Masters of Scale Episode Transcript – 8 Reliable Lessons for Unreliable Times

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REID HOFFMAN: Hi listeners. It's Reid. What you're about to hear is a special bonus episode of Masters of Scale. We're celebrating a brand new year, which usually comes with some New Year's resolutions. But if 2021 is even half as unpredictable as 2020, you can expect any resolutions to fall quickly by the wayside.

So instead, we've put together a sort of *primer* for the year ahead, based on lessons learned from the sometimes devastating, often inspiring, always surprising year we just put behind us. Many of these lessons are drawn from interviews in <u>Masters of Scale: Rapid Response</u>, hosted by my colleague Bob Safian. If you haven't spent time with those episodes – this will give you a taste of what we've learned in these fast, focused interviews with leaders in the thick of rapid change.

The eight lessons you're about to hear were inspired by the rough waters of 2020, but I think you'll find yourself returning to them again and again, even when we return to smoother seas.

With that, I hope you enjoy this special anthology episode, "8 Reliable Lessons for Unreliable Times."

[THEME MUSIC]

HOFFMAN: I'm Reid Hoffman, cofounder at LinkedIn, partner at Greylock, and your host. This special anthology episode highlights eight key lessons to help you and your business in the year ahead. These lessons come from top leaders who we've spoken to in a time of incredible change. Some are stories about doing everything right and still ending up in crisis. Others are about overcoming the odds with grit, heart, and compassion. We thank everyone who shared these stories with us.

Lesson 1: Move Faster Than You Think You Can

Speed is essential when you're scaling, and even more critical in a crisis. But how do you move faster than you ever have before?

I've long said that in order to move fast, you need to build up your tolerance for minor errors. When speed is the top priority, the leader's job is to empower your team to make decisions quickly, no looking back. If you decide something in a way that I wouldn't, that's far better than you waiting for my approval, and missing the moment.

Here's a metaphor that helps: "Imagine you're driving down the highway, and your decisions are the exit lanes. You are allowed to make the decisions about which exit you take, but here's the catch: you have your foot on the accelerator the entire time. You aren't allowed to let it up for a

second. Do your choices look different now?" That's why the speed of decisioning is really key in taking intelligent risks. Keep up that pace, and you'll find that what seems impossible ... isn't.

We'll start with a story about building fast, *really* fast. It's a legendary story in Silicon Valley, and it emerged from another, earlier crisis moment in history.

NICK MEANS: They set this tent up next to a plastics factory, and it apparently smelled horrible. And when they answered the phone, they weren't allowed to say what they were up to because it was a top-secret project. So one of the engineers on the project, Irv Culver, took to picking up the phone and saying, "Irv here, Skunk Works."

HOFFMAN: Our storyteller here is Nick Means, director of engineering at GitHub and a passionate student of aviation history. So it's natural that he'd be fascinated by the infamous "Skunk Works," a top-secret project at Lockheed Martin. The story has a mythic status among engineers and entrepreneurs.

MEANS: So Skunk Works came out of Lockheed Martin in the midst of World War II. The Germans had created the Messerschmitt Me 262, the first jet fighter deployed in combat. The U.S. was looking for an answer to it. And we were way behind on jet engine technology.

HOFFMAN: The Germans having the world's first operational jet-powered fighter plane was an urgent escalation in the war. The Allies couldn't afford to lose this particular arms race.

MEANS: The British government offered us the de Havilland H-1B Goblin engine design and said we could use the engine, no charge. We just had to build a plane around it.

HOFFMAN: Sure, no problem. "Just build a plane around it." How hard could that be?

The Air Force handed the task to Lockheed Martin. But Lockheed was already cranking at full capacity for the war effort. They had no factory space. No spare engineers. They were tapped. But then, Lockheed's chief engineer, Kelly Johnson, volunteered to head up the project.

MEANS: He had been asking for an experimental aircraft division. And the Lockheed board largely gave him the project to shut him up, because they thought it would be too difficult to pull off.

He literally set up a circus tent on the grounds of the Lockheed factory in California – because there was no factory space – and mocked this plane up around a plywood mockup of the engine. They didn't even have the engine in house yet.

HOFFMAN: Under this circus tent, next to the rotten-smelling plastics factory:

MEANS: "Irv here, Skunk Works."

HOFFMAN: Johnson hand-picked a team to design in an entirely new way. He put engineers and draftsmen cheek-by-jowl with the fabricators, all under a big tent.

MEANS: Normally when you build a plane, you build it very carefully. You do lots of drawings, you do lots of test fitting. There's a strict change control process. But in this case, Kelly essentially waived all the rules.

He said that his engineers and fabricators were free to fabricate parts on the spot that would fit on the plane, and because of the flexibility of the rules, because of how quickly they moved, they were able to get the prototype built in 143 days, which is a remarkable time to build a jet aircraft.

HOFFMAN: So years before Silicon Valley adopted the concept of a "Minimum Viable Product," the Skunk Works used it as their cardinal rule. The tight feedback loops between designer, engineer, and fabricator allowed an idea to go from pencil sketch to tangible part in a matter of hours.

MEANS: If you worked in the engineering offices, you would probably be called to the production floor multiple times per day to consult on something that the fabricators were seeing as they were building one of these initial prototypes.

HOFFMAN: This feedback loop meant less time drafting blueprints and more time building things, collecting data, and iterating based on results. In aviation, the careful plan means nothing if the plane doesn't fly. And this plane? It flew. And it flew fast.

MEANS: That plane actually was the first American plane to fly 500 miles an hour in level flight. And it actually stayed in use for 40 years.

HOFFMAN: There are so many reasons why this should not have worked – maybe starting with the part where Kelly "waived all the rules." That's something you might expect from an improv teacher but not an aerospace engineer. But this was improv in a way. The Skunk Works team didn't have time for a multi-year plan. They couldn't afford to make any assumptions. They had an urgent question that needed answering.

A core principle of blitzscaling is prioritizing speed over efficiency. That's true when you're scaling, and it's twice as true in a crisis. It isn't always clear what the benchmarks are, or how fast you need to move. So by default, the answer is, "as fast as possible."

That's what Mary Barra set out to do this year. Mary's the Chairman and CEO of General Motors. While the U.S. was going through the first wave of COVID-19, GM shut down its auto plants and temporarily reduced worker pay. Then they pivoted to producing ventilators and PPE for hospitals across the country. The shift was breathtakingly fast. And as Mary told our editor-at-large Bob Safian: going 'ventilator-fast' became an ongoing goal. Let's listen in:

MARY BARRA: When people ask me that question, "What keeps you up at night?" I always say speed.

The world is moving quickly. Our industry is transforming quickly, and I feel very confident in the strategy we have – but no one's going to wait for us.

SAFIAN: With your ventilator production, I know you partnered with a firm in Seattle, you set up a facility in Indiana, you hired a thousand people, you instituted new protocols. How do you keep that spirit when maybe the crisis isn't quite as acute?

BARRA: Well, I've thought a lot about that, because to your point, I don't want to go back to the way it was before – because I have just seen so many things be done so quickly without bureaucracy. So to me, the number one thing I think we need to do to be able to move at that speed is to empower people. We had teams that they didn't go through a couple of levels of review. They just said, "I know I've got to get this done. I know it's the right thing to do. I'm going to do it." We saw that in the ventilator production. We saw it as they did mask production, and I've seen it in other areas.

Somebody was telling me a story of something that usually it would take two weeks to get all the buy-in and all the approvals, and they got it done in 24 hours.

Occasionally, is there going to be a mistake or a problem? Yes. But the odds are it's going to happen very infrequently, and when it does, we'll fix it. We know how to do that. So I think it's making sure people understand that we want to move fast, but we want to move smart – and there's a difference. So I think we're going to have to continue to empower people. They know how to do the job the right way. For the few times where it won't work out perfectly, we'll just move on. I think that's going to be number one.

HOFFMAN: We can almost always move faster than we think we can. Speed is about making an impact – whether that's in a crisis or whenever opportunity exists. And opportunity always exists.

Lesson 2: Create Your Own Trajectory

A strong leader doesn't wait for signs of trouble to chart a path forward. In order to win at scaling, especially in the midst of trouble, you want to be leading the way.

In fact, it's much easier to chart your own course when you're the one in front. You want to set the game, set the rules, and set the standards. Then when trouble does hit, you're well-positioned. Instead of assuming a crash position, you can stay at the wheel.

That's one of the core principles we heard from Ellen Kullman in our episode titled, "Four Core Principles of Crisis Management". Ellen is the CEO of the 3D printing company, Carbon. But

we're about to hear a story from when she led a different company: DuPont. She took up the reins as CEO at DuPont just months before the global financial crisis hit in 2008. The innovations she launched helped steer the company through the crisis, and charted a new path forward. It's a perspective any organization can learn from right now.

ELLEN KULLMAN: People really believed the world was going to go back exactly like it was before, and it didn't. So, how do we create our own trajectory? What do we invest in? It is really being very thoughtful and almost forceful with the organization about you're not going to just ride this out and things are going to be the same. What you have to do is really write your own story. Don't play the hand you've been dealt, play the hand you want.

HOFFMAN: Picture an eagle navigating thermal currents as it scans the land below for its prey. Its path is full of constantly changing eddies of turbulence that could fling it out of the sky. But once the eagle is locked in on its unsuspecting lunch, it knows exactly what it's aiming for, and precisely the course to take – despite the chaotic currents roaring around it.

As a leader, Ellen knew she needed a clear outlook on how the world would change, and exactly how Dupont would win in the new reality.

KULLMAN: If you don't have a hypothesis on what the outcome is, a pretty specific hypothesis, then you're not going to know whether you're winning or losing. A lot of times I've had teams that say, "We're going to try this and see what happens." So I said, "Okay, what do you expect the outcome to be?" What better than we are today? Well, what does that mean? And if you can gain alignment on what the goals are, specific goals, and what winning is, that allows you, depending on what the outcome is to say, "Okay, it didn't work out at all. Let's go back to square one and start over. Or hey about 50% of this work, let's back off on the other and re-look at it and then take it from there."

HOFFMAN: Getting specific about goals and a willingness to regroup is always essential for a growing business. But in a crisis, you have to double-down on this focus in order to chart your trajectory through the crisis and out the other side.

Ellen knew their industry was changing fast – and she didn't believe it would go back to normal. Dupont would need a different and lighter structure to survive.

KULLMAN: The first series of changes that I made in simplifying the organization was very much in response to the crisis.

We had furloughed or laid off probably 8% of our people, but then when I took a look at it, when we were in the midst of these reductions, there was not one manager or leader among the list. And that just struck me as wrong. I really felt the world was going to be different as we recovered from the crisis. I think we were way too complex a company and we had to simplify that.

HOFFMAN: So Ellen took an extreme measure.

KULLMAN: So my bright idea was to task each one of my senior leaders. And I told them they had to reduce 50, 5-0, percent of their leadership. And the reason I took such a bold objective was because they couldn't just squeeze the turnip. And if you ask them for 10% or 15%, they can squeeze, and then it'll pop right back. And so 50% you couldn't.

I got some great ideas, you know, "Hey, I'll take Joe's business, and I'll be one business leader. We don't need two." Okay. Or I had one individual literally crying, sobbing in my office that I was going to destroy the business.

I had people very logically come in and tell me exactly what they were going to do and it made no sense at all. But they fulfilled the goal of 50%.

HOFFMAN: Ellen didn't end up cutting 50% of the company's leadership. But by setting an extreme, turnip-mashing figure, Ellen had created a vision of what changes could be made to alter the company's trajectory.

Great leaders always do this. Here's a story featuring Jonah Peretti, co-founder and CEO of BuzzFeed. Jonah found his business in a very tough situation when the pandemic drove people indoors and online. Jonah spoke about this to Bob Safian for Rapid Response. Let's listen in ...

JONAH PERETTI: I think before the pandemic, I was surprised at how well the traditional models were holding up. It's taken a long time and these traditional businesses have held up longer than I would have expected, but digital will win in the end. And the pandemic is just making digital win faster. The same with commerce. Brick and mortar commerce and walking into stores is a less efficient model and a worse model than having products delivered to your house. You have endless supply and infinite choice if you go to Amazon. Even the biggest big box store can't have that kind of selection.

HOFFMAN: But despite all that, BuzzFeed's bottom line was suffering. Jonah watched as BuzzFeed's audience soared during quarantine, especially among millennials and Gen-Z. Yet ad revenue plummeted – because BuzzFeed's marketing partners weren't quite as well positioned in the new, very online, landscape. That's when Jonah turned that adversity into opportunity.

PERETTI: A lot of our partners are traditional businesses or live not in the digital space, in the physical space. But even those partners are turning to us and saying, "Hey, can you help us become an e-commerce business? Can you help us accelerate the shift?" Walmart, the biggest big box retailer has partnered with us on the Tasty app. When you see a recipe in Tasty you want to cook, you click a button and it puts all the ingredients

into a shopping cart that you can get delivered to your house or picked up at curbside at Walmart.

HOFFMAN: Because of BuzzFeed's expertise – and Jonah's vision of the future – they have been able to help bring some partners along. And in the process they're also charting a new trajectory for how the next generation will shop.

PERETTI: Young people increasingly are shopping online, and they're shopping from content. So BuzzFeed drove almost half a billion dollars in sales last year through our shopping business, where we're featuring products and writing about products or licensing our brands into the physical product space. And so online shopping as a form of entertainment is something that is a new, big trend that young people have embraced.

HOFFMAN: Creating a trajectory doesn't just help you through the troubles of today. It leads you toward tomorrow.

Lesson 3: Talk more.

Leaders often think they communicate plenty. Most are wrong. When you're tired of saying something after two, three, four repetitions, your team and your customers are only just beginning to absorb it. That's especially true in uncertain and noisy times.

I want to share a clip from our episode titled, "How to Set The Drum Beat" Where I talked with my friend – and my successor as CEO of LinkedIn – Jeff Weiner. Jeff is a compassionate leader and peerless communicator. Not just because of what he says, or even how he says it. But rather, how many times. Let's listen ...

JEFF WEINER: In describing what makes for an effective communicator, especially to a large group, David Gergen would say that you need to repeat yourself so often that you get sick of hearing yourself say it. And only then will people begin to internalize the message.

HOFFMAN: Note: It's not simply about repeating yourself. You have to repeat yourself so often that you get sick of hearing yourself say it. The key is: never reveal that you're bored.

WEINER: I think all effective leaders understand the importance and power of repetition. And it's counterintuitive, because once you say it just a second time, you start getting bored of it, and you just project that boredom onto the audience. You just assume that people have heard it before. They don't want to hear it again. But they've got their own priorities, they're focused on other things. And so that repetition is actually really important.

HOFFMAN: The bigger the moment, the bigger the challenge, the more important it is to get your message across – over and over and over.

Few leaders know more about getting messages across – to other leaders, to organizations, to the masses around the globe – than Hans Vestberg.

Hans is the CEO of Verizon, and communication is at the core of Verizon's business, with 120 million customers on its network. During the pandemic, that communication network has been essential.

But when Hans spoke to Bob Safian for an episode of Rapid Response, he spoke most about communicating with the company's 135,000 employees.

HANS VESTBERG: We don't have all the answers, but reassurance in times of uncertainty is one of the most important things you have as a leader, to actually talk about what's happening and just talk about normal things – what we're doing, what is happening at the company ...

We have been extremely close contact with our employee base and one thing that we decided was that every noon, at 12 o'clock, we have a live webcast to all our employees. We usually have a viewership between some 30- to 60-70,000 that joins every day to listen to us because we talk about all the new principles.

HOFFMAN: Hans and the leadership at Verizon started this webcast when the global pandemic started forcing lockdowns around the world.

VESTBERG: Remember, we also have employees in Asia, so we needed to start communicating with them very early on. We said, "Hey, why don't we do a webcast?" We did it day one, and we had enormous feedback from our employees. We do an employee survey as well, every second week, with all our employees to ask how we're doing, how would you feel in your new work environment. We have a very good response from our employees in the crisis, which is usually the most complicated as a leader, is to communicate in a crisis.

HOFFMAN: Businesses of all sizes need to talk to their people as much as possible. But as your organization scales, so will your patterns of communication. And the more intentional, strategic, and yes, repetitive, you'll need to be.

VESTBERG: We have now investors, with our shareholders, and the public actually listening to our webcast because we do it on all the platforms, like Twitter, because some of our field engineers, they cannot access our intranet when they are in the field. So we put it on Twitter as well. So nowadays we get questions from investors on our daily new live show, but it is for employees. But we're happy to share because there's no secrets.

HOFFMAN: If we've learned anything during the pandemic, it's that teams crave information from their leaders. And the best leaders meet that need, again and again and again, never stopping.

Lesson 4: Listen more.

Being a good student is surprisingly hard to do. Especially for leaders who are used to providing answers. We've talked about the need to communicate in a crisis and to be decisive – that acting *fast* is more important than acting *perfectly*. But that doesn't mean it's OK to be casual about what you say and do.

The best way to act fast *and* right is to listen more. Seek advice. And pay attention to who you're seeking it from. It's important to establish essential information feeds that go beyond your inner circle. Even if it puts you outside your comfort zone. In fact, especially when it puts you outside your comfort zone.

For a great example, here is a Rapid Response story from Brian Cornell, CEO of Target. At the very start of the pandemic, with many of us sheltering in place, essential retail businesses had to stay open. And while we all got an unexpected education in public health, for Target it became an uncomfortably high-stakes crash course. One where the curriculum kept changing.

BRIAN CORNELL: If you and I would have been sitting here talking six months ago, and I used the term "social distancing," we would have been saying, "Brian, what is that?" So we've all adapted to the new environment.

We started out saying, "All right, we need to make sure we're investing more time, more hours in cleaning and sanitation." One of the first things we did was making sure we dedicated team members in our stores to constantly cleaning those surfaces where the guest was interacting with our team.

HOFFMAN: But as more became known about transmission of the virus, Target had to keep listening to health experts, and apply that new knowledge fast.

CORNELL: We quickly evolved that and recognized that we're going to put up Plexiglas dividers at the check lane. We started putting decals down on the floor, making sure people were keeping the six foot distance between each other when they're shopping and at the check lane. We then evolved to metering the number of guests who could be in our store at any given time. We're continuing to listen to the experts. We're being really good students now.

HOFFMAN: Listening more is a key part of being successful in a crisis. But it's also key to choose the right people to listen to. That includes having a diverse range of advisors – especially when it comes to social responsibility. In fact, NOT seeking out this diversity is how some companies get into trouble.

Rashad Robinson is the president of the racial justice advocacy group, Color of Change. He has a long track record of holding power to account, and pushing businesses to recognize and correct the ways they reinforce systemic racism. This sometimes means petitions, strategic messaging, and boycotts. But Color of Change has also worked directly with companies like Airbnb – not as adversary, but advisor. Reshad spoke about this to Bob on Rapid Response.

RASHAD ROBINSON: The first real engagement I had with Airbnb folks were when board members of mine couldn't get an Airbnb when they were coming to a city. And they had booked one and then it got canceled. And then it reappeared on the thing and the person clearly just didn't want this black man who happened to be one of my board members.

We pushed Airbnb to do a civil rights audit.

And the audit ended with a number of successful things, including them changing a lot of rules around auto-booking, around folks having to check specific boxes around anti-discrimination when they joined the platform, of putting a team of engineers on to root out bias on the platform.

And here's the thing: there's a lot of other problems that we still push on with Airbnb. But Silicon Valley companies putting engineers on diversity, racial justice, and other issues on their platform is when I know the company's actually focusing on doing something. Because they can hire a lot of lawyers to send memos around but when they actually put engineers on something in Silicon Valley, it means they're working to solve the problem.

HOFFMAN: As an early investor and board member at AirBnB myself, I can tell you that Rashad has it exactly right. If a company has built a blind spot into their software, then dismantling that blind spot happens through the software too. But how do you know if the solutions you're coding actually fix the problem? You keep listening.

ROBINSON: We don't actually take financial contributions from corporations. The partnership for us is really all about solving this problem. And they also know from us that we're not going to pull any punches. If you want to work with us, you'll probably get a lot of benefit and credit if it goes well out in the field. We also are people that understand mistakes happen and things don't always work out. But we're not going to pull punches.

HOFFMAN: Listening, in a deep and serious way, to constructive advice played a critical role in addressing what could have been a platform-killing problem for AirBnB. And it was also, very obviously, the right thing to do.

[Ad Break]

HOFFMAN: Lesson Five: Stand for Something

An unstable democracy is bad for markets. So are rising oceans, seasons of wildfires, poverty, and entrenched racism. It's frankly good business for companies to invest in a more just and sustainable world.

But, most businesses have a so-called "valley of the shadow" moment once they take a public stand. They ask themselves, "Is this going to work or not?" Maybe the hate mail starts coming, or the angry phone calls, or the social media backlash. In that moment, it can be hard to remember why it was worth sticking your neck out.

But in that moment, sometimes the best advice would be, "Just Do It."

For our episode called "<u>How to Sell without Selling</u>", we spoke to Eddy Lu of GOAT, the online sneaker marketplace. Nike happens to be one of GOAT's favorite brands.

EDDY LU: With Nike, they've stuck to their core values and becoming truthful to what they stand for, and having that point of view is very important.

HOFFMAN: Part of what has made Nike iconic, Eddy explained, is their deep understanding of their core fans, and how those fans' values map onto their own.

EDDY LU: It sounds easy, but it's hard for a lot of companies, right? But I think Nike has done a great job saying, "What are our core values? Let's stick to them, and let's have a point of view." That's how people really create more affinity for the brand.

HOFFMAN: That's why Nike made former NFL quarterback Colin Kaepernick the center of their 30th anniversary 'Just Do It' campaign. Nike knew that standing with Kaep was something their fans would love them for. And that far outweighed any angry tweets they might receive.

The advertising firm that created Nike's Just Do It ad, among many others, is the legendary Wieden+Kennedy. Bob spoke with their president, Colleen DeCourcy, on Rapid Response and they talked about the ad. Let's listen ...

COLLEEN DeCOURCY: When we stood with Kaepernick, some people hated us, but our people remembered who we were.

A brand by its very definition is something that holds a strong set of opinions. So this is not a moment to have no opinions, but this is also not a moment for everybody everywhere to weigh in on everything. It makes sense to me when we launched the Colin Kaepernick work. Because we have a history of being buoyed up by Black athletes. The relationship that that company has is so deep. The brand position of that company was always that it was never Nike speaking, it was always the voice of an athlete.

HOFFMAN: This is a bracing approach to branding that makes a muddy situation clearer. As Colleen points out, not only can it be morally right for brands to speak out, it can be right for their business.

DeCOURCY: At its core, advertising is to get attention, to create preference and distinction, using the tools necessary. Well, when you're in an environment where truth has just flown out the window, the audacity of what people will say to get attention is at an all-time high. And so it drives people to try and take a stand.

HOFFMAN: In heated times and a noisy environment, taking a risk by standing for something cuts through noise. Cutting through noise is how brand messaging breaks through ... and how social change comes about.

Taking a stand is also a huge part of being a citizen.

Bestselling author, comedian, and entrepreneur Baratunde Thurston spoke on Rapid Response about what being a corporate citizen means today. Baratunde hosts the podcast "How to Citizen with Baratunde," and he describes "citizen" as a verb. Let's listen …

BARATUNDE THURSTON: We live in a country where companies are considered persons. It is a member of society. It is a party. And so in a technical, legalistic sense a company can citizen.

To citizen is to show up and to participate. It's an active thing, not a passive thing. To citizen is to invest in relationships, to acknowledge our interconnection, and our interdependence. This is not a solo sport. It's a team sport. To citizen is to understand power, where it comes from, and the different ways we can use it. And the fourth piece is we do this on behalf of the many, not just the few. Not just ourselves as individuals, but ourselves as members of a collective.

Those principles can apply to any party, including a collection of humans and ideas known as an incorporated entity. And so a company can go through that and say, "Well, how are we showing up?

HOFFMAN: When companies take a stand on social issues, we tend to think of it as a very modern phenomenon. But Baratunde has a slightly different take on what counts as "modern."

THURSTON: I seem to recall that there was an era where businesses were part of the community. Good corporate citizen, good small business member of society, Main Street business who knows everybody's name and supports the local Little League team and is supportive of the schools and is showing up at council meetings. Not owning the town, but participating in the functioning of the town and delaying those layoffs or those furloughs because you actually know the people who are affected by those decisions.

Not moving the plant. So the idea that business is just about money I think is a recent and narrow phenomenon.

HOFFMAN: The responsibilities we have as business people go beyond the bottom line. Yet when we live up to those responsibilities, that usually supports the bottom line. In the long run, good corporate citizens make good businesses.

Lesson Six: Work Differently.

When *everyone*, from startups to schools, must reinvent their work processes, it's important to be flexible ... But we also can't abandon things that were essential to us before. As the saying goes, don't dump out the baby with the bathwater. Rather, you want to give the baby a new bathtub that doesn't leak.

Eva Moskowitz is the CEO of Success Academy, a public K-through-12 charter school network in New York City. Success is known for taking a nontraditional approach to high academic achievement. Since its founding, the network has been defiantly off-model from most district schools. That didn't change when the pandemic hit. Eva spoke about this to Bob on Rapid Response.

EVA MOSKOWITZ: Remote learning last spring in many districts was a phone call to the kid, or sending the kid worksheets, and then the parent felt an obligation to help their kid with the worksheet. That's not what we do at Success Academy.

We were remote last spring. And at that time, everybody was saying, "There is no way the New York City school system is going to close. That's an impossibility." So at the time it looked like a very bold decision, although it is true: two days later, the whole system sort of shut down.

HOFFMAN: Success pivoted to remote quickly, deploying Chromebooks to every student in the network, and negotiating free broadband service for lower-income students.

MOSKOWITZ: We're serving mostly poor children. We have a high percentage of special needs children. We have a high percentage of homeless children, English language learners. How do we make it work, but not be rigid around all the obligations and challenges that parents have.

HOFFMAN: Until it's safe for schools to fully reopen, Eva and her team have implemented a plan to make virtual school look more like the quote-unquote "real thing."

MOSKOWITZ: 2.0 is really everything. It's virtual field studies, it's art, music, chess, even dance. It is our discovery-oriented science five days a week in elementary school. And the length of the day is more similar to what it would be in real school.

HOFFMAN: But how does that work with kids so young, they may not read or write yet, much less type?

MOSKOWITZ: I was at a school this morning and the mother was on camera doing everything for her kid, and the teacher in a very lovely way said, "I want to make sure that your child knows how to turn the mic on and off." This was a kindergartner. "Let me walk your child through how to do it, and I think you're going to be surprised that he can do it." And sure enough, little kid, he's barely five years old, did it and had a grin ear to ear. Kids can do this independently. So, every kindergartner has an email address now, and they are logging on by themselves, and they're ready to go.

HOFFMAN: So many of us – not just the kindergartners – have had to negotiate fully remote work for the first time in recent months. That shift depends in part on new tech tools, from video conferencing to collaboration platforms.

Dropbox is one of the company's that saw that shift coming, as their cofounder and CEO, Drew Houston, talked about on Rapid Response.

DREW HOUSTON: This idea of being able to work from anywhere, work flexibly, this idea of telework has been around for decades. But if you sort of squint you start to see a lot of the positive potential of that being realized – and then there are a lot of pain points.

HOFFMAN: Dropbox was founded on a vision of the future of work that was more flexible, mobile, collaborative, and distributed. A perfect model for pandemic times, or so it seems. But Dropbox is also a business full of humans like everyone else. And with Covid-19 lockdowns, they've had to pivot their workspace like everyone else, with the same mix of emotions.

HOUSTON: We're calling our approach Virtual First, which is trying to combine the best elements of remote and the in-person experience. Focused solo work happens at home or in a co-working space. And then we're rethinking, repurposing, re-imagining the physical offices, more as collaborative convening spaces that we call Dropbox Studios. In practice, what that means is we're not providing individual workspaces and desks in the office anymore. All of that space is used to be more for getting together in groups. We know that our goal is to maintain both the in-person and remote experience, try to get the best of both worlds.

HOFFMAN: "Working differently" isn't just about accommodating changes in the present. As Drew explains, it's also reimagining how you will work in the future.

HOUSTON: It's a very strange situation to be setting out a policy a year before you can really start implementing it. But we did want to set a clear compass direction. So we know we're going this direction, even if we don't know the turn-by-turn directions.

Once you get over the vertigo of this sudden shift, we've tried to think about it instead of this something that's happening to us, how do we design this into an experience that we think could really be great? Because you don't get that many opportunities to totally re-imagine how you operate or how work works. Right? And so when you think about that, it's pretty stunning. Who would have thought that the world would just lock arms overnight and be like, all right, we're just going to throw away the office, commutes, all shift to working from home. It's kind of wild. And so we're like, "Okay, well, all the floorboards are up. Let's really think about how we want this to look when we're able to nail it back down."

HOFFMAN: As we move past the immediate crisis of a global pandemic, so many long-term questions will remain. That's why it's so important to keep this mindset of working differently as we move forward. "Work Differently" means being open to new processes, possibilities, and technologies, from AI and machine learning to robotics to green tech.

Let's carry forward this willingness to constantly invite in fresh thinking, even as we nail our floorboards back down.

Lesson Seven: The Answer Is In Your Mission.

When it's not clear what your company should be doing in a crisis, your mission will act as your guide star. That's something I got a chance to talk to Susan Wojcicki about. As CEO of YouTube, Susan has overseen staggering growth. And she's also been there to see some of its toughest challenges, as the rise of hate speech and misinformation threatened to poison the platform. Let's listen in to moment from our episode with Susan titled, "How to find – and keep – True North".

SUSAN WOJCICKI: I'll say that when I accepted the job, I didn't even think about that at all, because YouTube was really much more of an entertainment platform. It was very focused on music and gaming. They weren't seen to have a lot of responsibility issues. They did have the "Innocence of Muslim."

HOFFMAN: We're not going to play that clip.

The *Innocence of Muslims* was a baldly anti-Islamic short film, with anti-Muslim dialogue that had been dubbed over the actors' lines without their knowledge. It was posted to YouTube in 2012, in the midst of the Arab Spring. Susan wasn't yet CEO. But it left an impact.

WOJCICKI: I remember sort of asking like, "Wow, like wait. Who makes all those decisions when I first joined?" And realizing, "Wow, this could get really tough."

HOFFMAN: The job has only gotten tougher now that the CEO chair is hers. Our politics have only grown more polarized, and disinformation more virulent. Meanwhile, YouTube has only

gotten bigger and harder to wrangle. Right now, YouTube sees two billion active users per month. That represents about a third of users across the entire Internet.

Over 50 million of those users are *contributors* to the platform – not all of them with intentions as innocent as showing how to tie a tie.

WOJCICKI: These are incredibly hard issues, and they're not just technical issues. It's a new era of how are platforms going to be managed to both be responsible but enable free speech? It's been trying to strike a balance of making sure that whenever we take a step in responsibility that it's really well thought-out, that we have spoken with the experts. Because you can always have these unintended consequences of removing content that you didn't mean to. So having it very cleanly defined so that thousands of people around the world who are reviewers can all make the same decisions consistently. And that users and our uploaders have an understanding of what those policies are. Realizing that some people will say, "You didn't go far enough," and others will say, "You went too far." So it is a very tough job in the sense that no one is ever happy about it. But you do your best to do what you think is the right long-term benefit for your community.

HOFFMAN: How did YouTube get better at drawing those lines? They went back to their guiding mission to democratize broadcasting.

In the past, YouTube interpreted that democratizing mission by making a policy that was more hands-off. But democracies don't actually function without guardrails that keep disinformation out. To fulfill their mission of a more democratic platform, they had to do two things. One, they rolled out an updated Terms of Service that vastly expanded YouTube's ability to take down harmful content. It was a bold step in re-establishing the company's true north.

Two, they backed up their promises with personnel. They hired thousands of content reviewers to weed out violent content. And they had engineers adjust their recommendation algorithm to reduce distribution of conspiracy theories. Remember what Rashad Robinson said earlier in the show:

ROBINSON: They can hire a lot of lawyers to send memos around but when they actually put engineers on something in Silicon Valley, it means they're working to solve the problem.

HOFFMAN: Your mission isn't just a statement that hangs on a wall or sits on a corporate website. Your mission is the actions you take. Especially in times of stress.

Bob spoke on Rapid Response to Dr. Mary Schmidt Campbell, president of Spelman College, the prestigious historically Black college for women. Spelman has been at the center of some of

the year's biggest upheavals, from COVID sending students home to the spasm of anti-Black violence that sent protesters into the streets.

DR. MARY SCHMIDT CAMPBELL: You have to remember that we're here in Atlanta, and the first incident was the Ahmaud Arbery incident, and that was just so shocking. Just the idea of somebody jogging and being almost hunted like prey, that was chilling enough. Even to this day, to watch the death of George Floyd in front of your eyes was so painful, and that coupled then to hear about Breonna Taylor. And then for us, you may recall that the two college students who were pulled from their car and tased and thrown to the ground, one of them was a Spelman student. The incident happened on a Saturday night, and I called her on Sunday morning and I spoke to her, and I said, "What happened?", and she told me the story.

Honestly, when I finished speaking to her, I was shaken. It was absolutely harrowing to hear what had happened to her. It felt like one of my children had been harmed by the excessive force that we've seen over and over and over again.

HOFFMAN: Dr. Campbell knew that her job in that moment was simply to listen to her student. But when the call was over, she would need to think strategically about how to help all of her students, along with faculty, and staff, in a moment already fraught with uncertainty. And that meant doubling down on the college's mission.

CAMPBELL: At Spelman, our faculty, our students are opening up opportunities to have conversations, difficult conversations, about difficult issues. Our faculty has taken our whole first-year curriculum for our interdisciplinary courses and has put together topics for our first-year students to consider the difficult issues that the country is facing, like should we defund the police? And having those conversations within the curriculum, outside of the curriculum, with our local community, with the national community, I think we are inspired because we know those conversations are going to be meaningful, not just to us, but to a wider circle.

Things we have been saying about closing the educational equity gap, things we have been saying about economic inequality, things we've been saying about health disparities for years, the research that we've assembled for years, the books that have been written for years, I think finally, we believe that those narratives are going to be heard now.

HOFFMAN: When the hardest times hit, your mission provides a roadmap for what to do amid the uncertainty.

Lesson Eight: Be Human.

Every solution starts with human-to-human connection. In our episode titled "<u>The Empathy</u> <u>Flywheel</u>" we talked about how to find a way through overlapping disasters. The lesson? First, be human.

In that episode I talked to Sarah Friar, CEO of NextDoor, the hyper-local social network for neighborhoods. Sarah grew up in Northern Ireland, at the height of the conflict known as "the Troubles."

Let's listen in as Sarah shares her story of navigating an intractably divided environment.

SARAH FRIAR: I grew up in a little village just right outside that town with two parents who were incredibly community-minded. So my dad was the personnel manager for the local mill. The local mill was the sole employer. And so my dad was very much part of the whole community. My mom was the local nurse. Same thing, religion does not come to bear if you're having a baby and you need the midwife, my mom to show up, or if your mom has had a heart attack and you need my mom to come apply CPR.

We would often sit down to dinner, and there'd be a knock at the back door, and the key would be like, which was it? Was it a medical problem or was it the other full gamut of social problems people have? It could have been someone short of money, someone who needed a job, someone going through domestic violence. We kind of saw it all sitting in our kitchen.

HOFFMAN: Sarah's kitchen table offered a vantage point for seeing the outsize impact that small, human-scale connections can have on reaching across boundaries.

FRIAR: It's an amazing way to be brought up with that deep sense of integrity about why community matters, and it really protected our village from a lot of the trauma of the Troubles which were going on all around us.

HOFFMAN: The intense and violent divisions of Northern Ireland in the 70s and 80s can feel eerily close at hand in today's polarized landscape. But if we start by leaning into human-to-human empathy, we can make our way toward progress.

Every fresh challenge demands an exhausting level of poise, dexterity, and heart. Today on Masters of Scale, we've heard from the best and the brightest, the coolest and calmest, the scrappiest and the most creative, giving us lessons we can count on, whatever the conditions.

Here, for a special lightning round, are a few more guests from Rapid Response to share their insight on how to be human, always.

STACY BROWN-PHILPOT: When you look at a pandemic, it doesn't see money. It doesn't see status. It sees people are hurting. We're realizing that we have to all come together and the least of these has to be helped.

TONY TJAN: In the end we are all just so very human, and it's going to be our collective humanity that gets us through this. I really, really believe that.

SHELLI TAYLOR: We're social beings, and we need the magic of community. People are hungry for it, and we want to continue to provide that magic.

GENERAL STANLEY McCHRYSTAL: You start with that empathy, but empathy only gets you so far. Empathy is not sympathy. Empathy is being able to put yourself in the other person's position. Good leaders in the military have to understand how a private feels when they don't know what's going on, they're frightened, their feet hurt, they're carrying a heavy load. The leader still has to say, "This is what we have to do. This is the task in front of us. I can't make the hill any smaller. I can't make your pack any lighter. I can't make the enemy any less dangerous. All I can do is tell you that's what we have to deal with."

DIANE HOSKINS: Places matter when it comes to a healthy and diverse society. We come to know others through the public realm. A lot of people meet the first person of color that becomes a friend of theirs in the workplace. They might meet their first friend who's LGBTQ in the workplace. We have this opportunity to find people who are joined with us in purpose and in goals in our work, who are just entirely different than ourselves.

DR. BON KU: We all need to work together. We're in this together.

HOFFMAN: Thanks to Stacy Brown-Philpott, Tony Tjan, Shelli Taylor, General Stanley McChrystal, Diane Hoskins, and Dr. Bon Ku for that lightning round. And thanks to every leader who has shared with us their reliable advice in unreliable times on both Masters of Scale, and Masters of Scale: Rapid Response.

I'm Reid Hoffman. Thanks for listening.