

[00:02:07] **Nichols:** I just want to jump in, though, so talk to us a little bit, David, about how you grew up.

[00:02:11] **Karandish:** So, I grew up here in the St. Louis area. I was always a very curious kid doing science experiments. And I remember my favorite movie growing up was Back to the Future. So, I always had makeshift DeLoreans in my basement. I connected with technology in high school and started to learn how to code. And it just been a fun adventure ever since.

[00:02:31] **Nichols:** And I think. Am I dreaming this? Or did your dad bring home an old computer or something like that? Dad was a catalyst for that, right?

[00:02:40] **Karandish:** So, my first computer was actually being thrown away at my dad's work and he ended up taking it home. And then I ended up learning at that time it was Windows programming development and then eventually the web. But yeah, it really sparked a couple of things in me, the ability to create and do that digitally and be able to do that quickly as is very fun. But then also a real passion for bridging the digital divide and helping everyone have access to technology.

[00:03:06] **Nichols:** How old were you when your dad brought that computer home?

[00:03:08] **Karandish:** Probably about fifteen. Fourteen/fifteen, somewhere around there.

[00:03:11] **Nichols:** Yeah. Well, then you went on. I know you went on, you graduate from high school and then you went on to go to Wash U. At that point and you got a computer science degree, is that correct?

[00:03:18] **Karandish:** I got an undergrad bachelor's in computer science and a second major in entrepreneurship.

[00:03:23] **Nichols:** Perfect segue. Why are you talking about entrepreneurship? When I think about David Karandish, I think of, you're a serial entrepreneur. So, you've had success but , I know that even before Answers, which I want to talk about Answers a little bit, you founded a few companies and I know that all of them were successful, right?

[00:03:42] **Karandish:** Wrong. Well, it depends on how you define success. They were successful from the standpoint of helping the learn, but they weren't all financially successful.

Couple of examples originally started a web design company where we were building out Web pages for people. And at that time, if you could build a website, you were somewhere between a wizard and a warlock in terms of your magical powers. But we realized pretty quickly that doing that type of work, we kept having to go find new clients, because when the project was done, the project was over. Pretty soon after that we ended up working with one of our clients and building out a lead generation website. And that went really well but it was very, very competitive in the space that we were in. Then we started another business in the online retail space. We were one of the largest resellers of Von Dutch Hats online. So, those mesh trucker hats that were popular for about 15 minutes. We were one of the resellers there. And that led us to actually understand that content could be monetized well on the Web. And so, we ended up publishing content on our celebrity fashion blog and then graduated, ended up taking a little detour, went on The Martha Stewart Apprentice. So, I did not get to meet our fabled president. I don't know if that is a bug or a feature. We can talk about that another time. And then came back in with my business partner and best friend, Chris, we ended up starting a company called Find Stuff that ultimately became Answers.com.

[00:05:02] **Nichols:** So, and you mentioned Chris, he was your best friend and you did all of these ventures with him, is that right, David?

[00:05:08] **Karandish:** Yeah, we've been working together since juniors in high school.

[00:05:11] **Nichols:** Wow. What is it about the two of you that make you better together?

[00:05:17] **Karandish:** I think when you're looking for a co-founder, it's really important that you find someone who has shared values and at the same time, complementary skills. So I was more of the outside guy doing sales, raising capital. Chris was more of the inside guy doing more internal work, more marketing. But we just had a great partnership through the years. It changes over time, but now it's been a great friendship and a great partnership.

[00:05:40] **Nichols:** That's wonderful. Well, if everybody could just find somebody like that, right? That's complimentary. So, you mentioned Answers and this is a major success for you guys. I mean, I'm sure people know about it, but if they don't talk to us about what it is and then the life event that happened for you guys.

[00:05:58] **Karandish:** Going back to 2006, we had started originally a comparison shopping engine called Find Stuff. And part of the way that we built it out is we ended up partnering with a

lot of our competitors. So, we had a partnership with Yahoo! Shopping and Shopzilla and Shopping.com at the time. And as we started to build and grow, we developed a marketing platform that would attract users to our website who could then find what they're looking for. So, we built that and we started to take off pretty quickly. But then over time, we started to verticals and build out new properties in different categories. So, we had an auto website and health website and travel website. But we needed content that would work in all of the categories that we were in. So we were out originally cutting deals with all the different content providers to syndicate their content to us. That's when we had the idea of saying what if we could place a question and answer module on these websites, has a lot of value to the user, has a lot of value to the advertiser. It's got a lot of value to the search engine because you get a lot of unique content. So, one of our developers built a little Q&A module that we started applying to our sites. Pretty soon we had a few thousand questions and answers going. That's when we said, you know, I wonder if there's a website out there that has a lot of organic traffic, a lot of questions and answers so that that could fit well with the model we were in. So, we went out and bought Answers.com. A public company at the time, based in Jerusalem, was an international take, private turnaround, debt financed first acquisitions. So, nice and easy; no not. So, we acquire the company, we move the headquarters to St. Louis, within 90 days Google makes an algorithm change and our one hundred twenty-seven million dollar acquisition went unprofitable. And then we had to go scrape and scratch and claw way back to profitability. We eventually grew it to over 250 million of revenue and sold it to a private equity firm. It was a good exit.

[00:07:47] **Nichols:** For a lot of money. It's a very good exit. See, I had not heard that story that you in 90 days you went unprofitable. That had to have rocked you a little bit. What were the qualities, David, that you had to pull out at that time to keep going?

[00:08:01] **Karandish:** One of the things that we learned early on is that you can build a business very quickly if you partner with another provider like a Yahoo! or Google. But when they sneeze, you catch cold. And if they catch a cold, you catch the plague. And so one of the things we realized and this was Segway into what we're doing today. But one of the things we realized early on is that these partnerships can give you a great way to get started. But if you don't diversify, they can be a challenge down the road when things change. From the standpoint of what do you need to get through that time? I think there's definitely some resilience. Everyone talks about grit these days. But I also think there's a recognition that as important as your work is, it's not the ultimate thing. And so being able to work really hard and come up with creative solutions to bob and weave and pivot is just as important as making sure that you don't put everything in your work as well.

[00:08:54] **Nichols:** So if it's not everything. What are those things that are everything?

[00:08:58] **Karandish:** You know, in my life, it's my faith, my family, my wife and my kids. And then I'd put work as number three. Now, keeping that in order is not always easy, especially as a startup entrepreneur. But that's what I strive to do.

[00:09:11] **Nichols:** Very good. I love that. Well, I do want to talk about what you're doing today. You guys are on to something that can change the way work is done. So, talk to us about that journey after selling answers.

[00:09:21] **Karandish:** After selling Answers, I took some time off. I wanted to figure out what I wanted to do next. My wife and I went up to Montana, saw some moose, took the kids up there, and it came down from the mountain with this idea around; what if we could make a better workplace? At that time, Christmas of 2016, the top selling item on Amazon, wasn't a doll or a CD or a movie or some kind of electronic item? It was Amazon's Alexa, and it was the first time in the history of the world where an AI was the top selling item and I looked at it and said; what if you could have an Alexa for the workplace or Siri for the office? And that was the idea that led us to go start what we ultimately renamed as Capacity. The thing that got me so excited about building better workplaces, I knew personally what it's like to communicate with people across multiple offices, multiple locations, people not knowing basic information. And so we set off with this idea of being able to say; what if we could take all of your company intelligence, make it accessible in one place where you ask your question in natural language and get a response back? So, that's what we've been building. We've been at it about two and a half years, signed a couple dozen clients, a lot in the financial services space, specifically around this idea of connecting all of your company intelligence and making it accessible via natural language.

[00:10:39] **Nichols:** Right, and I know that you have said that studies show 30% of productive time is wasted trying to find information.

[00:10:48] **Karandish:** That's about a third of your workday is wasted looking for information.

[00:10:52] **Nichols:** And that's what you guys are trying to eliminate, trying to subtract so you can add.

[00:10:57] **Karandish:** Well, nobody likes looking; I never met anyone who's like, you know what, I really like diving in our 50 page employee handbook to try to find the answer to something or I really like poking around on our Internet and spending an hour trying to find the answer to my question. Nobody likes that.

[00:11:11] **Nichols:** So, David, dig into this a little bit further. You say that there are three places that information lives in an organization.

[00:11:18] **Karandish:** Yes. The three places where your company intelligence lives, its your apps, your documents and in the minds of your team. So, we've built out connectors to over 50 different apps. We've got some technology that we just submitted a patent on around mining information out of your documents, and then we're helping to organize the knowledge of your team so that you can ask Capacity question and get an instant response back. Now, one of the things that we've learned over time is that no matter how great your A.I. is, you've a question that's going to be outside of the bounds of the knowledge base or something that may be just too complicated to answer today. You need to be able to gracefully move from that level zero support up to level 1 support. So, in our support automation suite, if you will. We've got our knowledge base that connects to those three places. We've also got a help desk where if you ask Capacity a question and it doesn't know the answer, it will route it to our co-pilot console helpdesk. Then one of your team members can raise their hand and say, I know the answer to that. That then becomes part of the knowledge base going forward. And then the last piece that's really been working on most recently is this idea around automating your processes. So, if you think about the onboarding process and when you bring a new team member on, they're going to have all sorts of ad hoc questions that go along the way and you can answer those via your chat bot. But also, you're going to go through a series of steps to onboard that new team member, whether it's sending the offer letter, to filling out the insurance paperwork, to scheduling the one on one with their manager. Our concept is that we want to take as many of those steps as possible, create a digital representation of that process, and over time, instead of assigning those tasks to people, you can actually assign many of those tasks directly to the Capacity bot. In that case, you're creating a faster, better onboarding experience for both your ad hoc questions as well as your standardized processes.

[00:13:02] **Nichols:** Very good. Well, I have more questions, but we're going to take a quick break and we'll be back with David Karandish.

[00:13:09] **Ad:** We at Technology Partners understand the difficulty to find work that is engaging yields high pay and facilitates a work life balance. Over the past 25 years, we have enhanced the IT teams of over 244 client companies and placed more than 3000 IT professionals with them on short term or permanent basis. Our staff includes over 300 experienced IT professionals. So if you're looking to take the next step in your career, visit jobs.technologypartners.net, apply for a job and one of our expert recruiters will be happy to connect with you.

[00:13:45] **Nichols:** So, David, with Capacity, you did not start with a huge team or anything like that. There are maybe entrepreneurs that are listening right now or entrepreneurial minded people that are listening, and then they're like, well, I have an idea but I don't even know how to get started. You know, so talk about that journey and how you guys kind of bootstrapped.

[00:14:06] **Karandish:** So, when we started out, we wanted to make sure that we were onto something before we went and took any outside capital. So we built a minimally viable product MVP, as people like to call it, that could demonstrate the power of the technology and give people something to stare at, try out, play with to understand, could this be something that we'd be willing to pay for? So, before we ever raise any outside capital, we said we want to build the product. We want to get it in the hands of our first customer within six months of launching. We want to get a few customers that first year just to prove the concept out and then we can go to market and raise the capital. And what that allows us to do is it ensured that we had not just a good idea, but we had the makings of a good business. It also ensured that we got that early feedback that could inform the product without just building something in the lab and then waiting for people to show up.

[00:14:56] **Nichols:** So important, isn't it? Because I'm sure that as these Beta clients were using the product, they had feedback and you could adjust and pivot and make the product just better and more relevant.

[00:15:10] **Karandish:** Anyone who will eat your first pancake is something that will help your restaurant get better.

[00:15:13] **Nichols:** Yeah, I like that. I love that. I've not heard that before. So, I do consider you a serial entrepreneur. This is not your first rodeo. And I'm sure that you've learned a few things along the way. And I know that one of the questions is always, you've got four little kids, right? Eight and under.

[00:15:32] **Karandish:** Eight, six, four and two.

[00:15:33] **Nichols:** Yeah. You've got four little kids. You've got a wife. You're starting this business. What are some of those things that you would tell people?

[00:15:41] **Karandish:** Yes. So, in my last business, I worked a lot and I work a lot at Capacity. But one of the things I've really tried to do is to set consistent hours. So, for example, Monday night is my work late night. So, I'll get in the office in the morning, come home, eat dinner with my family, and then I'll work till 10:30 or so. Tuesday night, my wife and I have a mid-week date night. It's nice because you get in pretty much anywhere and St. Louis on Tuesday night.

[00:16:10] **Nichols:** Yes, that's a good hack.

[00:16:11] **Karandish:** And it also means that we're not waiting till the end of the weekend when we're all just exhausted to catch up. Wednesday night we do a work late at the office. We'll bring in pizza or tacos or something. And it's a time to work with the rest of the team on more projects that you can't just get done in a 30 minute timeframe. Thursday night, come home at a reasonable hour, spend time with kids. Either Friday or Saturday, one night we're out with friends, one night we're staying in. And then I try to take a 24 hour Sabbath from Saturday afternoon to Sunday afternoon. And for me, email is the gateway drug of work, and so no email Sabbath, if I don't check email and I don't check Slack then I can do a better job of unplugging. Now, easier said than done in a world where you get constantly inundated with notifications and things. So, I turned off notifications for Slack and email on my phone, as an example. Yeah, I found that getting that just even just 24 hours of rest is so crucial. I don't think I'm working any less, I think I'm working about the same amount that I did before, but I feel much more rested. I feel much better.

[00:17:23] **Nichols:** So, what do you do in that 24 hour period?

[00:17:25] **Karandish:** In this phase in life, I'm doing a lot of chasing kids around. So soccer games, tag and that sort of thing. I usually try to get a nap on Sunday afternoon right after church. Sometimes we'll cook sometimes, I will take my kids out for lunch, things that help me recharge.

[00:17:40] **Nichols:** Do you guys get outside in nature a lot? You'd mentioned Montana earlier.

[00:17:45] **Karandish:** We tried to get out as much as we can. Our kids are very active. My father in law and I are on the tail end of wrapping up building a treehouse, which has been quite a project. The kids have really enjoyed that.

[00:17:57] **Nichols:** That's awesome. So, you've got to send his pictures when the tree house is finished. Is it elaborate? Is it multi-level? Some of these three houses you could live in.

[00:18:07] **Karandish:** No, it's not. I had grand ambitions until we started the project. It's a great treehouse for our kids.

[00:18:13] **Nichols:** The kids will love that. So how important is it to take care of your health?

[00:18:19] **Karandish:** It's so important because when you aren't healthy, your ability to make good decisions drops dramatically. You know, health as rest, health is eating well, health as exercise, health as things that fill your bucket. Health is time with your family and time and your faith. I started doing something where I eat a salad breakfast each day with some protein and then I try to do intermittent. Asking where I go about twelve hours or so without eating, and that is really helped me to not put on those extra pounds along the way.

[00:18:52] **Nichols:** Yeah. Someone was in my office probably a couple of weeks ago and was talking to me about intermittent fasting and just how radically different his body felt in doing that. It's a healthy thing to do, right.

[00:19:04] **Karandish:** I don't think people were designed to be snacking every hour.

[00:19:07] **Nichols:** Exactly. I want to touch on this and then I want to get into something extra. You talk about a movie that had inspired you, had got you thinking a little bit differently a long time ago. And you at the beginning of episode that you are a Christian, that your faith is very important to you. And would you hear a lot of times, David, is that well, that's on the weekends. That's on a Sunday. Are those compartmentalize? So you have your what you do with your faith and then what you do with your business. How have you seen that integrate?

[00:19:41] **Karandish:** I think there's a false dichotomy that a lot of people think through. I'd say some people outside of the church world that see faith as something you do on the weekends, that that sort of thing. I think I see another viewpoint of folks who are in in the church world who

might view more directly tied to faith activities like missionary work as being a higher calling than what quote unquote, secular work. I tend to think that that distinction is not correct. I think we're made to whatever we do, do well, do it to the Lord and enjoy the time that we have. And so, *Chariots of Fire* movie, that scene where, you know, he says, I run because when I run, I feel God's pleasure. Even though he could have gone off to do as his missionary work, I think when I'm able to create in the business world, buddy create in general. I also feel God's pleasure. And so I don't like to make a big distinction between the sacred, quote unquote, and the secular.

[00:20:43] **Nichols:** I mean, seriously, your faith drives how you live and how you work. So, this is something extra. And when you talk a little bit about is something extra that you've seen in a team member.

[00:20:53] **Karandish:** We just hired a new head of product names, Mike Hunnicutt. And I worked with Mike for many years. We used all together at Answers. And after I left, he had stuck around for a while. We just got recently reunited. And the thing I love about Mike is he has three qualities that are so rare on their own. But when combined, they're like a superpower. It's high talent, low ego and high hustle. You find many very talented people that have big egos and find low ego, people who don't hustle. And you can find people with a lot of hustle, but they just don't have the talent to back it up. When those three superpowers combine, you end up with just an extraordinary team member.

[00:21:37] **Nichols:** Wow, that is powerful, isn't it? Because people that have the smarts but then have the high ego. It's just not much fun to be around those people, right?

[00:21:49] **Karandish:** No, and it's life's too short to work with people with two big egos.

[00:21:52] **Nichols:** Absolutely. Yeah. We always say there's always somebody smarter than you are. So, can you tell a story about where something possibly was missing in you?

[00:22:01] **Karandish:** Yeah. So, when I had started find stuff which became announced, videos became answers when I was 22 and single, I didn't have a lot of respect for the whole work-life balance stuff. I didn't have kids. I wasn't married. Now, starting Capacity with four kids, I have a lot more in tune to wanting people to be able to spend time with their families at the same time. My views on work-life balance have evolved where I don't view it as a balance in the sense of you have a balance beam and you should just put work on one side and you put family time on the other and you make sure that they even out. I really like to think of it in terms of work-life

wholeness. So when I'm at work, I want to be two feet in working as hard as I possibly can. And when I'm with my family, I want to be with my family and not constantly checking emails and Slack and doing work on the side. So, I think I've kind of come full circle from work being, you know, one of the highest on the list to now say, no, go and work hard, but be wholly in whatever you do.

[00:23:04] **Nichols:** I love that. Well, you're setting a great example for your children.

[00:23:07] **Karandish:** Well, the best I can. My wife really sets the best example. I just in her shadow.

[00:23:11] **Nichols:** It's good to have that good partner, isn't it, David? You know, I think your kids will remember, you know that, dad, because you hear that so many times. It's like my dad was never around. We didn't have a relationship with my dad because he was working all the time. You know, you do need to work hard. I mean, there is no doubt about it. I always say, any success, make no doubt is hard work, you know, and it requires that, like you said before, it's not everything. Very good. So what do you believe is the something extra every leader needs?

[00:23:44] **Karandish:** Every leader needs to be able to take the rest they need. We talked about that a little bit earlier. The second thing I'd say, though, is that every leader needs to set goals and to measure how they are doing against those goals. I don't care if they're big take over the world goals or small incremental goals. The ability to set, track and measure goals, I think I think is one of the key traits of leader.

[00:24:07] **Nichols:** And to set that example for the people that are following them, right?

[00:24:10] **Karandish:** Exactly.

[00:24:11] **Nichols:** Very good. I love that. Great advice. So, tell me something that you're excited about and that you want our listeners to know about. And then how, if they're interested. How can they get connected?

[00:24:23] **Karandish:** So, a couple of years ago got approached by a buddy of mine, Darren Jackson. And he said, David, got this after school program, we're teaching kids karate and life skills and all these different things. And there's a coding element to it. You know, that's kind of interesting. He's like, yeah. Would you like to help support? I'd like to grow this thing out. I don't

really know much about karate and my life skills. I'm still developing my own life skills. But teaching kids computer science, I think that could really be something we brainstormed on what it could look like to start a nonprofit specifically focused around teaching kids computer science. Originally, I said there's so many nonprofits here in St. Louis. Were one of the biggest nonprofit densities per capita. Do we really need another nonprofit? And we thought about it. We're like, you know, if we could build a business model where we could have this thing scale and yes, people can donate to it and yes, we can get corporate sponsorships, but there's a bit of a business model built in that we don't have to join the gala circuit of all the other fabulous nonprofits here in St. Louis. So, we ended up working through a one for one model where for every one kid who pays to be part of the program, we provide a scholarship for one kid couldn't afford to be there. We've had kids from Clayton and Ladue and we've had kids from North Side and Ferguson, etc. The other thing that we wanted to do is we wanted to make sure that this wasn't a program that was a after school, glorified babysitting club. And so, we hired an executive director, Sherita Dunlap, who's doing fantastic work and she helped adapt Waah U's CS 1:31 course down for the kids. And so, our kids are learning collegiate level computer science, but in a way that is attractive to them in the form of fun, which is the best form of learning. So, kids might be learning a computer science concept and then applying it in their Flappy Birds clone game, or they might be setting up an Amazon web server to go apply something that they learned. We've got a couple of kids who started their own web business out of the program itself. If you're interested in either volunteering for Create a Loop, putting your kids through Create a Loop or corporate sponsorships, just check us out at createaloop.org. I'm super passionate about this. I believe that no matter where you live, no matter what your socio-economic background is, you should have access to computer science education.

[00:26:49] **Nichols:** And I know that you have said that you feel like our State should require that, right? And we did just pass something where computer science, a computer science class can count, I believe, as one of the math courses that you're supposed to take.

[00:27:04] **Karandish:** Baby steps.

[00:27:05] **Nichols:** Baby steps it. It would be awesome, though, if it was a requirement.

[00:27:08] **Karandish:** In the UK, you cannot graduate from the fifth grade without taking a year of computer science. I always like to joke around. Unfortunately I wish I didn't have to say this, but our kids learn more about stalactites and stalagmites than they do about building apps. Which to me is crazy in 2019

[00:27:24] **Nichols:** Because every job, every role has a component, doesn't it, David?

[00:27:29] **Karandish:** And I'm not saying that everyone is going to turn into a programmer. But if you understand how the technology works. Your ability to have a great career in the next economy skyrockets. If you don't understand how technology works, it's going to be very difficult to work and automating environment.

[00:27:43] **Nichols:** Well, let's continue to work on that and continue to push the needle.

[00:27:47] **Karandish:** Yes, thank you.

[00:27:49] **Nichols:** Well, David, this has just been such a pleasure having you. Oh, my goodness. I could sit here for hours and just talk about life and talk about entrepreneurship and all those things. But thank you so much for being here. I really appreciate your time.

[00:28:02] **Karandish:** Thanks for having me.

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