. And I think your decision and your process about where you're going to spend your money and the products and the companies you're going to reward, you know, your patronage is one of the few things you actually control.

COLLEEN O'BRIEN: Right.

MELISSE SHABAN: So, the company's not behaving the way you want it to behave, and not living up to its promise, you know, its position, then you take your patronage away. And that's within your control, and I think women are astutely, you know, connected to that and will control how companies behave.

COLLEEN O'BRIEN: Right. We talk a lot about voting with your dollars on this show and buying in accordance with your values system.

MELISSE SHABAN: Yes.

COLLEEN O'BRIEN: Yeah, it's so interesting to think about the Internet as something that has really provided the platform on which we can do that.

So, you have alluded to some of your experience here, but I'd like to revisit your resume a little. Melisse, you previously served as the head of consumer genetics for Genaisance Pharmaceuticals, where you held the responsibility to identify consumer applications for genetic discoveries. How did you learn to speak the language of scientific labs?

MELISSE SHABAN: Well, I don't know that I really did, actually. It was kind of an offspring. The name of the company was Siona (ph.). The thesis was, and we were early days, so it was the genomic bubble, if you will, is if we could do a buccal swab and figure out if there was a genetic variation connected to your metabolic pathways.

So, why is it that my sister and I, who come from the same blood line, I can eat all the potatoes I want and she can't metabolize carbohydrates as well as I can? So, trying to find out if there was a genetic variation or predisposition for how we metabolize foods.

And that's really what led us into that business. We were early days, and so the challenge was we could find the variations, but we couldn't give a product or a solution. So, we'd say things

like, "Well, eat more broccoli." Well, I don't need a \$90 test to tell me to eat more broccoli. I'm just not eating it. (Laughter.)

But it was super interesting and my dear friend Kevin Rankin was the CEO of Genaissance Pharmaceutical, and they were the first guys to do the actual haplotyping in genetics. So, I wouldn't say I was proficient, but good enough to get a consumer business off the ground.

COLLEEN O'BRIEN: And now, a lot of those tests that people are taking, those are also incredibly ubiquitous.

MELISSE SHABAN: That's right.

COLLEEN O'BRIEN: They're getting sold on Amazon, there are huge pushes around the holidays, get your genetic testing, give this as a gift to your family. Yeah, it sounds like you were at least attached to maybe the groundwork that has made that --

MELISSE SHABAN: Yeah. Or, you know, it's the story of my career. Just a little too early or a little too late. (Laughter.)

COLLEEN O'BRIEN: So, I was watching your Startup Grind interview and I learned that working in the personal care space is somewhat of a family affair. That your father worked at Revlon while you were growing up, was it for 30 years that he worked in the industry?

MELISSE SHABAN: Yeah. Yeah. Yeah.

COLLEEN O'BRIEN: Have you always wanted to work in the beauty and personal care industry?

MELISSE SHABAN: You know, I don't know that I grew up wanting to be in the beauty and personal care industry. I certainly enjoyed being around my dad and his friends and listening to them. They were passionate, they loved Revlon, they loved what they did and they had a great time doing it.

You know, if you think back, what this industry has done, you know, for women, you know, it really has led the charge. It led the charge in the feminist movement, if you think back to, you know, you won't be able to reference this, but to go back and look at Cheryl Tiegs coming down that escalator with -- in a commercial for Charlie fragrance, and she had a pair of pants and a briefcase on.

COLLEEN O'BRIEN: Ooh!

MELISSE SHABAN: No one -- I mean, that was back in the '80s, no one had seen that kind of stuff. So, that part of the industry always interested me.

And I think just consuming interests me. I love consumer behavior patterns. I love, you know, cohort segmentation. I love now the ability to serve content to people that is really directed right at them, to know like you don't want to hear about this, that's not you, you want to hear about that.

COLLEEN O'BRIEN: Right.

MELISSE SHABAN: And so I think it's just a fascinating business to be in. And it's a feel-good business, you know? It's like if I wasn't doing this, I'd probably be a broken-down chef in a food truck somewhere, you know, trying to please somebody.

COLLEEN O'BRIEN: And there's such a movement right now around self-care that I imagine it can be a pretty rewarding industry to be in as people are investing more in products that make them feel good, that are going to really valorize or make a part of their day feel a little bit better. That must be pretty satisfying.

MELISSE SHABAN: Yeah, and it's also great to see that the industry, because of technology and because of the Internet and because of social media, we've broken down the barriers. We've broken down the image barriers. You know, we don't iconically choose to look like one person that we know is completely impossible. And that companies can't play people for fools anymore. You know, we set these ridiculous bars of these genetically gifted folks, you know, who did nothing more than have the right parents, we're never going to achieve that.

I'm never going to be five-ten. I'm never going to look like that, but I feel good about myself. And if as an industry we can be a part of propagating that and that self-love and that self-acceptance and that self-assuredness, then we're doing something good for women.

COLLEEN O'BRIEN: Yeah, absolutely. You're bringing over 25 years of experience in consumer applications, primarily with expertise in hair, skin, and nails to Virtue. You've previously held leadership roles at Aveda and The Body Shop. You were the CEO of Federic Fekkai and Strivectin, among other companies, after working at some of these more established firms, how did you make the decision to transition to entrepreneurship?

MELISSE SHABAN: Yeah, you know, it's interesting having spent many years around crazy entrepreneurs, I decided I wanted to just try being one. And I've done okay. I'm just as crazy as the rest of them, you know? But building something from the ground up is a different cat. And my friend Roxanne Quimby from Burt's Bees once said, you know, "It's about living to fight one more day." And in this business, you know, you believe with all your heart and soul every day that you just have to get to the next Monday or the next Friday and you'll get the company to the next level.

And so it really is a very passionate place to be in. And people depend on you and you depend on other people. You're very interconnected. And it was something, you know, I'd only done a startup only once before, and it was something -- given the technology, I thought, "Wow, this one could really be the one, the one that changes how we talk about something, the one that changes how people feel about a brand."

And it gave me the opportunity to be true to the brand, the brand that I helped create. It's almost like a person to me in a weird way, you know? I want it to be a good person, I want it to be a good character. I want it to be a good partner. I want this brand to not let people down. And so, you know, that's really what drives me.

COLLEEN O'BRIEN: Yeah. We had a group of game creators in the story a couple of weeks ago and from idea to market launch, this persists the game, it's a card game, it took them nine months. And they were like it was a perfect incubation period because it was like our brain child, but also our child. Like, we had so much investment in this thing. I really appreciate that spark and that little bit of craziness that entrepreneurship will incite in you.

So, you're also the founder and CEO of Chrysallis, a strategic management group dedicated to overseeing the growth and development of brand portfolios in the health and beauty industry, and of course you're bringing all of that expertise to the table in this venture as well. What was your motivation to step into the investment world as well?

MELISSE SHABAN: So, really, it was to keep the teams together. So, what happens in these things, especially when you're private-equity based is, you know, you build and you transact. I mean, that's the job, when you take people's money, your job is to make them money. And it takes a long time to build the team. That's the hardest thing you do, really.

And so I decided that I had enough good people that we knew each other's strengths and weaknesses, and the ability to be -- transition and transactional managers, which is very different than working for a big company over the course of your career like my dad did, my friend John Rice does, because you really -- it's almost like producing a movie. You kind of -- you finance it, you're in it, you sell it to the consumer, and then you're out of it.

And so it was a vehicle that I was able to keep people in, I was able to equitize people through whatever opportunity, and in some fashion, we were able to invest alongside the bigger investors. And that -- making sure that everybody -- and it is a little bit unique in our world. There isn't anybody who isn't equitized out of the 40 or 50 people that work with us on this thing. Everybody has a piece of equity.

COLLEEN O'BRIEN: Wow.

MELISSE SHABAN: And I just feel like at the end of the day, you know, at any given point in time, there isn't one of us that isn't indispensable.

COLLEEN O'BRIEN: Yeah. Yeah. And if you're helping to build something that early in the game, I do think that that type of buy-in is really important to make people feel connected and invested in growing it and making it become really important.

Your products have received incredible reception. In 2017, Allure described Virtue as a defibrillator for fried hair, and Oprah's O Magazine and Health also bestowed beauty awards. So, I'm wondering, what is next for Virtue Labs?

MELISSE SHABAN: Well, you know, so as I referred to earlier, she -- the protein -- she's very interesting. And I would expect as we see epidemic-like cases of people's hair thinning, whether it's pollutants, whether it's hormonal changes, whether it's diet, we're pretty convinced that this protein will play a very active role in helping reduce that hair shedding as well as health of the scalp as well as potentially helping with, in combination with other products, growing hair.

So, I think we're really a problem-solution-oriented company, and that's where we stay focused. And, you know, hair is hair, so your hair on your lashes, the hair on your eyebrows, that's all part of our concern.

The thing that I think is always interesting with companies like ours is to have the discipline to not over-proliferate your SKUs.

You know, sometimes, we create too much product and we want to play where everyone plays. So, if a competitive brand comes out with a category or product that we think is interesting, you know, do we need to go there if we're no different than anybody else? And the answer for us is no.

So, if we can deliver on a solution to someone's challenge or problem or we can enhance something, we'll likely do it. If we can't, we're not going to do it.

COLLEEN O'BRIEN: I just picked up the Virtue dry shampoo. Dry shampoo has, like, really revolutionized my life. I think it's been lauded as like one of the best inventions for women of all time. And I'm really happy that you're playing in that space.

MELISSE SHABAN: Yes. Yes.

COLLEEN O'BRIEN: That's a really important space for me.

MELISSE SHABAN: Well, and we can treat as well as clean up that oil, and we do it cleanly. So, we're not looking to put grit in the hair. So, again, we could do it as well if not better than anyone else, so we can do it. If we can't do it better or solve a problem, you know --

COLLEEN O'BRIEN: Got it. Great strategy there. Where can our listeners find Virtue products today?

MELISSE SHABAN: So, we started as an e-commerce-based business. So, we have a pretty robust e-commerce platform. So our VirtueLabs.com. We also sell to Blue Mercury, which is an exclusive retailer for us right now, and doing really well. And then we have a variety of salons around the country, so that's sort of our distribution strategy.

COLLEEN O'BRIEN: Fantastic. And is there anywhere else online that our listeners could find you? (Laughter.)

MELISSE SHABAN: Well, you know, not me personally. (Laughter.) But you know, for the products, certainly Violet Gray, Shen Beauty, those types of places, Net-a-Porter, so, yeah.

COLLEEN O'BRIEN: Excellent. Melisse, thank you so much for taking the time today. I am a huge fan of your products and I can't wait to see what's next for your company.

MELISSE SHABAN: Well, thank you so much. It's a pleasure to be here.

(Music.)

VOICEOVER: Cutting Edge, our take on stories in the business and technology world.

COLLEEN O'BRIEN: In this Cutting Edge segment, we're taking a look at research that was published in Harvard Business Review on February 11th titled *When Gender Diversity Makes Firms More Productive*. This was by Stephen Turban, Dan Wu, and Letian Zhang.

The article takes a look at two different sides of this research conflict. Many researchers say yes, that gender diversity leads to more innovative thinking and signals to investors that a company is more completely run, but others say no, that sometimes gender diversity can actually harm firm performance.

SONIA DARA: So, where these professors were conducting their research ultimately landed around this concept of whether or not there's this benefit of gender diversity that is relevant for that country or that location.

COLLEEN O'BRIEN: Like where it's normative.

SONIA DARA: Where it's normative. So, basically, what they talk about is that there's this belief about gender diversity creating a self-fulfilling cycle. So, where there's a country or industry that actually views gender diversity as important, they, therefore, captured the benefits from it.

So, those countries and industries that don't view gender diversity as important, therefore, don't capture the benefits from it. So, it's not exactly apples to apples.

COLLEEN O'BRIEN: Exactly. Two really big examples brought this to life for me. So, historically, telecommunication companies in western Europe have been very committed to gender inclusivity and saw that gender-inclusive environments were significantly tied to a company's market value, but in the energy sector of the Middle East, on the other hand, which has historical not been gender inclusive, firms' gender diversity was unrelated to company performance.

SONIA DARA: So, in the article, they state that there are three main reasons why opinions about the value of diversity matter so much to the actual value it brings.

So, they say these may provide a few lessons for managers who wish to capture the benefits of gender diversity. So, number one, a diverse workforce signals an attractive work environment for talent. Number two, when you value diversity, you encourage diverse idea exchange. And number three, a diverse workforce signals competent management for investors.

COLLEEN O'BRIEN: To wrap things up here, I wanted to cite a quote from the article. In some, the link between diversity and company performance isn't as black and white as we once thought. Like many aspects of business, the effect of diversity is context-dependent, especially on country and industry norms around gender diversity and inclusion.

Well, listeners, thanks for checking back in with us this time, and a special thank you to Karen Okonkwo for joining me in the studio to share more about TONL. I can't wait to get a photo shoot scheduled and maybe someday be on the TONL website.

SONIA DARA: And thank you to Melisse Shaban for joining us here on campus for a great conversation. I really loved learning more about the back story of these products that I've been using for a while now, and it was nice hearing what startup and company culture is like beyond the West Coast.

COLLEEN O'BRIEN: Yeah, the research triangle is really up and coming in the startup world right now, they're keeping all their grads, you know, in the Raleigh-Durham area after they've done their research and they have their degrees. And, yeah, it seems like there's a lot of interesting economy going on there right now.

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SONIA DARA: And, listeners, as always, if you have any feedback or questions, you can e-mail us at wibt@microsoft.com, or tweet us [@MicrosoftWomen](https://twitter.com/MicrosoftWomen).

Listeners, your mission for this episode, if you choose to accept it, is to check out the podcast *This Week in Machine Learning and AI*, or TWiML. Episode number 227 features Wendy Chisolm, discussing AI for accessibility. You're probably in the "podcatcher" of your choice, so simply toggle over to the search functionality, search for TWiML, and scroll to Episode number 227. And there, you'll hear more about the intersection of AI and accessibility, the lasting impact that innovation in AI can have for people with disabilities and society as a whole, and the importance of programs like AI for Accessibility and bringing projects in this area to fruition. (Music.)

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