

TRANSCRIPT FOR MARK CUBAN: WORK, JOBS, AI & THE ECONOMY (EPISODE 1)

Dr. Harpeet Singh: [00:00:00.24] Hello, everyone. I'm Dr. Harpeet Singh, welcoming you to the Future of Work Pioneer's podcast. Today, we are speaking with Mark Cuban, a man who needs no introduction. He's an entrepreneur, investor and the owner of the Dallas Mavericks. Mark, welcome to the show.

Mark Cuban: [00:00:16.2] Thanks for having me on Harpeet.

Dr. Harpeet Singh: [00:00:18.45] So when we speak of the future work, it has different connotations for different people. How do you think of the future work and how do you see work changing in the next five to 10 years? [00:00:30.0]

Mark Cuban: [00:00:30.6] You know, we're facing the ultimate disruption in that whole thought process right now and the bad news is that it's completely unknown. I mean, we can guess a lot of things, but the pandemic has just changed how we're doing things. And the fact that it's completely unknown means that the door is wide open for us to create the future work that we'd like to see. You know, we're starting to see some of the basics of it with Zoom conference calls like this and work from home and [00:01:00.0] more video chat. I think people are starting to get more comfortable with video chat, creating a kind of presence, like we used to expect in meeting rooms or face to face meetings. And I think as people adapt their work from home offices, that'll become more the case. And then the next question or the next progression, I guess, is what do we do in an office, if anything, you do need offices? Are there better ways to connect people now than people going [00:01:30.0] and sitting at a desk? You know, and what is the value of that face to face human communication? You know, it harkens me back to that, the movie Office Space. You know, do you need somebody looking over the edge of a cubicle asking for the TPS reports, or are we better off doing that in a Slack channel or Microsoft team's channel or e-mail or whatever it may be? And so, I think companies are going to really start looking at their own businesses, look at how they adapt and looking at how they can be agile [00:02:00.0] and really creating their own future, defining it as they'd like to see it. And that's a huge opportunity.

Dr. Harpeet Singh: [00:02:06.87] Yeah, no, you're right. And, you know, we have no idea how commercial real estate is going to survive this. Right. As we go forward.

Mark Cuban: [00:02:14.34] You know what, I think that's an interesting question, because with commercial real estate on one hand, obviously, there can be a lot fewer bodies in the office. On the other hand, I think you can reconfigure that space in new ways where, you know, you expect fewer bodies and so you can create other types [00:02:30.0] of features that may be a value for individuals. And it may also be that you can create a work environment that's healthier. One of the things we haven't talked about is healthy buildings as a new book that just came out. So that's why it's brought to mind. It's a recency bias called Healthy Buildings. But, you know, we've got it. There's trying to figure out a balance. On one hand, people have to commute from work, I mean, to and from work. And that's 30 minutes, an hour or longer. You've got the cost of doing that. [00:03:00.0] You've got parking. You've got the risk of public transportation. That's the mode of transportation you use. You know, you've got the risk of always being late, you know, so there's one side of it there. But there's also other types of risk from being at home, you know, someone you know, depending on your family, depending on the circumstances. If you're an apartment building, if you have roommates. So, there's a certain risk profile there that you may be able to compensate for and make where you go to work a healthier environment. And that may be temporary. That may be permanent, and it [00:03:30.0] may be irrelevant depending on what your employee wants or works best for your business. But it's a balance sheet that we have to consider that we didn't consider before.

Dr. Harpeet Singh: [00:03:39.87] So in this equation, technology is going to play a major role in AI, robotics. So how do the small guys, the startups, the small businesses compete in this new environment?

Mark Cuban: [00:03:53.46] It's tough. I mean, we're already in a universe before all this of a I haves and have nots. A.I. is [00:04:00.0] not easy. It's hard and it's expensive. Just, you know, your cloud bills are AWS or Azure bills are through the roof, trying to do good AI. And so small businesses really don't have those resources or the expertise and even worse, you know, they don't have the knowledge base to know when someone's telling them the truth or not in terms of the utilization of AI and so you get a lot of bad results. And so, I think we're going to see the same type of thing that

happened in the early days [00:04:30.0] of the Internet where the complexity levels were somewhat higher, I mean, they ended up getting easier very quickly. But what you needed to bring in a quote unquote expert and to try to help you to see if AI is even should be a consideration for your business, because for a lot of smaller to medium sized businesses, great AI would truly benefit them, but bad A.I. could kill them. Right. And so, you're going to need to talk to people who truly have an understanding so that you can make a choice whether you use it or not. [00:05:00.0] And then I also think they'll be trade organizations that are able to aggregate data across all their universe of companies and provide resources there. That can help because there's a lot of the same things. If you know a trade organization, let's just say restaurants, you know, hoping restaurants bounce back and you want to do a customer analysis, Where should you pinpoint your marketing efforts to determine which customers are the best to come in out of your universe of potential customers? How should you advertise and where that could [00:05:30.0] be a major application that that National Restaurant Association could apply for you? So, it's going to be hard. Then robotics is a whole different beast, right. Because we're not a leader in robotics like we are with AI. We're behind Japan and Germany. You know, we're okay. And software and then an implementation. China's kicking everybody's ass. Right. But we're facing this globalization hesitancy now or negative response where we're finding out that one of the greatest things that China [00:06:00.0] has over our head, right is that they can withhold products or we have seen that from India now not wanting to ship certain drugs that are generic, but that we've just defaulted the manufacturing to them. And so, you know, we've looked at tariffs as a stupid way, but a way that we've implemented to improve our negotiating. And now we're starting to see manufacturers overseas withhold products as a way of hurting us. And so, robotics is one way to address that. Now, it's not, you know, manufacturing 1.0 where everybody [00:06:30.0] wants to create the old-time assembly line and try to compete that way. That's just not going to happen. Those days are gone. But if we're able to create an environment with robots where we can get the cost of manufacturing everything from the simplest touch tchotchkes and T-shirts up to the most complex items that can be manufactured and bring in, you know, just point a number out here, half of the products that are manufactured overseas back here, the aggregate impact on jobs, wages in the economy would be significantly positive. And [00:07:00.0] so we need as a country to really start thinking about America 2.0, the way we can invest in robotics, the fact that infrastructure really when we talk about investing in infrastructure, yeah, we've got to fix some roads and buildings and bridges and airports and bring them

up to spec. But, you know, this isn't the 60s. And building a highway between two cities is going to increase commerce. The new highway to commerce is robotics and AI and so we as a country need [00:07:30.0] to make a significant investment to become the leader otherwise from a security perspective we're going to have real issues. You know, it's just it's just a whole different set of problems that we have to be considering. And unfortunately, we don't have a lot of tech literate people at the top of government right now.

Dr. Harpeet Singh: [00:07:46.72] And, you know, like you said, China is outspending us. And there's a story in the MIT Technology Review recently that not only are they outspending us in the overall AI but also in military AI [00:08:00.0]. So, you know, and so Washington is going to put brakes on R&D and they're not investing much in science or technology. So, you know.

Mark Cuban: [00:08:09.16] That's crazy. I mean, once whoever gets the manual dexterity and tiny, long, long acting batteries, you know, wins. Then the Terminator becomes real. Not real, real. But, you know, you can see I mean, if you have a tiny battery that can sit inside a robot and last for 24 or 48 hours and give it full power and [00:08:30.0] that robots got manual dexterity to grab things, pick up things, manipulate things and then the A.I. has got the ability not set into it, but, you know, the ability to recognize what needs to be recognized in a military environment. You know, you hope it's not a zero-sum game, but it could be.

Dr. Harpeet Singh: [00:08:46.77] Absolutely. So, Mark, switching to education, you've got three kids, I believe, two daughters and a son. Your oldest is 16, correct?

Mark Cuban: [00:08:54.03] Yeah, 10, 13 and 16. Alexis is 16. Alyssa is 13. And Jake's 10.

Dr. Harpeet Singh: [00:08:59.31] So your [00:09:00.0] 16-year-old is going to be going to college in the not too distant future. And in what way do you hope that her education is going to be different than yours?

Mark Cuban: [00:09:09.84] Well, like I always tell my daughters, girls who know math and science rule the world. So, I've really tried to push him in that direction because

there's such a need, a different perspective that women bring to math and science, that's where I'd like them to go and I'm not forcing them to go. I'm not a helicopter dad. We're not helicopter [00:09:30.0] parents saying this, this, this. We're just politely encouraging them in terms of what she takes up. If it's not that, just as long as she challenges herself, you know, they both have got a little bit of an entrepreneurial streak. And so, you know, I always tell them that whatever you want to learn, just be good at it because no one quits anything they're good at. And then once you're good at something, if you truly want to be an entrepreneur, that opens the door.

Dr. Harpeet Singh: [00:09:54.03] So from the perspective of the curriculum itself, right. In the education that was kind of [00:10:00.0] built 100 years ago we were still using the same methodology, same kind of curricula. How do you see that changing?

Mark Cuban: [00:10:06.72] This my uncle just wrote this book.

Dr. Harpeet Singh: [00:10:10.52] Nice.

Mark Cuban: [00:10:11.37] Yeah. I forget the exact emeritus stature at Stanford, but yeah, things have to change, obviously. And it is interesting, you know, we've got and I'll steal from Marc Andreessen and think he just wrote last week or the week before losing track of time where he talked about, [00:10:30.0] you know, we know how to educate kids well in Harvard and Stanford and these great schools. Why don't we scale that? And I think that's the perspective that we need to start taking, whether it's remote or on campus. But let's scale what works. And when we scale things, it gets cheaper. You know, so if you do it many more times now, you know, right now we silo education into schools, whether there, you know, high schools, great schools, community college, colleges, universities, and that, you know, it's just [00:11:00.0] created, you know, haves and have nots. And so, I tend to take a page from Mark's book in my uncle's, for that matter, saying, you know what, let's take what works and let's scale it and let's get it. So, it's less expensive as opposed to having these little fiefdoms where the university wants people to come in and write big checks like my own moderate. In the end, why did you build this building, once you do this arena, you know, and that just increases the cost of education because those buildings eat every year. They have to be managed and maintained and supported [00:11:30.0] and revitalized over time. And so, I'm not going to do anything that increases the cost of education. And we don't do just basic blocking

and tackling things like why would any school, particularly a public school or public community college, not use open source textbooks? Textbooks are just, you know, so there's certain there's so many common sense things that we can do. But again, I'll go back to what Andreessen said, and that is, you know, let's take what works and scale it to make it cheaper and more efficient. And that's how we'll get the [00:12:00.0] best results.

Dr. Harpeet Singh: [00:12:01.86] And also, you know that the late Clayton Christensen at Harvard Business School, he wrote an article saying that 50 percent of U.S. universities, colleges are bound for bankruptcy in the next 10 years.

Mark Cuban: [00:12:13.38] Oh, yeah. I wrote a blog post on blog maverick, basically saying, you know, the school you go to today may not be a business by the time you graduate. Now, I did turn out to be right because I wrote about six years ago. There are only been a few colleges go out of business. But now, particularly with this disruption, you have more admitted, [00:12:30.0] more administrators making over two hundred thousand than you do professors. You've got teaching assistants that don't make enough to live. You know, they don't get a living wage and they're basically beholden to try to, you know, just to try to get their career or keep their careers on path. And so, there's a lot of challenges and, you know, the way things are structured. And then, you know, you had Bernie Sanders come along saying, you know, Elizabeth Warren, all colleges are free. Well, you know what happens then? They just jack up the price and keep on doing more of what they're doing that doesn't work rather [00:13:00.0] than enabling what does work. And what I had proposed to somebody who worked for the Sanders campaign that they just dismiss out of hand is that if you want to have free college and again, within the realm of what Andreessen said, do more of what works. Put it out to bid. Put out within each DMA that one college will be free college and every turn, whatever period of time, whether four, six, eight, twelve, whatever it may be in years for a contract, you put it out to bid for that term. And anybody within that region can go for free to that [00:13:30.0] school. But everybody else has got to compete. You know, that way you set pricing and you don't get this tuition and room and board creep to hide all the ills and the lack of efficiency that we see in the school systems right now.

Dr. Harpeet Singh: [00:13:44.28] And maybe there's a change in the business model itself. Right. That you move more education online and have someone earning.

Mark Cuban: [00:13:51.27] I mean, we're going to find out really soon what happens, because all it takes is one outbreak at one school that goes back this fall and everything changes, you know? And [00:14:00.0] so, you know, we're learning like our kids are doing a lot of things online. And, you know, you want them to have more human interaction when they're younger and, you know, you want them to be able to go out and, you know, not play video games all day to kill the time and spend more time outside My wife and I lost control of our household about two weeks and now the inmates are running the asylum. So, we're learning the benefits of going to school more. But, you know, with university, particularly for a specialty, there's absolutely no reason why [00:14:30.0] there can't be more online learning, less on campus and just more creativity. You know, just right now, as you know, universities are more structured to build their endowments and look bigger and to compete rather than educate.

Dr. Harpeet Singh: [00:14:46.24] So a study of humanities helps us build some critical thinking skills, cognitive skills and you've said in the past that in the future, a philosophy degree may be worth more than a computer science degree. So, what [00:15:00.0] do you have in mind in that context?

[00:15:01.56] Well, going back to AI, right. And so, you know, with AI, nothing works unless you have good data and that data has to be bias free, that data has to be sufficient enough, it has to be right, it has to be good data. Right. And it has to be labeled correctly. And the only way you're going to get that done is with domain knowledge. And the only way that that's going to be a building block for bigger AI and generative AI properties is when you have people that know, you know, the humanities, whether it's philosophy, [00:15:30.0] sociology, history, all these things are components and that become a building blocks in order for AI to do what we're designing it to do. And so, you truly need domain knowledge without it, AI is completely insolvent. It's useless.

Dr. Harpeet Singh: [00:15:47.07] So, so hard when it comes to AI. There's a lot of trepidation around it taking our jobs. And, you know, obviously many professionals will be displaced through automation. So how do we [00:16:00.0] solve that problem? How do we address that?

Mark Cuban: [00:16:02.52] So there's a lot packed into that question. One, you know better, our AI and our robotics than China's AI and China's robotics. But you don't want to have a whole country economy displaced. I think you can tax robotics. I've got a company called Hirebotics out of Kansas City. And they have welding machines, welding robots and they basically charge what you would charge a welder. Only they don't they haven't displaced any yet because they worked the overnight shifts [00:16:30.0] as opposed to the eight hours. And so, it's worked out OK. But taxing them per hour like we would with fake attacks or human employees, I think is what we're going to have to do. And that starts building our base for Social Security. I'm not a fan of UBI, except for stay at home parents or partners, and so long-term care partners. But having to come up with good work, if you will, our federal [00:17:00.0] jobs programs, that these taxes will then in turn pay for. So, France is right now with this just horrific unemployment and underemployment. You know, a robotic tax would help us bring manufacturing here that protects this country against being preempted by external manufacturers like we talked about with drugs and other things. And that, in turn, helps us pay for programs like tracking and tracing or testing or long-term care or support for those who are vulnerable to the virus right now. So, subsidizing [00:17:30.0] those jobs. And I think we'll have to extend those make-work programs. And we have things like the Peace Corp and AmeriCorps that allow us to hire and do community projects. And we're going to have to take those robotic taxes and use those to subsidize these jobs that are going to be more community driven jobs than traditional jobs join some interim period of disruption. Now Long term, it tends to work itself out. Right, because that whole infrastructure and ecosystem for robots requires a whole lot more from [00:18:00.0] real estate to power to programming, you name it. Right. And then I'd also add in terms of revenue generation, a cloud tax, because that effectively becomes a tax on AI slash machine learning. Right. Where, you know, it consumes so much power and so much processing power to do a one or two percent on your Amazon AWS bill. I think it is fair and I think it could be put towards programs for those who are displaced [00:18:30.0] by this technology.

Dr. Harpeet Singh: [00:18:31.77] So for the ROBOTICS tax, that's a very interesting idea. How would you do it on the basis of the number of hours worked or how would you do it?

Mark Cuban: [00:18:39.66] I would do it for hours, just by the hour. If you have a robot that does what a human it once did, then, you know, on that human, you paid your six-point two percent or three percent, whatever it is, FICA by the employee and the same by the employer. I would take that twelve point whatever it is, percent and take three percent of it and put it towards research [00:19:00.0] and nine percent of it and put it towards the Treasury's last Social Security fund to pay for future programs.

Dr. Harpeet Singh: [00:19:08.22] So shifting now, gears to the economy a bit. So, you've got folks like Ray Dalio comparing this event to the Great Depression. Warren Buffet, you know, he had his annual meeting for Berkshire Hathaway last weekend, but he was much more optimistic saying, you know, don't bet against America. We're going to come out of this. You know, he had a much more positive note [00:19:30.0] to this. So, what are you, what are your thoughts?

Mark Cuban: [00:19:33.72] I think they're both right. I'm fans of both and have talked to both. You know, Ray tends to look at history and look to see where this is a replication of the past. And, you know, the one difference in race scenario versus the past is the liquidity that the Fed immediately injected into the economy. So now you're seeing the stock market up. You're seeing, you know, investors have access to capital to be able to invest in things. The challenge is you can't do it fast enough to replace 30 [00:20:00.0] plus million jobs, 50 million people who are underemployed, which is why I believe we need federal jobs programs. All that said, we tend to figure these things out, which makes me agree with Warren Buffett. I mean, when our back is against the wall, if you look historically, whether it's us, whether it's U.K., you know, let me go back to the history of London in World War Two and bombs dropping, and the city being destroyed. You know, the civil war here, you just have a history of innovating our way out of these problems. How quickly? I don't know. But do I feel [00:20:30.0] like, you know, five years now, we'll be back to where we were six months ago? Yes. Ten years will be way ahead. Two years. I don't know.

Dr. Harpeet Singh: [00:20:40.4] So how do you explain what's happening in the markets? I mean, there's a disconnect, right? 30 million plus people out of jobs and the market keeps going up so hard.

Mark Cuban: [00:20:49.86] Two reasons. One, where else do you put your money into? There's plenty of liquidity to create, lots of money to put into the markets. And so, the bond market hasn't gone crazy. You don't see [00:21:00.0] rates going up. You see them still trending down. And then if you're an international investor, where else would you put your money if not the USA? So, you know, do I think this is going to stay where it is? No, because I think a lot of this is momentum investing. And so because there is enough liquidity that people are able to borrow money, companies that we thought would need bailouts because the liquidity was injected into the markets recently, like Boeing is able to borrow twenty five billion dollars at five or six percent interest rates, which seems crazily [00:21:30.0] crazy low. All things considered. But because that liquidity is there, investors now don't seem to think that any of those businesses that are holding up the market are going to go out of business. And then, you know, in the interest of disclosure, my big holdings are Netflix and Amazon. We're benefiting from all this. I got lucky, you know, knock on wood. And so, but all that said, other than those key holdings and some other little things I've had, I've tried to [00:22:00.0] go to cash because I do think those momentum investors will clear out. And when those momentum investors clear out there, there won't be enough cash just to hold up the market. Right. Because a lot of that cash has been invested and that cash has to clear out, which is pushes the market lower or just stays what they are and gives it a little bit of support. But I just don't think that even with the borrowing, a lot of these companies are going to be able to sustain [00:22:30.0] what they had in the past. And so, if I had had to guess, if I had to bet, which I guess I am, by going mostly to cash, you know, I'd say that we're going to see another leg down. And historically, you've seen that, too. You saw that, what, 2008 after some of the bankruptcies that started the Great Recession? You saw that in the Depression era. You know, somebody said Jim Sullivan, the 18 seventies that I don't know. So. Yeah. So that's my bet. But if I could easily predict the markets, I would just tell [00:23:00.0] you, I don't have to guess.

Dr. Harpeet Singh: [00:23:02.85] So, you know, U.S. is a creative innovation. We know that's been built on the back of immigrants. Forty five percent of Fortune 500 companies were founded by immigrants or their kids. And these companies created millions of jobs, contributing substantially to the GDP. And I was surprised to learn recently that in Illinois last year, the revenue brought in by immigrants founded Fortune five or companies was equal to 70 percent of the state's GDP. So, given [00:23:30.0] this kind of contribution to the American economy, what do you think about the increasing restrictions that are

being engineered by Steven Miller and others in the White House to phase out immigration? And they're doing this even for the skilled workers?

Mark Cuban: [00:23:43.14] He's an idiot. He's an idiot.

Dr. Harpeet Singh: [00:23:46.79] Right.

Mark Cuban: [00:23:47.16] He's good enough to nose to spite our face. And, you know, it's just ridiculous. You know, we spend the money to train them, train people to come over here. We have immigrants come here specifically because this is the best place in the world [00:24:00.0] to start a business. And literally the best feature of this country compared to other countries and what gives us the biggest advantage is the entrepreneurial spirit we have there, which is exactly why so many immigrants come here in the first place, because we do have that environment to start and run and scale a business. And so, it's just stupid. And you talk about universities. That's the best paying customers. And so, if they're allowed back in, you know, why would we send them away after we just train them with our best, you know, our best and brightest [00:24:30.0] and a lot of cases. And, you know, not only do we lose the upside of them, but now if we don't let them in, those universities are losing substantial class. Now, maybe this will be the reconfiguration of universities, you know, that allows them to get more efficient like we talked earlier. But just back to your point on immigration, it's moronic. It's stupid. It's ridiculous. And look, I get the point that a lot of people feel that immigrants come in and take jobs. I understand that. But, you know, call me a believer [00:25:00.0] in American exceptionalism that those people who can't get jobs, that we work with them, we get them jobs. If they need them, we get them something that is within their wheelhouse that makes them feel good and confident because it's a whole lot cheaper for us to subsidize that than it is to lose all the upside from bringing great talent here. You know, if you just look at how big smart businesses do it, you know, you hire slow and fire fast. You hire you know; you take your time to find the best people and once you do, [00:25:30.0] you know, you don't want to let them go. And if they happen to be immigrants, they're immigrants. And if we want to make Americans better at competing with them, then that's what we do. We invest more in education. You know, we make our system stronger. And for those who fall through, the cracks will find jobs from. I mean, there's just better ways to do it than just cutting off our nose to spite the American face.

Dr. Harpeet Singh: [00:25:52.93] And then, you know, going back to your earlier point about, you know, why and how we are in this Cold War against China right away, is [00:26:00.0] this an arms race that we are trying to win? Now we are also getting rid of your you're not investing enough.

Mark Cuban: [00:26:07.56] Can you imagine Manhattan. Steven Miller was in government during the Manhattan Project. I'm sorry. Albert Einstein. Go home. We have other Albert Einsteins here.

Dr. Harpeet Singh: [00:26:19.85] Yeah. So, switching gears to freelancing. So, it's a sizable component of the U.S. economy now. Thirty five percent of Americans are freelancing or more, and [00:26:30.0] in some ways freelancers are in a better shape because they don't have all their eggs in one basket. One employer can fire them. Right. If you get multiple clients, but at the same time, they're at risk because they don't have the same safety nets of traditional employment. So how do you think about creating some kind of a safety net for these kinds of workers? I know you've been a proponent of independent workers for a long time.

Mark Cuban: [00:26:56.16] Yeah. You know, I go back and forth on whether or not they should be classified as employees for just [00:27:00.0] that reason, because effectively they are, you know, whether you are Uber and Lyft. It doesn't matter. You're just part time for both. It's just the digital version of having two jobs. You know, because you have to follow pretty much all their rules. But at the same time, I don't see that happening quickly, even though California is trying to change that. And so, I think the first it starts with health care and we really haven't gotten anything new. We need a different type of safety net. And I'm not a fan [00:27:30.0] of Medicare for all or single payers simply because there's no reason for you or, you know, pick somebody who is driving not Uber Cab or Uber and Lyft. They should be paying the same amount as I pay for my health care. So, I really believe in means tested. And if you're below 250 percent of the federal poverty level, then your health care shouldn't be more than maybe a co-pay. And then above that, it should mean [00:28:00.0] tested to up to 10 percent of your income. And believe it or not. This is a study that I actually had done with the RAND Corporation. And it increases it improves health care. But particularly now, I mean, going into this pandemic, we had forty-five forty-six million people eligible for the

ACA. Now, that number could be seventy-five million. And so, nobody's talking about health care at all. And that's the key component for everything related to independent workers. You know, the other thing going forward, [00:28:30.0] as we're seeing with Insta Card and others, I think it really just turns into people being able to arbitrage their time. You know, if I can pay you for your time and it's cheaper than my time and it's more efficient for me to do that, then that's when I'm going to do. And that's effectively what the whole gig economy is, an arbitrage on time. And so, I think we're going to find new ways to do it as people aren't truly older, individuals aren't able to go places or concerned about going places. Here you go. Do this for me. I [00:29:00.0] think we're gonna see that more and more as part of the gig economy.

Dr. Harpeet Singh: [00:29:05.17] So now coming to your portfolio at Shark Tank, if you've got a lot of, you know.

Mark Cuban: [00:29:11.33] Shark Tank Friday nights on ABC.

Dr. Harpeet Singh: [00:29:14.21] Exactly. So, you know, everyone loves the show. And, you know, given your engagement with the small business startups, how are you seeing them coping in this?

Mark Cuban: [00:29:28.11] Yeah, it's tough. Obviously, if you're a retail business, [00:29:30.0] you're screwed. You know, many retail establishments and I don't have many of those, fortunately. But, yeah, physical retail is going to have to reinvent itself or it's going to have enormous problems. Those who have strong online presences like we pushed all our companies to have done OK. And some of them are actually up. We've actually had to tell a bunch of mind shark tank companies not to take the PPP because their business is up and really getting better as more people feel comfortable [00:30:00.0] with online buying. And then in some other cases where there have been breaks in the supply chain, that was as much a function of the tariffs, which just ridiculously refused to go away as anything else. So, you know, it's a normal distribution still of good, medium and bad, but it hasn't been as bad as it could be. It hasn't been as bad as it was for most.

Dr. Harpeet Singh: [00:30:24.9] So what would be your advice to entrepreneurs out there who were trying to strike [00:30:30.0] you who are struggling in this economy?

Mark Cuban: [00:30:32.42] Yeah, I mean, look, no one is all your stakeholders, employees, shareholders, vendors, customers, prospects, be brutally honest, communicate early, communicate often, be authentic, be transparent. Everybody is scared. Still, you know, everybody's still trying to figure out how to use the PPP. Might I spend it now? Do I have to spend it now? Do I worry about, you know, the Forbury it or having it forgiven or do I, you know, just treat it as a loan? What's better [00:31:00.0] for my business? And really, that's the biggest conversation I've had. Now that comes to mind, you know, where we've had some companies get PPP loans, you know, trying to go to that twenty five percent overhead to seventy five percent payroll and rehiring people in order to get that forgiveness. Do they adhere to that or do you take it as a loan or do you scale down the forgiveness and not hire everybody back to some of those people are making more on unemployment and don't want you to bring them back or even offer the job back because they'll lose unemployment. [00:31:30.0] And so how do you balance that? That's been hard, but for. So that's kind of the next part after communication. Yes. Apply for the PPP loan, whether you're an independent contractor or, you know, small business of two employees, whatever it may be. But look, to see what's best for your business, make the decision. Don't run your business to get the reduction in the forgiveness of the loan, run your business to give yourself an edge. And then part three, you [00:32:00.0] know, innovate, be agile because we're all go through a reset. And, you know, like I say all the time, we're going to look back in 10, 15 years and there's gonna be five, 10, 20, 50 companies that are world class game changers that were created because of this pandemic. Why can't it be you? Why can't it be your company? Why can't you change the game? You know, your competitors are struggling as well. And even if you're competing with larger companies who maybe can work on smaller margins or maybe you can work on smaller margins, but you're lean and mean, they're worried. They're worried [00:32:30.0] about protecting their legacy businesses. You know, they can't be as agile as a small business can. And that's the other point I'm making, innovate. And that innovation doesn't have to come from the top. Again, when you're talking to your customers, when you're talking, you know, when you're talking to your employees who may be talking more to your customers, asking them for ideas on how you would do things differently, because every CEO, every entrepreneur goes through that thought process prior to all this where they say, if I only had the time, I would do A, B or C. If I only had the time, [00:33:00.0] I would redo my marketing materials, my Web site, whatever. If I only had the time, I would redo my supply chain,

or if I only had the time. I have all these new ideas I'd like to try. Now you have the time. Now is the time to do it. Now's the time to be agile. Now's the time to innovate. You know, one of my favorite saves is when you run with the elephants as the quick and the dead. And now you've got to be really, really quick because the elephants can't run at all. They can't dance. And so, this is a unique time and unique opportunity.

Dr. Harpeet Singh: [00:33:25.88] So any parting words for the audience?

Mark Cuban: [00:33:28.97] You know, we [00:33:30.0] all are going through that, those ups and downs right now where we're going crazy. You know, we're scared, but we all have gone through that period where we have that one idea. And now that one idea is, we're so much more. And while you're thinking about it, I'm wondering if you should go for it. Just ask yourself, why not me? Why not now? Anything you know is what I tell my kids. You know, we'll walk around some place and I'll say anything is not organic. Look at that table. Look at that chair. You look at that light. [00:34:00.0] Look at that device. Look at that tech. One day it didn't exist. And then the next day it did. Somebody had to come up with that idea that somebody had to turn it into a product or service so that we all could have access to it, when at some point they ask themselves, why not me? Why not now? And now that may be because of all this, the opportunities are greater than they've ever been. There is there literally as horrific as all this is, there will never be a better time in our lifetimes, [00:34:30.0] our kid's lifetimes and hopefully their kids' lifetimes to start a business than now.

Dr. Harpeet Singh: [00:34:35.65] Now that this is this is great, great advice. So, Mark, it's been a real pleasure. Thank you for your time.

Mark Cuban: [00:34:41.26] Appreciate. Harpreet.