

**Davis @ Cotopaxi:** [00:00:00] I wanna build a brand that's not beholden to an investor. I actually went out and I tried to fundraise I pitched over a hundred different investors, lots of family offices, and I told the story of this brand that was over a hundred million in revenue It had been profitable for four years. I thought, I'm gonna be able to go raise money from an investor that's committed to at least 10 years. That's what I'm looking for. It's like I want someone that's committed for 10 years. I failed. It was painful, I don't think most people understand how hard it is. you will get rejected a lot

**Scarlett 2i2 USB:** welcome to 20 VC with me, Harry Stebbings. And I absolutely love this entrepreneurial journey today. This is an entrepreneur who starts off selling pool tables. He scales that business to \$6 million a year. He then launches the challenge, your brand to Patagonia that is Cotopaxi. And they have scaled today to be one of the leading outdoor brands profitable for the last four years and expected to do \$160 million in revenue in 2023. Up from \$55 million, just two years before

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you have now arrived at your destination.

**Harry Stebbings:** Davis. I am so excited for this. I told you beforehand, I have the best job ever because I basically find brands that I love, like Coda Packy, and then I get to interview the founders. So thank you so much for joining me

**Davis @ Cotopaxi:** today. Hey, it's such a pleasure. I've just, I've loved, uh, your podcast.

I've loved listening to it, and so it's an honor to be here with you.

**Harry Stebbings:** the British accent gives me about 10 extra IQ points, I think, but I'm thrilled that you liked it. I always think that a lot of, like who we are is shaped in actually who we were as children. Davis, when you go back to your childhood, what did you want to be when you were growing up?

**Davis @ Cotopaxi:** my mind changed a lot, but I, I, definitely had like a common thread, which was, I, I had a real deep desire to help other people. I had moved to Latin America as a 4-year-old, grew up in a number of different countries. Uh, the Dominican Republic, where we first moved and I was four, and then we ended up, uh, I spent a bunch of my childhood and teenage years in Ecuador you know, I'd always known that I wanted to find a way to help people. I think, do you know [00:04:00] what, do

**Harry Stebbings:** you know what's so funny? I'm interrupting here, but one of the biggest commonalities and the most successful founders that I interview is that they move a lot in their childhood. forces you to embrace different cultures, different types of people.

how do you think moving a lot changed and shaped you? I.

**Davis @ Cotopaxi:** I look at my childhood pictures like in school, and I'm like, I just stand out. Like I look nothing like everyone else around me in my, in my class pictures. And, just such beautiful moments that I had as a child, a lot of times where I didn't connect with everyone, where I didn't, I didn't fit in I had, I thought differently. I, you know, of course looked different. And I, I think that ended up being a real strength for me as I got into adulthood where, number one, I had a lot more compassion and empathy for others that maybe didn't fit in. the other thing is I was okay to think different. It was okay to think differently. as an entrepreneur, it certainly helped, uh, shape that path.

**Harry Stebbings:** So you get out of college and you start scale. I, I heard this from your investors selling scuba gear and then snooker tables.

You are like, okay, you're like, cool entrepreneurial start, but to the tune of \$6 million a year, how did that happen? take

**Davis @ Cotopaxi:** me to that. Yeah, yeah. [00:05:00] So, I was in college and I met, a man named Steve Gibson. an adjunct professor at the University, Brigham Young University where I'd gone to undergrad.

He was a successful entrepreneur

And I, I had this chance to sit down in his office and talk with him, and he instead convinced me if I wanted to make a difference in the world, that I should become an entrepreneur. totally shifted the way I was thinking about my role in the world and how I could make a difference.

And so, I started brainstorming ideas. One of the ideas that came to my head was, uh, you know, I started selling dive gear, scuba gear on eBay, just 'cause I, I love diving and, uh, I had no money, but it was like, Hey, if I could maybe buy and sell some dive gear here, maybe I could make enough money. I could go on a trip and go diving somewhere.

one night I was talking to a friend of mine and, he mentioned pool tables and it just clicked and it was like, you know, I.

I could do that. Like I, I bet I could go to China, And so, uh, so so you went to China to get new? exactly. flew to China and with my cousin, the two of us went out there and we, I found a couple factories.

I had Googled pool table factory, China, found this, a couple factories in China, flew out there and started buying them and selling [00:06:00] them on the internet.

**Harry Stebbings:** Okay. So you, you start buying and selling these snooker tables how did you have the cash to buy them? How did they get delivered to you? Just.

**Davis @ Cotopaxi:** I didn't have the cash, but what we decided to do is when we listed them on eBay, we said 10 week lead time, custom made hardwood pool table, 10 weeks.

And so people were, you know, a lot of people probably were like, I'm, there's no way I'm waiting 10 weeks. But other people are like, Hey, I'm building my house, or I have 10 weeks, no big deal. And so enough people were willing to do it where we actually used customers to finance the first inventory. then we went to my grandma my grandma, I think she lent us \$10,000. then we went to the bank and we got a small, small business loan and, you know, I think it was \$25,000. And so we just kind of, you know, pulled together some money from friends and family and.

just ended up pulling a little, anything we had outta savings borrowed from credit cards. We got credit cards in the mail that was like, that we used to go finance the business. So yeah.

**Harry Stebbings:** Dude, when you're doing 6 million a year, you are a millionaire yourself, how old were you when that happened? And were you happy when that happened?

**Davis @ Cotopaxi:** it's interesting because, [00:07:00] uh, I actually got married when I was in college.

married very, very young. I'd spent two years away from college on a, on a church mission, in Bolivia. So I finished college a couple years later than most people do, but I was 22. I got married and then finished, finished college, and then my wife and I had our first baby, like immediately after.

my life was so different from what most people experience when they're in college and when they finish college. So you know, honestly, I was very grounded. had so much responsibility. I, like, I had to provide, I had to be a dad and I had to be a good husband. And so my focus was totally different from my prob, you know, probably most 23, 24 year olds.

**Harry Stebbings:** do you ever feel like you missed a bit of your childhood? People often say it to me like, oh, you never had those party days, that you never let it outta your system. You never let off steam. Do you ever feel that?

**Davis @ Cotopaxi:** You know what, I don't. I felt so much purpose and, uh, clarity in my life you know, it's interesting, Harry.

this is such an odd thing to be talking about on a podcast, but I have actually never, I've never had alcohol ever. I don't have a craving for it. I don't desire it. Like, [00:08:00] I don't even know. and honestly like, I don't feel I'm missing anything.

Like I have such a fulfilling life. I have a beautiful family. I have purpose. And, in a lot of ways it's, it's, it's very different. my experience growing up, my experience in adult has been very different, but it's been incredibly fulfilling.

**Harry Stebbings:** I, I stopped drinking, obviously.

and it's the best decision ever. So I think you are right to never start.

I'm so enjoying this. Okay, so we're, we're doing 6 million year in pool tables, and then we're like, ah, mark Laurie, inspiration. I'm gonna go do baby store, Amazon style in Brazil?

Take me to that pivot and that

**Davis @ Cotopaxi:** moment. So my cousin and I, you know, we'd spent about six years building this pool table business. It was bootstrap, you know, no venture money,

And, it was kind of the leader in online pool table sales. So, we built something that worked.

And so we decided, uh, you know, my cousin was like, Hey, you know, Davis, I'm going to business school. I want to, my dream has always been to go to Harvard Business School. I want to go. And I'd always thought it'd be really

amazing to go to the Wharton School. They have this, this dual degree program, an MBA and an MA in international studies [00:09:00] called the Water Institute.

I was like, you know what, I'm gonna do it too. So we both applied to business school. I only applied to Wharton to this dual degree program. I was lucky enough to get in. He got into Harvard and then we spent two years thinking about what we were gonna do next. we still had the pool table business kind of on the side, uh, being run.

And we decided, uh, you know, I'd met Mark Lori a few years earlier I had this Interesting business pool tables.com. He had this business diapers.com We started chatting and over the next several years I watched his business go from 5 million.

I. To 20 million to 70 million. And in the meantime, I'm building this pool table business that's not growing in that way. And I'm thinking, wow, he's got a much more interesting and exciting business than I do. you know, when I was in business school, a lot of my friends were Brazilian I just started thinking a lot about Brazil and if there's an opportunity there, and it just kind of, this idea happened where it's like, hey, what if I went down to Brazil and started basically a, a diapers.com, an e-commerce platform for baby product, a marketplace for baby products.

And so that's what we ended up doing.

**Harry Stebbings:** you raised millions in venture [00:10:00] funding there. What

**Davis @ Cotopaxi:** happened? this is a wild story. So, we're in school, we raised like four and a half million dollars based on a PowerPoint. We'd had the success to build off of, of this pool table business, right?

And so people saw these two young, ambitious kids that had, had, you know, gone to great schools and that had built a business previously. we moved down to Brazil. We launched the business and it, it kind of catches fire. I mean, things are going hot. I mean, we grow to like 300 employees in like 18 months.

it's ends up being kind of a darling of the, the startup story in Brazil. And we were the startup of the year in 2012. A lot of exciting growth lots of venture capital. First time we'd raised venture capital. it ends, it ends up being a very

tragic story, Harry. basically, my cousin and I, we were like brothers closer than brothers.

I mean, we did everything together. We'd lived on the same street in the us. We'd gone to school at the same time. You know, we went to Brazil and started this business together and our relationship fell apart. And honestly, it's like, it's been, it's been over a decade and it's like the saddest thing in my life.

[00:11:00] Um,

**Harry Stebbings:** why, why did it fall apart?

**Davis @ Cotopaxi:** Uh, you know, it's, uh, it's complicated I think in over time we just grew apart. We had different desires, different interests, and uh, a different vision for what we wanted to do. And, we were co-CEOs and it, it just created a lot of tension.

**Harry Stebbings:** What did it teach you about partnerships and what do you advise founders in partnerships

**Davis @ Cotopaxi:** today? You know, we often hear that you shouldn't start a business with a family member. you know, I, I think that's wise advice. maybe the lesson I learned was, and I did something differently when I started my, the following business, which was instead of just choosing my partner from the beginning and saying, okay, hey, let's go work together. Let's go find something to do together. Instead, I tell entrepreneurs, why don't you go identify your idea?

I. Why don't you go figure out what you wanna go build and then go find the best person in the world to go help you solve that problem. It probably is not gonna be your cousin. Go find the right person that has the right skillset that can help you go solve the problem, versus someone that you, you think you'd really love working with.

'cause, it can create a lot of [00:12:00] pain and especially with a family member, it's like, I, I can't just walk away. we have family reunions and I, and I care for him. I, I ended up deciding to leave.

I, I decided to leave Brazil and it was very painful. Our investors had invested a lot of money at that point. We'd raised around \$40 million in venture capital. And, I was, is the business still going today? he ran the business for I think another five years, four and a half or five years.

And over that period of time, the business ended up failing. it's not the story that I think we all hoped and wanted it to be. Okay,

**Harry Stebbings:** we decide, you know, what, he can run that. How does Cotopaxi come to be? How does like, hey, I'm gonna challenge Patagonia with this new innovative brand.

**Davis @ Cotopaxi:** Yeah. in some ways it's interesting because it actually happened over like a 36 hour period.

and at the same time, it's something that took, it was like a lifetime of experiences building up into this culmination experience, I was basically in bed in Brazil I'm so unhappy, I'm depressed. I'm so sad about the loss of this relationship.

I'm thinking about this desire I've had my entire life to find a way to help others. And I'd made a New Year's resolution that year, and I [00:13:00] had it on a post-it note in the bathroom on the mirror that I wanted to change somebody's life. And I was feeling so discouraged that I'd spent 10 years as an entrepreneur.

I had not yet figured out how to make a difference in the world. I had this goal, it's like, okay, I'm gonna make this small goal just one person. I don't need to change the world. Just one person. And it'd been like four and a half months and I still hadn't done anything. And I was like, what am I doing with my life?

Like, I just don't feel fulfilled. I'm not happy. as I laid in bed, I just started having ideas kind of come to my head, about what I could do next. And. I got outta bed, I sat on the couch all night the next day and the entire following night. So 36 hours on this couch. And during that period, and I took detailed notes.

I still have the journal entries on my computer, and I basically had the entire idea for cotopaxi, this idea of building an outdoor brand that could fight poverty, where we could use our, our brand and our profits to go make a difference in the world. And we could hopefully, I wrote in my notes like, alone, this a single brand can't change the world, but if we can create a brand that can inspire thousands of other businesses and millions of [00:14:00] consumers to think differently about the purpose of business, I think we really could change the world.

And so that was, that was the hope.



**Harry Stebbings:** You said a single brand can't change the world. What does actual brand mean to you? I think we both feel that brand is quite a thrown around in loose term. What does brand mean to you?

**Davis @ Cotopaxi:** Yeah, I mean, brand, it really comes down to values what's at the very heart of what you're doing? Why, why for us with Cotopaxi, I always tell people, we're not a backpack company. We're not a jacket company, we're not an outdoor brand. We're a movement of showing the business can be a force for good in the world.

You know, we stand for fighting and eradicating poverty.

**Harry Stebbings:** So I, I think that brand is how you make people feel. I'm a big fan of like, Maya Angelou's. It's not what you say, it's not what you do, it's how you make people feel. you know, like Chanel as a brand makes people feel elegant. It makes people feel grace and I dunno if that's the same as values.

**Davis @ Cotopaxi:** Yeah. Fair.

I really like that definition. and at the same time, I would say, I think it goes beyond just how someone feels. I think certain people, like maybe it's a card, a brand, you know, people maybe like. [00:15:00] Tesla. and part about driving is like, it says something about what matters to them, what their values are, right? this is something, this kind of shows what matters to me.

Can I be

**Harry Stebbings:** direct? Sure. Of your customer population. How many people do you think buy because of mission and good versus cool?

Love the product for some other reason? I.

**Davis @ Cotopaxi:** we actually know the answer to that 'cause we've done a lot of, of research on this and, uh, and actually I, I will kind of rewind because it goes back to when I first had the idea. I was talking to the, to one of the founders of Warby Parker,

And I was telling him about this vision that I had at building this brand. And he's like, Davis, I love it. You know, Warby Parker has a mission, of using their business to do good. They help people get eyecare in the developing world, but it's kind of a little more on the periphery of their brand.

It's not the first thing you know about, a lot of people probably don't even know about it. And the advice that he gave me was like, look, Davis that's wonderful, but people are not gonna buy your product because you're doing good in the world. You need to first create a great product. And he was absolutely right.

So I really do think that's first, like you have to go build a great product, but at the end of the [00:16:00] day. We're in the outdoor industry. There's like a thousand other brands just like ours. What really sets us apart, it's what we stand for

So it's the reason that we've had success.

**Harry Stebbings:** how did you get first product, like you mentioned there, the importance of that first product? Yeah. Did you just contact, you know, outdoor products?

**Davis @ Cotopaxi:** China again, you know, I did it a little differently actually. So, uh, I mentioned earlier about if you're gonna go start a business, go try to find someone that can help you solve a specific problem.

So, I knew I needed to start this outdoor brand. So I went on LinkedIn, you know, I was in Brazil at the time. I just go do these LinkedIn searches for, 20 different brands that I really admired in the outdoor space, and I started doing searches for designers that had worked for these brands.

And I found a few designers, a woman that had worked for a number of these brands before that did apparel. This amazing guy that had done, a bunch of. packs and gear and I reached out to them on LinkedIn. I just said, Hey, uh, I want to connect with you.

I'm, I'm an entrepreneur. I built a few businesses in the past, but I have this vision for building this outdoor brand that's about fighting poverty. And I'm [00:17:00] wondering if you jump on a call with me. And we, we jumped on a Skype call I kind of sold them on this vision, and both of 'em said, I'm in, that's how we started. And because they had relationships with factories already. we flew out to these places, the Philippines and other places where we, where we make our product. And we had relationships already. And these, because they had relationships, these factories that normally wouldn't have given us the time of day as a brand new brand.

They said, sure, you know, I really like this designer and why don't we give it a shot.

**Harry Stebbings:** Okay. Really interesting. I had this debate with someone on Twitter where I said, fundamentally the best founders were able to convince amazing talent from day one to join them on a crazy mission and vision. And someone was like, totally moronic.

You are never able to do it. great people won't just move. Do you agree with me that the best founders can convince the best talent from day one or do you think actually no,

**Davis @ Cotopaxi:** Absolutely, absolutely possible. And you have to get creative. Like, you know, with them it was like, you know, give them a little bit of equity and, uh, we figured out some creative structure around compensation.

If we ended up fundraising, if we didn't fundraise, it was [00:18:00] like I didn't have to pay anything. So they were taking a little bit of risk with me, but because of that, they got some upside with equity and it's, you know, it's been a win for them. And, so yeah, I think, the greatest entrepreneurs are incredible salespeople.

they know how to sell. They know how to sell a vision. They know how to sell an idea. they know how to sell a product. And so you're selling every single day as an entrepreneur. And I think that starts with that original idea and getting people on board.

**Harry Stebbings:** Does Mormonism and does religion help you sell because you have to sell early, don't you?

In terms of those early years in terms of like delivering the message of Mormonism, does that help you sell externally?

**Davis @ Cotopaxi:** So, you know, as a member of the Church of Jesus Christ of Latter-Day Saints, uh, they call us Mormons sometimes. Like I, I was a missionary. I mentioned this, I was a missionary when I was 19, 20, 21, moved to Bolivia it was a life altering experience for me.

I think about it every single day for the last 25 years. one of the greatest why, why, okay, a few things. Number one, I developed such a deep love for the people there. I talk with the people I met there almost daily, even [00:19:00] after 25 years. And, number two, I became so deeply rooted in my purpose in life.

during this two years. I knew what I stood for. I knew what mattered most to me. I think a lot of times entrepreneurs, they're distracted by things that just don't matter. I'm, I'm in Brazil now and we haven't talked about that yet, but I'm back in Brazil right now I'm seeing how.

It's become so clear to me over the last six months of being here how, uh, how distracting the world can be. We focus on the wrong things, materialism, buying things. We think happiness comes from. The more stuff we have that never brings us joy. And we've known this for the whole of human history. I mean, like the wisest people have said this for thousands of years, right?

But somehow we keep chasing the wrong things. And I think those two years as a young 19-year-old, every day was never about me. And as a 19-year-old, usually life is about you. It's like, how do I go get pleasure? how do I go have fun? What am I gonna do when I grow up? It's like, it's all about you.

But when I was 19, those two years, it was every single day you woke up at six 30 in the morning. Every night you went to bed at 10 30 at night. There was never a day off. There was never a vacation. You [00:20:00] woke up and every single day was you're going out and you're looking to serve and help people. And so it changed the lens in which I saw the world.

can I ask,

**Harry Stebbings:** what do you think entrepreneurs chase today that they shouldn't be chasing?

**Davis @ Cotopaxi:** Wealth. it's the wrong focus. I think so many entrepreneurs today, the reason they go start a business and what drives them is like, how much money can I raise so that I can make as much money as possible?

it's the wrong thing to focus on. I think if you focus instead on, why do you exist? What is your purpose? how can you make the world a better place? How can I make my employees, how can I give them a life changing experience working with this brand? If you're focused on, on the things that make your team happy and on make and add value to the world, everything else will work out. I think that's where entrepreneurs get, get it wrong. They spend so much time focused on things that really are the wrong thing. it ends up hurting them.

Does this

**Harry Stebbings:** mean that you shouldn't raise venture capital if you shouldn't be chasing wealth? Should you be raising venture capital?

**Davis @ Cotopaxi:** yeah, you can absolutely raise venture capital. I mean, I think. there's obviously different ways to build businesses and, you know, I have the pool table business, which is a longer [00:21:00] story there.

We sold it, I actually bought it back a few years ago, so I actually owned the business still, the pool table business.

But I've seen, I've seen two very, I've had two very different experiences. One business where I, I own outright. bootstrapped. And then another business where we've raised venture capital, it's grown very, very quickly.

And I have all sorts of different pressures, uh, external pressures that don't exist with the pool table business. And so, there's different ways. There's not one way that's right or wrong. There's, if, but if

**Harry Stebbings:** you go to, if you go to VCs, I'm a VC for my sins, yes. If you go to me and say, I'm not chasing wealth, great.

But I kind of want you to be you know, we, we are chasing an exit. We are chasing liquidity. Not, not an, but like, yes, a meaningful company, but that has to translate to cash in some way. Way Totally agree,

**Davis @ Cotopaxi:** Harry. Totally agree. And this is what's unique I think about Cotopaxi. It's, the thing is my focus is not personal wealth.

I have enough, you know, I live a very simple life. I, I don't need much. but what I am chasing, I'm ambitious. I. I'm ambitious because I wanna go do something that's gonna be significant, and I wanna go build a brand that's gonna change the world for the better. I wanna [00:22:00] eradicate extreme poverty in my lifetime.

the way that we do that is by building a massive business. You go build a multi-billion dollar brand that can use its profits to go change people's lives. And that can inspire many other businesses to look differently about how to build a business. So I wanna accomplish the same thing that a VC wants to accomplish.

Let's go make something massive.

**Harry Stebbings:** Okay. But do you, I'm just pushing back on you. Are we misaligned? Okay. Let's say, Patagonia goes, God, we're losing more and more market share to these guys. let's pay two and a half billion for them. Let's just do it now. Cut it early. Great. Thanks. As a vc, I'm owning 10% that returns my fund.

It's fundraising cycle. It's tough markets. Davis, I want, I want out now

**Davis @ Cotopaxi:** there's the misalignment. Harry, I will tell you, there is misalignment. There is absolutely misalignment. at the same time, I think we all want the same thing. Ultimately, we want to grow. We want to grow. And you know, I'm okay getting people great return.

I'm okay providing a fantastic return to investors. Our investors have made great money. Our early investors had great outcomes. Our investors that are coming in later, Bain Capital, they know they [00:23:00] invested, two and a half years ago. Okay,

**Harry Stebbings:** so you let, you let people out. Who are we? Let people out. Yeah.

Bain

**Davis @ Cotopaxi:** Capital, they bought out a lot of our early investors. And those early investors made a fantastic return. And now Bank Capital invested two and a half years ago. We've more than tripled our revenue, you know, since they've invested two and a half years ago. now Bank Capital's gonna get a return.

That said, Harry, you're right. There's a misalignment and I don't know the answer yet. I'm trying to figure out, and I'll just tell you I haven't talked publicly about this, but earlier this year, about 12 months ago, I knew I was leaving the company, leaving my CEO role to go. lead a mission for my church, in Brazil.

my church asked me if I would leave my life behind my, with my family, move to Brazil, go lead a church mission. I. It makes no sense, right? It's like, why would you possibly, why would you go leave this brand that's growing? You know, we've grown a hundred percent almost a year before. why would you possibly leave? and we can talk more about that, but it's like, I, you know, it was so aligned with what mattered to me. And so I made the decision to leave, but I started thinking a lot about what is, what was the future of [00:24:00] Cotopaxi?

And I had this misalignment where I had bank capital and some other investors that were. Looking and saying, Hey, you know, this has been a great investment for us. How do we get out? How do we go create a return for our investors? Which is fine. I'm happy for them. At the same time, I want to build a brand that can, that can be durable over decades.

I wanna build a brand that's not beholden to an investor. I want to build a brand that's, that's beholden to our mission and our purpose. And so I actually went out and I tried to fundraise and I went through a process about six months long that was painful. I pitched over a hundred different investors, lots of family offices, and I told the story of this brand that was over a hundred million in revenue that was growing.

You know, these at this crazy rate. It had been profitable for four years. I thought, this is a great story. I'm gonna be able to go raise money from an investor that's committed to at least 10 years. That's what I'm looking for. It's like I want someone that's committed for 10 years. I failed. It was painful, it was sad.

Like I was so disappointed in myself and I, and I'm, and I would say I pride myself in, in knowing how to fundraise [00:25:00] and knowing how to tell the story. But there was something What do you, what do you think you did wrong? Uh, I don't know. I don't know. It was probably a combination of, a few things. Like number one, timing of the market, very hard market.

You know, anything in the public markets, as we all know, is just a disaster. you know, that, that definitely impacts things. I think part of it too, maybe too ambitious, you know, I, I wanted to restructure the organization that took power away from investors and gave power to our foundation to go drive decisions, to go, use the business truly to do good and at the same time promising great returns.

It's like we are going to be a multi-billion dollar. Business. it's just a matter of time, and we're profitable and we'll continue to be profitable. But we don't want to be driven to make the wrong decisions because that's the, the biggest thing that we need to protect as a brand is our purpose and our mission.

And so I think I was too ambitious and, uh, I think there weren't enough in, there are not enough investors that will, that say, Hey, I'm willing to stick to something for 10 years. I'm, you know, a high price. Do you think, do you think, do you think

**Harry Stebbings:** respectfully, I don't know how to say this without being too direct with that, [00:26:00] your purpose driven goodness is kind of concerning for investors?

**Davis @ Cotopaxi:** Sure. for many investors it is. when I started the brand, same thing, I pitched a hundred investors to get our first investor, you know, Kirsten Green at Four Runner, she, she backed us. I pitched a hundred investors in our first.

To raise that seed round. I led with our mission. It's like we are building a brand that is going to fight poverty. We're gonna use profits and actually we're gonna use money before we have profits to go fight poverty. So I really needed investors that bought into it and some did what was the price

**Harry Stebbings:** on that first

**Davis @ Cotopaxi:** round? Uh, we raised \$3 million, so a seven, pre 10 post. Whoa. Yeah. This is back in, 2014. you know, we hadn't sold anything. It was just literally a PowerPoint but you know what? People believed in us and Kirsten and those other early investors, they made the right decision.

They invested in a, what ended up becoming a really great brand and a great investment for them. Harry, the interesting thing though, I will say, I don't know, I can't really explain why our first major investor, Kirsten Green. Our second major investor, Ellie Wheeler, from Great [00:27:00] Craft, our third major investor, Brooke Harley, our fourth major investor, Lauren Iversson, our last investor with bank capital, Cecilia Chap.

There's a trend. Women are leading rounds in our business. I really believe that women better understood and understand purpose in business than men did. but yeah, you're right. Many investors because of our mission or purpose are like, ah, I just dunno that this is right for us.

**Harry Stebbings:** What do you founders not know about fundraising that you think they should know given the many rounds you've tried and successfully Sometimes and not successfully other times raised.

**Davis @ Cotopaxi:** I think a few things. Number one, I don't think most people understand how hard it is. you will get rejected a lot and it's a tricky balance to understand. when do you, walk away and you say, Hey, I'm just realizing that the mar, the market isn't right. The timing isn't right. I'm not at the right place as



a business to go raise money or being persistent and saying, Hey, I've got it right.

I just need to listen and figure out how to better present what I'm trying to build to connect with investors. I hear a lot of times young entrepreneurs saying, Hey, [00:28:00] you know, I've tried to raise and for whatever reason, everyone, I, I've been rejected 10 times and it's like, oh, 10, that's.

Yes, of course you're gonna reject, if you only pitch it 10 times, you need to go do this a lot, lot more. the other thing is, I think a lot of entrepreneurs don't understand how big and ambitious the idea needs to be to go raise venture capital. a lot of times I'll get to send a deck and say, Hey, I'm gonna go raise money.

Here's the deck. I'm looking five years out. They're raising, you know, they're, they're selling \$15 million of product or something. It's like, venture capital is not gonna fund that business. Uh, you need to go build something that's, that's gonna do a billion dollars in revenue. You need to have that vision and you go, you need to go sell that vision to an investor and, uh, with confidence and you need to go have the data behind it to kind of explain how it's gonna, how you're gonna get there.

So, yeah, I think people a lot of times don't understand what VCs are looking for, in terms of, what kind of returns they need to get. They, they know most of the, these businesses are not gonna make it. So they need the ones that do make it need to be very, very big.

I totally get you and I

**Harry Stebbings:** agree.

do you think we are missing a product for founders like you? And what I mean by that is, I think funding is a product too, and there's different types of customers, but we, you know, I have a 10 [00:29:00] year fund lifecycle and I have a two year extension. dude, I, I have to provide liquidity. It's my job to my investors, my responsibility.

Do you think we are missing. Funds, structures that are much longer term because the only ones really have permanent capital vehicles, which is quite a limited

**Davis @ Cotopaxi:** supply. Yes, I believe we are. And, and only based on the experience I had in the last 12 months, like I wanted permanent capital. even in the last 12 months since I started that fundraising process, we've, I think business has increased 50%.

it would've been a great investment for someone that would've come in and said, Hey, we believe you've already been growing on this amazing tear. We believe in your vision and we're committed to a, a 10 year commitment or a 15 year commitment. And it's like, let's go build this together. Let's go build the next billion, multi-billion dollar brand.

But very, very few investors are committed, to that kind of timeline. They're all, everything's so short-term minded, which is frankly, I mean this is, this is the world we live in. Everyone is focused on short-term versus long-term. How do I get happy quickly? how do I go satisfy this instant desire that I have?

Is [00:30:00] it

**Harry Stebbings:** bad to chase happiness? I think it was Walter Isaacson say that, you know, Elon Musk's specialty because he doesn't actually ever look for happiness. is it bad to chase happiness?

**Davis @ Cotopaxi:** I think when you chase happiness, we're oftentimes chasing the wrong thing, because just the human nature.

We think what brings us happiness is things that don't, we'll never find happiness when we're thinking about our ourselves. And, I found the most happiness when I'm out working towards a greater cause. you know, this last six months for me has been some of the greatest joy.

and if I'm being honest, like, was I scared to leave Kode? Paks? Absolutely. Uh, was I sad to leave? Very sad. I'm still sad. I'm still sad. I love that brand I was the greatest. professional achievement of my life, and I'm still sad thinking about walking away from that.

And at the same time, every minute of my day these days is focused on someone else. This is what truly brings joy. Uh, what truly brings, brings happiness. This is the stuff that fills the soul every minute thinking about somebody else. And so this is where I, you know, at least for me, where I found happiness.

And, I think that there's nothing wrong with wanting to be [00:31:00] happy. we need to remember what actually brings happiness. Do you think people are all

**Harry Stebbings:** as good as you? And I don't mean that rudely, but some people are deeply fulfilled by materials and they are happy with, with whatever that may be. everyone is different? Or is everyone the same, do you think?

**Davis @ Cotopaxi:** Oh, mean, I think humans we're wired very similarly. actually have a hard time believing that. That materialism brings anyone lasting joy. and I think just part of being human, it's like we care deeply for others. I mean, that's what makes us human. It's like we have empathy and compassion for other people. And I think yes. Are there exceptions? Of course, there are exceptions, but I think overwhelmingly human care, you don't think you,

**Harry Stebbings:** you, am I getting worse?

We're getting more and more isolationists. We're getting more and more self important, self-centered, and actually it becomes more and more protectionist around myself versus

**Davis @ Cotopaxi:** the world. Um, it's possible that, that's, that's true. I also tend to think the humans in a lot of ways we're better than we ever have been.

I mean, I think we live in, while there's so much violence in the world, there's so much, uh, pain and suffering. we actually look at the world. [00:32:00] It's so much better than it was. A couple hundred years ago, there's less violence than there was a few hundred years ago. There's less poverty. You know, 94% of the world lived in extreme poverty 200 years ago.

In 1820, almost the entire human population lived in extreme poverty. It's now eight and a half percent. It's like, it's an amazing world we live in. you know, are the things I worry about. Of course, you know, I, I think, I wish we had a world that that was less about tearing others down and more about building others up.

And, you know, I think we have a, a fundamental lack of great leadership in, in the world. and, but at the same time, like, why does anyone, why would anyone wanna lead? Because when you, when you volunteer to lead, uh, you get torn down. You get picked to pieces if you ever disagree with someone or think differently, right?

So it's like there's not a lot of incentives to want to go take on these, I look at, uh, the presidential election in the United States and it's like, how in a, in a country that size do we not have more inspiring. Leadership that's stepping up. Well,

**Harry Stebbings:** the truth is you do that just at Goldman Sachs earning 6 million a year or in some other private market, earning a lot more, not having the shit of daily papers and tabloids.

Can I ask you, going back [00:33:00] to the the venture side, people often say that VCs detract more value than they add. cash is a great value on its own, to be clear, but do you think VCs provide much value outside of funding?

**Davis @ Cotopaxi:** I think they provide tremendous value. actually I think it's a game changer for me.

You know, I've done both and I'd say one of the greatest advantages is the value add of investors, having brilliant minds around the table that are helping you make better decisions. It's not just the money.

**Harry Stebbings:** what, in what way What ways is it game changer? I.

**Davis @ Cotopaxi:** you know, I think of the investors I've had around the table, you know, I've just, I've made much better decisions and I've been able to recruit better talent because I have, I have credibility because we have, someone with credibility that's at the, the board table.

Um, they help me close, you know, hiring. It's like I, I say, okay, I need this person closed. I go get Kirsten Green or someone from our board, to go jump on a call. I can attract and retain talent better. I'm making better decisions as a business leader,

and

**Harry Stebbings:** so what was, what was the best first meeting you had?

**Davis @ Cotopaxi:** Uh, with a venture capitalist. Kirsten Green. that one was really special for me because I, I saw it [00:34:00] in her eyes. She believed, she believed in this vision. you know, I, I didn't win her over instantly.

There was some arm twisting that had to happen, I think she felt the passion that I had for why this brand needed to exist. And ultimately, she, she took a bet on us and I'm so grateful for it.

**Harry Stebbings:** I heard that Covid was actually a time when you grew the company to New Heights, and during the pandemic you excelled new products, new company rituals.

What did you do and what worked?

**Davis @ Cotopaxi:** Yeah. Covid was an interesting time for us. Uh, in some ways it was what allowed us to break out. Although it wasn't, interestingly, it wasn't our highest growth. our slowest growth year in the last 10 years was actually 2020. We grew 40% that year. But, we were profitable, significantly profitable, and it was 'cause we tightened our belt in such a big way.

we didn't lay people off, but we all rallied together in a big way. And I just told the team, look, I don't wanna do layoffs. I'm gonna take a big pay cut. The executive team is gonna take a big pay cut. We're gonna ask the entire team to take a 10% pay cut for [00:35:00] three months, and then a 5% pay cut for the rest of the year.

Let's all experience a little bit of pain together to save everyone's jobs and let's rally together. we doubled down on our social mission. We gave 3% of our revenues that year to impact work. you know, when everyone else would've said, Hey, let's not give money this year. Like, we don't have the money to give.

It's a, it's a scary time. day one of the pandemic. I committed to our team that we would not waiver on our impact work, and so we rallied together and we innovated. we started selling masks, face masks, which was, outside of the scope of what we normally did, but we sold a lot of them and it really kind of saved our business during that, that does anyone internally

**Harry Stebbings:** go, Hey, get it on the giving, but I've got a family.

if I don't need to take a pay cut and you're making me take a 10% pay cut, come on. Well,

**Davis @ Cotopaxi:** look, you know, we have a team of believers, you know, they are not there because this is, a career move. They're there because it's a calling. They feel called to this work. And at the end of the day, you know, we

ended up giving everyone what they, what they'd given up at the end of the year.

We gave everyone bonuses. We, we gave them everything that they'd given [00:36:00] up and more. what I think we all believe is that when we do the right thing, when we commit to our mission first, the business is gonna be better. ,

**Harry Stebbings:** is there any time when doing the right thing and the business being better are at odds?

Be it margin optimization, letting go of people, whatever that may be. Is there ever a time when doing the right thing and the business are at odds?

**Davis @ Cotopaxi:** of, I mean of course, of course. Uh, and I think in the short term, yes. quick example, you know, when I was in Brazil, I, was living in Sao Paulo. 20 million people, very busy. City traffic is crazy. It would take an hour and a half to two hours to commute, eight kilometers, five miles. You know, I had two little girls at home and, uh, I wanted to be a great dad. And so I decided I was gonna leave the office at, at, 5, 5 30 every single day, which in Brazil was unheard of. You know, most people would work till seven or eight or nine, especially in a startup.

It's like, what are you doing leaving at five or five 30? I actually had one of our investors say. You know, Davis, if you leave at that time, the entire team's gonna leave at that time. And I said, you know what, I'm, I'm great with that. I, I want these people to go home and, [00:37:00] and balance their family life and this work life.

in the end what ended up happening was people did leave when I left. And we also ended up recruiting some of the most amazing female talent in the country because we started having this, a huge number of female executives that heard about this and said, I want to be a mom too.

I have kids at home and I don't wanna just work till 9:00 PM And this is a place that respects families. And so we had men and women that started joining our team saying, I wanna work at this place. I'm willing to take a pay cut. I'm willing to wait, to go, go to join the startup that's high risk.

Versus, you know, this big company I'm at because I wanna go be part of a brand and culture that, that aligns with my values. So, I think in the short term, sure, maybe, but I think in the long term, when you're doing the right thing, you end up having great results. Oh,

**Harry Stebbings:** I'm gonna get into trouble for this, but fuck it.

Anyway, I'll do it. Um, I don't, and I'm just kind of teeing you up here, but, I don't think you can be truly, truly great and have balance. Let me just pause on that one. You can build a and a billion dollar business is amazing, huge. No one does that. Point zero, [00:38:00] but like truly, truly great generation changing Patagonia.

They say, let's go surfing. Let's go surfing. It's like the most intense full-on culture you could ever have. if you want to build a \$10 billion plus, doesn't No doubt.

**Davis @ Cotopaxi:** You know what? I think I disagree with this one. I disagree. I think. Can

**Harry Stebbings:** you name, can you

**Davis @ Cotopaxi:** name me one?

Sure. so you mentioned, you mentioned Patagonia, and uh, I think this is a great example. Patagonia's a great example

**Harry Stebbings:** of why I'm right, because he had no balance.

He was unhinged.

**Davis @ Cotopaxi:** But, you know, at the same time, uh, Avan gen, he took massive amounts of time off. You know, he went and traveled down to Patagonia with the founder of the North Face, what his best buddy. They went and took like six months and went and traveled and climbed, climbed rocks.

Right. It's like, for many years of his career, the bulk of the growth of Patagonia happened when he was working six months on, six months off. You know, he's going out and fishing and disappearing for six months. Right. I'm, I'm

**Harry Stebbings:** really, but I, I don't almost think that's balance. It's almost like you here, which is like, you put in place a structure and a framework that [00:39:00] allows the business to run very efficiently while you are gone.

He did the same and it's on or off. There's not balance.

**Davis @ Cotopaxi:** let's just look at the code epoxy case. ' for 10 years did I put a lot of work into the business?

Of course I did. I put a lot of work into the business. and at the same time. I really did have balance, and it's not that every single day was perfectly balanced. That's not, of course not the case, but when I look at the whole of my time building this business, I was very balanced as a father.

I've got, I've got four kids. I spent a lot of time with my family. I spent a lot of time, doing social impact work that I care about. I spent a lot of time volunteering with my church. I prioritize the things that matter to me.

And they weren't just work. And at the same time, you look at what quarterbacks has done, are we a multi-billion dollar business? Not yet, we will be. And, if you look at, the percentage of businesses that have, that have started in the last 10 years, we are in the top 1%. I think we're a great example of a business that, that has shown that yes, you can have balance and you can still build an extremely efficient and great business that's doing great work.

you don't have to put in 120 hours a week, a hundred hours a week [00:40:00] and not have any balance and, and torch, family relationships and everything else just to, to go build a business.

**Harry Stebbings:** Can I ask you, speaking about kind of bringing in talent, A CEO transition is a really hard thing to do, as you said about your love for the brand and how much of a part of you it is. can you take me to the CEO transition and your biggest lessons, having gone through it on what it means to do CEO transition?

Well. Yeah.

**Davis @ Cotopaxi:** you know, this is the most painful thing for a founder, when you get to the point where you recognize, I may not be the right person to continue building this brand and leading this brand.

**Harry Stebbings:** was that it here though? Or was it the, the calling,

**Davis @ Cotopaxi:** you know, I would say it's a little bit of both. they kind of coincided. Simultaneously. I'd say, you know, my, this is one of the advantages of having a great board is they help you see blind spots. And I, you know, my board, was so proud of the work that I'd done in building this brand.



And at the same time I was started hearing from board members saying, Hey, we think you'd benefit from having a right hand. A, a company president that had done this before, that had taken a business from 150 million in [00:41:00] revenue to a billion and a half in revenue. You've never done that Davis, and they're right.

I had never done that. I had no idea how to do that.

**Harry Stebbings:** do you, do you need that Davis? You'd never sold scuba gear either. You'd never sold tables like you, everything we're told. You need someone who's done it before, but it's always the first time for someone.

And I'm just pushing you here.

**Davis @ Cotopaxi:** Maybe you did. No, for sure. You know, and could I have stayed? Could I have stayed and kept doing it? Sure. I probably would've figured it out at the same time, I care a lot more about. I wanna go have the biggest impact we can possibly have. And if I can get someone to come in and do a better job than I could do, I'm gonna go have a bigger impact.

It's not about what's best for me or what I want. It was for me, it was really about how do we go have the biggest impact. And so, I listened to the board and I thought, you know what? I think they're right. I would benefit from this. And I started a process. Bank Capital gave me a handful of search firms to go talk to.

I talked to four or five of them. I didn't want, I didn't hire any of them. And I decided I'm gonna go run the process myself. And, Bank capital was like, that is a mistake. You should not do [00:42:00] it. You should hire these professionals to go do it. But look like, I asked them to give me, blind profiles, profiles of people that they would go put in this role.

I looked at these lists and it was like, number one, I know like 30% of the people on the list already, and they're people I would not choose for this role. Or I'm looking at them and it's like, these are not the kind of people I'd want. And I felt like if I pay them a bunch of money and bank capital is on my, is on my tail, like saying, Hey, who are they bringing to you?

Who's gonna be the best person? Once they, we narrow it down to the top one or two or three people, I'm gonna be forced to choose one of those people. 'cause we just ran this expensive process. Instead I said, Hey, I know what I want. I know what the brand needs and so I'm gonna go run the process. I, reached out to about a hundred different.

friends, Joey from Allbirds being one of them and a bunch of others, and I just said, Hey, who are the best leaders? You know, when you think about a consumer brand leader, who are the best leaders? You know, who are the people I should be talking to? And a former president of the North Face that I reached out to is who has become a friend.

He said, Hey, there's one person I think you should be talking to, and, uh, his name is Damien Wong. He's the CEO of Eddie [00:43:00] Bauer. But he previously led product to Patagonia. he led product here for me at the North Face. He is brilliant. Maybe the most talented product person in the outdoor industry.

I don't know that he'd ever leave his job at Eddie Bauer. if you could get him, he'd be amazing. So I get on the, on this phone call with Damien and I start telling him about this vision for this brand. And it turns out, you know, the name Cotopaxi is named after for Volcano in Ecuador, where he lived as a teenager.

it turns out that Damien had done a study abroad when he was at Duke, for like six or nine months in Ecuador. He'd climbed Cotopaxi, the volcano. He felt deeply connected to our mission. He, both of his parents were immigrants. all of a sudden it was like this dream, person that you just would hope that someone like him would be willing to take the role, was interested.

The only problem is he wanted to be CEO. He didn't wanna be president. He didn't wanna be my right hand. And I had some other options that were really great right hands that would've been happy being president forever. at the end of the day, I just, I just decided, you know. I'm not in this so that I can be the CEO forever.

I'm in this to go have an impact. And so I, I chose to hire Damien and then shortly thereafter [00:44:00] my church asked me if I'd be willing to go to Brazil. And so, uh, it all kind of lined up and worked out

**Harry Stebbings:** perfectly. Weird question. Do you think Patagonia have lost their roots in terms of that, uh, outdoors nature?

Now they're the VC parody of, corporate jackets and they're corporate jackets all over the world. I'm sure a lot of their revenues in corporate jacketing and Do you think they've lost their way and do you worry about losing

**Davis @ Cotopaxi:** yours? I don't think they have. I think they've stayed true to their mission, so, Like incredibly well over decades. And in fact, this last move, I think by Avan was brilliant, uh, in a way to protect the brand and say, Hey, we don't care about getting the most money out of this business,

I guess if there was a criticism I'd have is why after 40 years was he the only shareholder? I fundamentally disagree with this. we have people that work in our warehouse, that lead our retail store operations that have equity I believe that wealth needs to be better distributed.

I don't wanna give the company away to a, to a foundation. I actually want to create something that can create wealth for many people, within our organization, and that can allow them to go, [00:45:00] pass on this to their children and allow their children to go have new opportunities.

I, I'm a believer in capitalism. I believe that capitalism, if it's done right, and it needs to be done better than it has been, but I think that it can, it can solve a lot of problems. And, so yeah, that's something that I, I aim to maybe do a little differently.

**Harry Stebbings:** Can I ask you, you mentioned a couple of times about, you know, you being a father, many, many, many thousands of fathers that listen to this and parents that listen to this. What does being a great father mean to you? Davis?

**Davis @ Cotopaxi:** I think it's hard, like, to your point, it's hard to balance, the ambition to go build something great and to be excellent at it and to be a great dad. one thing, one realization I had a few years back was that I was being more deliberate and intentional about my company culture than I was about my family culture.

I've been very specific in cotopaxi about identifying core values, specifically creating rituals and traditions that reinforce the values. Every single day. I tracked and measured our culture.

**Harry Stebbings:** how do you track and measure culture? It's traditionally quite a intangible.

**Davis @ Cotopaxi:** How do you track and measure? Yeah. Uh, there's a number of great tools. One of my favorites [00:46:00] is actually a, a company called Office Vibe. it sends out polls through Slack, I measure, literally every day. I'm, I'm tracking, I'm measuring our culture, and I can, I can slice the data

based on gender, based on tenure in the company, based on all these different metrics.

I can look at each department and I can kind of see where there are issues, where are their problems, and I can identify things before they blow up. And so I can start seeing trends. And, I, I was so intentional about my company culture and when I came to my family culture, the organization that mattered the most to me.

I was not following any of those things. And so my wife and actually said, we sat down and we created, the values that mattered most to our family, and we put them on our wall and they actually, they're, they're aligned with the S-M-I-T-H, our last name Smith. Each one of those stands for something.

Our children all know what they stand for. Once a week, we have a meeting, uh, with the whole family, a family evening that we have together, and we talk about our goals. We talk about these values. We've created rituals and traditions that have changed our, our family culture. And so I think being a great dad is being intentional.

What are the

**Harry Stebbings:** biggest mistakes you [00:47:00] see parents make today? You've obviously scaled teams, seen many parents evolve, grow. What do you think the biggest mistakes that you see parents make around you are?

**Davis @ Cotopaxi:** Honestly, I think, time, we can't make up for time. I mean, we can, we can create all the rituals and traditions we want, but if we're not giving our our children time, you can't make up for that.

And so I think that's the biggest mistake people make is they think, I'm too busy to go spend the time and I'll go make up for it by taking them on a, I'll take them to, to Disneyland or I'll take, I'll go, uh, buy them something that they want, an iPhone or those things will never make up for lost time with your children and they grow up so quick.

I have, you know, I have four kids. I have, my two oldest daughters are, are older now, and I have two little boys that are five and eight. And so, like, I watched my daughters how and how fast they grew and it's sad to watch how I, I miss those, those early days when they were little. we have to give them time.

Does your

**Harry Stebbings:** marriage change post having

**Davis @ Cotopaxi:** children? Oh, it's just gotten better. it's so fun. but it is different. I mean, our first child, it was, uh, you know, we were so young that we, we kind of grew up together, my wife and I. But were you nervous? You were like [00:48:00] 24, I, yeah, I was terrified. it wasn't about me anymore. my business had to work because if it didn't, it was like I was, other people were gonna suffer because of me. Right. So it created a lot of pressure, and at the same time, it was the best thing that ever happened to me.

I had to grow up, I had to grow up very quickly, and I, I had to focus on what mattered most. And so, family's are a gift. I'm just so yeah, so grateful.

**Harry Stebbings:** What do you know now that you wish you'd known when you became a father for the first time? You can call yourself up and say, Hey.

Davis, you should know this.

**Davis @ Cotopaxi:** I kind of look at it as a matrix, and it's, uh, you have love and expectations you have to have so much love, but also high expectations. I need to balance those things. And so I think, um, sometimes as a parent, you're attempted to just show so much love, but you're, you're not willing to correct.

You're not willing to push them to be the very best they can be. Or sometimes as a parent, You're, you're criticized and you're too critical of a child, and they don't know that how much you love them. And so I think this constant balance, and I think I'm getting better and better at it, which is like, they have to know how much you adore them, how much you love them.[00:49:00]

And when they know that, and then you give instruction on how they can be better, they're a lot more willing to listen to it. that's, uh, that's something I wish I would've better understood. you know, as a, as a young parent. Listen,

**Harry Stebbings:** Davis, I could talk to you all day.

I wanna move into a quick fire round. So I say a short statement having just peppered you with questions about your marriage changing with children, which was entirely on the cards. Uh, I'd love to, I'd love to start with,

**Davis @ Cotopaxi:** what have you changed your mind on in the last 12 months?

Well, you know, I talked to you about that, that failed fundraising process I was so convinced 12 months ago that I would never take this company public.

That I didn't wanna sell it to anyone. I just wanted to stay independent and private forever. And I'd say I've changed my mind. I'm open to all options. All that matters to me is that we stay true to our values. And if we can do that, through an M and a process, if we can do that by going public at some point, you know, going public is, I have a number of friends that have taken companies public over the last few years. It has been depressing to watch what they've gone through. So there's not a lot I look at that, I'm like, why would I ever wanna do that? But I think at the right time, let's say the, [00:50:00] you know, let's say quarterback is, you know, 500 million in sales and has, you know, 75 or \$80 million in EBITDA, at that point it's like, You know, the business is stable. That is kind of a phase where you could go public and it would be okay. I think a lot of companies are going public way too early. They're not profitable enough. They're not stable enough. They're not meeting expectations of investors. And I think that's, The biggest risk is, uh, you know, going public too early. But if we did it at the right time, maybe it would make more sense. Do you

**Harry Stebbings:** worry about public market valuations of consumer brands just crushing your potential,

**Davis @ Cotopaxi:** do you worry about that? Of course. No, of course. I worry about it and I, I think this is, the challenge of public markets is, Joey's a great example, a Allbirds, you know, their, their peak valuation versus, versus versus where they are today.

It's down like 95% right? Or, or more. But their revenue is still, they have a great company. They have an incredible brand. Joey's done such a beautiful job in building this company, and they've got great, great product. You know, they've had some challenges and, you know, [00:51:00] revenues I think have maybe shrunk a little bit.

I'm not sure. Not 95%, but the, public markets, they're so fickle it creates a real challenge to run a business when you're so dependent on what the public markets are valuing the business at. That's where, that's the nice thing about being in the private markets. You know, VCs, PEs, they're, they're not gonna look at your business and devalue the business by that much, just because, a, a hiccup in the business.

**Harry Stebbings:** You can choose a dinner guest. dead or alive. Who would you choose to have dinner with and what

**Davis @ Cotopaxi:** would you ask them? Okay, so I don't wanna be too religious, but I would say, you know, Jesus Christ would be the top of my list. After Jesus Christ. Okay, let's put Jesus Christ aside.

I love adventure. I love risk taking. I love seeing the world. I love discovering things. you know, every year I do a survival trip or two where I go survive on an island, bring no food, spearfish, eat coconuts, build a shelter. I love this type of thing. I love reading about explorers. I love reading about people that have done really hard things.

So Ernest Shackleton is just this figure that I just [00:52:00] admire so much. I love the story of The HMS endeavor and how, he goes down, gets stranded in Antarctica for two years. They live on this iceberg, basically, everyone survives. Like, he is such an inspiring figure.

So someone like Ernest Shackleton, you know, rolled Amon, you know, the Norwegian explorer. You know, there's some really great explorers that I'd loved, uh, to have at the dinner table.

**Harry Stebbings:** Uh Tell me, what one word do you want on your

**Davis @ Cotopaxi:** tombstone? service, I hope that one day, uh, if I were to be remembered by anything, it's just that I cared deeply for others that I loved. I loved others and that I, um, that I used my life to serve. if I had to be remembered by anything more than by a brand I built or, or anything else, it would just be that I, I loved and served others. What

**Harry Stebbings:** do you most wanna change in yourself? No one's perfect. Everyone has things to change. What would you like to change?

**Davis @ Cotopaxi:** you know, as an entrepreneur so much is about, it's about you, right?

And, uh, especially as you build a, a brand, or a platform like you've built, it's like a lot of it's about is about you. And so, I'd love to be, get to a point where I'm, I'm less, [00:53:00] less self concerned.

Penultimate one.

**Harry Stebbings:** What's the most painful lesson that you've been through that you're actually pleased to have gone through?

**Davis @ Cotopaxi:** you know, the last six months for me has been painful. this has been hard, leaving everything behind. we moved into, uh, an apartment here in Brazil it is just the most intense work that I've ever done in my life.

it is physically, mentally, uh, spiritually exhausting. I'd say the first two months were incredibly painful. why a lot of discomfort. I don't know what I'm doing. Like I'm used to leading a business like this is not a business. the language, like I'm having to communicate in this language that, you know, I grew up speaking Spanish and English, like Portuguese.

I speak Portuguese, but not like I want, and like I'm having to communicate. Difficult things I'm working with, you know, I'm helping these young missionaries and I'm creating, hopefully creating people that when they're done with their two years of service here, that they go back and they become their generation's humanitarians.

They're, they're the people that are out there making the world a better place. at the same time, they're here going through a really hard time themselves. They just gave up two years of their [00:54:00] lives. They're leaving college and their family's behind to come here.

They're learning new languages. they're getting rejected all day every day. They have their own mental health challenges. Like they're such amazing people. These young people. I'm so inspired by them and at the same time, like I'm having to communicate with them in this language that.

I hardly speak sometimes and like, you know, when someone's crying and they're, they're pouring out their soul to you in a language that you're like, I'm not even capturing 50% of what you're saying. It's like I'm stressed out. Like, I wanna help you, but I don't understand everything you're saying.

and then seeing poverty, heartbreaking poverty, people that are just living in conditions that no human should live in. it pulls at your heart and it makes you want to do more. And so, It's been hard. And at the same time, I'm so grateful for it.

I'm so grateful that we left everything behind to go do something that really, truly matters.



**Harry Stebbings:** Final one. Five years time, where are you? Then you will have finished doing the three year stint. Yeah. You back at Cotopaxi. Are you doing something new?

**Davis @ Cotopaxi:** I, I do know this, um, this time will come to an end in three years, and Cotopaxi [00:55:00] is, it, it's a lifelong commitment that I've made. I've committed my life to fighting poverty, and that platform of Cotopaxi is gonna be a really powerful platform. I also know, I'm not the CEO anymore and I have a CEO that's, we got a major upgrade, when I left. And so I'm not gonna be the CEO, um, but my hope is that I can continue to focus on purpose and mission and, impact. And my scope will, will be a little bit more outwardly focused instead of just focused on the impact that Cotopaxi can have.

I hope that I can go out and, and rally other business leaders and brands and businesses to join us in this movement of doing good. And so I think that's what I'd like to spend my time on when I get back.

**Harry Stebbings:** Davis, I've loved doing this. The breadth of this conversation has been phenomenal. You've been incredibly patient putting up with me.

thank you so much for joining me today, and I've loved it. Well,

**Davis @ Cotopaxi:** Harry, thank you. You're such a kind and, uh, thoughtful interviewer. Uh, thank you for the thought you put into this and, uh, man, you, I will say, you asked me some hard questions.

**Scarlett 2i2 USB-4:** I just love shows like that. I [00:56:00] am always in order of incredible entrepreneurs and I think that's such an incredible scaling journey with Cotopaxi. And if you want to see more, you can check it out on YouTube by searching for 20 VC. That's two, zero VC. But before we leave you today,

**HARRY ADVERT:** there is no shortage of helpful AI tools out there, but using the means, switching back and forth between yet another digital tool, what was supposed to simplify your workflow just made it way more complicated. Unless of course, you're in notion, notion, combines your notes, docs and projects into one space that simple and beautifully designed, and you can leverage the power of AI, right inside notion across all your notes and docs without jumping between your work and with. With a separate AI powered tool automate the tedious tasks like summarizing meeting notes or finding next steps, freeing you up to do the deep work.

It allows you to save time and write faster by letting notion AI handle a first draft jumpstart, a brainstorm, or turn your mathy nose in something polished. And you can try notion for free. When you go to [notion.com/two](https://notion.com/two) [00:57:00] zero VC. That's all lower case [notion.com/two](https://notion.com/two) zero. Zero VC to try the powerful, easy to use notion AI stay.

And when you use our link, you're supporting our show.

**Scarlett 2i2 USB-2:** And speaking of game changing products like notion there.

**Scarlett 2i2 USB-3:** Intercom is a complete AI powered customer service platform and the only platform to combine a help desk AI chat bot and proactive support tools. It also comes with a fully featured inbox ticketing help center and messenger making it not only complete. But also the most powerful support platform out there

Intercom, every single tool you need all in one place enhanced with AI.

So you can give every single customer the fastest, most personalized experience imaginable. Learn more [@intercom.com](mailto:intercom.com).

And finally, travel and expense and never associated with cost savings, but now you can reduce costs up to 30% and actually reward your employees how well Navan rewards your employees with. personal travel credit every time they save their company money when booking business travel [00:58:00] under company policy.

Does that sound too good to be true? Well, Navan is so confident you'll move to their game changing all in one travel corporate card and expense super app that they'll give you 250 in personal travel credit just for taking a quick demo. [navan.com](https://navan.com) forward slash two zero VC.

**Scarlett 2i2 USB-5:** As always, I so appreciate all your support and stay tuned for an incredible episode. Coming this Monday with one of the biggest and best LPs in venture capital.