

CHAPTER 2

WELCOME TO THE PLAYGROUND OF THE FEARLESS

– HOW TO BUILD A BILLION-DOLLAR BUSINESS

BY DAVE CARVAJAL

On track to become a big investment banker in the early '90s, Dave Carvajal spent two years at Prudential dealing with interest rate swaps, derivatives and risk management strategies. Ultimately realizing that he wanted to be in front of people and not spreadsheets, he decided to rethink his career path and leave investment banking behind.

Carvajal was drawn to an ad in the paper that read, “Life is tremendous! Come be a Superstar!” He thought it was hokey, took the bait and began working for one of New York City’s top executive search firms. At 24, Carvajal wasn’t even aware that the headhunting industry existed. He soon found he was the perfect fit. He learned everything he could about the business from 40 of the best and brightest headhunters. Working six days a week and making hundreds of Sunday calls 24 hours ahead of his colleagues, he became the company’s top producer within eighteen months.

This set the foundation for a powerful career trajectory in the executive search industry. Carvajal hand-built HotJobs and TheLadders before

becoming a hands-on builder of billion dollar businesses as the CEO of Dave Partners, a leading boutique executive search firm in New York's Internet, eCommerce and digital media industry. The firm has helped fill C-level leadership positions and assemble teams for major startups everywhere from New York City to San Francisco, Seattle and Austin. The firm's clients include Yahoo, Tumblr, Salesforce Buddy Media, Shutterstock and many others.

In the midst of the credit crisis of 2009, the entire headhunting industry was collapsing to a fraction of its size. Many top headhunters bolted for large corporate HR departments. During the chaos, Carvajal sensed an opportunity. He believed technology had the power to create the prosperity and abundance necessary to pull the U.S. and global economies out of the gutter. He also predicted that New York City would become a thriving metropolis for Internet and tech-enabled startups.

Fueled by these insights, he launched Dave Partners as both a capstone venture and a labor of love. His vision was to secure the highest caliber leadership teams for the companies that are building a better future for us all. As a result, Dave Partners has served as a key architect of the burgeoning New York technology ecosystem.

Over the years, Carvajal – now considered the top tech startup recruiter in New York City – has emerged as a world-renowned thought leader in the business of executive search. He is an expert on board formation and the building of world-class executive teams exclusively comprised of top 1% A+ executive leadership primed to conquer entire industries and markets. Dave Carvajal's firm has a dynamic cross-section of clients, from huge companies that rely on Dave Partners to build executive teams to smaller stage companies that Carvajal has helped develop and thrive.

"I know what it's like to grow companies that have had their eye on being the biggest in their industries," Dave Carvajal says. "With Dave Partners, that's not the focus. We don't need to be the biggest. We only want to be the best at what we do: the highest caliber executive search. We are often called the Goldman Sachs of executive recruiting—a boutique, white-glove services firm for the burgeoning Internet, eCommerce, and digital media space."

Carvajal's expertise has led him to create the framework that addresses

the challenge inherent in recruiting the right A+ players as startups continue to grow and multiply. He believes the problem is two-fold:

- 1) To pry A+ players out of their current positions, you need a pitch that resonates with who they are and what they want to be – not just a pitch that is focused on money, perks, prestige, position and power; and
- 2) To find the right A+ player, you need to make a values match between the company and the individual, rather than a match only between the role specifications and an individual's skills.

Carvajal believes that by using a two-by-two matrix that consists of “You (the candidate) See/You Don't” on one axis, and “I (the employer) See/I Don't” on the other, recruiters can identify accurate and false perceptions and thereby make the right selection and avoid the wrong one. After contrasting perceptions, startups can winnow the list of candidates to a manageable number.

The two-by-two matrix will identify who has the technical chops essential for the job, but this is only 20 percent of what makes candidates successful in startups. 60 percent of success is figuring out if an alignment exists between a candidate's personal mission and values and those of the organization. He calls this set of conceptual models – Core Fit Process™.

Another core concept Carvajal distinguishes is the three levels of recruiting:

- Level 1 is Internet recruiting – posting a job online, receiving 5,000 applicants and figuring that one of them is bound to be perfect. This is a terribly ineffective way to find a leader.
- Level 2 is ‘Referrals and Networking’ – this often leads to mediocre candidates that are available and convenient, often left over from other search efforts rather than the highest caliber candidates. This may work for the big executive search firms but is less effective for high-growth startups.
- Level 3 is taking an elite, Special Forces approach to recruiting. Each search for a leadership position must be conducted with a fierce drive to find the ideal candidate.

“Level 3 recruitment means working harder than in the typical search,” Carvajal says. “It means caring deeply about not only finding the right person, but communicating and listening to that person. It means presenting a powerful, irresistible argument to convince that candidate to leave his or her great job.”

Carvajal calls this ‘Extract and Secure.’ “These guys are not between jobs, waiting for the phone to ring. They’re already engaged in something they find interesting,” says Carvajal. “It’s about extracting them out of their existing state of even mild happiness just so we can put them through a filtering process and then secure the right executive for our clients.”

“This is the highest and only level of recruitment worth talking about. It’s about startups identifying the best 40 to 60 executives on the planet to come and be a chief executive *for us*,” adds Carvajal. “Those two little words, for us, are critical because then it’s about defining whether a candidate’s personal DNA matches the cultural DNA of the company and its executive leaders. We start a process of defining and creating clarity around their own core values and competencies and figuring out who best suits the role.”

Some of the most transformative, disruptive companies in the world have sought out Carvajal and his decades of experience at the forefront of organizational strategy, execution and executive leadership. In addition to his team’s dedication and comprehensive, analytical approach to executive recruitment, another key advantage startups have found in working with Dave Partners is the firm’s speed and efficiency.

The process of identifying, extracting and securing the top one percent of A+ talent can easily take the big firms 6 to 9 months because they are often encumbered with too many conflicts. Dave Partners can go through that process and achieve results in 2 to 3 months. “The big search firms are content with taking their time and moving slowly,” says Carvajal. “But a few months of delay can be life or death for a high-growth company. Our ability to be agile and nimble and move at a rigorous pace is an important distinction. We pride ourselves on the white-glove service we provide in helping CEOs and entrepreneurs build companies the right way.”

Dave Partners is often asked to go beyond the search partner relationship

and advise its clients' board of directors as trusted counselors, as well as provide executive coaching and even strategic planning for executives. These extras ensure the wellbeing of the company.

Dave Carvajal paved the way for Dave Partners with his success leading two top Internet-based recruitment companies, HotJobs and TheLadders. With HotJobs, he had the opportunity to build a company that capitalized on the Internet's growing impact on the business world – a phenomenon he likens to the way TV profoundly disrupted radio's dominance decades earlier. In a nutshell, the company took the help wanted ads in newspapers and put them online. He ran the company's sales and launched a training program that needed only two and a half months to turn recent college grads into confident sales professionals. He hired their first 500 people and opened eight offices around the country.

As co-founder, he built HotJobs to 650 employees, \$125 million in revenues, and \$1.2 billion market capitalization after its IPO. The company startled the advertising world in 1999 when it bought a \$1.6 million commercial during Super Bowl XXXIII. Yahoo ultimately bought HotJobs in 2002 for close to \$500 million.

Explaining HotJobs' success, Carvajal says, “The five of us principals were strongly entrepreneurial problem solvers doing what had never been done before: inventing, creating, thinking and exercising sound business judgment and solving those issues faster, better and smarter every day. We fundamentally changed human behavior when it came to looking for jobs and made the task of HR professionals across the country that much easier.”

Carvajal, whose humble beginnings include growing up in a tough neighborhood in Brooklyn, didn't know what to do after earning this windfall. He got married, started a family and spent a few years involved in real estate flipping properties – but being away from the day-to-day business world took a toll on his health. The doctor wanted to put him on cholesterol and blood pressure medications and told him to get in shape. He got healthy fast and discovered a passion for Ironman triathlons.

He then decided to team up with some of the guys he hired at HotJobs to build another company called TheLadders. In his five years there, he grew the company to 400 employees and \$82 million in revenues. Just as

with HotJobs, it became, as Carvajal says, “the hottest game in town” by 2008. TheLadders turned the HotJobs model on its head.

Whereas HotJobs was paid for by the companies looking for talent, TheLadders did the opposite with a consumer-driven subscription model. It took the search out of job search and served up to people a short list of high quality jobs relevant to their criteria for a monthly subscription fee.

“Although HotJobs, TheLadders and Dave Partners were and are very different companies serving unique needs, I can say that they have all taught me the value of finding just the right person to fill a position. I know from experience the skull-crushing pain, suffering and brain damage that comes from making a bad hire, and the complicated process involved in cleaning up that mess,” says Carvajal. “I believe that there is an A+ player for every role in every company and every CEO should know this. All it takes is the right thinking and a little bit of hard work.”

“From being on two Super Bowl championship teams and now thriving in this more targeted space with Dave Partners, I gained experience from making many judgment calls on a person’s character. People trust me because I understand the root causes that make a company successful,” Carvajal says.

Combined with his deep understanding of what drives high professional performance at many different kinds of companies, the foundation of Dave’s success is also grounded in his love for people and his genuine interest in the daily work, motivation and high performance of the top executives who are solving humanity’s greatest challenges.



About Dave

David F. Carvajal is an intrepid builder of billion-dollar businesses, a world-renowned thought leader in executive recruitment, and a man described as an "indefatigable force of nature." As CEO of Dave Partners, a bespoke recruitment firm serving the high-tech sector, Dave leads an elite, special forces recruitment team that extracts and places executive leaders that drive high-growth, venture capital and private equity-backed companies to unleash their full potential.

After a start in corporate finance in the early '90s, Dave quickly understood that securing and managing human talent was the key to value creation in a knowledge-based economy. In 1997 he co-founded HotJobs.com—and, in just under five years he power-built the fledgling startup to 650 employees, \$125M in revenues, and a \$1.2B market cap after its IPO. Yahoo bought HotJobs for close to \$500 million in 2002. Dave then continued his success at TheLadders.com, swiftly building it to 400 employees and \$82M in revenues.

Dave now consults with public BOD's, CEOs and startup entrepreneurs throughout the high-tech sector, advising them on executive recruitment and selection, organizational strategy, corporate values and leadership.

He founded Dave Partners as both a capstone venture and labor of love to help strengthen the workplaces that build a better future for us all. Dave Carvajal lives in New Jersey with his amazing wife, their twin sons and Clover the Wonder Dog.

- NYC's top tech/startup executive recruiter Dave Carvajal is a hands-on builder of billion dollar businesses.
- Following his success with high-growth enterprises HotJobs and TheLadders, Carvajal's Dave Partners works exclusively with the top 1% of A+ executive leadership.