

URL: <https://ecorner.stanford.edu/videos/bridging-the-gap-between-sports-and-tech-entire-talk/>

Rudy Cline-Thomas is the managing director of Mastry, Inc., which brings together athletes and technology companies to create platform-building opportunities. A three-time NBA Champion, Andre Iguodala has played for the Miami Heat, the Golden State Warriors, the Denver Nuggets, and the Philadelphia 76ers. Off the court, Iguodala has invested in more than 50 companies through his firm F9 Strategies, including Zoom, Robinhood, Datadog, and Allbirds. In this conversation with Stanford lecturer Toby Corey, Iguodala and Cline-Thomas discuss the evolving career paths for athletes, the unique value athletes bring as tech investors, and their shared passion for closing America's racial wealth gap.



Transcript

(electronic music) Announcer Who you are, defines how you build.. 00:00:09,300 - Today we're delighted to welcome Rudy Cline-Thomas, 00:00:13,260 and Andre Iguodala to ETL, what a treat.. Rudy Cline-Thomas is the founder, and managing partner of Mastry Inc.. Which brings together world class athletes, technology companies to create top tier platform building opportunities.. Now, Andre Iguodala currently plays for the NBA's Miami Heat.. For all you Bay Area folks out there, as you know he's one three NBA Championships with the Golden State Warriors, and in 2015 he received the NBA Finals Most Valuable Player Award.. So, why are these two sharing the bill? Well, off the court, Andre has also been at the forefront of venture capital and technology, and Rudy's been the catalyst for a lot of that.. They formed a really unique working relationship that has involved backing market leading companies, like PagerDuty, Zoom, Cloudflare to name just a couple companies that have also been highlighted at this ETL series.. And they both serve on the board of Juma Technologies, Africa's largest E-commerce retailer.. Now, Rudy also founded the annual Players Technology Summit with Bloomberg as a presenting partner..

Bringing together leaders in the technology venture capital, sports communities to discuss tech investing, trends, partnerships, and the future of sports and tech initiatives.. And Andre's been deeply involved in that effort as well.. So this is going to be a very, very cool story of how two cool dudes find alignment, and create massive change together.. Welcome Rudy, and Andre, how are you guys doing today? - Good, good, it's good to be here.. 00:01:50,328 Appreciate it, guys.. It's nice to meet everybody.. - Welcome.. 00:01:53,166 Andre, how are you? - I'm good, I'm good, I'm enjoying this hot weather, 00:01:56,441 but good to be here.. (laughing) Always appreciate some thought provoking conversations, so- - Yeah.. 00:02:04,150 - Good one, thank you..

00:02:05,490 - Well we have so much ground to cover, 00:02:06,450 so lets get started here, right? Okay, so I want to start with how you two got connected in the first place.. Together you've made early investments to some really impressive companies, and Rudy, you're also the first person that Andre thanks at the end of his memoir *The Sixth Man*.. So could you both just talk a little bit about how you met, and how you figured out that you were so well aligned, how did that partnership and relationship get started? - Yeah, I'll start the genesis of our relationship, 00:02:35,870 you know, what's funny is we never agree on how it came to part, so it'll be interesting to see what he agrees with, and what he doesn't.. (laughing) We met in Philadelphia, I started my wealth planning firm in Philadelphia, and a buddy of mine who went to Providence, I went to Providence College, I was a couple years older than him, he got drafted by the Sixers.. One of his closest friends on the team was Andre, he was a client of mine, and Andre and I, we met casually first, I mean again, just being around, and being not too far in age, or what have you, and also being associated with Herbert Hill was his name, he went to Providence College.. And again, we just formed a friendship first.. And I used to share a lot of things that I was learning at the time, as it contributes to finance, and share with Andre, we always sparked up conversation.. And he was a very curious guy, and again, I was learning a lot at the same time, and we started learning together, and then we started working together.. I'm not sure if that's the way Andre recollected it, but again, it's been a while now.. - Yeah, Andre, what's your side? 00:03:42,200 - Pretty accurate..

00:03:45,073 Just told the story about four hours ago, actually.. Close friend of mine is visiting, and he asked the same question.. He was trying to get some background on different folks he hasn't met, but he knows pretty well through our networking, and just communicating.. But same exact story, and to go a little further, Herbert Hill, you know, I was giving

him some feedback, and some constructive criticism on how to maneuver playing ball, how to maneuver off the court, and more than enough times he would say "you sound like Rudy." And I'm sure he was telling Rudy the same thing.. So just those synergies connected us, and it's just been, the journey started there.. - Yeah.. 00:04:24,830 So lets get into it, Andre.. My guess is that from the second you landed your first big NBA contract you were inundated, and flooded with people pitching you investment opportunities from all over the place, but, what drew you to early stage technology investing in particular, what was the catalyst, and how did you get started there? - Well, that's a good question.. 00:04:45,583 You know, you're talking about being, so many investments being thrown my way, and when you first get your contract you're only 20 years old.. The investments I see now are a lot different than the investments I seen being 20 years old, you know? There was everything from barber shops, to record labels, to just a lot of mom and pop things from small town mind set where I'm from..

You know, going much further and intersecting where I am right now really got, kinda sparked the thought.. In terms of being a professional athlete, long story short, you hear a lot about the horror stories of guys mismanaging their finances, and you know, understanding where we come from, and the lack of financial education that we have is really easy to understand why we struggle.. I was, like Rudy says, I'm curious, and he started asking me different questions, you know, why do you get charged this by your private wealth manager, or why are you charged this percentage, regardless of if they bring you back 7% of if they lose you 2% on the year in you're annual meetings, and what does everything mean in terms of their commission you're getting as far as budgeting, as far as managing your wealth for the next 60, 70 years of your life, what does your trust look like, all of these things.. So we go further and further down the pipeline, and start talking about how bonds work, and how public equity works, and stocks, from there it just sparked an interest of opening up a simple E-trade account, he said open up an E-trade account, start investing on your own, I'll help you a little bit, and depending on the returns, we will figure out a way to see what I earn, I earn me and Rudy in that scenario.. And that was the beginning of the journey in terms of having some success in the tech sector, and Rudy's starting to see that it's a lot that goes behind a company becoming public, and who are we tracking, and that's when the word private sector came to, for the first time ever, it came to my, it just came to my brain and I said "Well, what is that?" And once you start pulling back those layers, you start getting more and more interested, and you start really getting, doing deep dives in this space, and it was just a fascinating thing, that a curious persons mind would love to continue going further into.. - Yeah, well it's interesting, 00:07:16,557 we just got this conversation started, and the two of you have already hit on the number one gold standard principle for investing, or entrepreneurship, and I think in life, and just having a growth mindset, and being intellectually curious.. That's just such a reoccurring theme across the board.. This questions for the both of you, I think there's, as you know, a lot of factors to consider when you think about an investment, right? Market size, the founders, to the business plan, to the underlying technology, and IP, and competitive differentiation.. Do you feel you're both pretty aligned at how you prioritize those different factors, or do you often find yourselves debating how to vet these opportunities? What's that dynamic like? - We've essentially pretty much learned it all together, 00:08:01,490 and it's been, I don't know, 13 or 14 years now.. And we came into the sector together, and we learn, actually, together..

So, you know, the first thing we did, Andre didn't mention this, but we aligned ourselves with Josh Koppelman when he was in Philadelphia, at First Round Capital, so, you know, early I realized who were the players in the space, and the preeminent venture capitalists, and you know, I essentially wrote to them, and or bumped into them at conferences, and aligned ourselves with them, first and foremost.. So that's how we learned the industry.. And again, we can talk about Jeff Jordan at Andreessen, we can talk about Bill Gurley, we can talk about Josh, those are the guys that we learned from super early as to just how to do diligence on these companies, what to look for.. And again, we learned it essentially together, so I would look at companies and how we due diligence is pretty much the same.. - Yeah, do you guys ever have a different point of view, 00:09:00,430 and how does that get adjudicated, or is that fairly rare? - No, no, we always have a different point of view.. 00:09:05,405 (laughing) He'll speak to it, but I mean, you know, for all the students out there we can use specific examples, and we don't mind doing that, but I didn't see Dapper Labs early, you know, whatsoever.. I was a big fan of it, didn't fully understand it, and Andre was extremely adamant on seeing it, and he was really, really excited about it.. So that was one where we had a real difference of opinion, and I'm glad he pushed the envelope there, obviously.. But again, that's one prime example of a time when we weren't aligned as to just the opportunity.. - Yeah..

00:09:45,610 Are there any other insights that you guys feel that you are able to hone in on? Because obviously, early stage investing is really, really hard because there's not a lot of market traction.. There's just not a lot of data to really make a definitive decision.. But overall, have you guys found through your partnership, and you've looked at so many great companies, and made so many great decisions, any reoccurring themes? - Yeah, I think for me the reoccurring theme 00:10:14,300 has just been go with what you understand, I mean, it's so simple to sit back, you know, watch the NBC, or I read the journal at Financial Times every single day.. You know, there will be mention of a hot sector, and then you dive into it, what have you.. I think we knew very, very early, you know, where our critical advantage was, you know, as to either who we were exposed to, and/or Andre's platform, or just sports in general.. And we really dug deep into those specific verticals super early, and understood where our key and advantage was, and just doing diligence on understanding a company, versus the bottom market.. You just have to understand where you have the opportunity, and where you have a clear advantage, if not, you're just playing a game with everybody else, and that's not an advantage, right? And then also just being specific to a possibly a focus group too.. You know, you can't thread yourself too thin.. It's very important to go deep, versus wide, I think.. And that's something that we learned from the guys that taught us in this business, of how to attack it..

- Yeah, very, very insightful, yeah.. 00:11:24,730 And Andre, do you know early on when you meet a founder, or companies

presenting to you, whether, you know? Do you know kinda early on that something you think its gonna click? Does something happen early on, or does it take a while to process all of the kind of, initial meeting and due diligence that you've done.. - Yeah, I think for me its just 00:11:44,800 being a professional athlete has its advantages.. You have to really be able to try to get a really good understand of who you're working with, you know.. With so many trades happening, coaches in and out, being traded, and just having to adjust on the fly.. And also usually your network, so when I meet a founder its just trying to get a feel for who they are, and not all do I click right away with.. But the more and more time you spend with them, obviously, you're getting a better feel for them.. I look for certain things, you know, what is his weakness? What is his strengths? Like I try to figure that out right away, because that's going to help build a better relationship.. And then at the same time, going back to your last question, you know, what do we look for? It's, I always love to us my network.. You know, spending some time with Comcast, and ventures in the Catalyst Fund..

We were doing some due diligence on a few companies, and you know, with me being early trying to figure out my value within the company, and knowing what I know, I used my network a few times to get some due diligence for the companies, and do even deeper dives into some investment opportunities, and lo and behold, I have some great networkers.. Networking and some folks that I knew within that space, this is particularly a space of someone I knew who was a CEO of a company that was public within the same space that really helped us on the financial planning side.. It actually won the deal, and my partner in crime who worked with me at the time was like most people don't have the access that you do.. And I didn't know that.. I was just thinking this is just, you know, just a regular phone call, and he was like no, this is something that you have advantage over others with, and you guys continue to explore.. Trying to build an actual relationship with the founders is something that I look forward to, it's not simply financial investment, or a transaction, it's actually building that relationship, and building on something that's really we'll talk about later what we're doing with Mastry Inc.. and CEO's that were getting involved.. - Yeah, you're gonna be with those founders 00:13:51,680 for usually at least 10 years before you kinda see an exit so a relationship is so critical.. Hey, Rudy, just so we can make our audience understand what you do.. Can you explain exactly what Mastry is, like is it- - Sure, sure, sure..

00:14:04,830 - Firm, or what- 00:14:06,177 - Sure, I can, sure.. 00:14:11,010 So Mastry started out when I got out of the Private Row of Business in 2015.. We started the Players Tech Conference in 2016, and I focused solely on venture.. I started investing in SPB's, I created these SPB's, it wasn't just Andre and I, we brought in other athletes, and other LP's.. A lot of them were the top CEO's again, that you guys have surfaced, and have been on your platform before.. And then as time went along, and obviously we got more exposure for our investment prowess.. Family office's have come along too, and we're in the midst of raising a fund currently as well a much larger fund.. - Very cool.. 00:14:56,800 Okay, you're both on the board at The Juma Technologies, which is where you both serve on that board, and maybe less well known in the US than some of the companies that we talked about earlier on when I introduced you guys, but, tell me why you guys are so excited about that company in particular.. - First and foremost, we're both African, 00:15:18,830 we're both half African descent, Andre Nigeria, and me Sierra Leone, so the continent is near and dear to our hearts..

We were exposed to Juma through Morgan Stanley a couple years back, as obviously the fastest growing company in Africa.. Again, we were quite keen on understanding what they were doing.. And then we, just like Andre said, we really built a special relationship with the CEO, again, not just as investors, but we built a special relationship with him, and he saw added value in having us become part of his board.. Not just for our exposure to tech, being African's as well too and understanding the landscape there.. And again, you know, just being able to learn and grow with the company.. So, it's been one of our best experiences that we've had thus far, over the last three years.. Being able to travel.... Our favorite trip actually, that we've taken recently, it was went we went to Nigeria like a year and a half ago, that was one of the last trips that we took, and we had a blast over there.. But again, it's going quite well.. And again, being African as well too, it means a lot to us..

- Yeah.. 00:16:25,786 That's fantastic.. I used to serve on a non-profit board with Dr.. Richard Leaky, and we had many of our board meetings in Kenya, and that was always a really, really special trip.. You guys have talked a lot about this network that you've built and put together, and that's obviously delivered a tremendous amount of competitive advantage, and I think it's contributed to a lot of your success.. One of the projects that you're working on together is something called The Players Technology Summit.. Can you guys tell us how that got started? And how you're using that to your advantage, and where you want to take that? Because that's pretty fascinating.. - Yeah, I think Rudy came up with the great idea 00:17:06,610 as we were trying to bridge the gap between sports and tech, there are a lot of parallels.. And as you see Streaming Awards, and as you see a lot of the content providers going streaming, you're seeing a lot of competitiveness in sports ranks, you know, just look at the NFL deals that just happened, and you see Amazon going in to broadcast games, you see games being broadcast even on Twitter.. So they worlds were just coming together right now, but I think we kinda saw that vision way back when..

We actually went to Netflix's office, and we had a chance to sit down with Reed Hastings, and get a good feel of what he was thinking about, and we asked him questions about sports.. Our minds are always just working, and we saw what our exposure was, and we wanted to.... The ultimate thing is to bring it back to our players, and being unified as one, there's so much leverage there.. Everything we do is athletes, and we go all the way into bringing minorities into the tech space as well.. There's so much influence, you know, we're one of the largest, we are the largest consumers on the planet, as African Americans, so I feel, personally feel like our culture is exploited, but our culture isn't giving us seats at the table in terms of ownership, in terms of stakes in these companies.. So, that's something that has been resonating with us for a very long time,

not just in the last year or two.. So what we wanted to do was bridge that gap, and be the bridge for a lot of these players who may not have the understanding yet, but give them the knowledge to understand what we're doing, and come on the platform, we call that a platform, the platform ourselves.. What we did was we started with The Player's Association, with our union, with just another board, and we have different player programs, whether it be learning about being a coach, or GM, or broadcasting school, real estate symposium, so many different things.. We wanted to bring the tech side to the table, and we did it the first year, had some great success, a lot of players, a lot of great energy came from it.. So what we did, is we took it upon ourselves to take it outside for a lot of different reasons that held us back from what we were really trying to do, being that, you know, the union was involved, so we were able to go full scale branching out on ourselves, and partner with someone like Bloomberg, and it's been growing every single year, wall to wall..

We have everyone from all walks of the tech space from entrepreneurs, to investors, to fund managers, athletes who have started leagues, and companies on their own, so players have gotten a chance to see every side of the tech space, and understand how we can play a part in continuing to add value to the companies we invest in going forward, or, you know, whatever they want to learn about in the space.. - That's fantastic.. 00:20:07,433 How long have you guys been putting that event on? - Since 2016.. 00:20:13,570 - Fantastic, I bet its been growing by leaps, 00:20:15,040 and bounds over the years.. - Yeah, exponentially.. 00:20:18,440 Again, we weren't sure what we were doing when we started, but that's been the beauty of it, you know, and the residue is just seeing exactly, you know how we've been able to scale it, and build it, and the brand that it's actually created for itself, you know, away from us.. - Yeah, fantastic.. 00:20:35,270 All right, Rudy, this questions for you.. Since you're connecting so many athletes opportunities in tech, I'm curious what you're noticing about the nature of professional sports careers.. Specifically, do you think that professional sports careers are changing in any important way..

In terms of the opportunities players are pursuing, both during and after their careers.. What does that dynamic look like? - Yeah, I think that the funnel 00:20:57,950 has gotten a lot earlier.. You know, there's kids coming out of school now that they've got an exposure to some types of a business, whether they're reading it, or what have you, again, it's just different when Andre was playing, and/or when I was in school as well, too.. You know, so now its almost like as soon as they're drafted they become businessmen, and/or have a certain level of business acumen, and they're eager to get educated in so many different lanes.. And they understand that word a platform now, extremely early from almost day one, whereas before, in my opinion, it was only understood by a small group of athletes.. Then also too, I think what Andre's represented as well too, is you know, it all depends on the athlete as to what your platform is.. Again, you don't have to be a 10 time all star, or what have you, to have a platform.. Everybody looked at the Michael Jordan's, and the LeBron James' of the world as the only athletes that can have these platforms, and I think what Andre is constituted is you know, whether it be putting in the work, or understanding what your access point is, you know? You can build and create a platform.. And most importantly I think, what he was able to absorb that most athletes don't is being able to be a conduit for other athletes, and bringing them in to you funnel and/or on your platform, and helping them as well too, only increases your reach, and value, so.. So, that's I think what's differentiated here, what's changed..

- Yeah, and you said something really, really important, 00:22:30,640 which is providing access and broadening that platform, and camping it out, that's what I think is just so substantial, and so awesome with the work that you guys are doing, so I tip my cap to the two of you.. Andre, in terms of this conversation of what a professional sports career looks like, lets dive into one chapter of your book in particular.. And you really emphasize a story of a major league baseball player named, Curt Flood, and how his push for free agency opened up some fundamental opportunities that professional athletes have today.. Could you talk about why this story is so important? - Well, this story is very important to me.. 00:23:07,660 I was going into my first time being a, what we call unrestricted free agent.. Restricted free agent means your current team has the first right of refusal, and it usually takes about.. It can take up to eight years, seven to eight years if you're a higher in player, like a football player who keeps getting franchise tagged over, over, which are really often your lineman's and your quarterbacks, they never really hit the free agent market.. And the free agent market really opens up, not just opportunities, but you're first time being able to get leverage.. And if you're in the same system constantly throughout your work environment you're never able to really know what you're value is.. You're value is always going to get downplayed..

So, what Curt Flood was able to do is say, hey, I want to be able to have a say so in where I want to work, which is what free markets are.. And you know, without free agencies, it's pretty much closed market, so, you know, your pay's gonna be less.. You know, what I grown to believe is numbers always lie.. People say numbers tell the truth, but they can make the numbers lie, and you're looking at salary caps, which are hard, soft caps, all these things that are put in play, basketball related income.. You know, what say basketball related income and you upgrade your arena for concerts, but that's not a basketball related income, because concerts don't go on the basketball side.. So, just learning different things like that.. And learning the actual system as a young player, and you know, people like Rudy, and my agents holding me accountable, and you know, learning the Collective Bargaining Agreement, learning how your contract works.. And what Curt Flood was able to do was give athletes and incentive to learn the ins and outs of the business of sports, and so, when you're going in a free agency you don't want, probably a guy with a couple teams to make you feel like you fit in well with, you know, the salary cap situation, you know how much money is open, which gives you the best opportunity to maximize your earning potential.. - Yeah, that's very cool.. 00:25:20,400 Lets end that thing, and perhaps one of the most important topics which is leadership, and I imagine you both get to interact with a more varied set of leaders that a lot of people from coaches, to league executives, media executives, CEO's, venture capitalists, and the whole list just goes on from there..

Is there one particular trait, or behavior that you most respect in leaders you been able to observe over your careers? I'm thinking here of traits that our students might want to adopt when they're leading organizations themselves, but also traits they should look for in people who will be leading them, right? So, overall, what do you guys look for in leadership, and what's really resonated with you? - I can go first.. 00:25:59,650 Andre's giving me the opportunity to meet so many influential people, and great leaders of the world now.. And I think that a common thread amongst, I think there's a term that's coined so many times it might be a cliché, but its empathy.. Eric actually is one that we enjoy always speaking to him, and walk away with how great of a person he is, and how much thought that he puts into other people.. I don't think that with the motivation of profits, right, and returns, and just the greed of wanting to make more money.. Generally speaking again, that's generally the lost, right? Cause we have these social pressures to make more money, or to hit earnings.. When you have an individual that cares about people, and can take that approach as it contributes to big business, and then takes the long term approach as it contributes to business, not worried about the short term gains, is a super special trait.. Again, because of the social pressures.. Whether it be financial, or just again, socioeconomic pressures we have today at that level again, it's really, really special.. So, those are the two traits that I think some of the special individuals we've met essentially have, and that we've really made sure that we stayed close..

And if I should put some names on it, they are, McMillon is one from Walmart, Eric Yuan is one, Marc Benioff is another, those are the three individuals I think that have those traits that we stayed close to.. - Yeah, I would agree.. 00:27:38,200 Those are fantastic, fantastic leaders, and doing an awesome job.. How about you, Andre? - Yeah, I just had a random meeting with 00:27:47,650 someone else I'm really fascinated by African American man, James Bell, who used to be the former CEO of Boeing.. And he's the first African American on the board of Apple, and I was not rushing, but I had to get back to get to this, but he was right around the corner, and through a close friend they were meeting, and I said I'll stop by for a second.. I was supposed to be there for 10 minutes, and ended up being 30 minutes, he just gave me so much, gave me wealth and knowledge, and we talked about empathy and I was thinking compassion, and you have people who want to see the next generation succeed, and its not just about profits.. He said it perfectly, you know, there are short term goals, but there are also long term goals that are associated with everything that you do.. And he gave me just a wealth of knowledge in terms of you know, how to interact within a board seat, you know, how to give back, and also I think about Steve Kerr, Steve Kerr had a great line for me.. We had the best environment you can imagine, in terms of, it was just like innovation labs.. So he left it open for us to just use our imagination during practice, and that's a pretty structured environment, but he just left it open for us to just go out there and just let loose..

And I was talking to him one day, and he said to me, he said, you know, I want you guys to come in, and enjoy work, like you deal with so much off the court, being public figures, and being well known, and kind of the circus that we go through with that run we had, I want you to come in here, and forget about it.. I want you to just enjoy working hard, and that's something I treasure.. What resonated with me going forward, is building an environment where people really enjoy working, but working hard at the same time.. And he said something to me that was profound, he said I'd rather have an enjoyable working environment, where everyone is having fun working really hard, and we lose in the first round, opposed to being miserable, and winning the championship, and you're gonna have to really think about what he said.. You know, cause there are other people that think the exact opposite, you know, if you're not winning, then you should be miserable.. At the end of the day, you know, we should, you know, these companies are built to, you know, connect each other, you know, and there's so many clichés that go with the founders and what they're trying to build, and you got some folks who are just trying to build a profit, and other people who are trying to, you know, bring communities together, trying to make earth a better place.. Its funny I just finished reading Brief Answers to the Brief Questions by Stephen Hawking, and that was, you know, his purpose of life was, you know, to make a way for earth to be a much better place, and explore other places just in case we mess it up on the way.. - That's such an interesting read.. 00:30:35,530 You really are an incredibly well rounded person, and you roll your sleeves up in a lot of areas, Andre, that's awesome.. I think you guys touched on a really important point which is, you know a traditional capital markets have just obviously focused on growth rates, discounted cash flow, multiple off of that, EPS, and I think you're right, that what the modern 21st century company looks like, you can walk and chew gum, you can be more than one dimensional, you can take care of your employees, and your customers, and you can deal with some of the social issues that we have, and environmental issues, you can dominate your market, you can deliver great financial results as well..

And I think that you guys are really seeing that, and embodying that, I just applaud that point of view, and that perspective on leadership.. Fantastic.. All right, a whole bunch of questions queuing up in our Q&A here, so let me turn it over to the students, and let me tackle the most up voted question.. This really goes to both of you, but.... Question starts out like this, Andre mentioned that many communities lack financial literacy, have you seen any opportunities to invest in new solutions to increasing, and improving financial literacy? - I think I just read something in terms 00:31:52,373 of what Biden's trying to do with our education system.. I think it starts with funding our education system, and Rudy and I send each other a lot of different articles, and content on finances historically throughout the country.. I just read a piece from Bloomberg in terms of why is such a financial wealth gap, and its widening, it's not, the gap isn't closing, but it's widening, and it goes all the way back to segregation actually helped African Americans because we were actually able to build within our communities, and when they de-segregated everything, now we're kind of split apart, and that's where we get that saying crabs in the barrel, crabs don't belong in a barrel.. And from what I've seen, you know, you go all the way back to Red Line, Red Line was a way for all the resources, and taxes to go to certain places where the land value continued to go up.. And what Red Line mean, you know Red was the bad community, because it was the slums, it was the African Americans.. Systematically we have been put

in a place where we aren't supposed to level up, it's always tailored for us to level down..

So we are continuing to have conversations, Rudy and myself with different CEO's.. We've been with Morgan Stanley CEO, Zoom calls from time to time, and we do deep dives, in terms of how do we change the narrative, and there's more than just changing the narrative.. First you gotta change the narrative, but you gotta put action behind it, and you have to not be afraid to continue to ruffle some feathers, and say we gotta continue to tackle this and it starts with public funding, and giving back to inner city communities.. Also, there was a piece yesterday on the kid who was a chess master.. He started at seven and became a chess master at 10, and it took for him to be found as a chess master to give funding to be able to continue on, and his family was homeless, so he got funding through GoFundMe accounts, to now he's doing fine.. But why should it take for you to find a chess master for you to help someone in that situation.. You know, there's so many kids like that.. - Fantastic, Rudy, any additional thoughts on that topic? 00:33:58,840 - Nah, he covered it.. 00:34:00,310 I mean he took all my thoughts, because those are all the articles that I sent him.. (laughing) - Well when you brought it- 00:34:07,130 - Now he knows that I read them..

00:34:08,870 - Yeah, well now that you brought up the chess master, 00:34:11,025 I was thinking, ah Queens Gambit was so good.. I don't know if you guys saw that on Netflix, but that was so rad.. - Very good.. 00:34:17,205 - Yeah, okay, so, another up voted question here.. 00:34:19,970 Are you guys seeing any cool new opportunities at the intersection of sports and tech, in terms of future platforms, or media, or distribution, or things like that? - Yeah, of course.. 00:34:32,205 I mean, I think this is the new age of sports tech.. I think that the sports industry has been slowed to adopt technology, and now it's coming in in all different types of waves.. Obviously we see it on the NFT side, we see it on the consolidation of markets and media side as well, too, and we see it on sports gambling as well too.. So, these are all industries within sports now that are multi-billion dollar industries, and sub-industries within sports.. - Fantastic..

00:35:06,380 - Andre, any additional thoughts? 00:35:08,887 - He hit it on the head.. 00:35:11,620 But I'll also add the streaming wars.. You know, they're fighting, and battling for ground, and subscribers, and sports is gonna play a large role in that going forward.. And who's gonna be the first one to bid for rights for those main games, those main events.. You got football, obviously just finished their deal.. You see the increase in their rights deal, and I think it will increase with so many different players out there looking for that ad revenue, and with sports being that only true live content available that brings in a lot of ad dollars.. - Yeah.. 00:35:56,709 Well, interesting Rudy, you mentioned the NFT's, and we got a question on that.. So, Dapper Labs was mentioned earlier, thanks for bringing it up.. NFT's are an interesting topic, especially the sports world where you see someone like UFC's Evan Mobley coming out declaring his NBA draft with an NFT..

In your opinion what's the future of NFT's, is it a fad, is it there, is it a real opportunity for athletes to monetize? Where do you guys see that going? I know its super early, and its in its infancy right now, but what are your thoughts? - Mr.. Iguodala, the NFT expert here, or what have you.. 00:36:29,170 I was the one who was cold on it, I'm hotter on it now, but I'll give him the floor.. - Rudy and I are having a lot of healthy conversations 00:36:37,450 on the NFT space.. It can go to so many different verticals, and on one side, someone who's barished would say collectibles go through their fads, where Bear Bricks, and figurines, which are the art side of collectibles, are at its height.. And when I was a kid, I collected cards, and then it kinda went away for a little bit, and then now it's just exploded back again.. You're going through different cycles, and is that sustainable, especially in tech space where you're looking for routine growth constantly, that's the one think that investors are looking at.. But on the bullet side you look at the different verticals it can go down, in terms of different engagement with athletes and fans, you've never seen engagement like this, where athletes, there's a more personalized experience as well, and when you break it down to the consumer, that thinking it's just a video clip I can see on YouTube.. You can ask someone if you have gold, you can't take it to the grocery store, and buy some food, but you understand its value.. So it's the same thing with these NFT's in the sports base..

But it is a more personalized experience for the consumer interacting with these athletes.. You're seeing athletes being very creative with the ways they're coming out.. You're seeing, like we just said Evan Mobley came out, and also you saw the basketball player from Iowa, as well, saw him doing an NFT rollout on CNBC.. We don't see many college athletes on CNBC at all.. When we first start speaking, how is an athlete transitioning, or how is the athlete 2.0 coming along, and you're starting to see a lot of the tech world, and a lot of tech ideas being involved with some of the decision making, and also, how we're thinking about the things we're getting involved with.. But also, the movie Ready, Player One.. There you go right there, you talk about the Metaverse, and there's so many different NFT verticals that you can go that route as well.. Especially with the gaming, the video games with these kids, NBA 2K is one of the largest transactions with our union, with our licensing deal, and a lot of that is the skins, because the kids are buying virtual shoes.. So, you can go further, and further, and you can go through many wormholes, and there's a lot of possibilities there.. - Yeah..

00:39:21,368 - I have one more thing to state, too.. 00:39:24,488 Again, this is a hot topic for us.. Andre has a really close relationship with the FCO of Dapper, and they go back and fourth on this.. If anybody has, any students have any keen interest in NFT's, or thesis' around it, feel free to email me at rudy@mastry.vc.. I'd love to hear it.. I think that the future is gonna be based on scarcity, and everybody's rushing to the market praying these NFT's, the essence of the value of these things was based on scarcity, and now there might not be as much scarcity.. So again, the value of a lot of these NFT's are gonna go down considerably.. And I think that there remains to be seen as to the overall value of the overall market.. But again, super open to all types of discussions, and thesis' right now, it's very much a new frontier, so we're interested in

learning.. - Yeah, it's definitely an exciting space..

00:40:26,323 Let's see here.. Next question, we have time for a couple more here.. What do you want your value to be at the cap table, and/or board member, how do sports, and cultural leaders like yourself see your impact in the way the business world thinks? This is something new, right? It's not just plunking money, and it's taking either a board seat, or being a very active investor, and what does that bring into a kinda one dimensional, just sort of way investors think about a business, and creating enterprise value? - I think Andre has completely dispelled 00:41:03,935 the notion that athletes can't be investors, you know? And/or aren't thoughtful.. It was quite frustrating early on when we were in this space, and when they were thinking about just athletes, and making references to Andre and stuff, that they assumed that he possibly didn't have the business acumen to understand anything that wasn't applied to the consumer marketplace, right? You know, so, we tried to dispel that with a lot of the athletes now that come and co-invest with us.. It was just understanding what's outside the consumer landscape, and they get approached by so many of these consumer companies because that's the obvious thing, like Andre said before, we made most of our bones in enterprise software and fintech.. We didn't do consumer deals for the first couple years because we were frustrated and we wanted to learn something different.. We got approached by all the consumer companies, right? First and foremost, it's just education, and then also being on the cap table.. We're African Americans, unfortunately the wealth gap's only increasing nowadays, and not enough founders are motivated to have diversity on their cap tables.. Where a CEO speaks to diversity, yet doesn't have any representation on their cap table, or on their board room.. Again, is a massive, is hypocrisy, and a massive contradiction..

Again, we're going out there and trying to dispel those rumors, and also trying to educate the CEO's in a lot of these companies of what the essence of diversity really means.. Because many are speaking to it on a very, very surface level, and aren't really doing what really makes sense.. As to just closing the gap, shall I say, as it contributes to the diversity, and inclusion.. - Yeah, cool.. 00:43:00,130 We only got time for two final questions, guys.. Andre, this one's for you.. This is actually a question that I want to ask you, as we've been having this discussion, and learning more about you, and Rudy.. But in particular, I've worked on some amazing CEO's throughout my tech career.. Probably most notably guys like Elon Musk, at SolarCity and Tesla.. And I just look at his ability to span just such a broad area, and you remind me a lot of him, and I'm wondering how you parse your time with being an absolute world class athlete, world champion, MVP winner, and then family life, tech, reading Stephen Hawking's, just how do you manage your time, and how are you able to accomplish all that? - I'm gonna be very honest, 00:43:50,350 I'm still figuring that part out..

But I look to certain figures that I can name drop when I get home too late, to my wife, to kinda give me some leeway.. - Yeah.. 00:44:03,621 - But I think it's just really focusing the time, 00:44:08,621 really tailoring your time to be very productive.. So, people talk about social media, I try to use it to my advantage, so I'm on Twitter a lot, but Twitter is my news source.. And then I kinda tailor Twitter to constantly feed me things that I need to see, and not nonsense.. So, that's helped me tremendously, and that's my advice I give to a lot of players.. When I'm seeing certain people, whether it be Eddy Cue at Apple, or I see Jeff Jordan, I'm always saying what should I be reading? So, last night, we had a three hour flight, and I think that's the beauty of being a professional athlete is that you're on a plane for a good amount of time.. So take a good amount of that time to read.. So a three hour flight, and I spend like two hours, and 45 minutes reading.. But that's just become routine..

Sometimes I fall off the wagon.. But I try to keep that discipline to say let me be as focused as possible.. Rudy is probably one of the hardest working people I know.. I make fun of him, I say he works too hard.. So, there's that competitive nature with me there with him, as well as I can't let him get too far ahead.. He's got the competitive advantage with his degrees, but there's that competitive in me, that I'm gonna catch him one day- - Yeah.. 00:45:26,450 - So he holds me accountable.. 00:45:27,283 - Yeah.. 00:45:30,240 Well, a lot of people say I don't have the time, and you have plenty of time, you're just not using it wisely, right? So you gotta focus on what your game plan is, where you want to focus your time.. All right, final question, guys..

In terms of the convergence of sports plus tech, is there a specific area, or vertical where you see the greatest growth potential? I.e.. performance, recovery, fan engagement, the art experiences, equipment, etc.. etc.. What do you think? - Great question.. 00:46:00,468 Rudy, and I, we can debate that now.. We don't really invest too much into sports cause it's like, it's very hard to scale.. You know, there's only so many people that play basketball that really need to know the metrics of the arc of their shot, because how many are gonna actually make money shooting it perfectly, you know what I mean? And you can go through different sports, but you look at the health space, and that's where you have to change the way you think.. So, everyone's an athlete, but which athlete are you tailoring to? I think Peloton did a good job of- - Yeah.. 00:46:37,370 - They thought of it as a hardware company, 00:46:39,260 but they're actually a content company.. And you go into different spaces, a company called Levels, I don't know, their waiting list is crazy, now..

But blood sugar levels in terms of tracking your actual health, and how you should move around life, and then you see Apple spending a ton of money, they're the largest watch maker in the world now, with the Apple Watch, which has a lot of health benefits behind it.. So, in that particular area of sports I'm looking at more of the healthcare side, as opposed to what most people would think, the sports side.. - Yeah, yeah.. 00:47:13,120 Rudy, what do you think? No, I completely agree.. This is a conversation that he, and I have had for a while now.. And again, I think our thesis has graduated over the years, where we completely stayed away from it.. But again, as Andre said, he actually really pointed it out, and figured it out how sports tech has graduated to the mass market.. We stayed away from it because we didn't see it's scale, I mean how many sports

specific companies are public companies, right? So we didn't see any exit strategy, or upside to it, as it contributes to the other investments that we were making.. But again, now that's definitely changed, and the investments that we're making nowadays are focused on sports, where as before we didn't at all.. - Yeah..

00:48:05,370 - And let me add, the creator economy 00:48:06,487 is coming around right now.. You look at platforms like Spotify, they're opening up their platforms to a lot of creators to have more skin in the game.. Clubhouse is putting in a, they're putting in something where you can pay the host directly.. So you're starting to see, TikTok, obviously is doing it, and Twitter just rolled out the competitor for Clubhouse, so that's giving athletes, or people of influence, athletes, entertainers more skin in the game as well, so that's basically grown, too.. - Yeah, awesome.. 00:48:44,530 Well guys, I can't thank you enough for this really enlightening talk.. I think that my big take away is just seeing this combination of incredible growth mindset, combined with an incredible relationship that you guys have put together, and just how well rounded you are, how deep you are, how focused you are is just, what a great story.. And I just can't thank you enough for your time.. I know the students have been waiting for this talk all quarter long.. So, I want to thank you, and Andre for a fascinating discussion, Rudy..

- Thank you.. 00:49:14,939 - Thanks.. 00:49:17,856 (electronic music)..