

Innovation, Entrepreneurship, and Culture with Rich Lyons

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Voiceover: Welcome to the Berkeley SkyDeck Podcast. SkyDeck is a top global accelerator and home to over 300 startups a year. We're a program of UC Berkeley and our mission is to help start up the chief exceptional growth and connect them with top talent, advisors and investors from Silicon Valley. In each podcast, we cover different topics in the tech and startup world. In this episode, SkyDeck's Executive Director, Caroline Winnett, interviews UC Berkeley's new Chief Innovation and Entrepreneurship officer, Rich Lyons.

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Caroline Winnett: Welcome. I am very happy to be here with a very special guest. I'm Caroline Winnett, the Executive Director of Berkeley SkyDeck. And I have with me today, Rich Lyons, our campus incoming Chief Innovation and Entrepreneurship officer. And Rich has agreed to spend some time with us today and tell us about his goals and plans for UC Berkeley. So I'd love to start by asking you, Rich, tell us a little bit about how you came to this role, your background, and how you came to take this brand new iconic role at UC Berkeley.

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Rich Lyons: Sure, thanks, Caroline. Well, so I served for a couple of five-year terms as the dean of the business school here at Berkeley, the Haas School. That was quite exciting for me. I'd been on the faculty at the business school. I'm an economist by background, been on the faculty since the early 1990s, so for quite a while. And I ended that dean ship in 2018 and started thinking about what next? And I had a sabbatical year, which was great. I did some teaching this most recent semester, the semesters that's just ending now here in December of 2019. But as I, as you serve as a role of dean in a campus like this, in a place like this, you can't help but be thinking about what the innovation and entrepreneurship system looks like and how it's evolved on what you can do to help support it and in any event. When this job got designed, it was a job that didn't exist before. I thought, well, that might be a really exciting report, a next opportunity, so I threw my hat in the ring.

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Caroline: Wonderful. So you like creating things and you're quite well-known for establishing the Haas School as a top business school known about culture. And so I'm sure you're bringing that wonderful culture creation to this role. Maybe you could talk a little bit about how you envision doing that here at Berkeley with innovation and entrepreneurship.

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Rich: Well, thanks. I'm glad you mentioned culture. I mean, there are lots of elements in any leadership role. I think culture is one of the things that I've spent a lot of time thinking on. It excites me. It wasn't a natural way to think about the world, again, as an economist, as I said. But it's one of the things, you know, for most of the big organizational evolution challenges, culture plays a really big role by culture, I mean, a set of behavioral norms and values that really

guide people's behavior that goes way beyond, you know, formal compensation and other things that drive people's behavior. And, you know, if you wanted to make, you know, build even more entrepreneurial spirit in this campus, among the faculty and the staff and, of course, the students and among the alumni, you know, how would you do that? And that doesn't have to be a start-up per se. It can be entrepreneurial spirit in a lot of different ways. But, you know, that, that, when you start talking about spirit and mindset and perspective, these are cultural elements. And you ask specifically how? I think one of the things that I did get a chance to practice while Dean was, you know, what are the levers of changing culture? I mean, how do you be disciplined about moving a culture? So we've got a very healthy, very entrepreneurial culture already. But what levers do you move? And those are some of the things, like, for example, how do you, what's somebody's first experience when they arrive at Berkeley? And is there an element of entrepreneurial spirit in that? In the first letter they receive an acceptance letter? Is there some mention of this innovation and entrepreneurship ecosystem, this entrepreneurial spirit? Not that it has to be there, but when you start unpacking, the experience that people have, especially the very early experiences, how do you put some of this culture into it?

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Caroline: So as a graduate of the Haas School myself, I was delighted to see that massive change. And so I have no doubt that you can bring that to the campus. And it's very interesting to hear you talk about the experience. You talked about when a student comes in to have that little taste of innovation and entrepreneurship. What else do you think you'd like to see built or brought together here at Berkeley to enable that?

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Rich: Well, I mean, that's a good question and a very big question. I think there are lots of ideas that are bubbling up that I've had lots of meetings with lots of people. And they have great ideas and I'm trying to synthesize those and pull them together. So these are not so much my ideas as ideas that people have brought. But I think, you know, the job as initially conceived was not a job that would be aimed at curriculum. And that part of what the university does, I mean, what people had in mind was licensing and patenting and intellectual property management and accelerators like SkyDeck and all these other remarkable parts of the ecosystem. But ultimately when you think about it in this wide angle as you can, what the curriculum is doing and what every experience and undergrad or a grad student has. So that's one area: is thinking about how would we think about a narrative that can inform our curriculum as a university, a university wide narrative that pulls us into the future where each of us can see themselves in this narrative. So speaking kind of narrowly, you know, as a business school former dean and faculty member, the word entrepreneurship is something that speaks into my listening. But the word entrepreneurship does not speak into the listening of everybody on this campus. So if you said, "Well, the narrative is entrepreneurship, everybody can see themselves in it"—wrong. They just can't, right? It says different things to different people. So we're thinking about what sorts of narratives could pull the whole campus together in an encompassing way and how to get that into the curriculum. So that's one very broad topic that I'm thinking a lot about.

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Caroline: So you were on the founding board of SkyDeck back when SkyDeck was created. And you did something very smart. So you made SkyDeck, which is our campus startup accelerator and incubator, a joint program of engineering and of course, and of research and put SkyDeck within the office of research. Because of course, it's a very neutral campus-wide kind of an entity. And so you have that view of really bringing elements together and talk a little bit about how you plan to do that at the place known as Berkeley, which is of course very disaggregated and lots of people doing amazing things. How are you going to draw all the elements together while maintaining their wonderful individuality?

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Rich: Yeah, well, that's a task. And I think that autonomy is part of where Berkeley's aliveness comes from, right? And so I am not vested with the kind of formal authority where I could tell all those wonderful units and parts what to do at the same time. If I can bring resources, philanthropic resources, if I can bring narrative, I can bring other things that make people see the benefit in connecting more and spanning boundaries. That's sort of a metaphor I like to use is how do we span still more boundaries, right? You mentioned the boundaries that engineering and Hoss had spanned. We created some dual degree programs, MET, management, entrepreneurship and technology and things along those lines. But as you said, this is now a sort of campus-wide opportunity and how do we do even more of that? I think one way to start with any sort of change management or change leadership process, especially in a complex operating environment like this is. I think you have to start by asking yourself the question, how do I solve their problem? I might have an idea or a bunch of people might have an idea and I might think we need to get this done. But you've got to start with solving other people's problems and then you can start to see how something you might do would solve both of your problems. But if you start by saying, I'm going to solve this problem on behalf of the university, I think it's just human nature that you'll see more resistance than you probably needed to see. So I think that orientation about what do these different units need most and how can I help provide that or facilitate the provision of it? And I think there are a ton of opportunities that look like that. So I'll give you one example. When we think about the role of postdocs on campus, we have an enormous number of postdocs on campus at any one time. We have about the same number as we have tenure track faculty, actually. So it's a large number. And the question is, is Berkeley the place in the country and world where postdocs want to be? There are enormous advantages being in this Silicon Valley location being at Berkeley and all these advantages. But the postdoc process is incredibly decentralized. And so if we can provide opportunities for postdocs to explore career progression or other things while they're here that connect to innovation and entrepreneurship if that's what they desire, then Berkeley will become that much more attractive a place for post-docs to come and Berkeley will become the place to be a postdoc. And the principal investigators that are running the labs will all of a sudden have twice as many people applying for roles and at even higher quality and all of that feeds on it. So I think people can see the benefit statement in having a more university wide intentionality around this category called post-docs. And that's just one of many possible examples.

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Caroline: I like how you talk about this in terms of solving people's problems. So you think like a startup founder. And that's how startups think. That's how they do this incredible task of creating something from nothing. It all starts with, "If I'm not solving your problem, why would I talk to you?"

Rich: Great point.

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Caroline: So that's a great start-up mentality. And we're talking about really changing Berkeley in not a fundamental way, but in a way that we're perceived. So Berkeley, of course, is the home of disruptive thinking. It's the free speech movement. It's discovery without boundaries. It's viewing where talent can come from with no blinders on. That's already there at Berkeley. And I like how you talk about taking that, that Mario Savio is an entrepreneur and really just putting a different perspective on it. So talk a little bit about that. I grew up in Berkeley. And so I kind of remember those days and I love that idea. So talk a little bit more about how we can present Berkeley to the world that way.

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Rich: Sure. I think that most of us know who Mario Savio was and have images of him standing on a police car and thinking about what happened. But of course, there was a lot of intentionality, not just his, but many people at that time, that created the flow of events that we all remember as free speech and many other parts of Berkeley at that time. And so, what is that? If you said, look, one of the words that speaks to me is this notion of how do we define a Berkeley changemaker, a Berkeley changemaker? If you said, how do we live lives of agency, right? If you talk to young people and you gave them the sense, I mean, they might not immediately understand quite what you mean by the phrase, a life of agency, but it's sort of like, do you want your life to have traction on the world to have impact? I think human beings would like that to be true. At 18, very few people think of themselves as living a life of agency, right? They just don't. And if you can give them a sense, well, here's the way I think about it in its essence. We've all heard the phrase, you can't be what you can't see. I think that's part of what great education does is it delivers futures, it delivers identities that one can choose if they want, not just professions, but like, I could be that. Just flip in your brain from they do that to I do that. That's a profoundly important cognitive change. And so that's part of what I'm getting at, the sense of agency that people, I think there are a lot of young people that would quote unquote, like to change the world, but at the same time, they're kind of cynical about their own ability to do that or that they would be afforded the opportunity to do that. Some people talk about that as sort of leadership, the sense that I will get things done by working through and with other people and that that is something I'm going to do. As opposed to I'm going to be a great individual contributor, right? And so when you fold that, yes, I'm going to get things done through and with other people, together with, you know, there's some important stuff that needs to get done and I'm going to get it done. Now that can be more commercially oriented, it could be a startup, but it can be a social movement or a nonprofit or lots of other things. But society needs these remarkable young people to have that mindset. And so that mindset development becomes, in my view, a principle objective of great education.

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Caroline: So that's a great way to present education and opportunity. I think we have, as a society talked a lot to young people about, you know, live your passion, be passionate, right? Find what's meaningful to you. And I think what you're saying is let's, let's change that a bit to do something that matters, do something that makes a change in the world. And that's very much what entrepreneurs kind of come to the world with already, right? They're willing to take that leap from, this is something that's meaningful to you, to I think it will be, to me, that I think will be meaningful to you. And that takes, you know, a certain type of mindset. And I think you're talking about taking that entrepreneur mindset and sharing it with, with a larger group, a larger group of people who can say, "This is something that I think is important and I'm going to take it out into the world and make it happen." And that is, I think, what Berkeley could very much be known for. That is, the entrepreneurial spirit that you talk about that would be accessible to absolutely everybody from student to faculty, alumni, regardless of age or what they do. And I think that's very, very exciting.

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Rich: No, thank you. I agree with what you just said. I think part of it is, if we said, you know, live your passion, part of the issue is, there are people my age that don't know what their passion is. And there are a lot of 18 year olds that don't know what their passion is. So it's one thing to say, just live your passion. It's like, it's about discovering one's passion, right? So it's kind of, I hate to use this phrase, but it's like product market fit, all right? People just, they don't, they're not born with a sense where they're, some are, but, but that's rare. And so part of this is animating them with a sense that "I can" and, you know, encouraging them to explore various areas where it's like, look, when I got to Berkeley, did I think I was going to become an academic, did I think I loved ideas to spend a life doing research? No, I had no idea that that was what I was going to be doing. So those are the things that we explore as undergraduates. So, you know, "Live one's passion" has always felt kind of empty to me. It sort of, you know, *explore* various passions, various identities, various ways of thinking about yourself and give, invest them with a toolkit that allows them to move things forward. And that's, that's what we can hope for and that's what we should try to deliver.

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Caroline: Right, exactly. And, and, and entrepreneurship is, is thinking about that problem solving and, and not so much about, I have this great passion to do a thing. Entrepreneurs are more, mostly thinking about, what is the problem that you have that, that I can fix and, and I totally agree with you that as human beings work extremely social, you know, the most shy and retiring of us at the end of the day were all very social creatures. And what's meaningful to us is how we can impact others and be of, you could call it be of service or, or be of assistance or help or, or take you outside of yourself. And being an entrepreneur is the ultimate being outside of yourself because you think day and night about one of two things: right, my customers are clients and my employees and how do I, how do I make that all work? So I think that's a really important, but, it's a little bit, very important, different shift in how we might approach, how we get these students excited about being change makers.

Rich: Yeah.

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Caroline: And, and, and not, and not just students. Talk a little bit about what you specifically see are initiatives that you'd like to bring. There's so much at Berkeley you can do. It's, it's a wonderful problem to have is which of these great opportunities were, were going to do, but what, what are some of the things you're very excited about?

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Rich: Well, so, I mentioned the curriculum. I, I think we are going to get some philanthropic investment funding to launch a suite of courses that are sort of in the direction of creating the sense of agency. Like, for example, imagine me a year from now talking to an undergraduate, humanist, the classics major, whatever the major, and be able to say to him or her, and we've got the suite of new courses. One of them is called the Art of Agency. Do you want your life to have purchase on the world? Generations of people have come to Berkeley for exactly that reason. This is the course for you, or a course called becoming a change maker in education, or, you know, these, these kinds of things that I, I think, so we're, we're going to build those courses and, and they're going to be integrated and they could become more than just a suite of electives, right? It could be something that you could imagine every undergraduate, ultimately getting an experience of, that becomes a signature course for Berkeley. It becomes part of how Berkeley is understood by the outside world and the inside world. So, that's a concrete thing that we're already starting to move forward on and, and that's, that's exciting. Ultimately, if you say, well, give me the big, big picture. What does the big picture look like? Well, let's look out five years, right? We've all seen that big golden sea on the hill, right? The big sea. What if five years from now on this campus, we've got a sea school? There's a sea school that is all about change. It's about this change making curriculum. It's about change making fellows, Alice Waters spending time on campus as a change maker fellow. It's about external connection to the external stakeholders and thinking about that. It could be an opt-in model where faculty that want to connect to this new curriculum and this new way of things. So as opposed to saying, we need a bunch of faculty allocated to this new school, which is a complicated problem to solve on any university. It is something that we could possibly do without any faculty being assigned to it specifically in any way. So that's one another concrete thing. I think, you know, another, another possibility. I mentioned the postdocs earlier, this idea of, so what would the programming that would be valuable for postdocs look like? The NSF and other national funding agencies have started something called I-Core, these sorts of training programs for research scientists so that they have a better line of sight to what's going on downstream. How is science and technology getting commercialized to changing the world, right? And could you deliver some of that to post-docs? That's another idea. And then finally, you know, one of the things that I find super exciting is the sort of, let me call it the funding part of the ecosystem. So as you know, well, because you're a pioneer in this area, but there is this new category of shared carry funds, right? These venture funds that are basically saying some fraction often up to one half of the general partners returns in this venture fund are going to go directly back to the university, right? So that we get this recycling effect of resources that makes Berkeley stronger and supports this

ecosystem even more. I would include in that sort of financing part of the ecosystem, the founders pledge, right? This is a very simple pledge that people sign. It says nothing more than "I will make a personally meaningful gift back to the university upon exit of my company or enterprise." It creates a psychological commitment to helping Berkeley as Berkeley helped us as we were here. And that ultimately could, I mean, my own view is that the Founders' Pledge in fewer than 20 years will be a larger line item than the state of California, in terms of Berkeley's budget.

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Caroline: I totally believe that. Absolutely agree. I think that's definitely an achievable and probably surpassable goal. And the reason I think that is that, you know, as you know, the Berkeley SkyDeck fund does share half the carry fund with campus, that's half the management fund profits and we see a huge opportunity to keep building this. This idea that universities have been creating these entrepreneurs, these change makers, you know, these people who want to go change the world and providing them resources, labs, education, all the things they need to do that then go off and be the wonderful entrepreneurs that they are in. Berkeley has had a great share of that. And so with these new funding models, we hypothesize at Berkeley that universities like ours and others can and should take a more active role in the financing. And so this model we built at Berkeley where the Berkeley SkyDeck fund that invests in the startups at Berkeley SkyDeck is all private venture capital, right? None of the money is from Berkeley itself. It's not money from donors. It's from private venture capital investors. And the fund manager of the Berkeley SkyDeck fund is very happy with this arrangement of sharing half the carry because of the, you know, the heavy lifting that we do. We run the accelerator program. We bring in the mentors. We have this amazing network of alumni and students and postdocs and all of that. And so we encourage other universities to do the, do the same or similar whatever works for them. And we think this, this new model for funding education that we've created could be replicated. So what would you say to other universities is they're thinking about this because we do get these questions a lot from other universities. How did you do that at SkyDeck? How did you set up the fund? How did you get around all these issues that we have? What would you say to inspire them to take an active role with this being a co-equal investor in their startups?

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Rich: Maybe the answer is if we can pull this off at Berkeley, you can pull it off anywhere.

Caroline: There we go. Yes.

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Rich: But, you know, a lot of work went into this. A lot of work that I had nothing to do with. So I get zero credit for any of this ecosystem evolution, right? But it's become a really important part of it. It's a category of funds now, right? As you know, the catalyst fund has a similar structure in the College of Chemistry and there are others. So, you know, how big will that category be in ten years? I don't know, but I expect it to grow, right? Other things equal. This is a better structure for the university than funds that don't have that structure. Although lots of venture

funds that don't have that structure still serve the university, but this category is a growth category. So, you know, there are a lot of important subtleties. One way I think about this is it's not just about the financing, but if you ask yourself, so Oliver Williamson from my unit at the Business School is the last person to win a Nobel Prize from the Business School of Faculty. And he won a Nobel Prize for writing about the boundaries of an organization. When are certain economic activities, and he was thinking mostly about the private sector, but it's broader than that. But when do you organize activity within an organization? And when do you organize activity between organizations, between an organization and the marketplace, right? Sort of within versus across boundaries? And, you know, part of it, so what is like the optimal frontier or boundary of an organization? And the boundary of modern universities is getting blurrier. And some people might like that not to be so. We'd like to go back to 50 years ago when it was clear. But the modern economy, the modern society has evolved a lot, and universities have evolved along with it. And I think if we're going to do a great job at transforming intellectual creativity into societal benefit, then we really do need to think hard about how we adjust the boundaries of this institution to get work done. And if certain things just can't get done that are important to benefiting society, can't get done in the narrow definition of the boundary of the university that we need to sort of solve that. And so, you know, SkyDeck still has governance that's very much tied to this university. The SkyDeck fund is affiliated but outside of the university. But these things are not completely independent. It's like, wow, that sounds kind of ambiguous. It's like, solve it, figure it out. I mean, if they're things that we... So, I think it's just a, it's a, it's a direction that modern higher education is moving. I think it's healthy. It's not without its complications, but, you know, given people can learn from us and we can learn from them.

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Caroline: Great point. And, you know, that brings up the issue of, you know, the boundaries of the university. At SkyDeck, we have gone from being a university-only accelerator. So we accelerate startups, of course, first and foremost, from Berkeley, from our students and faculty and alumni. But we have the capacity so we opened up to startups located outside the US and to our sister campuses. Affiliates with our sister campus to come and join us in our program of acceleration. And of course, as they are invested in by the Berkeley SkyDeck fund, the fund shares have to carry, you know, they become part of Berkeley that way. But in reaching out to founders around the world, we found this incredible source of talent, you know, the same way when applications are open for Berkeley students and faculty, of course, you know, it's open to the entire world. But that's brought a great deal of talent coming in and redefine the university accelerator to be not just for the campus, but for people coming to connect with the campus. And so we're looking at a new model also in terms of talent flow into the university, not just as a student or as a postdoc as a faculty, but as a founder. And so these founders are coming in from around the world with no previous Berkeley affiliation. They hire Berkeley co-founders. They might find a Berkeley faculty advisor and they're making the founders pledge even though they're not Berkeley alums. And so we're very excited about how far that could go. And I'm wondering if you've thought about Berkeley as the international, you know, global hub for entrepreneurship and founders to come as part of what we do in our ecosystem.

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Rich: It's an important concept, Rich Newton, former dean of the College of Engineering, wrote a paper about 20 years ago. He has sadly passed away since then. But he wrote a paper, he called it "Insourcing." And the idea was that a time when a lot of universities were building campuses around the world, sort of bricks and mortar, were globalizing, right? And his point was that Berkeley absolutely needs to be global. But the assets and the environment that we have here, this unique geography and economic context, means we should be pulling the world into Berkeley in every way that we can. So I'll give you another example that's perfect and consistent with what you just said, right? It's sort of like at the Haas School, you know, at the business school, just the, you know, that I know best because of the role that I played, you know, at any given time, we've got like 1500 students and they're there for, you know, for a year or two or three or depending upon the program. But in executive education, we've got 2,000 people a year that connect to Berkeley through exactly, now it's a day or two or three, it's not, but it's their principal connection to Berkeley and it creates a connection to Berkeley. So when you start talking about numbers and what that network looks like and of course executive education at the business schools pulling people from all the way around the world, it's part of how Berkeley's reputation gets enhanced. And so I think this idea of pulling people, entrepreneurs, founders and other like-minded people into Berkeley, if we're intentional about it, creates a kind of network effect that's very powerful for our reputation and also has some economic benefit. But it's reputationally, potentially really potent. And I think the only underscore I want to put on that is we do need to be intentional about it. We need them to connect to co-founders that are on the ground or, you know, we don't want them just to come and to leave.

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Caroline: Right, not a fly-by. Exactly. Very good point about that and that's, I think, what we can uniquely do is because the Berkeley resources here are so powerful that people are not coming here just to sort of throw a logo on LinkedIn. They're coming here because of the incredible value that we can create for them. I want to ask you about some of the startups that have come from Haas because under your tenure as dean, several very exciting startups have come out of Haas, including Lyme, Toby Son the founder went through Haas and is a great friend of campus and of SkyDeck and has come back many times to lend his expertise and inspire our founders. But maybe you could give us a story of a Haas founder and how you connected with them and watch them on their journey.

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Rich: Good question. Well, going back much further, John Hanky was at the Haas school as an MBA in the late 1990s. He knew he wanted to be a startup entrepreneur when he got here. He created a startup. It was a company called Keyhole, was the name of it. It was a mapping startup in the earliest years of the internet. Anyways, Google bought it and effectively bought and recruited him. That became Google Earth and became a really important product. John, I remember, telling me saying, "You know, I'm an entrepreneur. I got bought by Google. I agreed to go to Google. I don't expect to stay at Google." He's still at Google like 20 years later. He's starting to get kind of itchy and they say, "What do you want to do?" He's described what he wanted to do. They created Niantic Labs for him to lead. This is like this 25-year odyssey that

never could have predicted in advance, but it was just the kind of thing that people that are as capable as he is. Niantic, Pokemon Go, and many other things have come out of Niantic. \

Caroline: Which went incredibly viral a few years ago. Wow, that just exploded beautifully around the world.

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Rich: It did. Part of that is, Google's a big company now, right? That there's room to be at Google after having started something that becomes Google Earth and then get room to go to Niantic Lab. There's so many variations on these themes that are exciting and that's part of what's fun about this ecosystem. One other, quick one on an alum, John Woolard, that comes to mind because he started a company, he sold it. He started spending time up at Lawrence Berkeley National Lab. Started to realize that solar thermal science was getting to a commercializable place. After that, those lunches, as he describes it, he gave a commencement speech describing exactly the story. He starts bright source energy and it becomes quite a success. It was this proximity to Lawrence Berkeley National Lab and the relationships that he had set up while he was in MBA and boom, he's off to his next thing. It's just impossible to predict how the ecosystem lifts people, but it does in these wonderful and unexpected ways.

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Caroline: Indeed. 9

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Rich: Part of it, I think, is, how do we instill in the students a sense of that being available to them? And the school has come, the whole university has come a long way in instilling that sensibility among its students. The Haas School has done its very best. There's such a long list of startups. It's hard for me to pick a few. But at the end of the day, each one will talk about how they're being here, made all the difference. It was here that made it possible. And we have now founders coming from outside the US who are now saying that their big opportunity has come through joining Berkeley after coming here from where they came from.

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Caroline: I also like to point out a little, and fun fact that the co-founder of Tesla is a Berkeley alum. And I know everybody's thinking of a name, but it's actually the co-founders of Tesla were not Elon Musk. He came in at the A Stage.

Rich: That's right.

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Caroline: And the founders, one of them, is Marc Tarpenning, who is a Berkeley alum. And an advisor at SkyDeck, and very helpful for our startups, provides great advice. But we have a lot of really wonderful stories, not all of which get told. And as you evolve in your role, I know part of this will be to bring your considerable talent for telling wonderful stories and getting people excited about the narrative of Berkeley as a place where people invent and develop

transformational and world changing technologies and discoveries. And so I think there's much at Berkeley that has not been told.

Rich: I agree with that.

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Caroline: And one of the things that we like to talk about a lot at SkyDeck, and we call it our super power, is the network of living Berkeley alum. And there are over 500,000 of us around the world. And I think we could arguably say that there is no more talented and capable and smart group of people in a network. Or as large as the Berkeley alumni network. I think it's larger than, you know, named top two schools combined. It's a huge group of people. And bringing them into this effort, I think, is going to be something that we can more and more do. And when we talk to them about what's going on on campus in terms of entrepreneurship and supporting founders and how our fund shares half of the fund profits with campus, they get very, very excited. And I'm wondering what you thought about in terms of the enormous opportunity we have to harness this incredible super power of talented and capable alumni around the world.

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Rich: Well, it is an enormous opportunity. Berkeley operates at a scale, at an undergraduate scale, that is roughly 5X almost every private school that's out there. I mean, 5X.

Caroline: Right.

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Rich: So if you look at private schools, any private school that would come to mind that is among the remarkable private universities in this country, they all have a sweet spot scale of undergraduate, between 5 and 8,000. Just look it up. They're all right there. And that's how their model works. They're private, they're philanthropy-driven. It is, you know, exclusivity is part of how they operate their model, right? And it works for them in that sense. Berkeley runs at roughly five times that scale, right? So it's, you know, upwards of 30,000 undergraduates. If you also think about the access that Berkeley provides, it, on average, is about twice the percentage of lower income students or PELL-eligible students is one way to define that. So 5X times 2X is 10X. So Berkeley's, Berkeley's scale in terms of providing opportunity that is generally not provided in that way to at that scale for other universities. And then you expand that to the 500 that is the full number. I think, you know, people, what they want when they engage with the university, they want to engage in spiky ways. And this sort of thing that you're doing at SkyDeck and that other parts of this ecosystem are doing, it's sort of like, if we can connect to somebody and say, would you be willing to advise this person in this area, which is like your sweet spot that you've been thinking about for 20 years, it's hard to find an alum that wouldn't do that, right? It's like, that's exactly what I'd love to do. That is right down my fairway or whatever the right metaphor is. And so I think this whole area is a perfect engagement device, right? It's like, you know, it's very different than asking them because they can do some of this stuff remotely, right? You could do this on lots of different technologies. So I do view it as kind of a platform for alumni

engagement that can bring some of those 500,000 that haven't spent as much time at Berkeley or connecting to Berkeley, bring them back into the fold as it were.

00:37:27

Caroline: Indeed. Indeed. I think that's a huge opportunity and one that we can continue to work towards for the benefit of both campus and the alumni who get so excited about this.

Rich: Yeah.

00:37:39

Caroline: We talked about change makers and disruptors and all of that. But any other things that are floating around the back of that brilliant mind that you're maybe thinking about?

00:37:52

Rich: One of the things that excites me is the idea of creating some networks, a network of external stakeholders, right? We could create mailing lists. We can create lists. We can create groups of people. What makes a network a network? It's really that reciprocal values getting exchanged, right? People want to be part of a network and that reciprocity is really what defines it. So when we think about the external stakeholder environment, I would like to define, I don't know what the right number is, imagine 250 or 300 people that are already close to this university. But you could imagine issuing a pulse survey, a 15 second survey to these people if we do it right a year or two from now and they are saying things like, for the first time, I feel like I'm really inside the tent. There is really a client service mentality that Berkeley now understands. I can navigate the place. It was always so hard before. It's sort of like, wow, right? If that becomes the viral messaging, right? Because of what we do for them and vice versa, what they do for us, right? Then now we're firing on all cylinders, right? And I think that's achievable. That will take some intentionality. It will take some effort. It won't happen by itself. What kind of value could we offer to that network? I mean, just as a small example, I plan to do a WebEx or something like that once a month, live. Suppose there are 300 people in that network. Just 10% of them show up on a WebEx the first Tuesday of every month, whatever it is, could be a half an hour, 20 minutes, doesn't have to be long. But even if 10% of them, 30% are on that WebEx, they're going to be chatting with their colleagues. What could I say? Well, I was in this lab this week. I was just at the innovation and entrepreneurship council meeting and this got said, this is about to launch. Keep your eyes open. Give me some feedback. Give me some hard feedback. A month from now, I promise to address what we're doing about it. Sort of like, they're listening. They're listening. So those 30 people talk to 30 more, talk to 30 more, and pretty soon the viral message is holy smoke. Now, that one thing won't create a network, right? But if you create n things like, here's another one. It's sort of like, where, I mean, it's going to be, it's going to be, it's just because it's the area that I know best on campus. But, you know, when people say, "All right, life sciences, how many, cause current, cause MBAs have depth, scientific depth in life science." Sort of like, "Well, we've got 10 that have PhDs in a life science related area already. We've got five more that have MDs." It's like, get that out. What's that list? As soon as somebody like that arrives, right, we should just be automatically scraping those admissions files and getting those lists out to anybody that would like to see it. That would be really valuable

for most life scientists in the private sector to receive, right? And that's not something that's hard, that would be hard to automate. Again, these are small examples. You put all of that together, and I think all of a sudden now people are saying, the game has changed at Berkeley.

00:40:58

Caroline: Indeed. In fact, we just launched the SkyDeck Venture Fellows, which is for Haas MBAs to come and help us find startups, help evaluate them, help us throughout the application process. And one of them is a medical doctor. And so, of course, Andy is working very hard to find us startups with his unique background as a Haas student who, with a medical degree, it's been incredibly helpful. So the extraordinary talent at Berkeley never ceases to, to amaze me.

Rich: Yeah.

00:41:30

Caroline: I mean, it doesn't matter how many years I'm here or how many people I meet, I'm just astounded by the level of talent here at Berkeley. And that's one of the most exciting things about being here.

Rich: It absolutely is.

00:41:42

Caroline: So I wanted to point out something that I think is so fundamentally a huge advantage, benefit, wonderful thing we have at Berkeley. And you alluded to it about how we lift up people through our academic programs, the highest number of Pell Grant students here. And I believe the University of California is the world's largest engine for bringing people from the lower socioeconomic runs up to higher ones. And with that Berkeley value of being able to see and nurture talent that others overlook, I think we can bring to the startup ecosystem for a huge benefit for both Berkeley, for the founders and for the world. So we all know the numbers that are just dismal about venture capital funding that the amount, the latest study shows that there's the highest percentage ever of venture capital dollars going to female founders. It's up to 2.8%. Over 2.1% the year before. I mean, you know, yay, question mark. So there's a long way to go. And the numbers for African-American founders, I don't even think they're making, you know, even anywhere near that. So there's much more work to be done. And at Berkeley, since we have a DNA of being able to recognize, nurture and be a welcoming place for, you know, the overlooked, I would say, that's something that we really are excited about doing at SkyDeck. And what are your thoughts on how to really successfully build that into the programming that we do?

00:43:25

Rich: Thanks for that. Berkeley is genuinely, erratically more socio-economically diverse university than those private schools. I mean, it just is. I think, you know, SkyDeck, if you thought about the ecosystem generally, right, the launch competition and many other, you got incubators and accelerators and venture funds and all this stuff, it's really developed a lot over the last 10 years. But think it, if you thought about that like a funnel, there are a lot of people

who know there's a funnel out there, but have never even got close to it, have never looked down that, right? They're not even close to being part of SkyDeck. How do you, how do you get that very first look, right? How do you demystify what's going on here for people that didn't grow up anywhere near it, for whom it's sort of like, you know, you can't be what you can't see. It's sort of like this is just as foreign as it gets to, to a lot of people. And so how do we solve that, that first look, that first site, that first experience, that first conversation, that first demystifying? And you know, there were some students that created something called STEP, which is a brand new program, like six to eight weeks long, it's sort of like, look, if you kind of have, don't really engage at all with this part of the university, here's a good first step. I mean, hence the name. But I think that's an ecosystem layer that deserves some attention. And how we scale that, I don't know, but if we can think about curriculum that most every undergraduate takes, that connects them, not explicitly to startups and entrepreneurship necessarily, but to the entrepreneurial spirit, to, to agencies, to having impact in your life, whatever that means, I think then many more of them will sort of see this as available to them. And that is an important goal. People, a lot of people do not feel included in this.

00:45:18

Caroline: Very true. And, and what you say about seeing it, I think is very important, that we make sure that people see the diversity of Berkeley because of it. We are inherently diverse. And so I think our opportunity here and our potential is much greater than other educational institutions that are not as diverse. And so I think it is our, both our exciting opportunity and our, our obligation and our duty to, to make sure that we take advantage of that, not just for the success of our academic institution and the success of our students and our founders, but the success of the world, because we, we now really need to not close off talent pools to solve the world's problems. We really need the whole, the whole planet available to build startups, to build innovations that can solve the world's biggest problems. So we have a duty to make sure that we do that. And I think Berkeley can be a leader in that for sure.

00:46:22

Rich: Couldn't agree more. I think that, you know, the cognitive diversity that becomes so important too for moving profoundly new ideas forward in new ways, in ways that like-minded people have a lot of trouble moving forward. I mean, this is just, it comes, the science is very clear on this. And you can have, you can also have a lot of people that look different on the surface that in fact think very, very similarly, right? So as we think about the, the cognitive diversity that makes for that super rich creative cocktail, socioeconomic and other forms of diversity are important for that.

00:46:59

Caroline: Indeed. So I don't know if you realize that when you did the four defining principles at the moment, those are great startup defining principles as well, right? So we have, you know, "Students always" as a founder, you're always learning. "Confidence with that attitude", very important for startups that it's not about individual personalities, right? "Beyond yourself," that's the startup is going beyond yourself. And of course, the one that most encapsulates, you know,

is about being a startup founder is “Question the status quo,” which is of course what founders just wake up and do all day long.

00:47:35

Rich: Yeah, I think, I think you're right. You know, that mindset of there's got to be a better way to do this, right? There are people that just have that voice in their heads all the time.

Caroline: Right.

00:47:45

Rich: They can't turn it off, right? And they're really exciting to be around. Right. And there's some really smart people who don't have that voice, right? This is not just about being smart or not smart. It's sort of like, is that the way you're geared or isn't it? We want more of those people at Berkeley. They're fun to be around.

00:47:58

Caroline: It's such a Berkeley thing.

Rich: Yeah.

00:48:01

Caroline: So, my very first car that I bought, you know, when I was in college, I grew up in Berkeley, and as you know, that was my bumper sticker on my old Toyota. It was “Question the status quo.” And I drove around in that car with that, proudly displaying that bumper sticker, which I picked up, you know, from growing up in Berkeley. And I was too young for the '60s, but I wasn't too young to kind of take it in, you know, in a really significant way. And so, so that's something that now, you know, years later, as I've come back to Berkeley, I'm bringing that original Berkeley “Question the status quo”, which then you have codified into a defining principle for Haas. So I'm excited about all the possibilities for what we can do at Berkeley. And with your leadership here and the innovation and entrepreneurship and making change in the world, I think there's nothing we can't do here at Berkeley.

00:48:55

Rich: Thank you, Caroline.

00:48:56

Caroline: Well, it's been wonderful talking to you, and I look forward to seeing all the initiatives and wonderful things that you do.

00:49:02

Rich: All that we will do together.

00:49:04

Caroline: Indeed.

00:49:07

[MUSIC]

Voiceover: This episode was produced by Sibyl Chen, theme music by Guy Eras and David Aurelion of Skoresongs. We record this podcast on the UC Berkeley campus. Thanks for listening.