

Masters of Scale Episode Transcript – 2020: Year in Review

2020: The Year in Review w/Reid Hoffman & Bob Safian

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REID HOFFMAN: Hey listeners. It's Reid.

BOB SAFIAN: And Bob! You have both of us today.

HOFFMAN: That's right, Bob and I are doing a bit of a co-hosted episode we think you will enjoy, and I know I am super excited about!

SAFIAN: Yes! Reid and I have been kind of taking turns hosting episodes in 2020. You Reid, host of the classic [Masters of Scale](#) episodes, where you prove theories about how organizations scale, featuring surprise guests, original music, sound design, they're great, they're timeless. I've been hosting [Masters of Scale: Rapid Response](#), where I interview leaders in the thick of massive change, for insights you need right now.

HOFFMAN: Yup. And today, we're doing a bit of both! We hope you enjoy this Year in Review episode.

[THEME MUSIC]

SAFIAN: This is Bob Safian and I'm here alongside Reid Hoffman for a special year in review episode of Masters of Scale. Hi, Reid.

HOFFMAN: Hi, Bob. It's so much fun that we're doing this again.

SAFIAN: I'm excited about it. And Reid, I want to take a moment to set the context for everyone. 2020 has been really an extraordinary year. The COVID-19 pandemic ushered in some very scary times. Here in New York City, where I live, the stay at home orders in the spring were bracing. In my home, we had an early Coronavirus infection back in March. Fortunately, it didn't become too serious and it didn't spread. But before the spring was out, we did lose a couple of older family members to the virus.

In California, where you are, there was plenty of trauma as well. California experienced its first stay at home orders in decades, and the business front was scary everywhere. [I talked early on with restaurateur, Danny Meyer, the Shake Shack founder](#), about having to lay off thousands of people from his high-end New York City restaurant business. That sparked the Rapid Response feed, which I've been hosting for Masters of Scale ever since.

And now, as we near the end of the year, it seems a good time to talk together about what we've seen, the main themes of 2020, how business has changed, maybe how it hasn't or shouldn't, and see where we end up. Are you game to play?

HOFFMAN: Absolutely. I mean, as you just so masterfully put this out there, an asteroid has hit the entire world and now we're in a rebuilding phase.

SAFIAN: So, back in March, tech businesses were among the first to go remote. I'm curious what your recollections were of those early days. And if you have any explanation for why the tech industry's speed of response was so aggressive.

HOFFMAN: I think there's three things. The first is that we in the tech industry, especially in consumer internet, but generally speaking, understand exponential growth. It's the way that LinkedIn grew. It's the way that a lot of online services grow. Obviously, there's a fascination with TikTok at the moment, not just because of US-China relations and all the rest, but also because of, like oh my gosh, how many people around the world are using this particular new app from China? But those exponential growths mean that we understand curves, which it looks like small numbers now, but very, very quickly becomes huge numbers in very short periods of time. So that's one.

Two is the tech industry is, almost entertainingly by definition, technocratic. So, it tends to be very science focused, very numbers focused, and you can go, "Okay, well, where is the trend line? Is this business growing and shrinking?" But also, "What's the trend line on this? Oh, the trend line is very bad because no one is actually, in fact, getting out ahead of it and stopping it." And this is one of those things where, if you don't have a federal response that goes and stops it quickly and early, you're hosed.

And then the third part of it is, and this is part of the learnings of the amazing thing of being on the board of Microsoft, is Microsoft has a chief epidemiologist. They had a chief epidemiologist two decades before the pandemic, just as part of operating. And so we immediately got a report there, which was, "Oh, this is going to be terrible. And here are the numbers, and this is why."

And then, just like all tech companies, we all went, "Okay, best thing we can do for the employees, for our communities, for our society in the immediate response is to say, 'Hey, everyone, you can work from home.'"

SAFIAN: This idea of working from home, it was sort of a stop gap. And then as the year went on, we kind of got to the place where like, "Well, maybe this remote work thing is to stay." Do you feel like it's here to stay?

HOFFMAN: Well, so I'm maybe a little bit contrarian on this within the Silicon Valley arena, because I think that a lot of what informs my innovation, my entrepreneurship, my investing – not all, but a lot – is a theory of human nature. And we're tribal creatures,

right? As Aristotle put it, we are citizens of the Polis. Like people say, oh political animals. Actually, it means like we're groups. We live in groups. And there's a lot of things that come from those groups: We get energy from each other. We get creativity from each other. So, I actually think that there will be a very strong, literally, almost like rejoicing, kind of dancing in the street.

And if you look at history, the same thing happened in 1918. It was like, "Oh my God, let's get back to connecting with each other." So, I think that will be there, even in the tech industry. Now that doesn't mean that there aren't some changes that are now persistent, that aren't learnings and resets.

But I actually think, even the companies that have declared, "Okay, we're now remote only, or remote forever, or you can be remote forever," I think all of those will drift back. Fully distributed companies, like [Automattic](#), have learned this, which is, it's hard to be partially in office and partially out of office. You can be all in office with some remote, or all out of office, but the partial-partial is the worst and most unstable bit. So, once you begin to start coming back, the impulse to mostly come back gets very high.

SAFIAN: Yeah. It's tricky. There's an incentive on the parts of some tech businesses to be like, "Everyone should be remote," because, of course, their products support that kind of operation. So, well if you're going to eat your own cooking, you might as well do all of that. And these platforms do have such influence across business that other people start to follow.

And then the second part, of course, is, "Well, maybe I don't need to pay as much for real estate. Maybe I can hire people in cheaper locations." It potentially makes your P&L look better. But as you point out, we do risk losing something out of that human connection, right? The creativity of serendipity and the kinetic things that happen when we're face to face. It's very hard to measure how all that's going to net out at this point.

HOFFMAN: Yeah. Look, if I were, and to some degree, I am a betting person, when you're putting investments down, you're betting on teams and you're betting on the future, and you're betting on technology trends, and you're betting on market changes. I think we will go back to being highly connected.

As a small instance, I've been surprised at how many people are desperate to be going back to restaurants. And I think that's because of the drive for connection, which I appreciate and I understand. I, myself, see it in me. And it's very easy to say, "Oh, look, we worked just fine in 2020 remote. We can work every year remote."

And then you start going, "Well, no, we should get the team together. Well, actually, in fact, that team is consistently going to the office and meeting. " And then it very quickly moves back to it.

Now, not 100%. Like, for example, if you said, "Hey, would company X, which formerly said 'all remote' now says, 'We're giving every group two remote days'", could totally see it. Because, by the way, the productivity of working very cleanly and clearly without interruption from home, some companies, like [Shopify](#), do this with a "no meeting Wednesday." Those kinds of things are possible. But I actually think that the massive human drive will be "put us back in the building together."

SAFIAN: In my discussions with CEOs, for the podcast and privately, a lot of them are really struggling with this question because some of them have moved tens of thousands of people to remote. And it sort of feels like it's working, but they know that if they keep that format, or whatever format they move to, it's going to require structural adjustments, it's going to require leadership adjustment. I mean, the kind of person you choose to lead a team might be different if that engagement is happening over a video conference than it is in a conference room.

HOFFMAN: Absolutely. And by the way, it's a very natural thing, in business and in life, to focus on costs versus upside, because cost is more directly under your control. You measure it. It's inevitable. And yet one of the things I love about being an entrepreneur, about being an investor, is it's about the upside. It's about the growth. It's about the creation of the new, and that's the thing you have to maintain focus on. So, a little bit more cost and a strong posture of building out the future of the world – far better place to be.

SAFIAN: To cap off this conversation about remote work and how it looks in the future, I want to share one of the many conversations I had this year on Rapid Response. You're about to hear [Colleen DeCourcy](#), President at Wieden + Kennedy. Let's listen in.

COLLEEN DECOURCY: Our founder used to say, "The people make the culture, it's the culture that makes the work." And that was the necessary component. We're built on that belief. To create a culture so sticky, it would hurt your very soul to leave. Creative work is often inspired by the activity and the thoughts of others.

I would say this time has been kind of like the stages of grief. There have been moments in the bargaining phase where we've been like, "No, no, but this is good, right? This is good." And it is, in that we can now work with people in places that we never had offices. We are not dependent on a great talent needing to move to New York City or to Portland or to Shanghai or to Delhi or to Tokyo. We can work with them wherever they are. And then someone will say, "Maybe we don't even need offices." And all of our hearts will just sink. We're here for each other, we come to work for each other.

For the creative people at the agency, who are looking at blank sheets of paper and making things every day, there is an absence of input. And so, it's a day-by-day thing. I think our business will be made better by the realization that we can include more people, but we look forward to the day that we can be together again.

SAFIAN: So I want to take you to a different topic that links the news of early in the year with more current news. One of the early Rapid Response episodes in the spring was with [Brian Chesky](#), the CEO of Airbnb. Airbnb had been steaming along towards an IPO until the pandemic hit. They pulled back on everything. Their business had collapsed. They had to think about everything a different way. And then, the fall comes, they hit the accelerator again. They've gone public and it's a blockbuster. How do you explain that transition over that time so quickly?

HOFFMAN: People tend to think technology is like widgets or like iPhones or like things. And actually, technology, if we want to be vaguely Star Wars-ish, is the forces that bind us together. And part of the thing that makes Airbnb such an interesting company is it's a way of changing patterns of travel, changing patterns of belonging, changing patterns of experience.

And one way to think about the Airbnb host is they're actually like entrepreneurs. And what they're doing is they're saying, "Hey, how do I develop my experience app, my travel app, within this?" And so, the first thing was like, "Oh my gosh, the travel industry, one of the worst hit industries in the entire world. It's catastrophe all around."

But here, you have a network of hundreds of thousands and millions of entrepreneurs who start going, "Okay, what can I do to make this work?" Because, by the way, you still need to get out of the house. You still need to have an experience of going and belonging elsewhere. You still need that sometimes travel, deal with emergencies or business or other kinds of circumstances. And what can we do?

And that's part of the reason why you've seen such a network adaptation, a rebound in Airbnb. And it's part of the reason why when people ask me, "What are you investing in?" The answer is networks. Networks of people, because this is the kind of adaptability, resilience, and growth that you can see from networks.

SAFIAN: We've seen so much acceleration in tech adoption across all kinds of industries, and I guess I look at Airbnb and their business dropped, but they were able to make adjustments. And the competitive relationship between Airbnb and traditional hotels was exposed as Airbnb responded, because they could react quickly and don't have the kinds of fixed costs that a lot of hotels have. And I feel like that's part of what the market is responding to and seeing, "Oh, the future that we thought Airbnb had, not that hotels are going away, but there's really something here that people are responding to."

HOFFMAN: Yes. And also, it has more features because the counter marketing was, "Oh, it's a way of having a cheap room or a cheaper experience." Actually, no, there's many other parts of the adaptability, which include, like when people say, "I'd like to be in a space where I have control over the entire space, where other people aren't there, because I'm worried about pandemic and illness."

And so, oh, that becomes a massive feature that suddenly Airbnb, through all of its hosts, can provision quickly and robustly and safely.

SAFIAN: Yeah. I mean, there's an irony in all this. You wouldn't necessarily say, "Oh, Airbnb's business in the third quarter was down 20%. So, they're going to get 100% boost on the day they open their stock," right? The market and the valuations for things seem, I don't want to say untethered, but unexpected, given all the change that has gone on. Is that just because the market's just seeing through to tomorrow?

HOFFMAN: Well, in part. I think unexpected is a very good word for it. I think there's a couple things. So one is, Satya Nadella, very early in the pandemic, said, "At Microsoft, in two months, we've seen two years of digital transformation." And if anything, through the year, I think this is picking up. What everyone sees is that stampede towards the future got accelerated.

So for example, a simple one that everyone's familiar with is, video conferencing. We're familiar with many applications of it – telemedicine, education, all of these things. And that's now here to stay and as a robust part of the future – and everyone had been predicting it for decades. But now, in this acceleration, it's suddenly caused a sharp shift down and a sharp shift up, that will be persistent. And I think that's one part of where the market goes.

Now, I think other parts also include that, unfortunately I don't think we've really felt the full pain of the virus here in the US, because we've been doing this stimulus, which is kind of like, we are wounded as a country, we're wounded as a patient. And we've got anesthetic – known as stimulus checks – but what you actually really want is health. You want the functioning of the businesses. And I think we're going to see that, for more than one year – in my optimistic, hopeful... I would say, two – as we're rebuilding, but it's like the knife is still in the wound and it's still twisting and we just can't feel it, because of the stimulus.

Now, stimulus then goes and hits the stock market and then you've got lunatic clowns going out and saying, "Hey, look, my business is great. Business is great." And you're like, "The stock market is not a proxy for business." Business is main street. Business is people buying and selling goods. People having a job to sustain their family. And that business, when you look across America and in other countries, is not great. And we, as human beings, as citizens, as business people, need to go, "Boy, we're going to be working on this patient for years and we better get to it right now." That's my worry on this stuff. And I think the market's misleading.

SAFIAN: I love that analogy. When you were talking about the companies that are deluding themselves into thinking they're doing well right now, or investors may be convincing themselves, in this market, these conditions, so much is conditional, right? How do you know if

a company is good or lucky? How do you assess who is really performing well in an environment where the headwinds and the tailwinds seem to own?

HOFFMAN: It's super hard. One term that's useful for people to understand – which most people don't get – is from poker, which is decisioning versus resulting. So sometimes you can play the game really well, you can make very good decisions and you lose the hand, and you have a bad result. And sometimes you can play like a fool and win the hand, you can be good and unlucky, just like the resulting, and you can be bad and lucky just like the resulting. What do you say, "Well, what should we be doing?"

There's a measurement question. The strategy of these things should be, how do you try to put yourself in the way where luck breaks your way more often, where you try to increment your chance of luck a little bit by being smart about what you're doing? And so, when you go to that and say, "Okay, are the players doing that?" Right, are the players going, "We recognize what's going on and we are trying to do the things that would make us part of the future versus part of the past."

One of the unfortunate truths about how the public markets frequently work is, it's this quarter's revenue versus are you investing enough in the future? It should be a real question about whether or not you should really be buying a stock or not. And are you part of that future? And you can listen into it by what are leaders saying? And by the way, that's the kind of thing that I do every week as a venture capitalist at Greylock.

SAFIAN: Yeah, looking for the folks who are creating their own opportunity or putting themselves in a position where when the opportunity comes, they're best positioned to take advantage of it, right?

HOFFMAN: Exactly.

SAFIAN: Yeah. It's been easy to get distracted from that this year, because there are so many fires burning that you get drawn off of your longer term mission.

HOFFMAN: Yep. And you always need to have an eye to it. Sometimes your focus goes immediately to today or this week – for very good reasons. We all know this from driving, generally speaking you have your eyes in front of you, looking at what's going on in the road ahead of you, but you're glancing. You're glancing at the side, you're glancing in the rear view mirror, you're like, "Okay, am I situated well? Am I in a good place?" And that kind of awareness is important for how to navigate.

SAFIAN: So I want to ask you about manufacturing, because I know this is a topic I've heard that you're engaged in, that you're worried that there's been weaknesses exposed in US manufacturing. Can you unpack that for us?

HOFFMAN: Well, it's unfortunately been a multi-decade thing, manufacturing is the classic kind of important middle-class industry – one that America has been great at, is still great at in some parts, and can be even greater with. But it requires strategy and investment and direction. And to give you a micro example, about eight, nine years ago, I went to Shenzhen in China and took a tour of the factories with a little team from MIT, where we were like, "Look, we're trying to look how to manufacture this thing."

And I was blown away. And one of the things that was very stunning, as an American, was that literally we talked to multiple factory owners there who were like, "Oh, that piece of what you were looking for is easy. You should do that in the US, because they're capable of doing it. This piece is difficult, so you should do with us, because the Americans couldn't do that. We could do that one." And you're like, "Whoa, that was not what we were expecting." We were expecting the cheap story, not the better story. And so, I think that there is a huge push that, especially American manufacturing, other areas, need to put into reclaiming manufacturing, which I think we're totally capable of doing.

And then, part of what I link that to, is I say, "Well, what is the way that that's going to come about?" And the answer is that's going to come about because of technology. One of my huge worries about the general tech lash is that people go, "Oh, technology is the problem" versus "technology is the solution."

Now technology may help create problems, it changes industries, it changes information and patterns of communication and all of that requires adaptation – some of it may be wrong. We always are adapting in some ways. But to think that the solution is anything other than, how do we evolve the technology and the technology ecosystem? It's like, let's roll back the clock, let's stop using computers, let's use typewriters, that's the solution. And you're like, "Whoa, disaster, disaster." So you go, "Okay, well how do we then take technology and rebuild American manufacturing in a number of different areas?"

Now, that being said, another thing that's critical is if you say, "Well, the future of this is technology" – we've also lost semiconductor manufacturing. It is a non secret amongst the technologists that the most elite manufacturing, is a combination of Taiwan and South Korea. And so, we also need to have a semiconductor strategy, because the future of all of this technology is broadly in compute, and we don't want to be the computational laggards, which in semiconductors, today, we are.

SAFIAN: And when you talk about the modernizing of manufacturing in the US, it sounds like this is a policy requirement, as opposed to something that the marketplace is going to resolve on its own.

HOFFMAN: Well one of the things that I get so frustrated with, a way that many Americans, they go, "It's either free enterprise, or it's the government. And, oh look, the

government's really screwy, so free enterprise." And you're like, "Okay look, lots of great things about free enterprise, my entire professional career: entrepreneurship, free enterprise. Huge advocate." However, public private partnerships, they do lots of great things. Like how did the internet come about? Well it involved some government work and then some public private partnerships, and then an entire industry emerged.

And so when you have big scale projects or things that are fundamental science or things that go across industries in the entire economy, it's a good thing for the government to be a little bit more like, "Look, how do we stimulate this? How do we make it happen? How do we provide the backdrop of it?" Not, "We should go build it necessarily ourselves, we have great universities, we have think tanks, we have companies, but how do we create the environment to make that happen?"

Because it's frankly very hard, even for the tech giants to say, " Okay, we're going to solve semiconductors just by ourselves." It's so expensive. It hits your P&L, your stock price. It has a problem and then you're weaker than your competitors and so forth. You essentially need an environment – whether it's R&D credits, whether it's special economic zones – those kinds of things need to be on the table for figuring out how to do this.

And by the way, it's not just for the tech industry. We're not doing semiconductors to make the tech giants stronger. Tech giants are doing just fine themselves. We're doing semiconductors to have a semiconductor industry and to help all, because all industries are becoming tech companies. And so, help everybody, because compute matters.

SAFIAN: As you talked about the manufacturing in China and the assumption by many in the United States that like, "Oh, the United States is better than China and China's doing the cheaper stuff, the simpler stuff," I think sometimes we lose sight of the fact that the things that are happening in China are happening by design. I mean, the government there is not sitting by and waiting for the market to create these industries of the future. And there is a risk in the United States sticking to a more passive approach, assuming that competitive market isn't going to happen.

HOFFMAN: Yeah, part of the whole thing about saying, "Look, pay attention to China, pay attention to the competition," is that technology is the driving force for all industries of scale in the future. And so, you need to be thinking about like, we want to care for the small businesses in Main Street? Those small businesses are actually going to be built on technological foundations. How are they going to be doing e-commerce? How are they going to be running their payroll and their operating? What's the financial system by which they're going to be paying each other and accepting payments from consumers? Even that SMB, to make that robust, requires a technology infrastructure.

SAFIAN: I want to ask you about supply chains, which is like this invisible area – or was for people before this year– and then all of a sudden in the spring, there was all this question about

supply chain vulnerability and empty shelves, and we're not going to have food and we're not going to have toilet paper, right? And then, now everything seems to be working fine. Did we overreact? Did we learn something? Or has it really changed?

HOFFMAN: Well, what I would say is the first part is we encountered an event on it that we hadn't encountered before. So you couldn't predict, like, okay, how broken is this? And so going to a high level of alert was not irrational in that we are in a globalized world where we have interdependent supply chains. The one that most shocked me was that the supply chain for testing, for doing nasal swabs and test tubes for this kind of thing, was based in Italy, and in fact was based in the region that did the earliest lockdown in Italy. Those peoples all stop manufacturing, and all of a sudden our testing infrastructure, which we might've otherwise relied on.

And so we discovered those things in the supply chain, and I think what a smart person – like a business leader, a CEO, a general, someone who's looking at the numbers, looking at the system, analyzing the system – would say, look, we clearly have some vulnerability. So we need to be a little bit broader than a single or two points of failure.

There's a couple of rational ways to look at that. You say, well, let's make sure that we have at least four or five points, so that the catastrophe has to be a lot higher before you're really hit with a similar thing. Another one is you could say, well look, we need to have some flexible manufacturing, the major industrial bases are there, so you can retool quickly and produce certain kinds of things like test tubes. I think some people are talking about stockpiling. I think that's generally a bad idea, because stockpiling is usually not adaptive. You want to be dynamic and forward looking.

So back to technology. You want to have a flexible manufacturing line, technology is a really good way to create that. So I think that's roughly what I would say is the diagnosis of where they ended up. Now, I will say a cultural note. I was super entertained by the comparison charts of which things were in demand in which countries when the lockdowns happened. Look, the guns thing I would have predicted, unfortunately, for the US. The toilet paper was a big surprise to me.

SAFIAN: In June, the murder of George Floyd sparked a wave of new attention to issues of social and racial justice. Companies and leaders were pressed to act, some aligning with Black Lives Matter, some committing capital. [PayPal, your old friends there you had a hand in building, committed half a billion dollars.](#) Other businesses were quieter, seemed almost dragged into the debate. It feels like the role and the responsibility of businesses and business leaders shifted in 2020. Do you feel that there's a new pressure to engage?

HOFFMAN: There is, and I think it's very welcome and very important. So I think, traditionally, it was like, "Look, let's keep politics outside of the business. Whatever your politics is, whatever your religion is, perfectly fine for you at home, and that's great. Free country. But, this is how we operate." And there's a certain amount of wisdom to that,

and it's a way of kind of binding that tribe together saying, "Look, what's most important is the products and services, what we're doing in the community, or provision of jobs or growth of an industry."

Now, I think a couple of things have happened that have made me a much stronger advocate for business people gathering their strength and stepping into the fray. A lot of it is around having a broadly equitable society. Kind of a, "Hey, look. The American dream has been broken in various ways and we should rebuild it." And I think it's a very good thing for business leaders to say, "Look, I'm not really trying to step into a classic red versus blue debate. I am trying to say we want stability in society." That's a very pro-business thing.

Just like, for example, business leaders went and created a high school in the US. It's like "Look, we need high school, because we need to have people trained for the industrial age." And I think it's time for that kind of stuff. Now, when we get to racial justice issues, I think this is also a fair issue to say, "Look, we think this is a place where rule of law should be equally applied." And you can see from the statistics, this is a problem. Black men have two and a half times more likelihood of dying at the hands of a police officer than white men. That's a serious problem. I actually think the vast majority of police officers are well-meaning, high-ethics, good-intent people. But the problem is we need to get rid of the bad apples. And I totally get, for members of the Black community, why there's distrust, because it's been decades of very bad protection of people who are doing bad things. And you're like, okay, time for a change.

When you get to kind of racial justice questions, if you're not part of the solution, you're part of the problem, because the massive part of the problem are the people who sit quietly on the sidelines. This is a problem we all need to fix. And I think you can no longer say, "Hey, I'm in business. This isn't about politics." It's like, no, no, this is us as Americans, and the time is now. Time has passed. Time was some time ago, but now is fine. Now is all we got.

SAFIAN: One of the guests on Rapid Response was reflecting on business people being pillars of the community, the sort of Main Street local business leader. And his point was that business leaders have always been pillars of the community, right? And that has been the role of business, and in some ways we've lost that as we've worried more about stock price and quarterly numbers than about the bigger picture, about where we're all going as a society. I think you and I both agree that there are bigger issues, and if we deal with those bigger issues, that will be better for business in the long run also, right? This is not a zero sum game.

HOFFMAN: A thousand percent. And one note since we generally talk to a lot of leaders, here's a heuristic to apply. When you feel fear or discomfort, you should look much more carefully, because maybe that's the important thing to demonstrate your leadership in, to lead. You're fearful about being called out politically, but you think it's the right thing to do? All the more important, because that's what the great leaders will

do, versus the weak leaders, versus the indifferent leaders. You feel, oh, this is very difficult? Right. If it was easy, it'd probably be solved already. And again, you can prove that you have strength as a leader. It's the opportunity to be the leader. And that's precisely the time where you should look carefully about, is this where I step forward?

SAFIAN: I love that, Reid. And I want to thank [Baratunde Thurston](#), who was the guest on that episode about how to citizen, that was so effective.

I had many conversions about social action this year on Rapid Response. We want to share two of those moments with you, the listeners, now. One is with friend of the show [Shellye Archambeau](#). Shellye is the former CEO of MetricStream, and now board member for Verizon, Nordstrom, and others. The latter is with President and CEO of Marriott International, [Arne Sorenson](#).

Let's listen in.

SHELLYE ARCHAMBEAU: Silence is a problem. The embeddedness of racism and bias throughout our culture as a result of hundreds of years is deep. To unearth, uncover, shine the light and fix, it's going to take time and, frankly, fortitude.

I believe that businesses can use their power to actually call for accountability, to call for transparency and visibility into what's happening in our local communities. The tone at the top is critical in any organization. And the top is the CEO and the top is the board.

We have to capitalize on this moment and the movement to ensure that we don't go back to business as usual.

ARNE SORENSON: We had 750,000 people that wore our name badge every day before the pandemic. They are our community. And they are an extraordinarily diverse group of people from all around the world, all identities, who have some cynicism and doubt about whether government speaks for them, but who want to be spoken for. They want to know that their voice is being heard.

Increasingly that community for Marriott and similar communities for other companies, or for other institutions, say, "Where's our voice in this? And we expect you to speak out." When there's a killing of George Floyd, we expect your voice to be heard. When there is something that is germane to our community, we want to know that we are there with a voice that is being articulated and representing us.

SAFIAN: Between social justice, the pandemic, the financial issues, it's created a lot of emotional distress, which is another area that business leaders find themselves in new waters. How much is responsibility? How much is just practicality, that you've got to deal with it, along with the physical health issues?

HOFFMAN: So I think, roughly speaking, as a CEO, you're captain of a ship. You don't quite have all the same legal powers the captain of a ship has. I think captains of ships are allowed to marry people, for example, and no, CEO's shouldn't go try to do that. But the responsibility for the wellbeing of your ship falls on your shoulders, and only a fool thinks that wellbeing begins and ends with physical wellbeing, right?

Mental wellbeing is a critical and important part of that. It's one of the reasons why the WaitWhat team also has a [Meditative Story podcast](#) as a way of trying to do something about that. I think that's an excellent thing in the field. I think that there is important things about like: How do we get moments of calm, be considered. Because, rash decisions, emotional decisions, are the ones that are most destructive. If you can step back and say, "Okay, let me think about this. Let me talk about this with the people around me," you usually get to much better answers.

I think all of that fits within a business leader's mandate, which is we need to be collaborating well, we need to be making decisions well, we need to be doing this for the long term. All of which requires mental health, and so therefore, a certain ability to be calm and reflective.

SAFIAN: Yeah. I mean, we are emotional creatures, right? And good management has always involved being and recognizing and making use of the emotional environment, creating the appropriate emotional environment.

The big hope, right now – seemingly fueling these record stock prices despite still terrible employment and small business closure statistics – is vaccines. I know you've been pretty enthused about what the speed of scientific discovery this year has done fueled by new technologies. Can you put that in perspective for us?

HOFFMAN: Yeah. So look, I think there's a really interesting, heroic story that I deeply hope will be told, which is, obviously globalization is part of the problem when it comes to pandemics. Diseases can crop up in different areas of the world. They can spread very quickly to other areas. And so, globalization is part of the problem.

Now here's what's amazing, globalization is part of the solution. Because if you look at what has happened previously, the creation of vaccines was a multi-year process, years and years – not two years, five years, seven years. Holy moly. And the thing that we have is we have vaccine creation in months and in multiple places. It's a triumph of globalization. Like even the Pfizer vaccine was created by a European team and mostly tested out and built out in Europe. Yes, from an American company, but was done that way. And kind of these amazing things that are, I think are so good. And part of how that's just like technology, it's part of the solution.

So huge belief in what's coming. This is going to be very helpful for getting the US and the world back on its feet. And I think it's a triumph of the good things that have come

about from the modern ages in globalization. And what we're trying to do as citizens in a society is let's have more of the good things and less of the bad things. So I actually personally am a big fan of globalization. Let's just try to make it work better.

SAFIAN: Yeah, I think the vaccines are also a tremendous representation and benefit from the technological advances in health science. The technical vaccines themselves were ready in weeks, right? Like in March. I mean, basically what we've been doing since then is testing, but the core vaccines are the same vaccines that were there in March through this mRNA process. It just opens the door to the kinds of changes and the pace of advancement that's possible with the tech tools and the data tools that we have available now.

The area that for me, I've been fascinated by through all this is the still relatively limited attention and resources given to testing. Again, the technology is there for every one of us to have an at home kit where we can do our own test that's highly effective that you could use before you go into school and go into work and all of that. And yet getting the resources in place so that we can get that to a price point that everyone can reach. For some reason, that's been harder to come by. Maybe it's not as sexy a story as vaccines. As investments go, it seems like it would be a no-brainer.

HOFFMAN: Well, I think that the challenge is we hadn't had to have this frontier, pioneering, Robinson Crusoe, perhaps libertarian culture in America. And this is actually the things where it's like, "No, no guys, we need a government. We need a centralized thing. We need highways, we need medical systems. It isn't just the DOD we need, we need all of these things." And yes, it's harder to run these large institutions and you always have some bureaucratic waste and inefficiency, but you actually need these things.

Robert Putnam, I think has this great line on pioneering. Because the pioneering spirit is one of the things I love about American culture, but it's like pioneers were not solos. They weren't the Scouts, they were a wagon train. We worked together. And that's the reason why you need to have a CDC, a pandemic team. You need to have a federal government response. And you need to say, "Okay, here's what we're doing. And here's how we're rolling out testing. And here's how we're making it available to everyone. And here's how we're doing it for first responders. And here's how we're doing it for the people who are necessary for running society. And here's how we're doing it for the people whose jobs depend on going in."

SAFIAN: So there's a question I always ask guests on Rapid Response, which I want to ask you. So, what's at stake in this moment?

HOFFMAN: Unfortunately, I think it's hard to overstate how important this moment is. Let me just speak as an American here. Although I do know that we have many global followers and Masters of Scale and entrepreneurs around the world – which is great. I think that's a part of how the future is created, jobs are created, industry is created. It's

all super important. I think that we have a little bit of a stake of, who are we really? And what do we really care about? Because I think that it's very important to get back to that we believe in truth and that we believe in learning and things that are measurable and factually based.

So that. Civility, a return to a desire for unity. A desire for the wagon train. We're building together. We have substantial percentages of the US community, and not just obviously the Black community, but also the Latinx community and so forth, which are part of our community. And that's what together means. Where we should say, "Hey, we can do this together. This is possible." Let's build bridges, not walls.

And that's, I think the thing that we really, really, really need to do, that building of bridges. And so I think that's, what's important. And by the way, everything will flow from that. The future of prosperity, the future of business, the future of our democracy, our role in playing a stabilizing force in the world. Our ability to focus on the future and how to make the future better than the past, which is part of the thing I love about the American dream and about American aspirations, and is part of where I think American exceptionalism should most reside is in that thing. And I think that's at stake – and the time is now, and it is immediately in front of us.

SAFIAN: Yeah. When I reflect on that, what's at stake, I do come back to long-term caring for each other. What you, Reid, have called "be human." This year we've seen selfishness in the guise of freedom on both ends of the political spectrum in the US. And I hope that we can redefine what community is as a country and as a world. Working together in business produces amazing results. Now, working competitively also produces results, but that's not really the kind of world I want to live in. I want to live in a world where it's the togetherness that produces those results. And I think we can see that, and I hope we see that. I am optimistic about it. Are you optimistic after having gone through what we've gone through this year?

HOFFMAN: I'm optimistic, but I think it'll be hard and it's not guaranteed. I think that everyone who thinks similarly, you should ask yourself, how can you invest in this? How can you make this true? How can you speak up about it? Now is not the time for business leaders to say, "Oh, that's all politics, and we're going to be quiet. And we're just going to tend to our knitting and get our product or service sold." I think now's the time to speak up and say, "Look, we're not choosing sides, but we are choosing unity. We are choosing rule of law. We are choosing stability. We are choosing building on the future and collaboratively doing that."

SAFIAN: Yeah. I think the responsibility is on all of us. You can't expect someone else to take up the mantle. And every one of us who does something impacts where we all end up going.

I've asked that question, "What's at stake?", to almost every guest on Rapid Response this year. One of the most engrossing responses: "Everything."

Here is [Noreena Hertz](#). Noreena is an economist, author of the book: *The Lonely Century*, she's a Professor at University College London, and a Board Member at Universal Music Group.

Let's listen in.

NOREENA HERTZ: This is the loneliest century that we have known so far. There is a thinking error that we've been forced to reconfigure how we interact, moving from face-to-face in-person contact to virtual contact is not only a function of the times, but is the way that things will be. I actually don't believe that to be the case.

We are creatures of togetherness. We are hardwired to connect. Business leaders should be mindful of their response. Lonely workers are less motivated, less efficient and less productive than workers who are not. The challenge moving forward for business leaders, but also the opportunity, is how do we really create a sense of togetherness amongst our workforce?

Everything's at stake, and everything's to play for. We can create a better world in which capitalism is reconnected with care and compassion and community, a world in which we do recognize that there are times that we have to suborn our own self-interest to the collective good. We can use this moment as an opportunity, not just to rebuild, but to build better. As long as the will is there individually and collectively. Ultimately the future is in all of our hands.

SAFIAN: I think the responsibility is on all of us. You can't expect someone else to take up the mantle. And every one of us who does something impacts where we all end up going. Do you have any closing thoughts Reid?

HOFFMAN: Look, these are difficult times. Many, many people are in very terrible circumstances, lost loved ones, lost jobs. Very difficult. And your pain and suffering is real. You have a chance to be a hero. You have a chance to say, "I will myself invest in this. I will make a difference." And so with these kinds of catastrophes, with these crises, there is opportunity – and an opportunity to be great. And I'm delighted in all of you who choose that path.

SAFIAN: Well, on behalf of your listeners, I want to thank you for the work you put into this podcast. And also the work you put in other areas to be able to get our country to the place where it is right now. I know that that has not been easy, but from me, thank you for all of that.

HOFFMAN: I couldn't be more delighted on working on a podcast with you, Bob and your work on this. Because this is part of what we're trying to do is say, "Hey, these are rays of hope. These are things we can do. These are things we can build together." It is awesome working with you on this, Bob.

SAFIAN: Well, you know, trying to move and change one idea at a time, one person at a time, one business at a time. Keep that moving forward and trying to amplify the voices of people who are having positive effect. That's what we get up in the morning to do.

HOFFMAN: Indeed.

SAFIAN: I'm Bob Safian.

HOFFMAN: And I'm Reid Hoffman. Thank you for listening.