

-- Mo Bhende 00:00:03 We were trying to hire so many engineers in such a short amount of time that the sheer visceral pain, and I used the word visceral pain of interviewing. You know, when you only have so many engineers to go around, how do you optimize their time between hiring activities versus writing code? It's a real conundrum. And so we were in the thick of that conundrum and I realized this is a huge opportunity.

Ryan Newman 00:00:32 This is dare to disrupt a podcast about Penn state alumni who are innovators, entrepreneurs, and leaders, and the stories behind their success. I'm your host Ryan Newman. And on the show today is Mo Ben day Mau co-founded carrot in 2014 to fix the process of interviewing software engineers, carrot conducts highly predictive technical interviews for clients, helping companies to hire the engineers. They need to create the future to date. Carrot has completed over 20,000 technical interviews on behalf of clients, such as Intuit, indeed Pinterest and MuleSoft Mo graduated from Penn state with honors in 2001 with a bachelor's in math and economics. Well, Moe, I'm so glad to welcome you to our podcast, uh, here at Penn state dare to disrupt. And what's amazing from my perspective is that we are, we are recording this podcast within days of you announcing that carrot has become the latest unicorn, which for those of our listeners who don't know, it means that you've crossed over a billion dollars of market cap, which is extraordinary for any company let alone for a company that's literally only been in existence for seven years. Thanks for making time.

Mo Bhende 00:01:53 Yeah, no, it's wonderful to be here. Chuck, another one up to Penn state. Um, I feel very grateful for, you know, building a company requires the support of friends, community, a great institution in school. Penn state has all of that. And so I'm just thrilled to be here.

Ryan Newman 00:02:10 Awesome. Well, thanks so much for making time. Um, we normally start the podcast on a background where you grew up, but I want to do it a little different today because I have the privilege and pleasure of actually knowing you. And I want to start where I first met you, which was the first day of fall semester of senior year, which was 2000, uh, in the fall. And we were in an honors economic seminar and, and you walked in introduce yourself and you had just spent the last year in London at the London school of economics. So I'd like to start there because what was the only thing that was more impressive was the fact that you had spent a year at the London school of economics was the fact that you actually grew up in Pittsburgh, which is an incredible connection. So how does a guy from Pittsburgh ended up going to the London school of economics and Penn state? I

Mo Bhende 00:02:59 Mean, yeah, no, let's, let's start in Pittsburgh. So, you know, Ryan, when I applied to colleges, you know, I didn't, I did all the of, I guess what you would claim to be the right things in high school. Right. And I applied to 13 colleges and Penn state was the only one that took me. Right. So I got 12 thin envelopes, one by one. I remember this is back by the way, when we used to still receive on envelopes and mail where you went to college and not emails. And I just remember my dad kind of really coaching me and saying, doesn't matter. Right? All it takes is one was his philosophy to me that it only takes one partner, one institution, one school to change your life. It's honestly still the hallmark of my leadership philosophy today. You know, you just need one. Yes.

Mo Bhende 00:03:46 And Penn state for me, Ryan. I mean, it was that. Yes. And so I entered Penn state, I think, both with a fire in the belly. Cause I think my dad had really coached me on. Okay, great. So you got into this amazing institution. What are you now going to do with that? But also with gratitude because I think Penn state gave me a shot. And so I really just, that was the Genesis of how I got to Penn state, you know, economics was kind of a crazy thing, right? So I actually ended up applying to the straight medical program. I actually don't know if you know this. I ended up getting into the Hershey medical program and I was going to do three years of undergrad, four years, right. To med school. I remember my medical school essay to Hershey saying, I actually don't want to be a doctor.

Mo Bhende 00:04:28 I want to run the hos --

-- pital, which I think both my parents found very entertaining. I took my M cat and I had this realization that I want to go into business and I want to be an entrepreneur and I want to, you know, lead and create things. And so that LSE, the London school of economics was actually a departure for me leaving pre-medical and sciences and exploring this new path into what eventually connected you and I, which was economics. But it was actually a took literally leaving the country, go into London for a whole year to understand that there was this whole other world out there. And then, you know, fast forward I came back to Penn state and I'm so glad I did. There was an opportunity to stay at LSE, finished my degree there. And yet again, my dad called me and said, Hey, you've had your fun at LSE, but remember Penn state, this is your place. You need to go back and finish with excellence. And so, you know, I'm so happy I did because that senior year was truly, I mean, your, your, uh, podcast years dare to disrupt that's senior year. It was disruptive for me in terms of being a personal educational, just academic experience. It was great

Ryan Newman 00:05:38 From my perspective, seeing you, uh, come back from London, school of economics, having just met you. I see you were just beaming with a cosmopolitan style to you that you don't typically find in state college. And, um, it was a really, you edited a tremendous element of diversity and insight that, um, was really welcomed in our and our economic seminar. And we w we all benefited from your diverse interests.

Mo Bhende 00:06:02 I appreciate that. And also I had exceptionally long hair. I don't know if you remember that now I've got my normal hairdo, but I don't think I got a haircut my entire year in London. And so I showed up, uh, but honestly that, that final year was a really special year at Penn state to do our honors thesis, get to work with professors. So strum, which I believe is now left Penn state and David Shapiro. Who's since retired. I just remember all of those folks, because it's all about the people, right? The people are who impact your experience. And I think about it, it was really a special group.

Ryan Newman 00:06:36 Awesome. And now your parents, do they have a medical background?

Mo Bhende 00:06:40 My mom does. My mom does. So it's kind of a funny thing. My dad really wanted to be a doctor, but his dad said, no, your, your grades and math are really high. And so he basically was told to become an engineer classic. Right? My mom didn't want to be a doctor, actually wanted to be a mathematician or an artist. She's a painter, but in India back then the payment for being a PhD in math just wasn't as high. So she was kind of pushing, being a doctor. So it's kind of really funny that I think both of my parents did very well in life, but they were really keen on me kind of, if you will living the American dream and saying, okay, you do what you want to do with heart, with focus. It's the same things. You know, I'm passing on to my kids today, but, uh, my mom came from a medical kind of background and she was the first professor of emergency room medicine in the country.

Mo Bhende 00:07:30 She taught at children's hospital of Pittsburgh. Um, and so it was actually really great, the experience there as I, as I was leaving the M cab, which is the medical entrance exam. And I came out and I told my mom, man, that was a really hard test. She just looked at me and said, if you think that was hard, you should just go into business, come and do something else, but not in medicine. Right. So I think my mom, uh, kinda really set me straight. And, uh, hence I went to the LSE for where my junior year,

Ryan Newman 00:08:00 Well, Mo that's, that's really incredible about your interactions with your mom and sort of almost sort of guiding you towards business. So after Penn state, I remember, uh, you received one of the coveted and in those days early, uh, gates fellowships, uh, can you talk more about that fellowship and then where that took you sort of post Penn state?

Mo Bhende 00:08:20 Yeah, it was an amazing experience. So bill gates started a scholarship kind of like the Rhodes scholarship, but for Cambridge called the gates Cambridge scholarship, it was a full ride. I think there was 40 Americans who are selected in the first year of it. I was in that class and it was just honestly a life-changing experience. First o --

-- f all, I applied through the support of Penn state, my senior honors advisor, Dr. <inaudible> wrote my essay. And, you know, it was one of those things, Ryan, where you kind of have to jump to believe. Right. I think initially I did have a little bit of a hangup of, well, am I really gonna get this? And I, one of my advisors at Penn state just told me, well, what's the worst thing that could happen that you get told? No. So I was just like, well, wow, that makes a lot of sense. Mo Bhende 00:09:03 And so I just applied and I got a yes. Back to all it takes is one. Yes. And so I showed up at Cambridge and had a phenomenal what ended up being a year and a half. I did my masters in economics. I built on my interest in game theory, which was a area of expertise that I started develop at Penn state. And I started my first business there. Right. So nine I showed up in August of 2000 1, 9 11 happened, I think two days after showing up to England. Right. So I remember by the way, seeing the twin towers on my way out, two days later, nine 11 happening, and me meeting, you know, my, then co-founder David Haskell and we then just started iterating on, well, what can we do in the world to, to, to make a difference? And so we ended up creating a, a magazine called topic and I ended up, uh, you know, getting my first taste of true entrepreneurship while I was at Cambridge bill gates, his dad who has now passed, wonderful gentleman gave us our first seed funding for the magazine. Um, I learned how to go sell truly door to door in England. Um, and it was an incredible experience.

Ryan Newman 00:10:11 What was the, um, some early lessons you had from actually running a business? I mean, so that sounds like that would have been your first real business attempt. And, um, just talk a little bit about what that was like in terms of bootstrapping the business, having very well. You sound like you had some outside capital. I can imagine it was very much. How did you make so much?

Mo Bhende 00:10:31 Yeah, I think three things I learned first, it starts with your customer and you've got to start with the customer and work back, right? So we created this product. It was a, the idea of topic was that every one of our issues would focus on a different topic. The first topic was all about war. We had, you know, uh, everyone from Jose Ramos, Horta, the Nobel peace prize winner and write about his experiences in war. We had generals write about their experiences. So it starts with the customer and that we went door to door and try to figure out who would read this, how much would they pay for it? Right. So I think I got my lesson early on that, and it's something I share with my son, my daughter, now that we're all a customer to somebody else, everyone here is somebody else's customer.

Mo Bhende 00:11:13 Right. And I think once you appreciate that, it creates a level of empathy and kind of places you in the right way to think about the customer first and work back. I think the second thing I learned is, man, hiring's hard, right? And so ironically for carrot and what motivated me to start this business now I have to hire hundreds of people, uh, at my magazine business and just the selection process, the time on interviewing it was no one's job. All the things that my new businesses meant to solve. I mean, I was just seeing that first and foremost. And I think the third thing was the importance of people, people and culture is truly the bedrock of anything, right. And just having a very clear mission, clear goals and a clear people infrastructure. So I think those three things of starting with the customer hiring is hard, but it's super critical and it's all about people. Honestly, I think that those are universal lessons that can apply to any business or not even business Ryan, I think any leadership pursuit, you kind of need those three things to be working out and all the other things, a great product, a great go to market motion, great fundraising, great Ryan Newman 00:12:29 Running a business, you did a really interesting pivot into, um, sort of the opposite of the enterprise. So to speak, going from small to very big. Can you talk about that, that next step and, and what the motivations were behind it?

Mo Bhende 00:12:41 Yeah, that was a, a big, by the way, there was a funny story where I was interning at Microsoft and we all the interns get invited to go to bill gates, his house, where he has corn --

-- dogs and hamburgers. And I think now hopefully veggie burgers are impossible burgers or to take your pick, right? And so I'm eating a burger talking to him and he's, he comes over to me and he's like, you know, you didn't have to come and intern at Microsoft just because you got the gates scholarship. And I'm like, no bill, I'm not here to intern to pay you back for some scholarship eight years ago, I'm here to learn. And so I think, honestly, Ryan, I think it's really important in plotting a career to have a mix of experiences from big to small, to medium and the sheer learning opportunity and networks that I developed at Microsoft were amazing.

Mo Bhende 00:13:26 My board member, Sarah Clemens was my manager at Microsoft. Many of our investors came through that network, my exposure to technology. And so I think for me, you know, I had been doing the small company thing and I just realized I needed a platform to learn and frankly, a platform to get educated on a different altitude of business. Right. We were talking about partnerships and deals with the Chinese government where I was sent to Beijing for two years. And I helped launch Microsoft's \$200 million venture fund directly with the Chinese government starting businesses in Beijing. So there was just an altitude of world exposure that I actually think has helped me create an enterprise company today. I think if I had not been in the enterprise, knowing how to be in an enterprise, being a B2B entrepreneur would be really hard, but now I understand how procurement works. I know how an office of a CFO works. I know how the, all the functions talk to each other. And so I think, especially for entrepreneurs to want to disrupt in the enterprise, actually spending real time working in the enterprise is super critical.

Ryan Newman 00:14:33 So I have to ask a little bit, because I know you, and also because you're offering it in such a compelling, intriguing way. Did you feel a little bit like the Fox in the henhouse when you were there as an entrepreneur working in this big organization that like many organizations will have a lot of bureaucracy and rules or was it, uh, was the Microsoft culture such that you felt a tremendous amount of freedom and liberation to do what you needed to do to be successful?

Mo Bhende 00:14:58 No, Microsoft's evolved a lot in the last 10 years, especially with Satya coming on. If anyone hasn't read the book hit refresh it, it's gotta be one of my favorite books. The fact that he took the same people and got them thinking in a new mindset just tells you everything, right. You don't have to swap out new people or whatever else. But I would say the Microsoft that I joined was actually highly entrepreneurial if you wanted it to be. And so the way I got to China was actually pitching my then manager, Charlie songwriters, who is now an investor in carrot as well and saying, Hey, I think there's a huge business opportunity. So I wrote a one pager down, a two pager with a funding, ask a mission statement, everything an entrepreneur would do. And I took it to Charlie and said, Hey, I'd like you to fund me.

Mo Bhende 00:15:40 And I think Charlie realized I had the drive and ambition to go there. And then I got teamed up with my then managers, Sarah Clemens, who, you know, thank, you know, agreed to kind of manage me and be part of the whole operation. And, you know, I think it was really her insight saying, okay, you actually, if you're going to go do this work, you need to physically be in China. You can't just do it from Redmond. And so it was really her push and her encouragement and guidance that got me, got me out there. So my wife and I had just gotten married and Sima and I literally moved to Beijing in 2008. Um, and it was a crazy time, right? The financial crisis was happening in the world. Lehman brothers was going under, but the Chinese economy was booming. I literally remember showing up to Beijing Ryan and just feeling, wow, this is truly the center of the world.

Mo Bhende 00:16:27 Right? Every time I would come back to Manhattan, it just felt small. And I remember getting to China and just realizing the sheer level of growth and even the name of your podcast there to disrupt everyone was daring and daring to disrupt there. And so it was a phenomenal experience. So, and the short of it is yeah, a little bit of Fox in the henhouse, but I got to find my own path. And that would be my encouragement --

-- ent to anyone listening to this podcast, which is ultimately at any company, if you think of it as a vessel, which was the analogy I think Charlie gave me at Microsoft, then you have to steward the vessel wherever you want to go. Right. And so that was my whole take on Microsoft, which is how do I engage with this company as a platform to realize an entrepreneurial vision.

Ryan Newman 00:17:10 We've spent a lot of time talking about your experience in China and with a venture funding at Microsoft, but for all of the gamers out there and for, for all the kids out there, we can't leave the Microsoft discussion without at least a couple of thoughts on X-Box.

Can you talk about your experience working with,

Mo Bhende 00:17:28 Yeah, so I left China, the Chinese venture fund that we established after two years and I joined actually Sarah and X-Box and was the, ultimately became the head of product strategy there. It was a phenomenal experience, right? I think gaming and interactive entertainment, especially in today's post pandemic world. It's honestly a way people, especially in the, in the jury 2020 stages, when none of us could leave our houses, it's a phenomenal way for people to connect. So I think my relationship to interactive entertainment as a medium to be connecting, you know, I think some people think of gaming as, oh, is it wasting times doing other things? I think of it just as a form of connection, right? So that's my relationship to gaming. Um, I think also Xbox was just a highly and continues to be a highly innovative part of the Microsoft enterprise.

Mo Bhende 00:18:19 And so I do think, you know, now there are innovations out there, like hollow lens and augmented reality that all came out of Xbox. Right. And so it was actually a phenomenal lesson for me to see a large scale platform. Like Microsoft have a highly intrapreneurial function. Like X-Box, you know, it's not that old of a division. I think, you know, the first Xbox came out well, now it's 20, 21, maybe 15 years ago. Right. So Microsoft's been around for close to 50. And so if you think about it, it was truly a, uh, an entrepreneurial venture that has now become, uh, you know, 10 to \$15 billion business.

AD 00:18:56 Are you passionate about entrepreneurship? Do you want to see the economic vitality of communities across Pennsylvania improve? Right now? Penn state is offering a unique opportunity to double the impact of philanthropic gifts than enhance economic development initiatives across the university. Your support of these programs empower students and community entrepreneurs with the tools and resources. They need to bring their business ideas to the marketplace and create jobs for more information, contact Heather Winfield, director of strategic initiatives at HPW, one, one@psu.edu.

Ryan Newman 00:19:34 So you're at Microsoft, you're obviously doing very well. You're getting a taste of entrepreneurial-ism in terms of your experiences, at what point do you decide you want to do something on your own or potentially with a partner in your case?

Mo Bhende 00:19:49 Yeah, I think three things, one, you know, back to Microsoft is a learning platform. I had to learn a lot and I'll continue to learn a lot, but I think the learning curve relative to the entrepreneurial zest or desire, right. At some point, those curves cross and then you know where to be. And so that's where I had hit at Microsoft. Uh, number two, I've just always loved hiring back to topic magazine. If you, if I trace all the jobs, even in between topic magazine, did some consulting, uh, was at a firm called Bates white than Microsoft hiring has been like a through line through all of it. Even at Xbox. I just love spending time thinking about how to attract talent to our division and how to adjust our interviewing processes. And so honestly, Ryan, I was spending just as much time innovating on a hiring as I was just my day job, because ultimately again, it comes back to if you have great people in a business, the rest of it tends to work out.

Mo Bhende 00:20:46 Right. And so just in terms of where I was spending my time and cycles, and third, I just saw an opportunity right back to the hollow lens. We were trying to hire so many engineers in such a short amount of time that the sheer visceral pain I used the word visceral pain of interviewing. You know, when you only have so many engineers to go around, how do you optimize t --

-- heir time between hiring activities versus writing code? It's a real conundrum. And so we were in the thick of that conundrum and I realized this is a huge opportunity. And my co-founder and I, Jeff had known each other for quite a few years before that we were looking to do something together. I would share with anyone on this podcast that when you've got the right combination of a values aligned, co-founder paired with an idea paired with a passion for solving a problem. Mo Bhende 00:21:35 Well, then you got to start a business. If other things are supportive in there, right? My wife was very supportive. We were at a place in life where we could afford to do the startup and, you know, think of the startup as a two-way door. I always knew that if something had massively not worked out, then, you know, I would go back to Microsoft or something else, but it takes time to get to that place. You know, I wasn't there initially right out of Penn state, I had to kind of earn my way, save money, do all the things to establish our families so that we could, you know, frankly take the plunge to be, you know, an entrepreneur.

Ryan Newman 00:22:09 That's a really fascinating segue into this, this notion of this saying that that's the start that stops most people. And for many people it's so hard to take that start. Now, you got started early topic magazine, you know, many cases before you perhaps even really had a sense of, of what you were jumping into. You already running your own business with respect to topic, with respect to character. Take us through that. So you're, you're at Microsoft, you're seeing this need, that's not being met. You've obviously met your co-founder at this point. What were sort of the, some of the details related to the actual departure from Microsoft starting the business those early days?

Mo Bhende 00:22:51 Yeah. I mean, I think a couple things. So one my colleagues and partners and Microsoft were exceptionally helpful and just gracious, you know, when I started sharing, Hey, I think I'm going to go do something in the hiring space. Pretty much everyone I met just said, well, that seems pretty obvious because you love hiring. Right? And so there was nothing but encouragement. And I do think to start a company, you know, that validation and that social network and support, especially from your loved ones at home and the people you respect professionally, I got, it's just so critical. Right. And so I think number one, there was an outpouring of just support. Um, number two, again, I realized that entrepreneurship, especially at this stage I had gotten to, you know, I was kind of mid thirties at the time I realized, okay, this is kind of a two-way door, right.

Mo Bhende 00:23:43 Again, if I epically fail and most ventures do, then there's something to go back to or there's other things I can do to parlay that experience. And so I think once I realized that entrepreneurship is actually not that risky, the risky thing is not living the life that I want to live. And the risky thing is not working with the co-founder I want to work with. Right. That's actually a much higher risk than not having done it. And so I think a lot of people think entrepreneurs just kind of jump off and don't think about risk. I think the best entrepreneurs are constantly managing risk and they just know which doors are two way doors or which ways are, which ones are one way doors. And I just knew kind of going forward that this was a two-way door and number three, honestly, Ryan, I just couldn't get the idea out of my head.

Mo Bhende 00:24:26 Right. I was just like, okay, this is crazy. How is someone not come along and made interviewing a job? And at some point it just becomes this consuming aspect of, well, why doesn't, you know, there's a real problem. Why isn't someone come and done? It sounds like such a simple idea to make interviewing a profession, but then to operationalize it run into a service that's 24 7. I mean, that's the complexity, but I just couldn't let go of that idea. And again, my co-founder Jeff happened to be at the kind of right time and right place in my life and me as well with him that it just made sense

Ryan Newman 00:25:02 A little bit about your co-founder a little more about his background in how YouTube.

Mo Bhende 00:25:07 Yeah, Jeff. So Jeff's actually got a, really, his background also took him to China. Jeff, uh, started his career. --

-- He had gotten the investment banking offer coming out of undergrad and said no, and moved to China, I think with no job and just showed up in Shanghai in 2000, joined a startup, then went public on the NASDAQ. He was employee five. And so he learned a ton. He took a literally a locally created company and went all the way to IPO. He then, uh, I think did a stint as a hedge fund analyst realized he didn't want to work at a hedge fund and ultimately became Belinda Gates as chief of staff at the Gates Foundation. And what I love about Jeff is not only do we have a deep sense of shared values, we're both very clear on our priorities in life that family and health come first entrepreneurship comes after, right?

Mo Bhende 00:25:54 And we're very firm and clear that doesn't work for all entrepreneurs. You know, some want to put their business over other things. I don't do that and nor does Jeff. And so I think the alignment of how we organize our life and how we make decisions was a very clear and, you know, we're just highly complimentary, right? We, uh, I find, you know, I think in the early days, Jeff, uh, initially wanted to save the U S post office and thank God we didn't pursue that idea. We pursued carrot, but just the, like the vigor and the zeal, just his innovation and creativity is off the charts. And so I think Jeff just has a really deep attention to detail a really deep appreciation for the craft of quality, a really detailed appreciation for data, right? Frankly, all of those three things, which I do not have.

Mo Bhende 00:26:42 And so we basically realized, wow, we're kind of two peas in a pod here with highly complimentary skills, but most importantly, with a shared sense of purpose and a purpose to want to help people get jobs and to help companies hire. Right. And I think ultimately even with this new unicorn announcement, I was chatting with him this morning about what does the next seven years look like? I think it's just going to be a seven years with purpose, right. And lead through purpose and conviction that we now have a platform to make real change in the world.

Ryan Newman 00:27:15 So it sounds like you have a real division of, of skills. Is there a division of roles to, within the organization? How does that translate to the way you run the,

Mo Bhende 00:27:25 Yeah, I focus now primarily as CEO of the company on fundraising, uh, organization, hiring, setting strategy and structure. Um, you know, you set a mission, you then have to organize around that mission and go from there. But Jeff and I are very much partners. Jeff is focused really on driving the next generation of innovation and the next generation of data insights. He originated and partnered with a bunch of folks at our company to create brilliant black minds, which is our purpose commitment to helping more black engineers get into tech last year. You know, there's a constant stream. So it's a very clean and easy division. We're both board members, uh, at the, at the highest levels. But as partners, you know, we work together obviously on things like company strategy, company, culture, company leadership, uh, but in terms of, you know, when we partner with each other and I think this is really important with any co-founder relationship, you got to know when you're speaking with your partner, either as a friend, as a co-founder as a board member or as an operator.

Mo Bhende 00:28:30 So Jeff and I have four layers of relationship, and I think we're very intentional on, Hey, I'm speaking to you now as a friend or I'm speaking to you now as a board member where we are, you know, operating together. But when we speak about operations, you know, we just happen to have different focus areas and different roles in that, but it's one of our four relationships. And so I think just being very clear for anyone listening on this podcast, that when you partner with someone, just recognizing that every relationship has different parts to it. And you build actually I think a strong relationship when you can just be very clear on which, which muscle you're exercising. And I think Jeff and I have learned that art actually through one of our investors who advised us very closely on how to cultivate his name's Michael Ovitz. He started creative artists, creative artist agency. And so Ovitz basically sat down with me and Jeff and just said, Hey, you have to invest in your relationship and you're going to have multiple --

-- facets for what your relationship looks like, acknowledge it and move forward. Well, you've alluded

Ryan Newman 00:29:31 To it, but, uh, we'd love to hear you articulate what is the problem precisely that carrot is looking to solve and how are you

Mo Bhende 00:29:39 Solving it? Every company is becoming a software company. I think Andreessen coined this many years ago. It is totally true. Therefore, every company needs to hire engineers, interviewing engineers takes a lot of time and it's no one's job to be any good at it. And the fundamental problem is there's just simply not enough engineers to interview. Other engineers. Currently companies are investing Ryan nearly \$60 billion a year of engineering time on interviewing, and it's still not enough. And so fundamentally the problem is here's a business process that takes a massive amount of time. That is still yielding results that can be biased, not consistent, not advancing diversity, equity and inclusion, and is frankly not moving fast enough to be competitive in a world that's just moving really fast. And so we're carrot comes in as the interviewing cloud is we've effectively made interviewing a job. And we conduct interviews for companies. We've combined a global network of engineers who we've onboarded to be professional interviewers. And we conduct all of the technical interviews now for a wide range of companies ranging from, uh, you know, Coinbase and Robinhood through to a bank of America and American express and the financial side, or, you know, a Tesco or a Wayfair on the e-commerce and retail sides.

Ryan Newman 00:30:57 And so you have employees of carrot that are actually professional interviewers. So that's your comment before you alluded to, of making, interviewing a profession and you're now serving companies in this way, providing the service. Can you talk about, and you mentioned cloud interviewing. Can you explain what that is?

Mo Bhende 00:31:14 Yeah. So the, the interviewers, right. And we call them interview engineers that are contractors. Think of them as engineers who are building interviewing businesses on carrots cloud cloud interviewing is literally the provisioning of an interview, 24 7 on demand and an elastic service. So just like you would go to Amazon web services to say, Hey, I want to be able to store my data, um, and make sure it's accessible, safe, secure, and is 24 7 always on companies come to us saying, I need to be able to interview engineers around the clock any time in a consistent, standardized, predictive, fair, and repeatable way. That's what we offer. And so the analogy to the cloud is it really evokes a sense of an always on service, which is ultimately what we provide, right? So when a company wants to hire, I don't know, a thousand engineers, they provisioned the interviewing cloud to say, great to hire those thousand engineers. We're going to need always on interviewing to help us understand who to hire and to get to the candidates faster than anybody else.

Ryan Newman 00:32:19 And so the product that you're providing Wayfair or these other businesses you mentioned is precisely delivered in what format or way.

Mo Bhende 00:32:28 So let's suppose Wayfair will send us a candidate, uh, let's suppose you are the candidate, Brian, you would then get matched with an interview engineer on carrots platform. And that interview engineer would conduct a live 60 to 75 minute interview of you, depending on the role. It could be a front end interview, a machine learning interview, data science interview. And it's an assessment of your skills that we have developed this carrot. And then we then give that result back to Wayfair and say, based on the results of the carrot interview, what should you do next? Should you move Ryan to the onsite loop? You know, should you say, thank you, but no, thank you. You're not ready yet. And so we play that fool. Ryan is when a company like Wayfair is hiring, we're ultimately the company that can go talk to the thousands of engineers and help them understand who the subset is to hire the benefit for the candidate is we're on all the time.

Mo Bhende 00:33:20 So 60% of candidates Ryan are choosing to interview on nights and weekends. So you can interview on a Sunday or Saturday, 20% of candidates, take us up on a redo. So you don't feel like you did well on the first interview. All good. And you got a new interviewer and new set of questions. Whe --



-- n does that happen in a normal interview, right? And so candidates love it for the flexibility and the ability to get a redo, but we're now pushing the envelope. Uh, and I, and I can share it a bit where we think the interview is going, but you know, the candidate experience around interviews, the status quo is just honestly not that good. When was the last time Ron, that you've been an interview that you've actually enjoyed, right? Probably a while. And so I think, I think that there's a real opportunity for a company like carrot to come in and both disrupt the experience for companies and candidates alike. Well,

Ryan Newman 00:34:07 I can't leave that compelling offer hanging. Can you, I'm intrigued. Can you share with me where you think

Mo Bhende 00:34:11 The interview is going? Yeah. So I think again, today candidates are getting flexible interviews with the ability to have second chances where the interview is going, is going to go from being a transactional thing that you have to do into something that gives the candidate value back. If you don't get the job, candidates can get feedback from their interviews. We've actually been giving feedback to all of the students going through our brilliant black minds program and seeing that there's a demonstrable lift in performance once you get feedback, but Ryan only 3% of candidates in America are getting feedback today. We're going to change that, right? And so part one is you don't get the job or you do get the job. What can carrot give you back as a candidate to understand your performance? I think the second thing that's going to happen with the interview is it's going to go from being a point in time to look at somebody to a longitudinal kind of time horizon of wherever we were as this person grown.

Mo Bhende 00:35:07 So I'll give you an example, Ryan, we were looking at the data last week and we realized, you know, there was a candidate that we've interviewed 10 times for 10 different companies across the last five years. So we've literally seen the same person since 2016 growing in their career. And a normal interview would just say, well, here's what this person knows right now. Whereas with carrot, we can actually say this person's grown so much since 2016 to 2021. Imagine where they're going to be in 20, 25. Right? So I think the interview is going to be looking potential and learning and growth. The final thing is interviews are going to be enjoyable and they're actually going to be entertaining for candidates. We've seen through our data that when interview engineers tell either developer friendly jokes or bring levity to the interview, the candidate ratings of the interview, skyrockets and candidates are just happier.

Speaker 1 00:35:58 And so we're actually currently working with two professors who wrote the book humor, seriously, Jennifer acre and Naomi back donuts. They're professors at the Stanford school of business. They're working with us on how to inject humor into the interview. And so we are literally going to make a science out of making the interview, not this dreaded thing that you have to do, right. But actually an experience that as a candidate, you say, okay, great. I actually am. I do want to do that interview because it's going to be, you know, it's going to help me. It's going to illustrate my potential and I'm going to get feedback one way or the other. And so I think Ryan, that is where the interview is going

Ryan Newman 00:36:33 And incredible. Uh, no, no doubt. You've had investors knocking at your door for some time. Now, given the compelling nature of the business, can you talk about your experiences kept raising capital, uh, the timing as to when you chose to do it and then what that experience has been like for you and the company?

Mo Bhende 00:36:49 Yeah. It evolves over time, right? So in our earliest see to stage, right? So the seed stages, usually your first or no, now there's all these other tranches angel rounds and other things, but you know, back to Microsoft, it was my boss, Charlie, who actually introduced us to eight BC, uh, which is, uh, true adding and Joe Lonsdale from an APC, they just got, they just got a, it was in one meeting and they were like, yeah, interviewing needs to be a job. How is someone not come along and done this? Right? And so they did some of their diligence, but you know, we then raised capital, right. And we'd already, I think at that point got --

-- ten to a couple hundred thousand dollars of revenue. We'd already had customers like into it. And so, you know, I'd say one of the things we did is we went out before raising money and actually validated that there was a market need and not all entrepreneurs do that, but that's the course that Jeff and I took.

Mo Bhende 00:37:45 And, you know, that's kind of, you know, ABC has been an incredible partner when we got to the what's called the series A that's a higher bar, you know, you need to prove, okay, great. You know, certain revenue metrics, milestones, product market fit. And, you know, it's harder sometimes as an entrepreneur to find, you know, now it's a little easier, but it's harder. You know, it was harder to find the right partner, but we got fortunate to get teamed up with a gentleman named Parker Burrell who works at Norwest venture partners. And Parker had actually formerly been the VP of product at LinkedIn. So he immediately got it as well because he said, wow, never before have I seen a service that generates so much data on engineers and engineering talent and companies, and you're getting paid to create that data. And so I think Parker just immediately understood the value proposition of business.

Mo Bhende 00:38:35 And by the time we got to tiger Scott Schleifer, who led our last two rounds, uh, both this recent one and our series B you know, Scott and tiger have done deals in LinkedIn, Glassdoor, Workday, et cetera. They just really understand our space. So I think the through line through all of that, Ryan is we found partners like drew Parker and Scott who actually really understood our business in a deep way. They've either been around the town space, been in recruiting and they understood that a human plus tech solution would be the winning model. It's not obvious, right? Because we're not another crypto company or another stock, like, you know, FinTech, right. To go off and say, oh wow, this company has real humans solving an actual problem. But I think the investors we have found immediately understood that in this space, that, that is the winning winning approach to combine the best of people with the best of tech.

Ryan Newman 00:39:33 So now that you've, uh, raised this capital more importantly, now that your business has been validated to the point that you've raised capital to valuation in excess of a billion dollars, making you a unicorn what's on the horizon for,

Mo Bhende 00:39:45 I think it's important that we, one of our values at carrot is to celebrate. So we absolutely celebrated and we are celebrating and we are thankful for our partners. I don't agree with there's a many entrepreneurs are like, don't celebrate, get back to work, just getting started. That's just not my philosophy. My philosophy is when good things happen running a company is like being an athlete. When someone wins a race, you got to celebrate, right? So number one is, yes. Are we happy and proud of where we got to? Absolutely. Are we hungry for the future? You got to believe it, you know, better believe it. Right. So I think when we think about the future, really, this is just a platform and we're just getting started. Number one, we're going to invest in scaling adoption of the interviewing cloud globally. Right? So for example, Europe is our fastest growth market.

Mo Bhende 00:40:31 Right now we're playing to grow significantly in London, Ireland, France, et cetera. Number two, we're going to make a lot of investments into our core product, both around data science and the interview itself. So those things I was sharing earlier, Ryan, around introducing humor into the interview, looking at potential, looking at feedback, they're all going to need capital investment. And frankly, number finally, number three is we're going to really invest in our people and our purpose, right? So investing in programs and infrastructure, back to what I learned at topic, it's all about people, right? So how do we make at a place where our own people come to unlock opportunity that it's the best employer around that people want to come work here. That's where it all starts. And so that's the way I think about it. We're going to scale globally, invest in our core product. And most importantly, invest in our people and our purpose.

Ryan Newman 00:41:23 Well, thank you Mo for discussing your entrepreneurial journey with me. I now like to hand things over to a current Penn state stud --

-- ent who is in the midst of his own entrepreneurial journey and is very active within the Penn state entrepreneurial ecosystem, a baboon a Ooh, Sue is a senior at Penn state studying electrical engineering with an entrepreneurship minor, and his startup be your best clothing. A clothing brand may do inspire others to look within themselves, to make use of their maximum potential and baboon lot. Now like to hand things over to you,

Bubune Owusu 00:41:56 I'm doing very well. It's great to hear for me, honestly, listened to you. Speak has been very, um, very inspirational and very, um, it's has me in a state where I'm able to reflect my think about like, what am I doing now? And how can I use what you're saying to move forward in terms of what I'm, what I'm doing.

Mo Bhende 00:42:12 Thank you, boudin. And it sounds like you're already on your way with starting a business. Amazing, truly a dorm room business from what I can tell. That's amazing.

Bubune Owusu 00:42:19 Yeah. I don't know if you can see, I have a bunch of boxes up there actually with inventory, but I'm very much so a normal visit.

Mo Bhende 00:42:26 Yeah. You're telling me, you said you're living with your product, literally. I love that. That's great.

Bubune Owusu 00:42:31 So the first question that I'd like to ask you is, um, with going through school, going to London school, what was your process in finding the balance between ambition and your responsibilities? Because for me personally, I remember one month last February when I was trying to get our orders, um, with zoom classes and whatnot, I was finding difficult to sort of get my part out and pay attention in class at the same time, trying to do it all in a timely manner. And my mom actually told me, I might have to step back to focus more on school. So what was your process in finding that balance?

Mo Bhende 00:43:01 It's a great question. I would say there's no point doing things 50, 50 in life. It's better to do one thing and do it really well. So I think it's just about timing and phasing, right? So for me, I, I wasn't starting a business while I was in college. Right. Um, I graduated, went to Cambridge. The English kind of academic system is different, but Buena where you're not getting tested every two weeks or I can't remember how often we were having tests and homework. Right. There's literally an end of year test. It was much more in some ways conducive to starting a company. And so I got topic going while I was there and I was able to balance both. Um, I could see how that would be a lot harder. Uh, I think, you know, what I would say is just being clear on priorities, right?

Mo Bhende 00:43:44 And so maybe there's a specific milestone in the business that you or others would want to hit and being realistic about that milestone. I think sometimes people don't manifest or visualize, right. I've been learning a lot about visualization as a technique. I think, visualizing what success looks like. So in your case it might be okay, well, what does success at the end of the semester, look like both for your business and for school then asking yourself and whoever else is listening, is that possible to have both outcomes? And if so then working back, right? So I think working back from a clear outcome will make balancing responsibility and ambition no longer a trade off, but just one in the same. I think when people run hard at things without a clear goal of they're running to that's where they burn out, but actually just declaring an end state and saying, is that possible?

Mo Bhende 00:44:38 And picking what I'd say a stretch goal, but a goal that's realistic is really important. And it's the same in business today, right? When we set board targets or growth targets, we always push ourselves a little bit, but we know we have a real shot at hitting that goal. There's no point picking goals that are just so wildly impossible that you will always fail, but there's also no point in picking goals where you're always going to hit a hundred percent of them every quarter in and out, you know, then you're just not trying hard now.

Bubune Owusu 00:45:06 So it's actually interesting that you say that, cause it kind of leads to my next question. Do you find that you often lean more towards the point of confidence or courage when taken on projects? And can you give an example?

Mo Bhende 00:45:17 That's a good question. I would say th --

-- at technique is not to, especially as, as I've grown in my career, it's not to just have one method or another it's to know which method to employ for what situation. Right. So I do think some situations require courage because well, you probably have nothing to be competent about or no knowledge to go after. Right? So to me, when I was raising that first round of capital, I led with courage because frankly, we didn't fully have a form business, but in closing this round with tiger right now, I lead with competence because we have a business, we have real customers that have real value and whether one investor wants it or not, that's not going to change. What's most important for me, which is my customers and my people. Right. And so I think you have to know which techniques, I think I'd add a couple others there's empathy, and then there's listening. And then there's just knowing when you made a mistake and like being ready to like say, yeah, I made a mistake. I'm so sorry. Right. And is that a two way door mistake or a one-way door mistake and just knowing, and so I'd say the Buena, I think I've employed both competence and courage. It just depends on the situation.

Bubune Owusu 00:46:29 That's very interesting. I know that personally in my, uh, school endeavors, um, I often find that like, so I'm majoring in electrical engineering, but my minor is in entrepreneurship. So what I find that as like for my major classes, they don't really encourage you to necessarily fail unless it's like, you're doing homework by yourself, but you can't necessarily fail as much when it comes to the exams, homework and all that other things. But like an entrepreneurship, one of my first assignments was to go out and fail. We supposed to go out around town and just ask someone if we could do something, if they say no, then go find someone else to try and ask them to do that. So

Mo Bhende 00:47:01 Well, Buena, that reminds me. So I was at the Goldman Sachs and, and builders and innovators conference last year and got to meet Chris Kardashians, who is the mother of Kim Kardashian. And she told me this line that I still use today, which is if someone tells you, no, you're just talking to the wrong somebody. And right. I still use that today to motivate my Salesforce. I'm like, oh, somebody told, you know, we'll go talk to somebody else. Right. And so I think I love that they did that. I love the yin and yang of your experiences because it's important to not be reckless entrepreneurship back to risk management. I think some people have this fascination that entrepreneurship is about massive risk taking. And actually it's not. It's about thoughtful understanding of people and customers to create new things. And so I love the fact that you actually have a little bit of a dichotomy going on there with your main, main, and major courses that'll serve you and others who pursue that. Well only having one way of doing things only not failing or only failing is a recipe for not winning.

Bubune Owusu 00:48:01 Thank you. I appreciate that. Um, so my last question of being a college student right now, um, since you also went to Penn state, what lessons or resources did you find most valuable to you as a student at Penn state that contributed to your achievements and success that you have to do?

Mo Bhende 00:48:16 So honestly, Buena, I showed up just like the gates scholarship. Uh, it was the first gates scholar class. I was also like Ryan, the first Schreyer honors college class. And so I think I had that entrepreneurial side from the get go. I literally showed up on campus man with a mission saying, okay, what funds do these folks have? And what can I do with this capital Schrier? God bless him. Had just put, I think with his wife, \$30 million in. And so I showed up with a little bit of a mission. So the first summer Schrier paid for my trip to Mexico to go learn and volunteer down there. The next summer, they paid for my internship at the center for strategic and international studies. The next summer, after that, they paid for me to go to London, school of economics and do all my trips.

Mo Bhende 00:48:59 And then, you know, I basically just kind of came to Penn state saying, okay, this school just got funded. And so I think that entrepreneurial streak started early on with me where I didn't wait for Schrier to come to me. I just showed up at the office and just started knocking on doors and saying, all --

-- right, I'm here. What are y'all? What are y'all doing? And so they just said, Hey, our agenda is about global learning and global growth and entrepreneurship. And I just said, well, I want some of that. Right. And so here we are. And so that's, you know, I think Penn state actually taught me that you don't wait for things to come for you. You go get it, you know? And so that's, um, that's still my life philosophy today. Even after all this fancy stuff and funding and whatever else, like I don't, I'm not going to wait for anything I'm impatient. So I just go get things, go talk to the customers, go hire the people I'm spending half my day to day hiring, you know, wait for people to come join your business. You have to go talk to them and go recruit them and convince them to join you. So that's kinda, that's the philosophy of Aquinnah

Bubune Owusu 00:49:58 Well, I'm so well for my business right now, currently. I'm the only one it's just me. So I know you do a lot of hiring. So I'm wondering, um, when you do the hiring, when do you make the point from switching? Like hands-off like instead of actually like being so into the work, like for me personally, with manufacturing, when do you make that point of saying, all right now I'm just going to step back and trust them to do it. And then I can then manage and see the vision through all the way

Bubune Owusu 00:50:26 Buddha. That's a good, well, first of all, women, and I thought I was going to try to sign you up as a customer right now. You just started going to, um, hiring a lot, a lot of people. And I'm like, oh, if you're hiring, I've got a team that can help you. So I'll always be selling, right. I don't care where you are. You always repre your product, you know, as, as a founder and whatever role you have to always be doing that. Um, I would say you, you're asking one of the most quintessential, literally we just had our customer summit on Thursday and I asked Ross Mason, the founder of MuleSoft. Who's a investor in carrot, literally the same question. I think you're going to hear a hundred things from a hundred people. The Buena, uh, I think some founders will say, oh, it's all about leverage.

Mo Bhende 00:51:02 And you want to get out of hiring others, you know, the Workday CEO and the open, sorry. I think he, and he interviewed every single person at Workday with his co-founder up until person, 1000 you'll sock was investing 30% of executive time in the hiring. Our personal philosophy is we are a hiring company, right? And so Jeff and I and our executive team do spend a lot of time on hiring that said, we're also a company about leverage, right? If you think about our business, we are professional interviewers. And so there is a leverage aspect and a level of professional trust that comes. And so I think every founder has to go a little bit on their own journey. I would say at the stage you are, if there are other folks listening to this podcast who are just getting a business off the ground, I mean, your first 20 to 30 hires, you got to be all over that.

Mo Bhende 00:51:47 You've got to go find them, recruit them, convince them, manage them, onboard them. You can't, you know, not do that yourself. But afterwards, um, I do think finding partners who just know how to hire well, right? So I've got a VP of people now, Lily, and a set of recruiters that frankly just know what they're doing more than me. Right? So that's kind of your job as a founder, which is to go bring on people who know more about something than you do yourself. Your job is not to be the subject matter expert in everything it's to go recruit great executives and talent and people and just let them flourish. I'll definitely keep that in mind. Thank you so much. Congratulations as well, by the way, for starting a business at, of literally your dorm. It's very impressive and I wish you the best. Thank

Bubune Owusu 00:52:34 You so much. I really

Mo Bhende 00:52:35 Appreciate it. Thanks for winning.

Ryan Newman 00:52:42 That was Mo Ben day, founder of carrot, one of the newest companies to obtain the noteworthy status of unicorn. If you haven't already be sure to subscribe, to dare, to disrupt wherever you listen to podcasts and look out for the next episode in November. Thanks for listening.

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