

MoS Episode Transcript – Strategy Session with A-Rod

“Build a team of mentors: Strategy Session with A-Rod at HBS Tech”

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REID HOFFMAN: Hi listeners, it’s Reid. Welcome to this special Strategy Session on Masters of Scale.

On a usual Masters of Scale Strategy Session, you would hear a set of questions from a larger group of entrepreneurs that I respond to with in depth analysis.

On today’s episode we’re going to do something a little different. Today is a strategy session all about mentorship. You will hear quick precise lessons on building a team of mentors who can help you on your journey to scale.

We will break this out into two swift segments that were recorded during our live event at the Harvard Business School Tech Conference.

First you will hear part of my interview with baseball star Alex Rodriguez about his experiences with mentorship, including his unlikely relationship with the great Warren Buffett and the lessons he learned. Then I give my analysis on what all of us can take away from it. We’ll have a full episode with A-Rod coming soon that you won’t want to miss.

Second, you will hear questions from the co-student body presidents of Harvard Business School, with swift impactful responses from A-Rod, myself, and our two special guests: HBS professor Mihir Desai, and Birchbox founder and CEO Katia Beechum. We’re calling this segment Three & Reid. Because it has responses from three special guests, and me, Reid.

I hope you enjoy it!

[THEME SONG]

HOFFMAN: I’m Reid Hoffman, co-founder of LinkedIn, partner at Greylock, and your host. And I believe you need more than great players to win at scale. You need a team of great coaches.

Those coaches will help propel you to win after win. Leaders often have a tendency to over-index on the team they’re hiring to execute on their vision and under-index on the mentors and advisors who can help them hone their vision over time. As a leader, you need experienced coaches or mentors as much as you need a talented team.

A team of great coaches will help you in a multitude of ways. One will adjust your approach just a teeny bit that makes a huge difference over time. Another might save you from that one

catastrophic mistake, and still another might encourage you, coming back to our baseball metaphor, to take bigger and bigger swings. So think of your coaches as a team where everyone plays a different key position.

I wanted to talk to Alex "A-Rod" Rodriguez today, not only because he's an incredibly successful investor, but he's made a series of masterful pivots in his business holdings to go from smart scale investor to impactful mentor and philanthropist. Alex is the founder of A-Rod Corp and through founding and investing, has helped scale over 30 companies in real estate, sports, wellness, media, and entertainment and technology. Oh, and he's also played a little baseball.

ANNOUNCER: Give it up for our special guest, Alex Rodriguez.

HOFFMAN: Alex, great to see you. I'm going to dive right into it since we have some time. Let's talk about some of your earliest coaches. What were some of your experiences with these coaches, and how did that shape you as a young person?

RODRIGUEZ: Well, I mean, I think, if you were to summarize, not only my childhood but my adulthood, has been really surrounded with great coaches and mentors. I mean, starting when I was at the Boys & Girls Club in Miami with Eddie "El Gallo" Rodriguez, who's still there. He's been there 40 years and has had 25 or so Major League Baseball players come out of just one little club here in Coconut Grove in Miami, and my high school coach, Rich Hoffman. Then in baseball, I had Lou Piniella, just great players and coaches and the Ken Griffy's of the world.

All of that collectively is who I am today as an adult, as a father of two beautiful girls, as a leader to over hundreds of people in our organization at A-Rod Corp, with three offices in New York, LA, and Miami. But all of that started with fundamentals, and I think being obsessed with customer service.

In baseball, in sports, I always wanted to be a black belt fundamentalist, which means I wanted to be a utility player, with that type of grit, that type of attitude, hungry, and just really, really wanted to make sure that all the back office stuff, the stuff that's not sexy, I wanted to be the best at it because I thought that I had a God-given unique skill. I was big and strong and fast, but I just saw so many players come through the Minor Leagues that were some of the greats that never made it to the big leagues.

And that always scared me, the line from Bronx Tale, "There's nothing worse than wasted talent." I knew that I had a lot of talent, and I wanted to be responsible with that. Therefore, I always looked at – whoever was considered the 25th man in the roster – I wanted to emulate that attitude, that energy, that humility, but really be a great worker.

That's come across in every chapter of my life, which is the same attitude that I bring into the business community is humility, grit, wanting to do the extra work, follow, and finish the tackle. The job is never done till it's done.

HOFFMAN: You kind of referred to the early phase Alex as the robot. What does that mean? What did you then use that transformation to become?

RODRIGUEZ: In 2014, I put myself through a very difficult time because I had a big screw up, and because of that, I served the longest suspension in Major League Baseball history. It was the toughest year of my life, and I literally sat in massive depression for a really long time. It was a full year, and I really needed the full year to get my S in order. Right? A lot of it came from understanding why I was making these mistakes. I wanted to get to the core of them and correct them.

But what I realized was there was a major difference between Alex or A-Rod pre-suspension and post-suspension. In pre-suspension, I thought that winning looked much different. I thought that winning was being like a gladiator and hitting home runs and big contracts and being macho and muscles. What I realized was that I was wrong, that winning actually looks much different, and that winning has much more empathy and compassion and is we versus I, and is long-term versus short-term, and getting it right is greater than getting it fast.

HOFFMAN: So let's get to Warren Buffet.

COMPUTER VOICE: Warren Buffett: iconic business tycoon, philanthropist, and the chairman and CEO of Berkshire Hathaway. One of the world's most successful investors.

HOFFMAN: Probably a lot of our audience here doesn't know how you actually ended up connecting with Warren. And then what are some of the key things you've learned from Warren?

RODRIGUEZ: Yeah, it's funny. In the year 2001, he ended up insuring my contract. Kind of random, but he took the riskiest part of a 10-year contract. He insured the last three years. When I heard that, I said, "Oh, my God. That's pretty cool. I'm in business with Warren Buffet. He's my insurance holder." I literally cold email him, and I thought I would never get an answer. Literally, a few hours later, Debbie, who's his assistant for many, many years, decades actually, wrote back and said, "Thank you for the note. Yes, I'm your insurance. Make sure you stay healthy. And by the way, if you do want to come up to Omaha, how's November 5th?"

Of course, I flew out there on November 5th, and that started about six or seven years of me not missing a year where I would go spend about five or six hours with him. But what I learned from Warren is really a few things. Number one, that you're an average of the five people you surround yourself with, so collecting great people is vital. You start moving in the direction of the people, good or bad.

That experience has happened for me at a very high rate. So I know exactly what he means. And when I asked him for some advice, he actually had two things, and they

were so simple. And he said, "Number one, be the best baseball player you can. And number two, just be a gentleman. Be the nicest human being you can." It was so simple, but his whole thing is just really simple and narrow and deep, not wide and shallow.

HOFFMAN: And how did that inform your initial shift into investing? Everyone knows you're one of the best baseball players of all time, but also like you're a massively successful investor.

RODRIGUEZ: Yeah. You know, Reid, he always talks about, "Have a great team. Stay in your circle of competence, and don't try to reinvent the wheel." So when I first got involved in investing, it was in my early 20's. I remember a night when my mother came home, and they kept raising the rents every 18 months or so. I saw the pain in her face that we just had pressure that we had to pay the rent. If not, we had to keep moving.

I said, "Boy, if I can ever trade places with the landlord and be the landlord and not the tenant." So about 12 years later, I had my first opportunity to buy a duplex. A few years later, I sold it for double, and then I bought a fourplex, an eight-plex. I ended up growing that portfolio to north of 12,000 apartment units in 14 cities all over the southeast United States.

About eight years ago, we started our venture arm. We own over 30 companies. We're taking about six or seven public this year, and it's really exciting what we do. We have an incredible team. We're very entrepreneurial, and we enjoy ourselves.

HOFFMAN: How did you get into tech? What was the bridge to that?

RODRIGUEZ: Yeah. I started spending some time, like 2014, '15, '16, a lot of time in Silicon Valley. And I started to get a lot of smart people, Chuck Chai, who runs Eric Schmidt's office, Joe Lonsdale, Guy Oseary, and Ashton. We were just sniffing around, and I've always had a good nose to kind of what's next. The great Wayne Gretzky says, "Go where the puck is going, not where the puck is." I just felt that Silicon Valley was the next big thing, and I started being a consumer.

And we ended up building out our team. The way that coaches and scouts found me, we started spending a lot of time with founders. What I really enjoyed, Reid, is like you, they'll call me at 1:00 in the morning and say, "I have an idea. I have an idea." A lot of times is that you coach them and you say, "Okay, let's slow down. Let's speed up. Let's get you the right team." So that's how I got involved in tech.

HOFFMAN: Not only have you obviously been a major career by being very smart and having a team of coaches and mentors around you, but also you have turned around and become a mentor yourself. Say a little bit about that.

RODRIGUEZ: Yeah. I think that we're a result of our past and our environment. Magic Johnson started mentoring me about 20, 25 years ago when I was a really young player

in the league, and I thought, "Wow, if Magic can do it, he can play for the Lakers and win championships and he can also be a Hall of Fame businessman in the boardroom," I said, "If he can do it, I can do it."

And I saw how powerful mentorship was in my life. As a mentee, I've benefited from that. Now as a mentor, I have so many young athletes reaching out, saying, "I want to get involved in investing. How do I do it?" It's hard to pick them all, but I have at least a dozen that I'm constantly talking to and saying, "Maybe think about it this way. Maybe think about it that way." The very best ones, Reid, are the one that ask the most questions. They're enthused. They lean in. They're very inquisitive.

HOFFMAN: Alex, thanks for speaking with me. So how do we quickly understand some of the key takeaways from Alex's really insightful comments? So one, you're the collection of who your mentors are. There's a very great way of thinking about life as a team sport, not just as an individual sport. That same thing is true of mentors. I tend to think of it as a network of mentors. You're composing these networks or these teams around you and you are the composite of that.

Part of it is you also notice from what Alex has illustrated, he didn't approach any of these as, "Hey, come be my mentor," or, "Hey, do this for me." It's a relationship. For example, the way that he called Warren. It's like, "Look, you're already an investor in me. We're already partners together. This could be really great if we started talking."

Now of course, part of Warren's interest is, it's Alex. Like, "Oh, there's all these things I could learn. And it's a mutual discussion." Everyone has some aspect of that. So you say, hey, I'm a young MBA student starting in my career. It's like, well, what have you seen around you? What have you seen in tech trends? What can you offer in the dialogue and so forth that's helpful? Because the best mentor or coach is not only someone that you can learn from, but someone that can learn from you as well.

[AD BREAK]

HOFFMAN: We're back, and now it's time for the second segment of this special strategy session, recorded live at the Harvard Business School Tech Conference. For the rest of the show you will hear Masters of Scale executive producer, June Cohen, co-hosting the event with me, and guiding us through this strategy session. Here's June.

JUNE COHEN: We are moving on to one of our famous strategy sessions where Reid thinks alongside entrepreneurs. Now this strategy session, we are calling it Three and Reid because the session features you, Reid, plus three special guests. What will happen is that we'll hear a question, and then each of you will share your wisdom within a very strict time limit. Reid, would you be so kind as to introduce our special guests?

HOFFMAN: Well, Alex, A-Rod needs no introduction, but we also have HBS professor, Mihir Desai. As most of you know, Mihir is an economist and a professor at Harvard Business School.

He's also an author and host of the *After Hours* podcast, which comes highly recommended, by me personally and by many people. And finally, the incredible Katia Beauchamp. Katia is the co-founder and CEO of Birchbox and HBS alumni. In fact, she founded Birchbox in 2010 while at Harvard Business School. Welcome A-Rod, Professor Mihir, and Katia.

COHEN: Yeah, thank each of you for being part of this, for bringing your wisdom and willingness to this very fast feedback session called Three and Reid. Our questions will actually come from the HBS student body co-presidents. And first up is Annie Plachta, worked in finance before coming to HBS. Annie, thanks for playing. Tell us your question for Three and Reid.

ANNIE PLACHTA: Thanks so much for inviting me to be a part of this. My question is about the role of resilience. So for the class of 2021, the last year has been full of unexpected challenges, but we know on the long journey of entrepreneurship, there will be plenty of those moments. What can we learn and take away from the disappointments we faced this year to make us better leaders, better teammates, and build a better game plan?

COHEN: Mihir, we are going to come to you first.

MIHIR DESAI: Thanks June, and thanks Annie for that question. I got to say for starters, batting lead-off for Alex Rodriguez is a new career highlight for me. So I love the question about resilience. And the first thing to say, I think, is we've lived through this really remarkable time this last year. And the first thing is to really take an inventory of the toolkit that got you through this last year, because I think that toolkit, whatever it was – for some people it was sourdough, for some people it was walking a lot, for me it was my kids and exercise – take that inventory, because that's the inventory that's going to help you for the rest of your life, because it's so individual what contributes to resilience.

Second thing I would say is, try to reframe this last year as not a disappointment. Every one of us got something stolen from us, but in a way it's been a gift because we've learned about ourselves, and take those lessons forever. The final thing I would say is, the big lesson of the last year is that individual resilience is collective resilience, right? Which is just a way of saying, we all prosper when we protect each other, and we help each other. So for your individual resilience, the thing you want to think about is, how do you make the people around you more resilient? Because in that process of thinking about others, you will become more resilient. So that is the lesson of the last year, which is collective resilience is individual resilience. And the more you can do that in your life going forward, I think the better off you are.

COHEN: Thank you, Mihir, the idea of collective resilience is so resonant. Over to you, Katia.

KATIA BEAUCHAMP: Thank you. I'm so excited to be here. So when I thought of this question, the thing that came to mind is, I think there's this big misunderstanding of the challenge and the hardship as being this block to doing the work. And I just want to make it really clear, the challenge is the work. That is being in the game. And I think we've all heard these things about, what doesn't kill us makes us stronger. Hindsight is 2020. And my perspective is, if we can stop wasting energy resenting this, we can put our energy to leveraging this.

And one thing I also want to point out for all of these entrepreneurs in the audience: This year, 2020 and 2021, it's a reminder about how quickly we can change together, and entrepreneurs tapping into the fact that we can absolutely change collectively. I think it's so inspiring to remember that. And that is a gift for me as an entrepreneur to dream about what is possible.

COHEN: Katia, thank you so much. And I love that. I know I'll be repeating in my head, "Don't waste time resenting it." It's great wisdom. Alex, can we come to you next?

RODRIGUEZ: I hit third most of my career, and I loved it. But today, I don't know, because two great answers to follow, really, really inspiring. I think when we have tough moments, it's such an opportunity. It's an opportunity to lead and lead better, it's an opportunity to unlock creativity, to be a better communicator.

When you're grateful, you're a better person. When you're grateful, you unlock great energy. You unlock creativity. When you're grateful, good things come your way. You know, in times of uncertainty, one thing that I wanted to do in our organization was, I did not want to cut back one person in my organization \$1.

As a contrary, we actually hired, because we were growing, and we were fortunate to. Some people just didn't have an option. But I think being very visible, outspoken, reassuring everybody that things are going to be okay. When things are great, you can go in the back and disappear, and let your troops get all the credit. But when things are tough, just like we did with the Yankees, if we lost 10 in a row, I would look at Jeter and say, "Is it me or you?" But one of us would give a little talk, and make everybody feel much better.

COHEN: Thank you so much, Alex. I love that, gratitude does make all of us better. With that, I'm going to come over to you, Reid, to bring us home.

HOFFMAN: You know, part of it is, next time I think I'm going to put myself at the beginning. We got three great answers already. One, resilience is not just individual, it's group. It's just like you are, it's a team sport. Two, crisis always means opportunity, not just fear and downside. And three, that precisely what great leadership is, and great participation in a team is, is that when times get tough, that's the time that you show that you are a leader in the team. And by the way,

that isn't just the individual team leaders. It's anyone who is trying to help that team, because we are all leaders together in those teams.

What I would add is some additional to these great things. So obviously, part of the thing about failure is learning. So in Silicon Valley frequently, you say, "Fail fast." It isn't that you're celebrating failure. It's that you're actually seeking to learn. Usually you learn much more from challenging times and challenging moments, not just what not to do, but what are the key things to do as you are making that learning clock going? So paying attention to learning, not just you as an individual, but you as a team, you as the group of people around you, what can you learn from this? And then as a thread that goes through all of the kind of answers that you've heard from these three great answers, is humanity. That this life, this work that we do together, is being human together. And so, be human with each other. And that's part of reinforcing each other's journey.

COHEN: It's actually kind of hard to imagine answers that distill wisdom better in 90 seconds or less, so thank you to each of you for those initial answers. Thank you to Annie for that question. So the second question comes from HBS co-president, Caleb Bradford, originally from Alabama with work stints at NASA, BlackRock, and the U.S. government, which is quite the range. Caleb, we're ready for your question.

CALEB BRADFORM: Thanks for inviting me to participate. I have a clear North Star goal in my career. To get there, I have built a team of eight or so mentors to coach me along the way. How do you sustainably grow a mentor relationship over time? And what does an ideal mentorship relationship look like?

COHEN: Mihir to you first.

DESAI: Yeah, that's a great question, Caleb. So first you mentioned eight. So the first thing I would say is make sure that you don't trade breadth for depth, which is you want deep mentorships, and if you can do eight, that's great, but I would take four deep ones over eight shallow ones. The second thing is, make sure that they look different from each other. So if you have eight men in their sixties, it's probably not a great set of mentors, in a way. You want people who actually represent the diversity of your life and the different kinds of things that you want to do.

The next thing I would just say is show up, and show up consistently, which is don't let a lot of time go by before you're in touch. Share your successes, share your failures, and be there, and show up consistently, no matter what the news is, because that's how you build a relationship.

And then the final thing I would say is, and this is hearkens back to something that Reid said, which is, it is a two-way street. And so if you find yourself not getting to know your mentors in a personal way, then something's not fully right in the relationship. So for example, the people who I'm a mentor for, they know my family, they know my children,

they ask about them, and they know me as an individual. And just as Reid suggested, I go to them to understand parts of the world that I don't understand. So it's got to be a two-way street, because that's like every relationship, what makes it rewarding. So don't think of it as a one-way coaching relationship. Think of it as a two-way friendship.

COHEN: Thank you, Mihir. Love that idea of the two-way friendship, and relate to it. Katia, we'll come to you next.

BEAUCHAMP: Thank you. Yeah, it's a really great question and something that I feel like I'm still really learning. There's so much wisdom to be had, and looking at individuals as having value and having wisdom to impart on you, that's a great place to start. It might bud into a relationship and a mentorship, and it might not, it might just be that moment of wisdom. But when I really think of the best kind of mentorship relationships, I think about it as the best kind of relationships, they're reciprocal. That means, what's been said now several times, it's a two-way street. It's really important. I would go as far as to say it's critical that you don't think about it as they are the only one having something to impart to you. And obviously you want to be grateful and gracious that people are giving you their wisdom, but you have wisdom, you have perspective that's valid to share.

COHEN: Love that idea just the depth that you can get from all of them. Alex, can we come to you next?

RODRIGUEZ: Yeah, sure. I think part of the thing is rethinking about how you think about mentorship. The first thing is, don't think of mentorship as a transaction. Think of it as a relationship and building bridges. There's all types of mentorships, long-term and short-term.

There could be a mentor that could be for three or four decades of your entire lifetime. They could be mentors at a period of your time like COVID that they can mentor you over Zoom or at a difficult time. And always think of, not to be repetitive, think of ways of, how do you bring values to them? One of the things I've applied to my life is the 10 touch rule. And if Katia was my mentor, I would try to touch bases 10 times before asking her for any single thing, whether to be my investor, my partner. I want to build real credibility. And how you do that is by going narrow and deep and keeping it genuine.

Eight is okay, Caleb, but quality is really important. And can you be great at 10, 12 things? Maybe you can, or somebody. I mean, for me, keeping the quality is really important and checking in, figuring out ways and creative ways of, can I send an article? How do I celebrate? How can I give credit? How can I make a connection? If somebody's wealthier or somebody's prominent, everybody can be helped in some way. And it's your job as a mentee to create that and just be humble, grateful, and appreciative for their time.

COHEN: Thank you so much, Alex. I'm going to come over to you, Reid.

HOFFMAN: So what you've heard is obviously that it's a relationship, not transactional, and what Alex has just said, part of the relationship, it's a two-way street, and you should be learning from each other. One of the things that Alex said I thought was really important was making sure that you are actually treating it like a relationship, which is you're touching base and sharing things, and so forth, not just showing up when you have something to ask. And also that everyone tends to naturally think timeframes should be all the time, and actually that's not the case. There's some mentorships that are so valuable because they're your entire lifetime. There are others that are a specific time.

And by the way. Even friendships can be similar in that, and they can be still unique and wonderful and joyful. And then part of what Katia said is, so often what people look for when they look for mentors is I'm looking for Bill Gates, I'm looking for Warren Buffet. And actually, in fact, the people who have that humanity presence with you, fit with you, team with you, knowledge, expertise, and that's part of the reason why thinking about the diversity of experience and exposure and perspectives and points of view and all of that is extremely important, and that gives you the potential depth and the joy of it.

And if you're young, you do have something to offer on the two-way street. It is always there, and mentors love mentoring young people.

COHEN: I can't resist sharing one thing as we wrap up, which is, Reid, it was one of the best pieces of advice that you gave to me and my co-founder, Deron, when we were starting. We were like, "We want to find one investor." And you were like, "No, no, you don't want one investor. You actually want a team of investors. You want 10 or 12 investors, because I don't think of them as investors," you think of them as advisors. You think of them as your mentors, your coaches, and you need a diverse team of them. It was some of the best pieces of advice and wisdom we've ever gotten. So I thought I would put that in.

Thank you to Caleb, for your question. Mihir and Katia, thank you so much for joining us for this very fast-paced Three and Reid Strategy Session. Your ability to distill wisdom into 90 seconds is impressive.

HOFFMAN: And thank you, Alex, for joining us today. Thanks to the HBS Tech Conference for having us. Thank you to Capital One for partnering with Masters of Scale this year.

Thank you June for co-hosting this inventive strategy session with me. And most of all, a huge thank you to you, our audience, for joining us on this hybrid live strategy session.

I'm Reid Hoffman, thanks for listening.