

NBA All-Star Technology Summit

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AHMAD RASHAD: It's time for our next panel. It's about investing, which I know is a big topic in this town. Here to lead the conversation is a thought-provoking journalist who is well-known for her compelling conversations from Silicon Valley to Capitol Hill. She's been a valuable part of Tech Summit for a lot of years.

Let's give a warm welcome to MSNBC's Stephanie Ruhle.

STEPHANIE RUHLE: Thank you. Thank you all for being here. You know, if you think private equity, VC, how do these two things impact everyday lives? But investors have a huge impact in taking something from a big idea to a breakthrough technology to a blockbuster investment.

So for us, we have an all-star panel that are going to walk us through investing in sports and beyond, the most exciting places to be.



Let's start. We have Andre Iguodala with us.

(Applause.)

He's the executive director of the NBA Players Association. He's also a venture capitalist. And in one week his No. 9 Golden State Warriors jersey will be officially hung from the rafters and retired.

(Applause.)

Ken Chenault, who I'm just going to say is a great American, he's a managing partner and chairman of General Catalyst, but you know him as the former CEO and chairman of American Express.

(Applause.)

Ruth Porat, president and CIO of Google and Alphabet. And Ruth is so successful, she doesn't even say in her bio anymore that she was the CFO of Morgan Stanley. That's how important she is.

(Applause.)

Our host this whole weekend, co-chairman and CEO of the Golden State Warriors and the new WNBA team in the Bay Area, Joe Lacob, welcome.

JOSEPH LACOB: Thank you.

(Applause.)

STEPHANIE RUHLE: And Ian Charles, who knows a whole lot about sports investing. He is the managing partner and chairman of Arctos Partners.

Thank you all for being here.

(Applause.)

So, Joe, since you are the host of this weekend, let's get started with, it can be sports or beyond, when you think about the investment landscape right now, what are you



most excited about?

JOSEPH LACOB: Well, I think we've covered AI. That would be the biggest topic. So I'm not going to go there.

STEPHANIE RUHLE: We've just begun.

JOSEPH LACOB: That was a fantastic interview, I thought.

So I wanted to talk about sports a little bit because that's what I've been doing for the last 15 years, even though I was in venture capital and tech investing in Silicon Valley here for 30 years prior to that.

But I think the biggest thing happening, honestly, for people like me, and it can be commented by those on the stage, is the advent of women's sports. I mean, I think women's sports is just on the rise in a tremendous way. This is not a small thing.

And even a few years ago when we bought the expansion team -- and we could have bought one before, quite frankly, for very cheap. It really had a tough go for a quarter century. Sometimes startups, leagues, take a long time.

But what's happened in women's sports, the quality of the play, the interest by consumers, the interest by sponsors is monumental. And we have a year ago bought an expansion team, of course, in the WNBA, Golden State Valkyries.

STEPHANIE RUHLE: Female warrior.

JOSEPH LACOB: The female warrior, yes. And we're going to play in Chase Center this year. We're an example of that.

And I think when people see the kind of success, not that others haven't been somewhat successful in the league, see what we're doing here in this year when we open on May 16th, I think they're going to be blown away.

This is the trajectory. And I think women's sports, these are going to be billion-dollar franchises. I'm just going to say it right now. And not too distant future. That's the kind of growth that is happening and the interest in women's sports.

STEPHANIE RUHLE: What was missing until now?

(Applause.)

JOSEPH LACOB: I think that's a good question, and I

have some particular relationship to that history in that I was involved in the ABL, which was American Basketball League, back in the '90s. Adam Silver, sitting here somewhere, you may remember.

That was in the mid-'90s. I was an investor on the side in the beginnings of that league. It lasted all of about three years. And, frankly, I lost a lot of money, and personally. And the league didn't make it for a variety of reasons. Maybe it just wasn't ready. I don't know. Maybe it was the advent of the WNBA coming on board and the fear of that that might have happened.

But then it took the WNBA, to be honest, a long time. And, in fact, to be fair and honest, it shrunk. The league shrunk down to 12 teams, actually shrunk. The last expansion was in 2008.

So we can talk about why and how and lack of media deals and so on and so on. I don't know that I can put all that together except to say that when I watched women's college basketball, the quality of the play maybe wasn't quite as good as it's become, as competitive it's become. The players are a lot better.

There's just a giant leap. Of course, what I call the Magic Johnson-Larry Bird moment for women's sports, women's basketball, happened with Caitlin Clark. It's just been unbelievable, the interest in her play. And there are others coming.

So it's all there, and I think the consumers are ready, sponsors are ready. The dollars have to flow in these things for it to grow. And I think there's so much investment interest in it, it somewhat is driving it.

STEPHANIE RUHLE: Ian, I see you nodding. You sort of were bitten by the bug early and figured out in the VC, in the PE world, it makes sense to invest in sports franchises.

How did you know then? And at this point your interest must only be growing.

JOSEPH LACOB: In sports franchises in general?

STEPHANIE RUHLE: Yes, but we're going to Ian.

JOSEPH LACOB: Oh, go ahead, Ian.

IAN CHARLES: He was just trying to take my question.

JOSEPH LACOB: I was. I'll take it if you want it.

IAN CHARLES: If I sat here and said that what we saw five years ago was obvious, that would be very



disingenuous. It was very scary and very risky to go to the institutional investor community and pitch them about locking their capital over a long horizon into premium sports assets. That was a very, very hard thing to convince the institutional investor community to do when we started Arctos five years ago.

But we had conviction that the premium sports leagues across the globe had incredible content that would become more valuable over time; that owning these assets in partnership with the local control governor and the league would give you an opportunity to compound your capital over very long horizons without leverage, without the disruption and obsolescence risk that most industries have in an uncorrelated way.

Which, if you manage institutional capital, being able to earn a return in something that doesn't behave like stocks and bonds is really valuable because it reduces your risk.

And so our team's job was to educate the institutional investor community about how attractive these assets were, the leagues, the operators and owners that lead them, and the value of this content in an increasingly competitive landscape for consumer attention.

And that has unlocked this opportunity for institutional capital. And it's been an incredible opportunity to be a part of this industry for the last five years, but there's so much more to do.

STEPHANIE RUHLE: Andre, let's go from sports to the players and what they're doing off the court and off the field. You have been an investor for years, but many, many players out there are just starting to build their portfolios and become investors. What's your advice for them?

And then this room is filled with founders who run businesses, and they love to have NBA stars partnering with them, investing in them. How do those two things really come together?

ANDRE IGUODALA: Well, I think it first starts with having an understanding of what you don't know. I think as athletes, we've been told since -- I mean, now we're ranking the best nine-year-old in the world. So from the age nine, ten, you're being told you're the best at the skill set that you have.

And you can have the same thought process with everything else that comes your way, which gets you in trouble. You know, you assume you're the best basketball player in the world; now that means you can be the best investor in the world.

But you have to understand the same work you put into your craft is the same work you have to put into anything else that you want to become involved with.

So for me, I always tell our younger players to read as much as possible, and the same way you study film, the same way you study the greats, you study Michael Jordan, you study Kobe Bryant. Now all our guys are studying LeBron James on how to have longevity. You're working with your coaching staff on how to break down film. You have to find the best investors. You try to find the best founders.

I've been knowing Bret Taylor for a couple of years. And just hearing his story, that's the person I'm calling to understand how do you properly scale a company, what are some things that I have to watch out for, understanding TAMs, understanding market caps, understanding lifetime values.

STEPHANIE RUHLE: But how did you get there?

ANDRE IGUODALA: Well, as an athlete coming into so much wealth at a young age, people don't understand the life ills that come with that and the pressure that comes with that. And there's a vulnerability to it in terms of admitting what you don't know and putting yourself in a position to be willing to learn something that may be foreign to you.

And as an athlete, you're told to be the most confident human being in the world. I mean, there's only 512 NBA players. If you don't have that confidence, there's 100 sitting right outside that 512 that can easily slide in and take your job.

So your confidence has to be somewhat -- like, the ego has to be there. You have to have an ego to be this great. And you don't want that to spill over into areas where you have to have less of an ego.

And so I think it starts with just that vulnerability and being able to say, hey, I'm going to -- you know, I'm about to take Spanish.

STEPHANIE RUHLE: Por qué? Why?

(Laughter.)

ANDRE IGUODALA: Correct. I took French in high school. My wife speaks Spanish. Now my seven-year-old is speaking Spanish pretty well.

But what's the largest city in North America? And we have



plenty of expansion. Arctos is at the forefront of getting into sports franchises. But now we're starting to think globally. The largest city in North America is Mexico. We have the Mexico games every year.

And so that's how we have to prepare ourselves as athletes in terms of let's not think about today. Let's think about the next ten years.

And Joe even spoke to it in terms of where we're going with women's sports. We have six to eight cities that you're seeing a lot of investor groups coming out expressing a desire to own a WNBA team through different markets, markets that may not have an NBA team.

And so there's so much interest not just domestically but internationally and even on this continent looking for areas of growth. So we just got to keep our minds open and, like I said before, be willing to be vulnerable and be willing to learn.

STEPHANIE RUHLE: Ken, there's a lot you can teach many of the companies and the CEOs that you're now backing, right? So now you're in a unique position as an investor, but as a former operator, you can work with the CEOs that you're backing on helping them tune their skills. Help us understand your new approach in this new role that you're in.

KEN CHENAULT: So I think one of the things that's important is, one, to be clear with a founder. And for me, what I'm focused on is I want to build enduring companies. And I, frankly, don't want to work with founders who don't want to build enduring companies.

And the reason why is because if you are just there to say I want to build this company to go public, I think the values -- the chances that the values are not going to be great are there.

So that's one of the first questions that I ask and that I really diligence, is does this founder really want to build an enduring company, even though they may pivot a number of times, but do they have the consciousness?

If you want to build an enduring company, to your point, Andre, the reality is you've got to have some self-awareness. So part of what I look for in founders is a level of self-awareness.

STEPHANIE RUHLE: Good luck.

KEN CHENAULT: Clearly. But I think what's important there, Stephanie, is investors, and I would just say this for venture investments, private equity, I think a number of us,

people always say that they're really contrarians.

Most investors follow the crowd. They really do. And I think, to be a really good investor, you have to have a perspective of the type of founder that you're going to work with.

And so at the end of the day, I don't have to work with someone who I don't think has values, who I don't think has self-awareness. I clearly want someone who has grit. I want someone who has a high level of creativity. But one of the things that I insist on is I want to make sure our founders have integrity.

And so different investors focus on different values that they look for, but one of the things that I emphasize to our founders is you've got to have a thirst for learning. You've got to understand. And I ask them the question: Do you want to be a great leader? What does it take to be a great leader?

And I go through what I think the values are, the behaviors are. And then, very frankly, what I also look for is someone who is a risk taker. Because you've got to have that ability. And most people, frankly, aren't comfortable taking risk. But I also want to make sure that they have a consciousness, an awareness. Are they taking a small risk, or are they taking a big risk?

And one of the things I say to founders is the greatest sin in the modern world is to say, I didn't realize that this was going to happen. Clearly, none of us fully understand what's going to happen. But what I really insist on is try to understand what the intended and the unintended consequences are for your strategies and tactics that you're putting in place.

STEPHANIE RUHLE: You don't just work with founders, though. You also work with CEOs. And there's this push right now to move into this founder mode, where leaders of businesses need to be touching every element, they need to be digging in grassroots from the bottom up.

Do you think that's the right approach for all CEOs? Because there's lots of companies out there where that CEO should be in the C-suite, overseeing it all, but not necessarily digging in.

KEN CHENAULT: So, look, I'm the lead director at Airbnb. And I've known Brian Chesky since year three, and Brian is certainly one of the authors of the founders mode. And I think what's important in the way I describe the founders mode -- and here's one of the questions I ask CEOs, doesn't matter what type of company they're in: Tell me what are two or three ideas that really excite you.



And, frankly, 50 percent of the time CEOs go to, Well, let me tell you about my business plan. Let me tell you about this. They don't really go through ideas.

And so part of the founders mode is you've got to embrace ideas. That's what founders do. And then second is there's some areas that you go deep and some areas you go light.

And I think some CEOs are more managers and what they do is they pull dials. And that's important. That's important to shift dials. But I think the best CEOs take ownership, get involved in issues.

But what I don't think is that everyone has to be involved in every aspect of the business at all times. But they should, in fact, understand what are the key levers of their business, and they should be driving ideas and recognizing great ideas to execute in their organization.

STEPHANIE RUHLE: Ruth, when we talk about what excites you, probably everyone in this room would say artificial intelligence. It's going to impact almost every aspect of our daily lives going forward. But it's a huge idea.

Clearly at Google, at Alphabet, AI is crucially important. Where do you see it from an investing standpoint? Where are you thinking about it most?

RUTH PORAT: Well, first of all, it is the most exciting opportunity we see ahead of us, and I feel like we're all really privileged to be living at this time in history. I think Jensen hit on some of the really important points.

When we look at where are we going to see a big impact, there are really four areas. First is the economic uplift. In the U.S. alone, the economic uplift is estimated to be upwards of \$4 trillion by 2030, assuming each one of us does what Jensen said, which is whether you're running a small business, large business, government, you've got to radically rethink what you're doing so that we can get what economists call diffusion across industry, really rethink and unlock the way you run your operation.

We're going to see it in advancing science. We're going to see it in cybersecurity and defense, which we all need to be doing. We're also going to see it in fundamentally rethinking how we deliver key social services like education, like health care.

The place I get really excited about is what we're seeing around health care. I go to that because it's obviously so personal for each one of us, and the opportunity to save

lives, improve the quality of life is so profound.

But I'll just give you two examples that we're seeing actually today that we're focused on, and the first is in early detection of disease. So 40 percent of Americans will be diagnosed with cancer at some point in our lifetime.

To put a fine point on that, if everyone here looks to your left and to your right, one of you will be diagnosed with cancer, statistically, in our lifetime.

Early diagnosis is the difference between survival and how tough that course of care is. For me, this is really personal because I've had cancer twice, and I think I was really lucky because I was one of the ones who had an extraordinary hospital.

I was at MSK in New York. Early detection, great intervention. But not everybody has that kind of hospital. Not everyone has hospitals like the amazing hospitals here in San Francisco or in New York.

With AI, what we're doing at Google is we can identify early-stage metastatic cancer. What that does, I spoke to my oncologist about it, he says that means that any doctor anywhere is operating at the highest level.

It's what Jensen said. AI won't replace doctors; it will replace doctors who don't use AI.

And we're seeing it in lung cancer. We're seeing it in other areas as well. We're seeing it with diabetes. You can early detect diabetic retinopathy, going blind as a result of diabetes, which can otherwise be protected.

To me, that's a super exciting area.

The other really exciting area, I talked about advancing science. It is an incredible privilege to work with two Nobel Prize winners. Two of our colleagues, Demis Hassabis and John Jumper, were awarded the Nobel back in the fall for something that hopefully many of you are aware of called AlphaFold, which is predicting the protein structure for all proteins known to humanity, 200 million of them.

Historically, it took a year or two just to do one. They did all 200, and then they open sourced it. There are 2.5 million scientists around the globe, 190 countries, who are using this to try and understand disease intervention. It's being described as the single biggest contribution to drug discovery in our lifetime.

And so what gets really exciting is we can all actually imagine a world where certain diseases that we're all dealing with will have solutions. So when you talk about

 . . . when all is said, we're done.®

what do we get excited about, we're looking at how do we help enterprises land this, how do we unlock some of these avenues.

I think it's an extraordinary time. It is an incredible time for American innovation. We're really charged up about the various areas.

STEPHANIE RUHLE: It's an incredible time to invest, an incredible time for innovating, but timing. You brought it up moments ago when you were talking about the timing of the WNBA.

When you look at different investments, whether it's in technology or sports, how do you figure out this is such an exciting idea, but when is it too soon to pounce or too late? Because especially as it relates to tech, people often feel like I've already missed out, I need to dive in.

JOSEPH LACOB: If I knew that answer, I'd be a lot richer.

STEPHANIE RUHLE: Well, sir, you know something. You own the Golden State Warriors.

JOSEPH LACOB: Well, I don't know if that was a timing thing or more of an execution thing.

But I do think, look, this depends on what kind of an investor you are to some extent. I was in the business of early-stage startups, that kind of thing, and I prided myself on trying to predict what was next, you know, and I really enjoyed that process.

Now, the problem is sometimes you are too early. There were times when I was 30 years of venture capital in all these startups, times when things didn't succeed because we were just too early. So timing is important. It's not just about the people that you hear about. It's not just about the technology. It's not just about the market. It can be about when you do it.

Maybe that was, for instance, with the ABL that we're talking about, the women's basketball thing. Maybe that was the issue. Maybe it was just too early to do that.

So I think timing is important. I think you get as an investor some sort of pattern-matching experience, you know. You see enough that eventually, hopefully, you have an instinct enough that you can predict when is the right time to go into something and when time to do it. It's not an easy thing to do because even if you're right on timing, so many other things can go wrong, right?

So I don't think there's -- I don't know there's any hard-and-fast rule with this. I do think that startup investors

are different than late-stage investors. That's also a timing game, but a different kind of timing game and one that I've personally never felt all that comfortable with because you're putting up a lot of dollars at that point. And if you're wrong, you're going to lose a lot of money. When you do a startup, you can only lose one times your money.

I remember my old mentor in my firm Kleiner Perkins, Tom Perkins, one of the greatest investors ever, it's one of the things he said. He said: Startups, it's not that much money. If you're wrong, you can only lose one times your money. So take some chances and go do some things.

And you can make a lot more than one times your money if you're right, obviously.

STEPHANIE RUHLE: Ian, let's talk about the timing of taking those chances because, as we talked about earlier, you were early in sports investing. There are so many people now looking to invest in franchises, invest in leagues. How do they -- what is your advice of how to figure out the time and when to dive in?

IAN CHARLES: That's a great question. So our firm has raised a significant amount of institutional capital from investors who want premium global properties. And there's all kinds of reasons why those are providing unique economic characteristics to those investors.

There's a whole 'nother part of the sports ecosystem that is served by the venture capital community, the growth capital community. But we focus on the premium leagues in the world because we think that that content has real scarcity and brand value that is enduring for decades.

And so for us, the timing was right because the league said you could do it, and we were crazy enough and had a little bit of courage to leave great jobs and step into the fog and try to build this thing.

But we have no idea where global sport is going over the next 15 to 20 years, and that's the kind of horizon we have to have.

But our thesis is we are partnering with the best leagues in the world, the best owners in the world, and some of the most important markets in the world. And when you think about some of the technology that's been demonstrated at this event over the years, I remember seeing Adam and Ahmad showing the augmented reality in-game technology two years ago when Ryan hosted in Utah. That's coming.

And my favorite statistic I've learned over the last five years investing in sport is that the single best predictor of a fan for life is if a kid goes to a game before they turn 14. And if



you can put a kid in the game watching with their mom or dad, if their dad is arguing with Jensen's AI, he talks to his PDFs, what if Dad could talk to the coach during the timeout and debate what the play should be?

That kind of interaction on a global reach, especially when you think about AI's impact on scripted content and the cost of that, our thesis is the intellectual property in meteorites around these assets is so undervalued, it's a no-brainer.

Our timing might be off by five years or ten years or two years, it doesn't matter. You want to own the best brands in the world, in the best cities in the world, with the best local operators in the world, and that's what we build for our clients.

STEPHANIE RUHLE: Andre, do you think there are investments in new technologies that are going to change the way people play basketball?

ANDRE IGUODALA: Most definitely. There was a time where I would say AI would disrupt everything except for sports. And I ran into Brad Gerstner, and he changed my thinking on it.

When you start talking about gene sequencing or editing DNA, all the madness of it, but when you look at one of the best basketball players of all time, certainly the best basketball player of our generation, LeBron James, and what he's doing at the age of 40 years old, we've never seen it in a sport like basketball.

I think you've seen it in other sports in certain positions. But LeBron's unique skill set, his IQ, but most importantly what he's done to take care of his body to have the longevity, he's kind of wrote the blueprint on how you play at a high level for an extended period of time.

And when you look at everything that he does, he's finally unveiled his process. Now we're tracking our sleep. We have the technology in every arena to track your every move -- your acceleration, your deceleration, the load of the body, how to recover properly.

We have our tracksuits for the plane to help us recover. We have our recovery boots. We have health platforms that are based upon recovery. Sleep is a big part of recovery. Body temperature is a big part of recovery. Even the air you intake with these hyperbaric chambers that guys are getting and sleeping in.

The NBA and the PA have done an incredible job of taking a percentage of the BRI, putting it towards health care and benefits for our athletes. And that money being taken, the

guys are using that to set their lifestyle up to buy these very expensive, hard-to-scale companies.

But they're going to extend your life. And when it extends your life, it's like you're investing in yourself because you can equate it to added salary for four or five years, as we're seeing. So the technology is amazing.

And you even think about just how the brain works. You know, Headspace, I'm not giving them a promotion, but it's something I use, whether it's meditation, whether it's sleep therapy with the sounds. There's another app I use just for brain games, you know, reading comprehension or putting numbers together really fast. I mean, all of these things are at your disposal on your phone to help you.

Now we're gamifying. I know the Warriors are gamifying with the G League plays, and guys have quizzes.

You didn't know I knew that.

JOSEPH LACOB: No, I didn't know you knew that. And I was going to ask you a question as soon as I could get it. Let me ask you a question about this because this is very interesting.

AI, information, using all this information, players are clearly doing this. All this information is helping to improve their health. I think those are great points. Tom Brady, LeBron James. I think you're going to see more of this. So I think you're really right on.

But what about do you think coaches or referees, the way we referee our games? What do you think about the impact of some of this AI technology on those two things? Will the league accept referees, some sort of improvements here? And will coaches, which they seem to think it's sort of what they see in front of them, will they accept it?

ANDRE IGUODALA: There's two answers there. One of the answers is, as a governor of a team and business, AI will put some people out of jobs. And the league, I've learned, some things are a PA problem. Some things are --

JOSEPH LACOB: A lot of things are a PA problem. We're going to fix that, though. You're there now, so --

ANDRE IGUODALA: But I'm not in charge of the refs. Albert Sanders is here. So the pressure is on him because a lot of pressure is always thrown on me when we have player issues. But there are ways where we -- are we more accurate with an AI model or a computer making calls.

But on the coaching side, there's feel there. Not every player can respond to the same type of criticism. I've had coaches who are great player coaches who can get the most out of any player, regardless of their temperament or who they are, calm, loud and boisterous. So there are some human elements to coaching that separates the good from the great.

And so it's similar to what Jensen said earlier. It's almost like analytics. Analytics can give you a number on a story, but there's a lot of things that analytics don't see. Like the assist is a huge thing. The number of passes can be a huge thing.

For the Warriors team, and I always use the stat, we knew if we had more than 300 passes with less than 10 turnovers, 99 percent win rate. But there was another team who actually had more passes than us, but it didn't equate to as many assists. So they would just pass it for no reason.

So you still have to have a feel for it. And so it's the coaches or the league or the PA. We're better if we use AI, but AI won't replace us.

STEPHANIE RUHLE: Another way to look at analytics, Ken, would be to look at financials. So when you're looking at companies, when you're looking at investments, how do you go beyond the financials? Because for so many of these new technologies, they don't have the balance sheet to back up why you should back this company.

But what are the intangibles that you look at when you look at investments, especially in places like AI with so much that we don't know yet?

KEN CHENAULT: You know, I'll just give you an example maybe of a few investments. One is there's a company that I invested in called Bilt Rewards, which is a marketplace business. And the founder looked at what are the expense categories where people basically don't get any benefit for spending. And that's basically rent and mortgage payments.

And what this person was able to do was to go to some of the largest rental properties and replace the payment system that they use, the payment platform, but then at the same time look at the local areas to, in fact, incent both the merchant spending and the consumer spending.

And for me, what I looked at was this was really a commerce platform that was meeting a need that no one else was addressing and they were establishing a market position that would be very hard for someone to replicate.

Another investment is a company that we have that is focused on AI, but what they want to do is reduce the gap of health care workers. And the way to do that is to understand what are some tasks that can be performed by AI, but then also how do you enrich the job, for example, of a nurse.

And part of what I look at is I try to look at businesses that I believe have an incredible TAM, really large TAM, a business that really has created a differentiated business model that I think is going to endure.

I look for really high margins because I think that's important because one of my strong beliefs is you've got to continue to invest. And if you don't have really high margins, it's going to be difficult for you over time to continue to invest and innovate.

And then, frankly, as I said earlier, what I look for is the ability of the founder to attract outstanding talent.

STEPHANIE RUHLE: Ruth, in a CFO capacity, you understand the pressure every single quarter to deliver. But as an investor, how do you balance the short-term demands of making this investment work but the long-term goals of believing in the intangibles of a business?

RUTH PORAT: Well, I think anyone who's just focused on short-term and not investing for the long-term is sowing the seeds of their long-term destruction. So, first of all, you've got to create the capacity to invest for the long-term. It will be here before you know it, so unequivocally.

And I think that when we look at the way we approach it at Google, we've consistently said we've got to have some of those longer-term bets. They're the differentiator. We absolutely need to lean into them.

And you think about the conversation about AI. We first started investing in AI over a decade ago. Billions of people are now benefiting from it and don't even realize it, things like Autocomplete or Google Translate. And so start early because tomorrow will be here before you know it.

When we look at something like Waymo, which hopefully everybody's seen Waymo, and if you haven't yet been in one, you can actually download the app, and you should go check it out. This is our self-driving car business, Alphabet self-driving car business.

That we started a very long time ago, well over a decade ago. And the original thesis was more than a million people die on the road every year. And when there's a problem like that, there's got to be a solution to it.

And so we started on this journey, and for quite a long ways people said, Are you crazy? Can you really get it done? But our view was if, in fact, we do, this is a sizable, sizable opportunity. And so we kept investing.

And I think that what we see now is we've got the data points that underscore exactly the premise. Self-driving cars don't get tired. They don't drink. They don't get distracted looking at their phone. Self-driving cars have sensors all over them. So the safety experience is really extraordinary.

And now what we're continuing to do is roll it out. It's now one of the top attractions here in San Francisco. So hopefully a lot of you are enjoying it.

But that's the kind of thing where we built early and built for the long run, and you do have to have a conviction about it.

And it's sort of to your question to Ken, for us it goes back to actually the guiding principle when we started Google. And I was actually talking to our head of our venture fund just the other day, GV, and I'm like, What are your guiding principles on this asset? And his view was, You know what I keep coming back to? You don't have to be first. You just have to out-innovate and make it a much better experience.

Google was the eighth search engine. It wasn't the first search engine. And yet the experience was better, the quality of information surfaced, the speed with which it was done.

And you have to pass the toothbrush test. It has to become a habit. Hopefully everyone here brushes their teeth at least once a day and uses Google search even more than that. It just has to become a habit.

And so certain of these things, once you get into the habit of it, it becomes this self-generating potential, amazing opportunity.

KEN CHENAULT: You know, one thing, Stephanie, that's important, this tension, and I think it's real tension that we all manage between the short and the long term. And I've always said in an organization, that tension is good because the reality is if you don't deliver on the short term, the company's not going to be around.

And so it's important, I think, for the leader to -- I think Jensen said this -- give context of why there's tension between the short and long term. But your short-term action should be guided by your long-term strategy.

STEPHANIE RUHLE: I know we're out of time, but really quickly, quick, really quickly, the company you wish to invest in that got away. Ian.

IAN CHARLES: I'm a senior in college. I'm about to get married. I want to buy my wife a brand-new car.

STEPHANIE RUHLE: Okay, that's a panel in and of itself.

IAN CHARLES: I write a recommendation 25 years ago to buy stock in this company that makes chips that make video games on your computer as good as PlayStation. Yeah, the guy was on the panel just a second ago. It was NVIDIA. That car would have been worth more than an NBA team.

The good news for me is --

JOSEPH LACOB: Not for long.

STEPHANIE RUHLE: You got your wife.

IAN CHARLES: Nobody took the recommendation and bought. So they're not rubbing it in my face. That's good.

STEPHANIE RUHLE: There you go.

What was the one that got away?

JOSEPH LACOB: Oh, my, there's so many. I was in medical venture capital mostly. And there was a company called Intuitive Surgical, which you probably heard of. And I was -- I didn't do it. This is bottom line. And it turned out to be in surgical robotics, which is a continually growing field. So that's the first one that comes to mind.

STEPHANIE RUHLE: All right, before they give me the hook, the company you wish you invested in?

RUTH PORAT: I'm going to actually give you a different answer because this group needs to know this. I took a look at Search before coming here and asked the question: What do diehard NBA fans query more than any other diehard sports fan?

And beyond shoes and fashion, what struck me is relative to every other sport fan -- NFL, MLB, you name it -- you all, NBA fans, focus more on computer science and investing. So congratulations. That's the right thing. It's a great group.

STEPHANIE RUHLE: The one that got away.

KEN CHENAULT: Well, if this was personal investment, it was Amazon.



ANDRE IGUODALA: The Washington MLS team before the MLS was the MLS. Other than that, I missed multiples. A lot of multiples. I got in, but I missed it early: Coinbase.

STEPHANIE RUHLE: All right. Well, thank you so much for participating. Thank you for having me. Thanks for being here.

(Applause.)

AHMAD RASHAD: Thank you, thank you. Thank you, Stephanie.

It's that time again. Take a quick break, come right back because we're going to keep right on rolling.

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