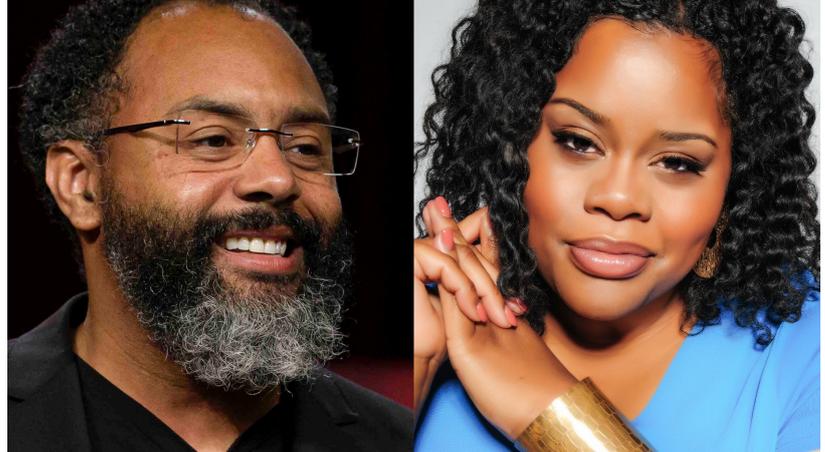


URL: <https://ecorner.stanford.edu/videos/entrepreneurship-and-racial-justice/>

Jessica Norwood is the founder of RUNWAY, an organization that uses entrepreneurship to close the wealth gap in Black communities by providing pre-seed and friends-and-family capital to fund Black-owned companies. Rodney Sampson is the CEO and executive chairman of Opportunity Hub (OHUB), a multi-campus entrepreneurship center and tech hub that empowers underestimated and under-tapped communities. In this conversation moderated by Stanford associate professor Chuck Eesley, Norwood and Sampson discuss how we can address racial disparities in startup funding, and build a more equitable and inclusive entrepreneurial community.



Transcript

(electronic music) Announcer Who you are, defines how you built.. 00:00:07,760 - Hi, I am Chuck Eesley, Associate Professor 00:00:10,060 in the department of management science and engineering at Stanford University.. And I'd like to welcome you to the Entrepreneurial Thought Leaders series, presented by STVP the entrepreneurship center in Stanford school of engineering and BASES, the Business Association of Stanford Entrepreneurial Students.. Today, we're delighted to welcome Jessica Norwood and Rodney Sampson to ETL.. Jessica Norwood is the Founder of Runway, an organization that uses entrepreneurship to close the wealth gap in black communities by providing pre-seed and friends and family capital to fund black owned businesses.. She's also a center for economic democracy fellow, a lifelong fellow of the Stanford school of public policy at Duke University and Southern University College of Business and the political power fellow of the hip hop archive at the Hutchinson Institute of Harvard University.. Rodney Sampson is the CEO and Executive Chairman of Opportunity Hub, OHUB a multi-campus entrepreneurship center and tech hub, OHUB serves as a startup pre accelerator coding bootcamp and angel investing platform for founders from underestimated and under-tapped communities, prior to OHUB, Sampson co-founded several media and technology companies.. He's also a non-resident senior fellow at the Metropolitan Policy Program at the Brookings Institution and a Venture Partner at Draper Gore and Home, and a Professor of Entrepreneurship at Morehouse College.. So welcome Jessica and Rodney.. - Thank you..

00:01:42,948 - Thank you.. 00:01:43,870 Good to be here.. - It's great to have you guys.. 00:01:49,500 So first let me briefly share some of the reasons why I personally see this conversation as so important, as well as why I'm grateful to have you both here with us today.. It's really been a jarring and eyeopening summer with ongoing injustice and police brutality against black America, highlighted by George Floyd, Brianna Taylor and now Walter Wallace, to disproportionate impacts of COVID-19 on vulnerable communities.. And so from my perspective, I teach and do research here at Stanford on entrepreneurship and both education and entrepreneurship are intended to be ladders upward in society, providing paths to economic justice and more equitable opportunities.. Yet it's clear from the data that historically our institutions have systematically excluded many from these very ladders to better economic opportunities.. Even among those who have against the odds succeeded those narratives are often not highlighted as well as they should be.. Martin Luther King in his speech, the other America at Stanford in 1967, emphasize the importance of economic justice for social justice and also emphasize the vital role of the student generation in his speech.. So one thing seems clear, which is that the future entrepreneurs who do master these skills involved in creating diverse inclusive organizations will be the ones who not only move as closer to a more equitable society but also create the more innovative higher performing companies..

And as we always say around STVP, the bigger the problem, the bigger the opportunity.. So clearly there's a deep massive opportunity here for those that have the interest and determination to pursue it.. So I wanna start our conversation by painting a picture of the opportunity that equity work presents.. So please help us to understand the opportunity that diversity equity and inclusion work present for entrepreneurs, innovators, and investors.. And Jessica let's start with you, and the work that the team at Runway are doing.. What's the problem you're working to address and what do you see is the opportunity? - Yeah, thank you so much professor.. 00:04:05,380 And hello everybody out in Stanford land, I'm very excited to be talking to you.. So let me calibrate this question a little bit right now with something that I've been thinking a lot about.. And I wanna say this and then I wanna invite you to do what I do after I say it and take a deep breath, because the world is not going back to the way that it was before.. And this is where you take the deep breath..

And I think you've got to let that register and let it sit in your body.. That is part of the answer to that question.. And part of the problem between, what's already been mentioned, climate change, COVID, the disparities, tech access, racism and a financial system that quite honestly does better when we are at our worst.. It's a huge problem that we're facing right now.. 60% of black businesses have closed due to COVID and the federal reserve flat out said in it's report that the reason that those businesses close was because of systemic racism inside of the financial institutions.. And so I see that as a huge problem, to be solved that those businesses could have stayed open, had they been given opportunity all along the way.. And it doesn't have to be like that.. That's the exciting part.. The exciting part is that with entrepreneurs such as the ones assemble here, we have a chance to really push for another conversation.. And I think that opportunity really looks like re-imagining right now, the idea that you re-imagine every single thing that is out there..

This is the time where we are in that moment, where you read about it in history books, where these great innovations and these great moments happening, you wonder who were those folks who did that? And I think it's the folks right here right now, listening to the Zoom that will be apart of that opportunity.. - Rodney, OHUB compliments this work 00:06:12,480 that runway does in many ways, what's the problem you're working to address, and what's the opportunity that you see.. - Well, first and foremost, 00:06:23,760 I'm excited to be here with my colleague Jessica, and definitely thank you to you, Chuck, and just the entire team at Stanford, and to the students as well, who are learning in Zoom land or whatever land you're learning in.. I wanna salute you for, to still take in your education serious doing these particular times.. I'll frame my answer this way.. As an early outlier in the tech startup and venture ecosystem, I had success and ultimately, probably knowing it, but without knowing it actually became a part of the problem.. And I think as entrepreneurs we talk a lot about the companies and the ideas but we don't do enough to really truly understand the problems that we're actually solving.. And to solve, to become obsessive about a problem, you have to definitely understand the problem.. So I like to sort of lay a foundation here around the problem.. I'm from Atlanta..

I live in Atlanta proper today.. We are number one in income inequality in the world.. And this didn't just happen this year, we've been trending with this unfortunate statistic for several years now.. When we peel back the data, what we saw changing in our macro metropolitan area was that there was an influx of high growth technology companies moving into Atlanta, particularly with a slowing down of our real estate industry because of the last economic downturn, we saw a lot of resources being shifted into our innovation economy.. Atlanta being home to 26 fortune 100 companies also ramped up their investments in corporate innovation, in benchner, et cetera.. So it's like, Oh my God, now all of these buildings are going up.. All of these innovation labs, research institutions are expanding, nice, shiny, new buildings, bikes, scooters, the like everywhere, right? Everything is awesome, right? But actually for a lot of Atlanta's, native Atlanta's who happened to be black, things weren't evolving and changing.. And so that income equality gap was growing because the density of innovation was displacing the native citizens out of the inner city.. So now when you hear inner city in a major city, it's not urban or black anymore it's inner city specifically because of geography.. And that's because black people have been re gentrifed out of most inner cities and major cities around America..

So I'm taking the time to actually clearly define part of the problem.. Northwestern University released a study, maybe three years ago, it's on city labs website, where there's a direct correlation between innovation density and income segregation.. Now innovation density was defined by the number of patents filed and said metro and the commercialization and the venture capital invested in said metro.. Now you being in San Francisco, proximate to Silicon Valley are thinking like, wait a minute this story sounds familiar, right.. Tech companies popping up everywhere, density of venture capital in the city, yet there's so much poverty, there's so much drugs, et cetera.. And so to bring it home, I saw myself as this successful outlier, innovator, entrepreneur, investor, thought I was doing good by becoming successful all by myself, which is okay to do but realized that I had become a part of the problem.. And so to respond to the problem that I was creating as an investor, as a member of the startup ecosystem, it was important for me to do something about it.. So OHUB is the solution to myself but myself is just an archetype of the density of innovation and technology and venture capital that's fueling 60% of net new jobs in this country.. So I'll go into deeper in what OHUB does maybe later, but I wanted to start us off by clearly, like Jessica clearly defined the problem she was working on inside of the capital markets with the loss of 41% of black businesses.. There's another problem that we're working on related to creating equity, racial equity inside of the technology startup and venture ecosystem, particularly..

- Great, well, we're definitely gonna circle back 00:11:44,880 to a lot of these topics that you guys have touched on.. And, Rodney was bringing up the bigger picture context of inequality and Jessica really liked what you had say about kind of this being an opportunity to re-imagine a lot of the systems and innovations right now.. And so I wanna start with those kind of big picture systemic issues.. And a lot of what we try to train entrepreneurs and innovators to do is around practicing a mindset of opportunity and not fearing failure.. So I wonder if we can peel back those concepts a bit and think about how they connect to systemic racism and to institutional barriers.. And so I'll come back to Jessica, let's talk about the financial context in which many entrepreneurs of color are building ventures.. How does the funding and bootstrapping context for those entrepreneurs of color differ? - Yeah, I think, (clears throat) I'm starting off 00:12:45,900 and I'm talking about systemic racism inside of these financial markets as this baseline of what we're up against.. And I wanna start in a really, where runway where I work, I started a really discreet, very early part of the story.. And there's a particular reason why I do that.. There is \$60 billion a year that's spent on friends and family money..

And you've probably all heard the term friends and family is when people tell you you have a fantastic idea, but you should

borrow money from your friends and your family.. And on average, that number is about \$30,000 of gift or investment that folks receive when they're getting started.. But when you look at the racial wealth gap, when you look at that number, you realize really quickly that black folks are not gonna have friends and family that can put that kind of money into their businesses.. So this is the beginning of the entrepreneurship journey that I'm want to lay out for everyone.. Right at the very beginning, you're already facing systemic racism and discrimination, right at the very beginning.. And so when we look at this and what I really like about how you talk about this Professor Eesley is this piece around mindset of opportunity and not fearing failure.. So what happens when you don't have that \$30,000 to get going, and you can't go to a bank or a friends or family or anybody, because those loans at the beginning are deemed too risky, right? And so what happens is that this mindset of opportunity for a black entrepreneur, they're gonna always be perpetually living inside of a fear because they can't afford to fail.. There is no backup.. There is no other money.. There is nobody coming..

And what they're having to do is take a little money from their regular, their main income, or they're having to move money from here or there perpetually in this startup mode, sometimes even five years still on this whole startup thing.. And then the innovation moves forward or somebody else gets a wind of that idea and pushes forward.. And because they didn't have the capitalization those ideas don't ever leave the back of that napkin.. And what I like to talk about inside of this and the reason why Runway and why I start off with friends and family is because, as I mentioned earlier about re-imagining and this is a word that I'm going to keep saying a lot about re-imagining because what I was looking for was an opportunity for people to reimagine what it was like to really be friends and family.. What would it look like if the system responded in a way where it gave and made investments as friends and family and what I call the money that we put out is I believe in you money, because what's lost inside of this is that place where people actually look at black and brown entrepreneurs and see them as innovators, see them as creators, see them as worthy and needed in solving the problems that are impacting their communities.. So the startup part, this sort of bootstrapping, it impacts the psyche, it impacts the actual business itself because a lot of this what we're saying is, we don't really find what you have to be credible, we don't think you're worthy, we don't think you're valuable, when we don't put those early kinds of resources in.. - Right, I watched the other day just I recommend anyone 00:16:29,220 to check it out, a video of one of the first entrepreneurs that Runway funded and just hearing her exclamation of joy at finding out the news.. You can really see how much this means to people to be believed in, in that way.. Rodney much of your work is about creating pathways to opportunity.. Tell us more about that..

And how does your work situate aspiring black entrepreneurs in closer proximity to opportunities? - Absolutely, so for seven years, Opportunity Hub 00:17:00,890 or OHUB, as we affectionately refer to it has been building what today is now referred to as an inclusive ecosystem building platform.. And we didn't call ourselves ecosystem builders seven years ago, we were just doing the work of developing people with the skills and they'd help with them get the careers and then helping them to start their businesses, helping them get capital and then helping them get access to markets.. And all of that is done through a series of programming, a series of events, a series of people, helping people access networks that they don't have.. And we started off by doing it in spaces.. And then we evolved from like a place-based strategy to a programmatic strategy.. And now COVID has accelerated our platforms strategy.. So we're like a full stack platform now.. And when you think of OHUB, I want you to think of it in terms of as a baseline level of exposure.. I grew up watching cartoons after school and GI Joe used to come on every day and every day they would say knowing was half the battle, right, so exposure to information like this, classes and career pathways like you all are privileged to be getting as you pursue your undergraduate or graduate studies at Stanford.. When you think about there so many people in America period but particularly in socially disadvantaged communities disproportionately is going to mean poor, which disproportionately will be black and Latin X and not all because, and I like to say this I don't like to be homogenous when defining black culture because there is a black wealthy class..

There's a black middle class.. There's a black emerging class economically.. But when you compare it to our white American brothers and sisters is definitely incredibly nascent but that's not to say that it does not exist.. I don't wanna paint a picture that and this is a part of the stereotyping that has been done as a response to the criminalization of blackness in America, which speaks to what you were saying earlier Chuck and Jessica, you alluded to this as well.. I said this one time at the securities and exchange commission, I hashtag it, I said, "Failure is not fraud.. "Failure is not fraud." And so a lot of black people carry that weight.. We are seeing it playing out in terms of the criminal justice system and police brutality.. But if you take the same intent that the officer had with George Floyd, the officer I had with, with Michael Brown or George Zimmerman, that intent that he had with Trayvon Martin, if you could productize that intent and then apply that inside of every American institution to the point that you don't even have to perceive of yourself as an individual discriminatory person or racist person, the system has been codified to the point that if we just allow the system to operate as is, it will criminalize black people, non white people, non-Americans be immigrants or non-heterosexual six gender white men, right? So if you're not that then everything else is sort of, kind of looped together.. And not to make this a social science conversation.. But I think it's important to understand that in terms of how you get, "Oh, I'm sorry, I'm a great guy..

"I have a black friend, my study partner is black," and that may be true but when you think about what it might've taken for that person to show up as their whole selves, you have to think about that.. So when we talk about the cultural competency of developing black technologists, black innovators, black scientists, black entrepreneurs, black investors, you name it, right like business leaders.. When you talk about that you have to approach it with the cultural competency lens.. And that's I think what the secret sauce is of Opportunity Hub.. We're able to teach people and help them understand and help them to build their competence inside of a majority white space that they are unfair advantage is their ability to survive, not just survive, but to thrive in survival mode.. And I wanna say this really quickly to the would be entrepreneurs here.. If

you can find you a black founder that will align with your vision and mission, sky's the limit.. If you could find you a black woman founder that you really, really, really talk and all the data is there.. So OHUB essentially helps to connect the supply side to the demand side, right? The supply side of talent, founders, to the supply side of jobs and capital and that's the easiest way I think I can explain what OHUB does without also being as philosophical as I might've just been.. - (laughs) That was great..

00:22:58,710 So both of you mentioned COVID-19 and I wanna pick up on that thread in the conversation and how the pandemic has disrupted the current environment.. So you've got businesses shutting down, you've got migration of people, different parts of the US.. You've got pressure on relationships with investors, employees, consumers, huge challenges to fostering connection in communities.. So I'll stick with you Rodney.. What should entrepreneurs and innovators be keeping top of mind at this moment especially when it comes to migrating across the country or business creation in cities like Atlanta? - The rules have changed 00:23:40,440 and they literally have changed in a year, less than a year.. And if you were ever thinking about being a data analyst or data scientist or tapping into that now is the opportunity to see and experience the data coming to life.. And if I were a first time founder and I'm still a founder, I'm always re-energized myself by reading and learning and study and ideas, just this week I guess had the privilege, I haven't had much sleep but reviewing 500 plus applications of black founders for our \$2 million pitch competition that with Steve Case and revolution and Morgan Stanley, and just going through the data it's incredible to see the ideas and the products and the companies that are coming forth in this pandemic.. And so the thing that I'm inspired about and I said this the other day on Yahoo Finance and Jessica, you can appreciate this, is the 41% of business owners who might've shut down, the black business owners.. The positive news is that they were already business owners and they know how to build a business.. We perhaps can help reposition and refocus them onto solving the problems or providing the service that would be more in demand during this new normal..

And so, as you look at the business trends where are people spending their money on the consumption side, in the enterprise world, what type of software solutions are people looking to hack? If you juxtapose climate change to the political environment and to the racial reckoning that's going on, plus the corona virus you got four sectors that if you found a problem in that sector, and you solve that at scale, you would create a successful business and hopefully multi-generational wealth for yourself.. One last point, when you talk about the redistribution of talent, we've been saying this for awhile that there will be something that would happen that would cause a redistribution from the coast back inland.. And I think what this pandemic is doing, it's sending people from San Francisco, from New York from these density centers where you can spread out and where it's perhaps easier to get COVID-19.. If you're spread out a little bit more it might be a little better to navigate.. So you seeing folks leave these density areas and redistribute themselves back into the middle of the country and into the south.. And I think it's a great thing if those cities would reposition themselves to reinvest in the talent, that's there to get ready for those companies that may be moving there and may be hired.. And so I see it as a huge opportunity.. I mean, even when I think about real estate brokers, if you have focus on certain markets if you can connect with people in another market, you can then reinvigorate your business.. So I think there's a lot of opportunities.. I mean, we could hack 2020 all year and look at the problems that have to be solved and there's gonna be a lot of people that make a lot of money doing it..

- Absolutely.. 00:27:16,600 So Jessica you're an investor, companies are relying on your financial support.. Tell us the story about what's happening in your relationships and how you're navigating this time with principles of equity.. - Yeah, I mean, I love, 00:27:31,710 I could listen to Rodney talk all the time because one of the things you talked about with OHUB is that secret sauce around really understanding culture.. And I think that that is a very much what we do at Runway, right at the time where we really understood that COVID was happening and it was serious or right around the end of March or so in April, I would talk to my team and first we wanted to make sure that they were all sorted out and situated.. We're all entrepreneurs ourselves.. And so just making sure that the team was good.. And then we reached out to our investors and talk to them about the capital needs and things that we were looking to do at the time.. And one of the things that we really practice at Runway is what we call right relationship.. And right relationship is really all about disrupting those power dynamics, really leaning into agency and interdependence..

So we practice with our community right relationship and that goes from the investors all the way to our borrowers.. I believe that how you start is how you're going to end.. And so if the dynamics are off right in the beginning around moving the money and then inevitably I might pass that along to my entrepreneurs.. And that's something that we just don't want to ever do.. So we talked about what kind of capital we needed and very quickly, because we've been sitting in community and building relationships then these are investors who've already decided very strongly to practice their investments through an anti-racist lens.. They are very clear what needs to be done right now.. This is go time for all of us who have been in this work for a long time.. And we were able to then talk to our entrepreneurs.. Once we kind of had an eye on what monies we could raise and what we were looking to do.. And we ask the entrepreneurs, "What would you need?" We ended up giving more marketing support..

As an investor, this is what we're doing, paying for more marketing support so that they could pivot their businesses more online.. We spent more money on business support, mentors and so forth, this is the investor paying for more mentors to work with them to actually revisit their business models, to really look at what their strategies are gonna be, and to get some of that emotional support, because this was a very panicked time where you're trying to parent and you're growing a business and you're doing all of these things.. So even just emotionally being able to talk and have somebody walk with you through some of those things.. And then we ended up giving universal basic income to all of our portfolio.. And the reason that we did

that nobody had done universal basic income for black businesses.. But the reason that we did universal basic income and not a grant or anything like that, we wanted them to know, use the money however you need to use the money.. Use the money for childcare, use the money for groceries, use it for your rent or your mortgage.. Use it to reinvest in your business.. We want you to make it because if you make it, we make it.. And so we did universal basic income payments and I'll never forget when we talked to our entrepreneurs, we had them all on a community Zoom call, and we let them know that we were gonna be able to do payments for the next couple of months, along with other sort of deferments and work arounds and other things that we came up with..

And we all had the ugly cry.. Like we had to go off camera for a second and just cry and then come back on.. And one of the entrepreneurs said, and I'll never forget this 'cause it just kinda just dropped into my body in such a way, said you've done more for me and my community and my business than the federal government has, it was deep.. And what I realized at that point, it didn't take much what it took was understanding the culture.. What it took was really understanding what these business and these entrepreneurs were facing and going through.. And it took us making an investment that we were going to make it together.. That if this was going to work we all needed to be there on the other side of this.. And I'm excited because 100% of my businesses are now open and where the national average is around PPP resources I think was like around 2%, the Payroll Protection Program 87% of our businesses got those resources.. And this was because it's a black woman and brown woman led financial organization that is made up of artists and entrepreneurs and mothers and lovers and friends who are really practicing that level of equity that we're talking about.. - And sticking with you, Jessica, 00:32:31,260 for audience of aspiring entrepreneurs and innovators, I can already see in the Q&A, many of them are inspired to create meaningful change in the world but at the time tackling system issues can seem daunting..

Why in your mind should entrepreneurs feel empowered and optimistic and what do you think success looks like for racial, economic and social justice? - Oh, such a good question.. 00:32:58,100 I think this is an incredible time.. And Rodney touched on a lot of those issues that when we look at, if we just mapped out 2020 and really looked at all of the intersecting points and some of the issues, we could find many, many, many opportunities to solve for the most pressing needs.. Particularly right now, we have a system that has left us in a place where we're not able to really be with and care for our loved ones.. We were hungry, we're throwing away food.. We want housing and houses sit empty inside of portfolios.. There's a lot of inequity happening right now that needs creative people to solve.. And so I think the times are wonderful.. I think this is the time where we get to really lean into this re imagination around what would it look like if this financial system really loved black and brown people? What would it do? What would be the outcomes of that? And I think of the sort of in big picture of all of these things, like what would it be? I think we would be moving to borrow your word, to give professor, opportunity.. We'd be moving into an opportunity and abundance framework and the way that we built, instead of a fear and a scarcity model when we build..

And I think that there is no, I know that there is generational wealth to be had by actually thinking and moving more inside of the framework of abundance and opportunity.. And that's what it would look like in the end.. We would be healed.. We would be healing.. We would be rested.. We would feel, and particularly for black businesses and black entrepreneurs they would feel finally comfortable enough to stand inside of joy.. And this is a big deal because we haven't always had the luxury to not be pushing and running and doing, but to be able to sit for a moment and actually feel a joy and lean into it, that to me will be the outcome of what happens once we create this new thing.. - Right, so I wanna get to Q&A from the students.. 00:35:26,100 And so please feel free to put your questions in, upload other questions, but before we turn to the Q&A, let me go back to Rodney.. In your view, if our audience members take one message away from this talk, what do you want them to understand? - I want them to understand 00:35:45,910 that despite the environment we're in, it may seem hopeless, it may seem that there's despair..

And I'm talking as a black man in America, that when I was coming along we were suggested to be an endangered species and that we wouldn't live to 27.. And I'm now here at 47.. So if I can maintain optimism, despite of any tweet, any posts, any news, anything that I might hear then I know and know that you can do it as well.. This is an entrepreneurship class.. That means your mindset should be entrepreneurial.. And so I wanna encourage you to be a different type of entrepreneur, and to really think about everything through an anti-racist lens, a lens of racial equity.. Nothing in America that has been achieved as it relates to the emancipation of chattel slaves, to a demolition of Jim Crow, to unfair housing, unjust education.. And now access to economic opportunity has been done in this country without white allies.. And those of us who live long enough, I'm part of the FUBU tribe too, for us by us.. I grew up in black Atlanta..

Everything I saw that was inspiration to me growing up in Atlanta was black.. And when I got to tutor as an undergraduate, it was a shock to then, It was a culture shock to then have to learn how to vibe with my Jewish brothers and sisters and with my Latin X brothers and sisters, my white brothers and sisters.. But I grew up in Atlanta seeing black excellence, and I saw you all use that hashtag.. And what I want to encourage you all to do is since you're at this age where you are pre career many of you in your respective lives is to become that ally.. Now that means you're gonna have to do some work.. It's okay to read all the books, read all the articles.. That's a part of the work, but actually being uncomfortable to exist in black spaces, bring value, listen, never see yourself with a savior complex, come to learn and understand that we are here to build and we might as well be building together.. And so that's the message I really wanna send home, particularly to the students.. We can talk technical shop all day.. Maybe we'll get into some of that in the Q&A..

I love doing that but I wanna see you all as the future allies.. I wanna see you on cap tables.. I wanna see you as technical co-founders.. I wanna see you as advisors.. I wanna see you making introductions.. And what I want you to do is make sure that you become colleagues and associates with your black and brown students on campus.. All right, you on the path to being woke now.. So you're gonna have to like embrace it and being responsible for this conversation we're having today.. - Awesome, so Rodney has foreshadowed the student question 00:39:52,260 that I wanted to pick up on as well.. So maybe I'll turn to Jessica to get her take on this one..

The question that came in from the students was, "What's the best way for non-black populations "to position ourselves as an ally to black businesses "outside of simple consumerism?" - Yeah, as usual, Rodney is on point.. 00:40:18,080 I really think that when I talk about this idea of re-imagining, so the invitation is if you wanna get into this ally ship or you wanna get into a relationship, where you're really working, you're really about that, you woke, you past woke, what you are activated at this point.. You are re-imagining everything.. You are moving from a place of an anti-racist lens inside of your analysis of everything, from your consumptive behavior to your investment behavior, to where you bank, to where you shop, every possible thing you can think of, you should be analyzing and thinking through those things with an anti-racist lens, the reason that you do this because I want you to build up the habit.. I want you to get into practicing.. I want this to become so second nature that you breathe in and you breathe out and you're instantly already in the flow already in the conversation.. So that's the first thing is, if you're not currently studying with someone inside of this at an anti-racist spring, find some credible folks to work with.. The other thing you're gonna need, is you're gonna need community.. You need community because you need accountability.. So you're out here thinking differently and moving with this anti-racist lens..

I wanna see you be with other folks who are doing the same thing because accountability is made and community is built when we all start moving together.. When we're doing this interdependence thing, where we're realizing that your success is my success and so forth, so that requires community.. I think this idea that entrepreneurship is something that you're gonna go off and do on your own and then wallah, bring it back, isn't gonna work in this context.. It is going to have to be something that, yes, you look at the data and you make sure that supports where you are gonna have to deeply rely on your conversation, your community and your relationships to pull a lot of these things off.. I think I would say the last part inside of all of that, my recommendation is while you're thinking differently to be bold, to be bold with your love of humanity, to not give up, to go really, really, really big, like blow yourself away, like surprise yourself.. Like when you wake up, you're like, whoa, did I come up with that? Give yourself that level of spaciousness right now be incredibly bold with your love for humanity and think really deeply about what kinds of conditions really make a whole and healthy and loving community of folks.. That's where I would go.. I would spend time in that place.. I'd spend time as much time as you, as we think about what X return is gonna be, or what a valuation or what other metrics and things spend more time right now, really thinking about the boldest way that you can show your love for humanity.. - Awesome, the next question from a student 00:43:30,607 that I want to get to, so this person says, "Thank you both for being here today..

"This has been a great opportunity "to hear about macro systemic issues.. "As a member of the Stanford community, "what can we as an institution, "or what can educational institutions in general "do to better combat these issues?" Rodney, do you wanna take a stab at that one? - Sure.. 00:43:59,883 I think that understanding the depth of the problem is and I keep going back to that, but I mean, we're having an entrepreneurial conversation.. And I think, when you see a problem that has so much depth to it, and the response is normally performative and you can't understand why there's a retroactive response, that may seem negative.. It is because you don't understand or haven't taken the time to understand the depth of the problem at hand.. And you could pick one, whether it is police brutality or the criminal justice system.. And when you start to look at the data and you understand that private prisons use and public prisons use third and fourth grade reading levels to determine how many prison beds they will need in the future, in terms of like developing a pro-former.. Think about it, there's someone right now that has developed a P&L based upon third and fourth graders not being able to read, that is their unit economics.. And you think about the history of police patrols in America and how police patrols were created to round up and take slaves back to the plantation that had escaped and how those police patrols became deputized after the emancipation of the southern slaves and throughout Jim Crow.. So when you look at the evolution of an institution and the culture of that said institution, then you see that this is a much bigger problem than what's being said..

So when people react to it, it's like, millions of people around America where we're protesting because of George Floyd.. And they're like, it's just one guy.. And it's like, no, it's eight minutes and what 40 some odd seconds that is representative of 400 years of police brutality.. And then you get some folks who say well, what about black on black crime? First of all, there's no such thing as black on black crime, most crime statistically is proximity, right? Most folks who are committing crimes are lazy.. They just it's like we live in the same community, it's a myth that a lot of people leave a community go to another community and that's what most crime happens.. Crime happens internally, so just like it happens in the black community, it happens in the white community.. It happens in communities where people live.. But if you only look at it from a performative or a surface level basis you're always gonna have a response whether it is your rhetoric, whether it is your protest.. And that's why we saw a lot of tech companies, a lot of institutions, hashtagging Black Lives Matter.. And a lot of folks like Jessica and I were offended by it because we're like if all you can do is come up with a hashtag and say at this company we believe in yadda dadadadada..

And we're thinking about, we're thinking about what we can do next when you got all of these subject matter experts that can literally tell you how to create racial equity, today in your organization that will yield a greater economic output for said

organization.. We're sitting back like really though, for real, seriously.. And so to summarize that, I would say that don't just look at anything or a problem, do your customer discovery on solving those problems and do your own work.. And if someone else does your work, you're gonna have to figure out how to pay them or compensate them, or bring value to them even if you're on campus and you wanna become anti-racist and you wanna become an ally, you showing up, buy me a beer and asking me a ton of questions is labor on my behalf.. We've got to figure out how to make it reciprocal in that commitment, there's a long way of answering it.. But hopefully that I was able to drill down on understanding the depth of the problem no matter the problem, no matter the systemic issue.. - Definitely, so we've touched on so many big issues 00:49:04,180 and so many big topics here from the opportunities out there to the impact of COVID-19, to a lot of these systemic issues with our institutions.. We could go on for a long time here but unfortunately we've run out of time.. So I just wanna end by saying, thank you so much Jessica and Rodney, this is a really amazing discussion.. And I know you've sparked a lot of inspiration and a lot of thoughts out there..

So I really appreciate your time.. Thank you very much.. - Thank you so much.. 00:49:35,814 - Thank you.. 00:49:38,731 (electronic music)..