SELFMADECODEX · CHOUINARD

The climbing gear problem that became Patagonia

Yvon Chouinard built the business by changing what the business was for

The story in numbers

1% of total sales

Patagonia committed one percent of total sales to environmental

REPORTED

About 2% of total

In September 2022, Chouinard transferred Patagonia's voting stoc

REPORTED

$1.5 billion

Patagonia's 2022 revenue is listed as an estimate.

ESTIMATE

Where the numbers come from

Every figure in this document was checked against its original source. Here is how they break down:

Independently reported · 25   Self-reported · 1   Estimate or inference · 1   Not verified · 3

> In 2017, Patagonia created a trade-in and exchange program called Worn Wear.
>
> EN.WIKIPEDIA.ORG · INDEPENDENTLY REPORTED

The path

1957

Chouinard bought a second-hand coal-fired forge and began making hardened steel pitons for use in Yosemite Valley.

1965

Chouinard partnered with Tom Frost to improve products and address a growing supply-and-demand issue.

1970

He purchased rugby shirts in Scotland and sold them with great success.

1973

Great Pacific Iron Works, described as Patagonia's first store, opened in Ventura.

1989

Chouinard Equipment, Ltd. filed for bankruptcy protection and was reestablished as Black Diamond Equipment, Ltd.

1996

Chouinard committed Patagonia to using all organic cotton.

2002

Yvon Chouinard founded 1% for the Planet.

2022

Chouinard transferred ownership of Patagonia to the Patagonia Purpose Trust, while all nonvoting stock was transferred to Holdfast Collective.

01

1. Starting Point

The business began with a tool Chouinard wanted for himself.

Yvon Chouinard taught himself blacksmithing to make climbing tools for his own use.

In 1957, he began selling hand-forged rock-climbing equipment. The starting point was not a business plan. It was direct experience with a problem he understood.

The equipment business grew. It also created a problem of its own: steel pitons were damaging Yosemite's cracks and represented 70 percent of Chouinard's income.

The story starts with a useful product. It becomes interesting when the product's cost becomes impossible to ignore.

- 1957: hand-forged climbing equipment goes on sale.
- Steel pitons become a significant environmental problem.
- The business is already earning from a product that needs to change.

> The 70 percent figure and the environmental impact are documented facts in the source material.

02

2. The Business Model

Patagonia became a retail business built around equipment, clothing, and a point of view.

The early model was straightforward: make or source products for outdoor use, then sell them to people who spend time outdoors.

In 1970, Chouinard obtained rugby shirts from Scotland and sold them with great success. Clothing became a second product path, not a prediction made at the beginning.

Great Pacific Iron Works, described as Patagonia's first store, opened in 1973. The business later developed into an American retailer of outdoor clothing, equipment, and food.

The current model combines product development, retail, and brand trust. The material reports stores in over ten countries and factories in sixteen countries.

- Outdoor clothing and equipment.
- Retail stores and product sales.
- Food products through Patagonia Provisions.
- Repair, reuse, and resale programs connected to the product line.

> The material does not provide a complete breakdown of sales by channel or product category.

03

3. The Steps That Built It

The sequence was less linear than the finished company makes it look.

First came personal use. Chouinard learned blacksmithing and made climbing tools because he needed them himself.

Then came small-scale selling. In 1957, he began selling hand-forged rock-climbing equipment.

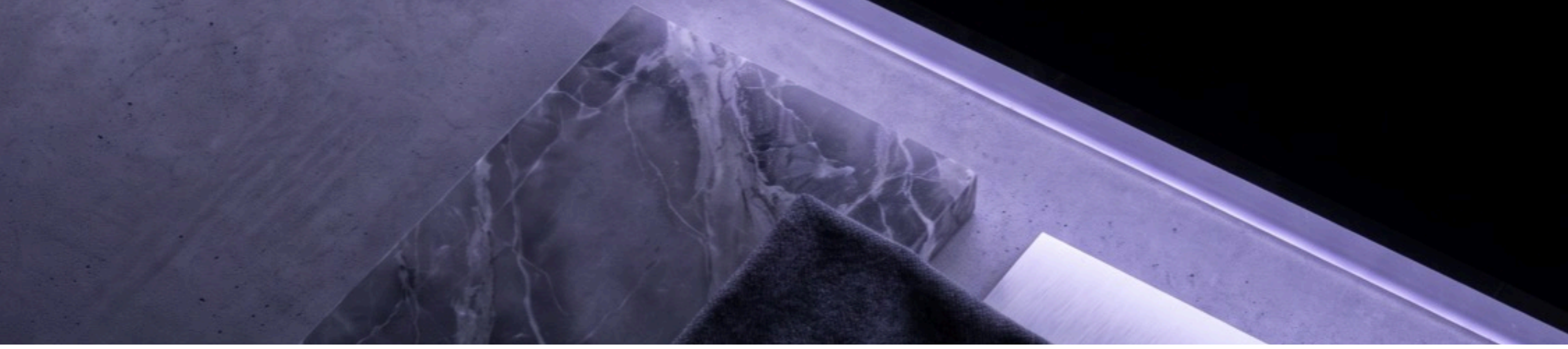
As demand and supply became a growing issue, Chouinard partnered with Tom Frost in 1965 to improve the products.

The next opening came from an unexpected category. In 1970, Chouinard brought rugby shirts from Scotland into the business and sold them with great success.

In 1973, Great Pacific Iron Works opened as the first Patagonia store described in the material. The company expanded from there into technical clothing, food, repair, reuse, and environmental programs.

- Use the problem yourself.
- Sell a practical first version.
- Improve the product with a partner when demand exposes limits.
- Pay attention to adjacent customer needs.
- Build a sales environment only after there is something people want to buy.

> The source material does not describe every operational step between these milestones.



04

4. How It Made Money

The money came from selling useful products, while the company chose to direct part of that money toward environmental work.

Patagonia's core revenue model is product sales across outdoor clothing, equipment, and food. The material lists 2022 revenue as an estimate of $1.5 billion.

Environmental giving became part of the operating model. Patagonia committed one percent of total sales to environmental groups from 1985. Chouinard founded 1% for the Planet in 2002.

The company later stated a commitment of one percent of sales or ten percent of profits, whichever was greater.

These commitments are not the original business model. They are decisions about what the business does with its revenue and profit.

- Primary model: sell outdoor products through retail.
- 2022 revenue: $1.5 billion, listed as an estimate.
- Environmental commitment: one percent of sales or ten percent of profits, whichever is greater.
- The ownership transfer in September 2022 moved voting stock to the Patagonia Purpose Trust and all nonvoting stock to Holdfast Collective.

> The stated purpose of the 2022 ownership transfer, to use profits to address climate change and protect land, is self-reported by Chouinard.

05

5. How It Grew

Growth came through adjacent products and deeper commitments, not one sudden leap.

The company developed a wide selection of rugged technical clothing for people who needed outdoor gear to perform under real conditions.

It expanded beyond clothing through Patagonia Provisions, a food division created in 2012.

Then it built services around the life of the product. Worn Wear was created in 2017, connecting Patagonia to repair, reuse, and resale. ReCrafted launched in 2019 for products made from used garments.

The direction is visible in the sequence: make the product, understand its impact, extend its life, and look for related problems worth solving.

- 2012: Patagonia Provisions.
- 2017: Worn Wear.
- 2019: ReCrafted.
- 1996: commitment to using all organic cotton.
- The material reports operations in stores across over ten countries and factories in sixteen countries.

> The source material does not provide a quantified growth rate for these initiatives.

06

6. Mistakes And Friction

The company did not discover its impact once and solve it forever.

An environmental audit revealed that conventional cotton had a heavy environmental footprint. Patagonia responded by committing to all organic cotton in 1996.

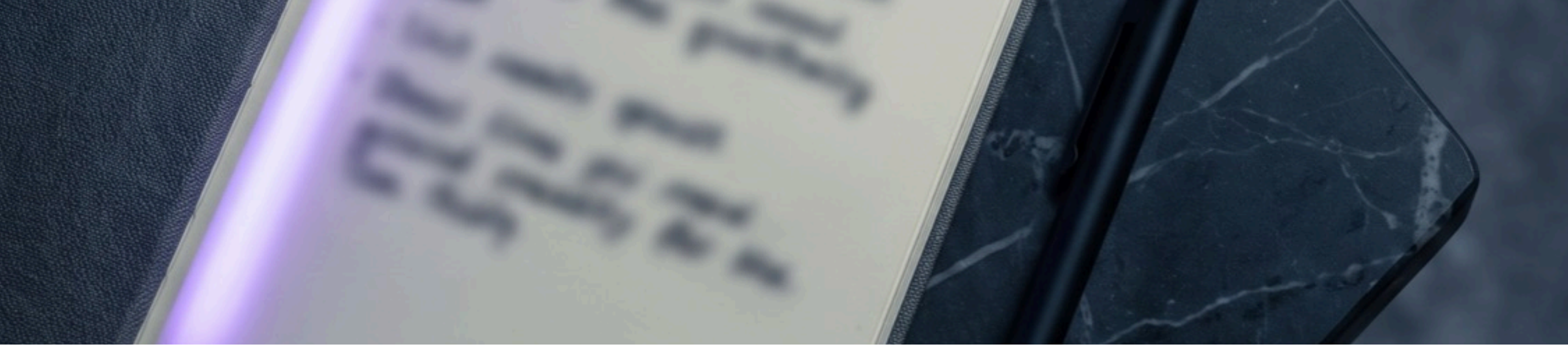
Internal audits later revealed labor abuses in factories in Patagonia's second-tier supply chain in Taiwan. The problem was not limited to the company's own stated intentions. It extended into the system that produced its goods.

There was also a major business failure before the Patagonia story was complete. Chouinard Equipment filed for bankruptcy protection in 1989 and was later reestablished as Black Diamond Equipment.

These are not side notes. They show the pressure points of the model: materials, suppliers, cash, and the distance between values and operations.

- Audit the material, not just the message.
- Look beyond direct suppliers.
- Treat bankruptcy as part of the documented history, not as evidence of a guaranteed comeback.
- When a profitable product creates damage, change the product or the model.

> The audit findings, 1989 bankruptcy filing, and Black Diamond reestablishment are documented facts in the source material.



07

7. Five Lessons

The useful distance between this story and your own is smaller than the finished brand suggests.

1. Start with a problem you understand through direct use. Chouinard did not begin by studying a market from a distance. He made tools for climbing.

2. A product can work and still be wrong in an important way. The piton business earned money while damaging Yosemite's cracks.

3. The second product may come from an unexpected customer need. Rugby shirts from Scotland opened a new path.

4. Values become operational only when they affect materials, suppliers, products, and ownership.

5. The first step does not need to resemble the final company. A blacksmith's climbing tools became a retailer of clothing, equipment, and food.

- Look for the problem you already know closely.
- Measure the cost of what works.
- Stay alert to adjacent demand.
- Make principles visible in decisions.
- Do not wait for the final shape before starting.

> These lessons are interpretations of the documented sequence, not guarantees of business results.

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8. How To Start The Model Today

Do not start by trying to build Patagonia. Start by finding the part of the problem you can observe this week.

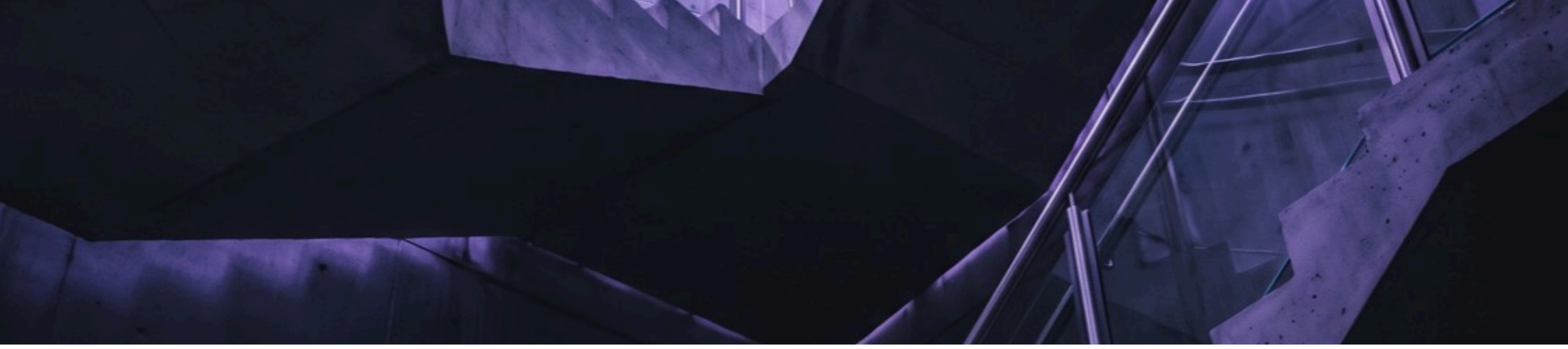
Choose a narrow activity you already do. Climbing was Chouinard's context. Yours might be a professional workflow, a repeated client problem, or a product you use often.

Document the friction directly. Speak to people who face the same problem. Record what they do now, what fails, and what they already pay for. Do not assume the answer is a product.

Make the smallest useful version. Test it with real users before expanding the category. Charge only when the value and delivery are clear; the story supports selling a useful product, not giving away a promise.

Audit the cost early. Ask what materials, suppliers, labor, waste, and returns are hidden inside the solution.

Build a simple loop: use, sell, observe, repair, improve. If an adjacent need appears, test it separately rather than turning it into a grand expansion plan.



09

8. How To Start The Model Today (2)

- Today: write down one problem you experience repeatedly.
- This week: interview people who experience it too.
- Next: make or source one small solution and put it in front of real users.
- Keep a record of what failed and what people actually did.
- Treat the final company as an outcome of repeated decisions, not as the starting brief.

> This is a present-day interpretation of the story, not a claim that the same sequence will produce the same outcome.

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9. Tools And Resources

The first tools are not exotic. They help you see the problem, test the solution, and confront its cost.

Use a field-notes document to record your own repeated problems, workarounds, and observations. Date each entry. Separate what you saw from what you assumed.

Use short customer interviews to learn how people currently solve the problem. Ask for the last specific example, not a prediction about what they might buy.

Use a simple prototype: a manual service, sample product, landing page, spreadsheet, or small batch. The goal is to test delivery and usefulness before building infrastructure.

Use a basic unit-economics sheet. Track material cost, labor time, shipping, returns, fees, and margin. Add an impact checklist for materials, suppliers, waste, and product life.

Use an audit log for claims. Mark each number as documented fact, estimate, or self-reported statement. This keeps the story and the business honest.

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9. Tools And Resources (2)

- Field notes: capture direct use and repeated friction.
- Customer interviews: ask about recent behavior.
- Prototype: test the smallest useful version.
- Unit economics: understand whether the model can support its costs.
- Impact audit: inspect materials, labor, suppliers, and end-of-life.
- Evidence log: label facts, estimates, and self-reported claims.

> No product recommendation or affiliate link is included. The current status listed in the material is Patagonia as a private benefit corporation based in Ventura, California, with Ryan Gellert as CEO and Charles R. Conn as chair; the material lists 3,000 employees in 2024.

Sources & transparency

Every figure in this document comes with its source. Anything the person only stated about themselves is marked as self-reported.

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