

Disrupt Yourself Podcast with Whitney Johnson

Episode 76: David Blake

Welcome to the Disrupt Yourself Podcast. I'm Whitney Johnson. I think, write, speak and live all things disruption.

Thank you to Arnold for our podcast review of the week. He said -

Your interview with Tom Peters is one of the best podcasts I've heard, and I'm a podcast junkie . . . I've listened to hundreds of hours ever since I bought my first iPhone. I'm reading more because of your interview with Tom.

Thank you, Arnold! Much, much appreciated.

Now, to our interview.

My guest today is David Blake, the co-founder and Executive Chairman of Degreed, and coauthor of the new book *The Expertise Economy: How the Smartest Companies use Learning to Engage, Compete, and Succeed*. David believes that learning is too important to stay the way it is and has spent his career innovating in higher education and lifelong learning.

Whitney: David Blake, welcome to the podcast. I am so happy that you're here.

David: Thank you, it's fun to be chatting again.

Whitney: So, very first question for you is what did you think you wanted to be when you grew up?

David: If you had asked me when I was 15 I would have said a politician, it's uh, about 12 it would have been a film director, but ...

Whitney: Interesting. So here's the big question, to what extent do you at this point in your life um, invoke uh, your political and filmmaking aspirations in your current life and career?

David: (laughs) I have watched a lot of films since I was 12, so uh ...

Whitney: (laughs)

David: ... I feel like I largely checked uh, that box. Um, you know, and politician is actually uh, you know, public service is still something I aspire to.

Whitney: Oh interesting. Oh, how exciting, oh that ... that's ... that's wonderful to hear, we need more public servants um, who are really serious about service. Um, okay, so what did you study in school?

David: I studied um, economics and that was in large part, so my um, my career has been spent in education, and this passion sort of took me by storm, but for me it was always about big questions in education, and really around the system, not you know um, whether or not we learn inside the classroom, once you step beyond the door of the classroom there was still all these other questions around student debt and ... and the relevancy of the model, and ... and what it was optimized for, and so I wanted to study education, that bug had sort of bit me um, but at the undergraduate level, everywhere I could find education meant becoming a teacher or becoming a school administrator, and there really wasn't any um, program around sort of educational reform if you will.

That's what I was hungry for, that's what I wanted, I didn't find it, but then I took a introductory economics course and it was just all about you know those systems, human systems, and systems of uh, the economy, and that study of systems just really resonated with that interest, and sort of the ... the study of the system of education, and while my studies never really touched on education, I just really loved what economics provided as a toolkit, as a framework, and I loved it, I really, really loved it.

Whitney: So David, how did the whole um, you ... you said that the education bug bit you, um, what ... how did that happen um, because I don't think ... I ... I know it didn't bite me, so how did it bite you? What ... what happened in your life that got you really interested in and passionate about um, reforming the educational system?

David: Yeah, I had taken the ACT, and I thought it sucked, and that-

Whitney: Really? Say more about that.

David: I was a very studious um, as a student, and I worked really hard, and I was committed to ... to trying to be sort of the best student I could, and be the you know quintessential college applicant, and I put a lot of myself in my studies, and so you know as such I knew full well the import of the ACT, and I studied hard, and I scored well enough, but when I actually took it, like it was the first time I just ... I had ever stopped to sort of question any of this, and I was just like, you know, really like living through that experience, I was like, "This is three hours, this is a Saturday, you know, I woke up early, I'm 17, this is sort of half of the equation for what university I'll get into, that's half of the equation for what jobs I'll have available to me." I was just like, "Where did this thing come from? Like why do we do this? Like why do we do it this way?"

And it was the first time that it just like really grabbed me of - this is a little bit crazy, like it ... looking to my left, looking to my right there's no one else saying this is crazy, like why are we doing this, and ... and so it really just grabbed me, and so I started s-studying after I took the test I went and I found every book I could on high-stakes testing, and tried to figure out you know how predictive that was and where did this come from, and more than that experience with the ACT, what really cemented the ... the interest and then you know eventually the passion for education was I got about three or four books into uh, reading about uh, education, and testing, and had this slow realization that, you know, I was having this new feeling, and I didn't understand what it was, or uh, you know, had never experienced it before, and then I realized, "Oh, that's curiosity."

I realized that I had been engineered to take tests, to soak up information, and to spit it back out, that those books were the first thing I had ever learned that a teacher hadn't assigned to me, you know, of ... of any sort of real meaning um, and you know that I had no interest or value in what I was learning, it was really just to continue to jump through the hoops to get the marks, to get the grades, to get to the next level, to you know get into the best college, and uh, and I just realized I ... I had become uh, while I had, while I had become a great student, I was a terrible learner, and when that hit me I aspired to more than anything else to become a great learner in life, and ... and the place all that energy went continued to be education. I was like, "Well, if I ... I'm a product of this system, where did this system come from?"

And I started to pour all the sort of newfound curiosity into our history of education, and that snow balled, and snow balled, and this um, catalyst and interest turned into a curiosity, and into a passion, and eventually into an obsession, and you know it's ... it's literally true that I was ... I was 17, 18 was the last sort of day, um, I could probably account for where I hadn't been, uh, sort of obsessing over the ... the systems and future of education.

Whitney: You know, it's so interesting hearing you say this and share this, because um, we have a daughter who's 17 years old, she's a rising senior, and um, in hearing your perspective, and we just the other day, so right as of her junior year she's the valedictorian in her class, and sounds a lot like you were pre- and um, she is going into her senior year, and would like to be the valedictorian, and there's a class that she wants to take, it's in sociology, apparently a terrific professor, um, but it's not an AP class, and for people who are ... Advanced Placement for people who are listening in other parts of the world, and there's the risk that by not taking that AP class, if her ... if others of her classmates take only AP classes, that she will lose that valedictory spot, and she said, "But I really want to take sociology because I think I want to study sociology and economics and do something in social sciences."

And what's interesting to me about that, is when we had the conversation I could feel myself as a parent thinking, "Aaah, she's not gonna be valedictorian."

David: (laughs) Okay.

Whitney: And um, and I had to really ... and I did say it, and then I said, "Stop." (laughs) To myself, and we're having this conversation um, she and my husband and I, and I said, "You know, I'm really proud of you for being willing to um, study something that you actually are genuinely interested in." And so I ... I think um, your ... your comment is really resonating with me of this ... of your being such a good student, and then realizing there were all these high stakes, and you've kind of ... there was this moment it sounds like where you just said, "Enough." I mean it was like this epiphany of, "I'm not going to be a student, I'm gonna be a learner." And that was really and sounds like ... the ACT sounds like it was your ... your call to adventure and your hero's journey, is that ... is that accurate?

David: It's ... it's ... it is what I trace it all back to.

Whitney: So powerful. So, all right, so you go to college, you realize you can't do education, um, so a ... a because you ... you're not really interested in becoming a teacher, you're interested in ... in um, remediating the system, and so you study economics, which teaches you about systems, can you talk to us now about um, how you got the idea for [Degreed](#), it sounds like reading your book there was a start-up in between there, I mean if you can just talk about the idea and ... and how you got there.

David: Yeah, I mean the journey from being a great student to being a uh, entrepreneur of any quality is ... is not really straightforward, I mean they're in many ways opposing and sort of antithetical to each other, which is you know as a student you're ... you're taught to color in the lines, and as an entrepreneur you have to sort of you know color outside the lines. I mean they ... they're in many ways are, you know, opposites um, and you know in school create so much validation, and there's a bit of a conveyor belt to it, you know, you ... you hop on, and uh, there's semesters, and there's courses, and there's a program, and it just uh, then it spits you out into career services, and recruiting, and ... and really creates pathways into certain jobs, and I had to appreciate, and it was a slow journey, this was not ... this was sort of a hard won, hard fought, was you know I was on this conveyor belt, and I really didn't know how to get off and it would be sometimes. I graduated from economics, and then you know the conveyor belt spits you into a couple of places, and I ended up in management consulting, and again it was a great toolkit, it was a great experience in many ways, but it wasn't my passion or my interest, and I just didn't know how to get there, I didn't know how to um, segue a career into education, I didn't see people doing things that I thought you know reflected my interest, or that I felt were um, of material impact against the problems I perceived, um, and so you know the conveyor belt from econ into management consulting, and then along the way I ... my wife had gone to high school with um, someone who dropped out of p- uh, Princeton to start a company whose motto was, "Students are more than test scores."

And so that immediately resonated and um, I traded a few emails um, with him, I had never met him, my wife knew him, I traded some emails, he was responsive at first and then sort of just grew cold and went dark, and um, just as our timeline worked out as I was on paternity leave with our ... the ... the birth of our first child, I just ... I had a ... a window of time, and I just decided to buy a plane ticket, and I flew out unannounced, and um, just knocked on this uh, on his door, and I said, "Hey, I'm the guy that you know we traded a few emails, can I take you to lunch?" And by the end of that lunch-

Whitney: Wait, wait, wait, wait, wait, you just knocked like he li- you were really like unannounced?

David: Unannounced, yeah. He had no idea I was coming, I just bought a plane ticket and decided to go for it.

Whitney: Okay, so you knock on the door, what was his reaction (laughs) when you knocked on the door?

David: Yeah, you know, um ...

Whitney: (laughs)

David: ... it ... it's sort of like that moment uh, you know, in the romantic comedy when you know she leaves and yeah you know he makes runs to the airport and buys a ticket at the counter and then chases after the girl, and ...

Whitney: Yeah.

David: ... I think in some way everyone, you know, there's just something very fl- um, flattering about the fact that someone would get on an airplane just for you, and um, so you know I think it ... he was pretty flattered, and uh, you know, uh, was ... so him and his co-founders uh, and I went to uh, lunch and by the end of lunch I was part of the team.

Whitney: Wow.

David: Yeah, so that was startup number one, and sort of the ... the parlay and springboard into education and ed tech.

Whitney: Okay. I have to pause, because there's a part from the book where you talk about, because you really disrupted yourself, so you take this job, can you just tell our audience what kind of pay cut you took (laughs) and what you did to take this job at this startup, because I think it's important. This was not a no-, this was high stakes high risk in ... at some level, right?

David: Uh, it was. So, you know, um, I'm ... I'm still young, I'm a newly-married, I've got my first kid who's literally days old, I took that trip on paternity leave. In many ways I had the job that I think my parents had you know sort of the narrative that they had always aspired to for me, the you know work hard get a great job and management consulting is perceived as a safe um, sort of career with great benefits, and great pay, and that's you know about as much as you could hope for for your you know kid, and um, this startup I mean they were young, they um, uh, you know, and I was young, and in um, in any case I took uh, I took what would be about 45% of my total salary, so I was sort of 55% pay cut to join the startup, uh, with no benefits, and that was below what was even a living salary.

So um, for us to be able to do this, I had to um, come back and ask my parents if I could move um, my new and young family into their basement, um, and you know they first of all weren't especially excited for the life choice, they saw it as pretty irresponsible to you know make such a dramatic um, decision to take such a pay cut right as I was starting a family, um, you know, uh, and they ... they tested my resolve, but once they knew I was making this decision no matter what, you know, they were ... they've always been in my corner, and were eager to support, and uh, so we lived in my parents' basement, I took a very material pay cut, and you know uh, started a pretty long journey of not having two nickels to rub together for what has you know been now the majority of my professional career, so ...

Whitney: How did you persuade them David, um, to that it made thi- this was the right move, do you remember what you said or? A- and your wife as well, how were you able to talk them through that you just needed to do this, do you remember?

David: You know, my wife has always said that the choices I've made in my career there's no way she could support them if she didn't know it was just you know genuinely s- this fire that burns within me and this passion that I have ...

Whitney: Hmm.

David: ... and you know the ... the sacrifices we've made are too much, if it ... if it weren't for you know genuine mission and passion ...

Whitney: Yeah.

David: ... and she has always been behind that, and has been called upon you know since that time, that is not the biggest sacrifice we've made in our life um, you know, those would come later um, but she's always been behind me, and I would say I ... I ... to my parents, you know, and I was young at the time, so it mattered perhaps a bit more is I was still just coming into my own, but I didn't really convince them and that was part of it. They were fully resolved that that was the wrong decision, and um, you know, saw what I was doing as deeply irresponsible ...

Whitney: Hmm.

David: ... and at some level it really was sort of when I came into my own, which was you know I have to sort of live my passion, I have to live my truth, like this I, you know, um, I need to do this and ...

Whitney: Yeah.

David: ... uh, so they were uh, entirely unconvinced, but once they saw that I was resolved to it, they've ... they've always you know been in my corner.

Whitney: Yeah, an important growing up moment, I think we have to have that moment where we ... we individuate, and that was a big (laughs) individuation moment. Um, okay, so you ... so you ... you go to work at the company I think if I recall correctly was called Sinch is that right? Or Zin?

David: Yeah, Zinch.

Whitney: Zinch, okay. All right, so you do that for a couple of years, and then tell us about how you got the idea for [Degreed](#), your current business.

David: Yeah, so there's just been all this innovation in education over now the last decade, there's been this wave of sort of consumer oriented education innovation, we saw [Khan Academy](#) come into the mainstream with Bill Gates, uh, TED talk, um, you know, this

bootcamp model emerged where people go and take intensive skill developments, there was the MOOCs which is massive open online courses that were launched really out of the Ivy League, so it was um, uh, Harvard and um, uh, uh, MIT, and Stanford, and then there was e-learning um, platforms like [lynda.com](https://www.lynda.com) and [Udemy](https://www.udemy.com/), and ... and [Pluralsight](https://www.pluralsight.com/), there's just been this explosion, and so I'm ... I'm looking at this equation believing you know we've ... we've come through this shift, where it used to be true you would go to one or two institutions of higher education if at all, and then you would hold maybe one or two jobs over your career, and between those two or three or four institutions they were providing people a majority of the education, and learning, and knowledge, and skills that they needed to be successful in their lives.

And we've shifted from that point in our history, to this place where now people are learning all the time, across a diversity of sources, and now our formal education reflects a minority of what we will learn, and a ... a dramatic minority, increasingly a majority of everything you are going to learn is you know informal, and across the diversity of sources, and modalities, and so that's our new reality, and the thing that started [Degreed](https://www.degreed.com/) was I came to start asking people, "Tell me about your education." And in asking people that question, you know, 99 times out of 100, people will tell you where they went to university ...

Whitney: Hmm.

David: ... and it's a reflection of the fact that, you know, which is crazy, it's ... it's an absurdity, and we're conditioned to it so we don't appreciate that, no, but if I were to ask you Whitney, you know, "Tell me about your health." And you said, you know, "Oh Dave, you know, I ran a marathon 20 years ago." With a smile, like I mean that's an absurd ...

Whitney: Hmm.

David: ... answer to that question, and yet it's so parallel to how we answer for our education as if that is somehow a meaningful answer, you know?

Whitney: Hmm.

David: Your health today is not a function of the marathon you ran 20 years ago, and you know your skills, your education, in this moment is not anymore a function of the university experience you had 20 years ago, it's just not.

Whitney: So what ye- what year was this that you started to have these conversations?

David: Yeah, 2011, so really that year I was trying to gear up to start [Degreed](https://www.degreed.com/), I ... I was passionate, I engineered my career to um, you know, to be in a position to be able to start this, I having come through startups um, hadn't um, experienced a lot of uh, financial success or gains yet um, we sold that first startup, but we sold it for equity in another company that would eventually IPO um, so none of that had really accrued to me yet, and so I also just trying really hard to prepare financially. Um, so networking, preparing financially, um, and really just trying to get myself as qualified as I could, and

get ready to you know set out on the ambition of starting a company to bring a model of lifelong learning, and to help people answer for all of their ongoing education and skills.

Whitney: Okay, so if I ... because I ... I know you've probably shared this story a lot, so if I can just kind of put the pieces together for myself and you can fill in any gaps, you can upskill me with your story. You're working at Zinch um, where tests ... you're more than your test score, you've had this experience, you're getting more and more now finally embedded in this system of education, um, you're asking people the questions um, around um, their ... about their learning and their ... their education, and realizing they're giving you very outmoded sorts of answers, and so that's driving your curiosity further, when did you um, dec- so when you ... wha- so I guess let's bring this to now the question of what does [Degreed](#) do, and what did you think it was going to do initially, and what does it do today for um, for both consumers and for businesses?

David: So [Degreed](#) helps people get credit for all of their lifelong learning um, with uh, professionally with their employer, and uh, we can help them find the best resources to learn anything they need from across the ecosystem of learning. We ... we say our mission is to jailbreak the degree, and by that we mean really, you know, jailbreaking means to take something out of the uh, original intended mode of operation, and so if you think about your degree, we're turning it into a lifelong concept.

I mean that's uh, really what we mean by it, and so on the platform it o- it looks and operates a lot like a social network, but it's a social network for learning. You're able to ... any way you can learn or demonstrate your learning um, you know, you're able to add it to your profile, so articles, videos, books, conferences, projects, events um, training, full degrees, um, MOOCs, really anything you're doing to learn, you can add it to your profile, you know, people who are interested um, and following you, your people on your teams, people in your um, uh, at work, uh, in your office, you're able to follow each other, you're able to follow thought leaders outside of your place of employment, you know, see what thought leaders in different areas are learning, people are able to follow you and see what you are learning.

And so that's a lot of the day-to-day motivation of it all, but what it builds to is now you begin to have a ... a record and essentially a lifelong transcript of all of your education and skills, and um, much like Netflix is able to um, you know, from your viewing habits begin to personalize the experience for you, we are similarly able to do the same, where we are indexing all of the world's learning resources, and as we come to understand your goals, your objectives, what you're learning, on what topics, um, you know, at what level, we're able to um, help give you pathways for you to achieve your goals with the best learning resources, we're able to help suggest uh, you know, learning opportunities that might fit well with you know what you've been um, learning up to that point.

Whitney: Okay, so ... so um ... yeah, I think this is really interesting, in reading your book [Expertise Economy](#) that's coming out, or will be out, um, or is out as of September 2018, you talk about machine learning, I'm actually going to quote this really quickly, "A subset of artificial intelligence or AI that gives computers the ability to learn from data without being explicitly programmed, it learns how to learn, it recommends based on your

interests like Spotify you said has done for music and Netflix for me ... uh, movies, you do this for learning."

So, in advance of our conversation, I did a quick poll with two of my VIPs, which happened to be my children, and asked them what do they do when they want to learn something that they can't learn in school, and I thought you might be interested in this, and then I want to ask you a question around this.

So um, they said I go to Khan Academy for classes I don't like or don't understand, uh, looking through Coursera, I've signed up for courses on ar- art history, literature, religion, astrophysics, emotional intelligence, coding, problem-solving nutrition, how to do my hair, and what clothes to buy, and that's pretty typical now isn't it, of ... of people who are ... are lifelong learners it sounds like?

David: It ... it sounds like your children are uh, still ahead of the curve, that's a pretty impressive uh, sets of informal learning, so I love it.

Whitney: So my question to you would be this idea of Spotify, Netflix, [Degreed](#) um, if you ... this comes up for one of um, you know, a person's on your platform, and they've been looking at a lot of these courses, what kind of thing would get served up for them? Um, why don't you try this course, why don't you take a look at that, what might they see?

David: Yeah, I mean the ... one of the important ways where you know learning is different from our consumption of uh, sort of entertainment media, is sometimes learning is just out of curiosity, and it's fun, and it's informal, and it's casual, and that's where the parallels are strongest with Spotify and Netflix, where based on we ... what we know you're interested in, we can help serve up other things you're interested in, but when you need to really retool yourself, or learn something foundational, you know, that's hard, and there I would say the ... the analog is closer to ... it's akin to what now GPS Google Maps does while you're driving, which is where are you, and where do you need to go, and what are the different routes or pathways you know that are going to be ... get you there fastest or most efficiently, and you know that's the ar- other area where [Degreed](#) I think is really able to make a difference in people's lifelong learning, which is understanding where are you today, you know, what are you aspiring to, and sometimes that's a job role, so it could be I want to become a project manager, you know, um, but sometimes it's just I need to learn about business operations.

Whitney: Hmm.

David: Um, so it's ... it ... it can take different forms, but where are you and where are you trying to go, and then um, our ability to help create the best and most efficient pathway, um, and that's connecting you to people, you know, as resources and as mentors that's connecting you to um, the best uh, content from across the ecosystem of providers that's sequencing it, so in a very meaningful way, and these are all jobs um, to be done that have been, you know, formal education does a great job at doing this, you know, we have curriculum, we have syllabi, we have um, you know, and ... and at times as students I think we take for granted, you know, how important those roles are in our

development, and in our education, and as lifelong learners people, you know, a lot of people get good at being a casual lifelong learner ...

Whitney: Mm-hmm (affirmative).

David: ... but it's harder to be a deliberate intentional lifelong learner, and I think [Degreed](#) helps create some of that scaffolding and framework for people to help them do it in a very deliberate and meaningful way, and-

Whitney: That's ... yeah that's so exciting. Okay, so we've got kind of the informal we talked about, now you're just talking about more ... more formal, can you give us an example of um, and ... and I know I'm putting you completely on the spot, but I'm hoping you have one right up your sleeve, an example of how um, a ... a company or an organization has been able to use your platform in order to help a person inside of their organization who wanted to become a project manager, or who wanted to learn operations, do you have a story that you could share with us so that people can see um, see what it looks like um, in ... in sort of ... in technicolor?

David: So one of our clients is a Fortune 20 financial service uh, uh, organization, and uh, you know, how they are doing this is they had a very popular career pathing tool, where people were able to come on and see what their job role is and how it mapped to other job roles, but uh, historically it was then sort of a dead end. So I could see how jobs are related to each other in terms of seniority um, uh, and that did help bring some understanding, but with [Degreed](#) what we were able to do is come in and say, "All right, here's the job you're in, here are the skills expected of you in the job you're in, let's measure you and see how you're doing against those skills, based on your skill leveling now, let's show you not only the jobs that sit, you know, beyond this job, but also let's show you any other jobs inside the organization that um, have similar s- uh, skill requirements."

So we can show you both the formal pathways, as well as the sort of organic opportunities um, across the organization, where you might be very close to being qualified, or are qualified, and people are then able to see those opportunities, identify the skills they have, but then see where they have um, skill gaps, or if there's a discrepancy between the requirements. So if they see that they need to be working on uh, project management as a you know upskilling map, we are then able to show them um, all of the best resources internal to their company on developing project management, we're able to show them all of the best learning resources um, beyond their company uh, at developing project management, we're able to show them you know the people inside the company who have uh, who are uh, learning the most about project management so they can connect and follow and ... and um, seek mentorship, or really just more passively see what those people are learning, and how they're developing themselves, and uh, that gives them people autonomously, you know, great information, great opportunities to develop themselves against project management.

As they feel they've developed themselves um, they're able to come back and to demonstrate that to get certified in project management, and to then reflect their progress back to the organization, which um, you know, if they've been able to advance

their uh, project management skills, they get certified, uh, that gets reflected back into the organization, they're able to turn around and then have a conversation about how um, you know, they saw ... they identified a gap, they identified an interest, I want to you know become a uh, product manager, I needed to work on my project management, um, I've done so, here are the ways I did it, I've gotten certified, you know, I'd love to start that conversation, and I believe I'm now qualified um, for this next opportunity.

Whitney: Hmm, that's so exciting. So ... so i- it's interesting, because I remember um, in ... in reading in your book [*The Expertise Economy*](#) that there's um, a software, and I don't remember the name of the company that you ... it sounds like you collaborate with them a lot that does this career pathing idea that says, "Okay, here's where you are today, and there's an 18% match with your skills today versus where you want to be." And so then what you can do, is you can come in, help them upskill, and then over time track um, you know, that match is now up to 30% and then it's 50% etc, and so you're able to come in and give people the um, the resources that they need to get to the next level, to jump to a new learning curve, and to continue up, and that is really, really exciting, you must love what you're doing?

David: I ... I do, I absolutely, it's been uh, it's been a thrill, it's so fulfilling, it's just entrepreneurship, and the background is a crazy journey, which I've uh, loved. It's been crazy, but I've loved it, um, and I do.

Whitney: I want to ask you one last question about your company. Um, you're ... you're a Series C, Series D funded company, where are you in the funding stage?

David: Yeah, we closed the Series C earlier in the year.

Whitney: Series C, and so um, for people who are listening to this who have potentially uh, entrepreneurial aspirations, what does that mean in technical terms um, for people so they just understand?

David: Yeah, there's lots of different approaches to starting and financing a company um, you know, you can bootstrap it, you can ... which is really self-financing, um, you can try and just drive to profitability very quickly, and there's certainly you know um, has become one of the most common ways to do it is to um, seek venture capital, and so you know at this point um, there is, especially in America, it is a pretty well-established pathway in industry, um, you're able to see sort of seed financing, sometimes that's from individuals, sometimes it's from institutional funds, and then really from there you're mostly financing your company from uh, institutional venture capital funds. So we did a seed round, and then they just get lettered, A round, B round, C round.

Um, for us we've raised uh, about \$75 million across those rounds of financing, and they got subsequent uh, subsequently larger, so 1.8 million, seven million, um, I forget but it was like 23 or 24 million, and then uh, 42 million.

Whitney: Hmm.

David: Uh, and-

Whitney: Okay, so you said ... yeah keep going, finish, finish out.

David: ... you know, and there's um, always uh, this balance of um, driving towards profitability, and being self-sustaining as well, you know, and there's a sort of attention of driving against growth, and when you find a great opportunity, you know, growing it quickly i- is often a pretty strategic imperative, and so you know most startups are ... are walking sort of that balance of um, driving towards profitability uh, versus reinvesting um, cash back into the business to ... to grow faster.

Whitney: Hmm. So you said something um, earlier um, when we were talking about when you left Zinch and then you wanted to start [Degreed](#), and you ... you made the comment almost in passing, and I ... I just I can't let it pass because I think there's probably a really important learning here for people who are listening. You said that that was not even the hardest (laughs) on a- a- along your journey of being an entrepreneur, is there some aspect of your journey that has been terribly difficult that you would be willing to share even a ... a little glimpse of it for people so that it could be helpful to them?

David: I am, I'm ... I'm pretty open about it, I think it's both a reflection of my personality and um, I think it's helpful for people who are interested in pursuing this to hear as many stories um, and experiences as they can honestly, um, and historically I think the entrepreneur's journey hasn't always been reflected very honestly, because um, it's a vulnerable endeavor, one where you always need to be confident, and you always um, and so it ... it's ... it's led people to not always be honest about the challenges, because their business is um, at stake, and they need people to ... to just believe in it um, sort of unequivocally.

Um, you know, starting it was certainly um, amongst uh, the hardest points in the journey personally and for my family, um, you know, got a little bit of the narrative, went to join a startup, uh, didn't pay a lot, as it grew it paid us a little bit um, uh, better, we moved to San Francisco, it was an expensive city that Zinch would get acquired, um, but we took stock in the acquiring company um, uh, and then I consulted for just a short uh, six months again at a university before starting [Degreed](#), and so you know really my career to that point we had been able to save ... it was just over uh, \$13,000 was what I had in my bank account when I started [Degreed](#), and in San Francisco uh, at that point I was married, had two kids, we now have three, um, my wife wasn't working at the time, um, I was the only um, income in the family, and starting [Degreed](#) meant we would lose that income.

So our rent at the time was about \$3,000 which is pretty ... pretty normal in this city um, uh, relative to other places in the country, I appreciate that because it's not really expensive, but that's ... we live in old barracks, we live in old army housing, um, so it really is um, nothing glamorous, and you know if you do the math on that, that meant I had about four months of personal runway if me and my family didn't eat, and uh, less if we did. Um, you know, and so I knew I would need to seek financing, seek funding pretty quickly, and I um, I did so, I ... I got a prototype built um, on my own, I started [Degreed](#) by myself, I would six months later um, find and recruit my co-founder and

CTO, but I really started this journey by myself, um, got a prototype built, got a ... a pitch deck built, and sort of the ... the business plan, um, and started taking it to investors, and uh, started getting interest from great, incredible, um, Sand Hill Road Silicon Valley investors, and went through the process, which itself you know is a filter, and ... and um, many ideas get sort of kicked out of this process pretty early on.

I was able to drive really through the full process with great investors, which was very promising, um, and ... and helped pull me forward through the process, but all the time we're slowly running out of money, and so what we did is we signed up for every credit card we could, just all the mailers that came to the house, you know, got online, filled out lots of forms, and just credit cards started, and to that point in my life we had never had any consumer debt, um, so it was a big gamble, it was a big risk, and um, as the journey would go, while I was uh, I went through the process with several investors, and you get to a point in the process where the final step is they offer you the investment, and they do so by giving you a term sheet, and I got to that point with several investors, and uh, often investors will wait to see if others are going to invest, and they do so because it is a form and a ... a validation, um, it also de-risks the investment, if they know they can bring other great investors into the deal, it's just a way of de-risking it for them.

So there's often this uh, social signaling, social validation, and what you need to get through that is ... is someone to step out first, and ...

Whitney: Hmm.

David: ... while I've got lots of ... several investors, great investors, all the way to this moment, the moment this sort of paused for me and no one stepped up to give me that first offer, and when no one else did it ... it sort of starts to become a negative signal, well you know why aren't they choosing to invest, and maybe I should rethink this, and it all sort of fell apart on me, and it just melted.

It wasn't a ... it wasn't a quick decisive um, you know, no, it just um, sort of slowly melted, and all the energy and interest I'd been able to build sort of um, fell apart, and at that point I found myself uh, about nine months into it, uh, and entirely out of money having dug a ... a pretty enormous hole of consumer credit card debt, and ... and that was really sort of the hardest moment for my wife, for myself, just the pressure of it, what it had done, you know, uh, in our relationship, and the sacrifices, um, it was a requiring of our children, just in our my family, and ... and sort of our lived um, you know, in our life, and that was really the ... the toughest moment because you know how do you move forward from that?

Um, and giving up in many ways felt like a ... a ... a terrible choice in that um, I would then be left with all of the debt, and no real pathway besides you know going back and ... and working for a salary, and slowly paying it off and chipping it away um, and so it just felt you know sort of without any meaningful pathway, without any real options, and under an enormous amount of personal um, strain, and ... and sort of duress in our family. I-

Whitney: That must have been so hard.

David: It was.

Whitney: So hard, oh. What year was this?

David: That was um, I started [Degreed](#) uh, at January of 2012 ...

Whitney: Mm-hmm (affirmative).

David: ... and so this would come about uh, fall of 2012.

Whitney: So what happened after that?

David: Yeah, I um, my-

Whitney: Because you got funding.

David: ... my co-founder ...

Whitney: ... you got funding. (laughs) You did get funding, so that was the need here.

David: Uh, there is a happy middle uh, we are not at the end of the [Degreed](#) story, but that's ...

Whitney: Mm-hmm (affirmative).

David: ... we've made it to around middle uh, chapter um ...

Whitney: Mm-hmm (affirmative).

David: ... my co-founder lives in Salt Lake City, I live in San Francisco, and on one of my many flights back and forth from uh, San Francisco to Salt Lake City, uh, I ended up on the airplane uh, next to um, someone and we didn't actually talk the entire airplane ride, it was only as we were walking off the airplane um, that he saw a Canadian flag on my bag, which um, uh, I had lived in um, Canada for two years, and he made a comment about the ... the flag, and we got talking, and uh, he too had uh, lived in Canada, and so we got talking about Canada, and uh, when uh, when he asked ... he ... he said, you know, "What ... what do you do?" And I said, "Well, I'm an entrepreneur." And I said, "Well, what do you do?" And he said, "Well, I'm ... I'm a venture capitalist."

Whitney: (laughs)

David: And uh, so as we were walking off the jet bridge, we sort of made this personal connection, realized you know sort of the yin and yang of being an entrepreneur and a venture capitalist, and um, he personally would become our first angel investor, so after I had pitched institutional funds um, the path I took forward was to go and try and raise money from angel investors or individuals ...

Whitney: Hmm.

David: ... and that uh, chance uh, meeting on an airplane ride as we're uh, stepping off uh, would be um, the first investor, and ... and he said, he said, "Just watch." He said, "Often all it takes is one person, and others are then willing to follow."

Whitney: Hmm.

David: And he said, "I'm gonna write you a check, and it's gonna make you know all the difference, not because I'm gonna make all the difference, but because having someone step out first, you know, is often all it takes."

Whitney: Wow.

David: And um ...

Whitney: Wow.

David: ... that's how it all broke ...

Whitney: You know, it's ... it's interesting, I was gonna ask you this question, and now I ... I think I know the answer, can you think of ... here was my question, can you think of one or two pivotal conversations or interactions that have really made a difference for you? I think that probably fits the bill.

David: That uh, that one does, and uh, I know we're running long on time, but I honestly you know you ... you ... doing something um, you know, I believe [Degreed](#) to be um, uh, you know, really ambitious, and ... and our mission to jailbreak the degree and you ... you can't um, really ever do that without the help of others, you know, and those interactions, and those moments, and some of it's luck, and some of it's the you know you make your luck by persistence and grit, but uh, you know, ultimately I have many points where without sort of the intervention of others, and the support that I've gotten from um, from many, many people, you know, it's ... it's hard to imagine that we'd still be here.

Whitney: So my last question for you David is um, what do you think your ... your children and your wife have learned from watching you go through the experience of being an entrepreneur?

David: Yeah. Um, you know, I would um, being married going through this process I think uh, that it hurt our relationship, it put uh, duress and stress that's you know initially we ... we weren't well-equipped to deal with, and it made our relationship worse um, long before it would make it better. I think um, but with a commitment to each other and a resolve, you know, of the importance of that relationship, I think it ... it brought us to a place where we had to um, really mature and develop ourselves, and to you know be willing to support each other and go places. I think most couples aren't called upon ...

Whitney: Yeah.

David: ... um ...

Whitney: It's so powerful, yeah I love it.

David: ... to do um, and ... and to be quite honest, starting a company isn't you know I've ... I've had friends who have been called upon to go through much, I think more dramatic things in life, I mean there's just the loss of ... of you know children, and ... and family, and health that can be of just incredible consequence, but um, and then one of the biggest differences is, is those often feel external to you, you know, you don't ... you don't get cancer out of a choice, a life choice that you made, you know ...

Whitney: Right.

David: ... and part of the challenge of entrepreneurship is you're ... you're going through all of these consequences as a function of choice, you chose to do this, and so it often feels that ownership is ... is um, just changing it, so I think you know my wife and I happily you know through our resolve and commitment to each other, but I mean it ... it took us worse before it got better, but now that we've been-

Whitney: Mm-hmm (affirmative).

David: ... through it, I think it's much, much better for it. I try and travel with my kids as much as I can, I have to travel so much that if I didn't take some of those chances to bring them with me, I just wouldn't get to see them as much, and I had my daughter with me in London, and um, uh, had a day, a busy day of ... of client meetings, and sale meetings, uh, and I got back to the hotel, and um, she had been playing at the hotel, um, my wife was with us, she was uh, not unaccompanied in London ...

Whitney: (laughs)

David: ... but uh ...

Whitney: Well that would be fun.

David: ... she had been playing um, CEO you know uh, and I came back to this desk, and these self-made business cards that she had made on scrap of paper, um, you know, that said, "Lily Blake, CEO." And you know and I think there's something powerful to modeling um, for our children, um, you know, hard behaviors, and uh, a willingness to pursue missions that you know can make a real difference in the world, in people's lives, and that are um, you know, that are a tough reach, and um, you know I think having our children see that is something I've ... I've really valued from this experience, and ... and hope that uh, it's something they remember.

Whitney: Hmm, so beautiful. David Blake, um, now chairman and co-founder of [Degreed](#), thank you so much for being with us today.

David: I really loved it, much uh, much appreciated.

As I finished up the interview with David, my producer Macy and I were struck by the fact that David's entrepreneurial journey has been very cinematic. He loved films and wanted to be a director as a teenager. It turns out his life is a film. A hero's journey. David also wanted to be a politician, and it turns out as an entrepreneur, he is a politician. He gets buy-in from people for his ideas.

When we are looking to disrupt ourselves or are just looking for the narrative thread that pulls our story together, it's often our youthful aspiration that holds the key. We frequently end up doing exactly the things we wanted to do when we were young. It just doesn't look like what we expected.

Quick side note: I appreciated how open David was about the stress that can come to a relationship because of the decisions that we make. They're not necessarily bad decisions. It just gets tough--and then you move through it. Paraphrasing Steve Jobs - what often differentiates entrepreneurs is their ability to persist. This is also true with relationships.

Finally, I loved David's story about his daughter--watching him, see what is possible. We really do dream so our children can dream.

Practical tip: Revisit a dream from your youth. If you wanted to be a firefighter, what was it about that occupation that interested you? Was it the chaos of putting out figurative fires? Public service? Or something else?

Speaking of something that I've wanted to do from the time I was fairly young was -- write a book. It's a thrill to see you reading my books and sending pictures of them in the airport bookstores. If you haven't read the latest, and would like to learn more about *Build An A-Team* from Harvard Business Press, download the first chapter at whitneyjohnson.com/ateam.

Thank you again to David Blake for being our guest, thank you to sound engineer Whitney Jobe, manager / editor Macy Robison, content contributors Emilie Davis and Libby Newman, and art director Brandon Jameson.

I'm Whitney Johnson
And this is Disrupt Yourself.