

Lex Fridman Podcast #422 - Mark Cuban: Shark Tank, DEI & Wokeism Debate, Elon

Musk, Politics & Drugs

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Lex Fridman

The following is a conversation with Mark Cuban, a multi-billionaire businessman, an investor and star of the series Shark Tank, longtime principal owner of the Dallas Mavericks, and is someone who is unafraid to get into frequent battles on X - most recently over topics of DEI, wokeism, gender and identity politics with the likes of Elon Musk and Jordan Peterson. This is the Lex Fridman Podcast. To support it, please check out our sponsors in the description. And now, dear friends, here's Mark Cuban. You've started many businesses - invested in many businesses - heard a lot of pitches privately and on Shark Tank. So, you're the perfect person to ask: What makes a great entrepreneur?

Mark Cuban

Somebody who's curious. They want to keep on learning because business is ever-changing. It's never static. Somebody who's agile because as you learn new things and the environment around you changes, you have to be able to adapt and make the changes. And somebody who can sell because no business has ever survived without sales. And as an entrepreneur who's creating a company - whatever your product or service is - if that's not the most important thing and you're just dying and excited to tell people about it, then you're not going to succeed.

Lex Fridman

But it's also a skill thing. How do you sell? What do you mean by selling?

Mark Cuban

Selling is just helping. I've always looked at it about putting myself in the shoes of another person and asking a simple question, can I help this person? Can my product help them? From the time I was 12 years old, selling garbage bags door-to-door and just asking a simple question, do you use garbage bags? Do you need garbage bags? Well, let me save you some time. I'll bring them to your house and drop them off to streaming. Why do we need streaming when we have TV and radio? Well, you can't get access to your TV and radio everywhere you go. So we break down geographic and physical barriers, and Cost Plus Drugs. What's the product that we actually sell? We sell trust. In a simplistic approach, we buy drugs to sell drugs, but we add transparency to it. And bringing transparency to an industry is a differentiation, and it helps people.

Lex Fridman

Trust in an industry that's highly lacking in trust.

Mark Cuban

Exactly.

Lex Fridman

Okay. So what's the trick to selling garbage bags? Let's go back there. At 12 years old, is it just your natural charisma? I guess a good question to ask, are you born with it or can you develop it?

Mark Cuban

Oh, you can definitely develop it. Yeah. Because selling garbage bags door-to-door was easy, right? It was like 12-year-old Mark going, "Hi, my name is Mark. Do you use garbage bags?" You know what the answer is going to be, right? "Can I just drop them off for you once a week? Whenever you need them, you just call and I'll bring them down." "Sure." So that was easy.

Lex Fridman

But I'm sure you've been rejected.

Mark Cuban

Oh, yeah. Of course. Not everybody says yes.

Lex Fridman

What was your percentage?

Mark Cuban

I don't remember, but it's pretty close to a hundred percent.

Lex Fridman

Oh, okay. So that's why you don't remember.

Mark Cuban

Yeah. Right? Because who's going to say no to a 12-year-old kid who's going to save time and money? But typically, my career where I've started companies, it's to do something that other people aren't doing. Whether it was connecting PCs to local area networks and at MicroSolutions. And the salesmanship was walking into a company and just saying, look talk to me and I can help you improve your productivity and your profitability. Is that important to you? And the answer is obviously always yes. And then the question is, can I do the job and can I do it cost-effectively? And so you didn't have to be a born salesperson to be able to ask those questions, but you have to be able to be willing to put in the time to learn that business. And that's the hardest part.

Lex Fridman

I'm sure there's a skill thing to it too, in how you solve the puzzle of communicating with a person and convincing them.

Mark Cuban

Yeah, there's skill from the perspective that I read like a maniac. Then now you can give me an example of any type of business and it'll take me two seconds to figure out how they make money and how I can make them more productive. And I think that's probably my biggest skill, being able to just drill down to what the actual need is, if any. And then from there, being able to say, well, if this is what this company does, and this is what their goal is, how can I introduce something new that they haven't seen before? And is that a business that I can create and make money from?

Lex Fridman

So figure out how this kind of business makes money in the present and then figure out, is there a way to make more money in the future by introducing a totally new kind of thing?

Mark Cuban

Correct.

Lex Fridman

And you can just do that with anything.

Mark Cuban

Pretty much. Yeah.

Lex Fridman

And you think you're born with that?

Mark Cuban

No, I worked at it. Because going back to what I said earlier about curiosity, you have to be insanely curious because the world is always changing. My dad used to say, we don't live in the world we were born into, which is absolutely true. If you're not a voracious consumer of information, then you're not going to be able to keep up. And no matter what your sales skills or ability are, they're going to be useless.

Lex Fridman

You learn about life from your dad. You mentioned your dad.

Mark Cuban

My dad did upholstery on cars, got up, went to work every morning at seven o'clock, came back five or six, seven o'clock, exhausted, and I learned to be nice. I learned to be caring. I learned to be accepting. Just qualities that I think he really tried to pass on to myself and my two younger brothers were just be a good human. And I think he didn't have business experience. So as I got into business, he would just say, "Sorry, Mark, I can't help you. I don't understand what you're doing." Neither one of my parents had gone to college. You've got to

figure it out for yourself. But he was also very insistent that – he worked at a company called Regency Products where they did upholstery on cars, and he would bring me there to sweep the floors, not because he wanted me to learn that business, because he wanted me to learn how backbreaking that work was. He lost an eye in an accident at work, a staple broke, and the only thing he wanted for my brothers and I was for us to never have to work like that, to go to college to figure it out.

Lex Fridman

You said to be nice. That said, you also said that when you were first starting a business, you were a bit more of an asshole than you wish you would've been.

Mark Cuban

Absolutely. Yeah. Yeah, because I was more of a yeller. I didn't have –

Lex Fridman

No, really? Mark Cuban?

Mark Cuban

What you see on the sidelines would be at a Mavs' game. Maybe a little bit. But I also didn't have any patience for somebody I thought wasn't using my common sense, because I was always on the go, go, go, go, go, particularly when I was younger, just trying to be successful, trying to get to the point where I had independence. And I would tell this to people. Either you're speeding up and getting on the train, or we'll stop and drop you off at the next station, but let's go where you go.

Lex Fridman

Did you have trouble with the hire fast, fire fast part of running a business?

Mark Cuban

Yeah, always, because I hated firing people. 'Cause it meant, one, it was an admission of a mistake in the hiring. And two, the salesperson in me always wanted to come out ahead, and I was always horrible at firing, but I always partnered with people who had no problem with it. So I always delegated that.

Lex Fridman

Well, that's the tricky thing. When you're working with somebody and they're not quite there, and you have to decide, are they going to step up and grow into the person that that's the right or they're not. And in that gray area is probably where you have to fire.

Mark Cuban

Well, it's hard, yeah, for sure because it's obviously a failure somewhere in the process. What did we do wrong? And when I would interview people for jobs, 99% of the people I've

ever interviewed I've wanted to hire, because in my mind, it was like, okay, I can figure out how to make this person work. And then they wouldn't. And then people at the company would be like, "Mark, you suck at this." And so I always delegated the hiring.

Lex Fridman

Yeah, I'm the same. I see the potential in people. I see the beauty in people, which is a great way to live life. But when you're running a company, it's a different thing.

Mark Cuban

It's different. And you got to know what you're good at and what you're bad at, right? I was good at - I was a ready-fire-aim guy, and I always partnered with people who were very anal and perfectionist because where I could just go, go, go, go, go, go, they would keep me inside the baselines.

Lex Fridman

They would do the due diligence, I suppose.

Mark Cuban

Yeah, or just, yeah, the detail work, the dot the I's and the cross the T's.

Lex Fridman

What does it take to take that first leap into starting a business?

Mark Cuban

That's the hardest part. It really depends on your personal circumstances. I got fired. I was sleeping on the floor of six guys in a three-bedroom apartment, so I couldn't go any lower. So there was no downside.

Lex Fridman

Starting at the bottom.

Mark Cuban

Yeah, there was no downside for me starting a business. And it was just like - I was 25 when we started MicroSolutions, and I'd just gotten fired and it was like, look, I'm a lousy employee. I'm going to just start going to some of my prospects that I had at my job and asked them to front the money that I needed to install some software and found this company, Architectural Lighting, who put up \$500 for me. That allowed me to buy software and have 50% margins and that's how I started my company.

Lex Fridman

But by way of advice, would you say? It's a terrifying thing.

Mark Cuban

Yeah, you've got to be in a position where you're confident. I get emails and approached by people all the time, what kind of business should I start? That tells me you're not ready to start a business. Either you're prepared and you know it or you don't. In the United States, with the American Dream, everybody always looks at themselves and say, okay, I have this idea. And then you go through this process of saying, okay. You talk to your friends or family, what do you think? And they almost always, oh, it's a great idea. Then you go on Google and you say, oh my god, no one else is doing it. Without thinking, 10 companies have gone out of business trying the same thing. But okay, it's on Google. And then people stop because that next step means, okay, I have to change what I'm doing in my life. And that's not easy for 99% of the people. Some people look at that as an opportunity and get excited about it. Some people get terrified because it's, okay, maybe I'm comfortable, maybe I have responsibilities. And so whatever your circumstances are, if you want to take that next step, you have to be able to deal with the consequences of changing your circumstances. And that's the first thing. Do you save money? If you have a job, but d'you have a mortgage? Do you have a family? You've got to save money. You can't just walk. They've got to eat and they've got to have shelter. But on the other side of the coin, if you've got nothing, it's the perfect time to start a business.

Lex Fridman

Desperation is a good catalyst for starting a business, but in many cases, the decision, as you're talking about you're going to have to make is to leave a job that's providing some degree of comfort already. So I suppose when you're sleeping on the floor and there's six guys, it's a little bit easier.

Mark Cuban

It's really easy, right? Particularly when you get fired and you don't have a job and you're looking at bartending at night to try to pay the bills. And so it wasn't hard for me, but to your point, it really comes down to preparation. If it's important enough to you, you'll save the money. You'll give up whatever it is you need to give up to put the money aside. If you have obligations, you'll put in the work to learn as much as you can about that industry so that when you start your business, you're prepared. And you can always, at night, on weekends, whenever you find time, lunch, start making the calls to find out if people will write you a check or transfer you the money to buy whatever it is you're selling. And by doing those things, you can put yourself in a position to succeed. It's where people just think, okay, Geronimo, I'm leaping off the edge of a cliff and I'm starting a business. That's tough.

Lex Fridman

But sometimes that's the way you do it, though.

Mark Cuban

There's always examples of any situation or scenario, right?

Lex Fridman

Anecdotal evidence for everything.

Mark Cuban

But if you're going into a new business, you're going to have competition unless you're really, really, really, really, really lucky. And that competition is not going to just say, okay, let Lex or Mark just kick our ass. And so, you've got to be prepared on how you're going to deal with that competition.

Lex Fridman

What do you think that is about America that has so many people who have that dream and act on that dream of starting a business?

Mark Cuban

I think we've just got a culture of consumption and more. And to get more, you've got to - creating a business gives you the greatest potential upside and the greatest leverage on your time, but it also creates the most risk.

Lex Fridman

So that capitalist machine, there's a lot of elements. By contrast, the respect for the law, like an entrepreneur can trust that if they pull it off, the law will protect them. There won't be a government.

Mark Cuban

Hopefully that's still the case. Yeah.

Lex Fridman

Well, yeah. There's always -

Mark Cuban

Versus other countries, right? So us versus other countries. Joe Biden of all people said to me, it was at an entrepreneurship conference that when he was vice president, he had put together, and we had gone up there, a bunch of us from Shark Tank to talk to young entrepreneurs from around the world. And he said to me, "Mark, I've been to every country around the world, and the one thing that separates us is entrepreneurship. We're the most entrepreneurial country in the world, and there's no one else who's even close." And when you look at the origin of the biggest companies in the world, for the most part, there's an American origin story somewhere behind there. And I think that just gets perpetuated on itself. We see those Horatio Alger stories, we see examples of the Jeff Bezos of the world, the Steve Jobs of the world, and those are the types of people we want to copy.

Lex Fridman

Yeah, we want to be really careful and try to really figure out what that is because we don't want to lose that.

Mark Cuban

For sure.

Lex Fridman

We want to protect the - whatever. And that's a lot of the discussions about what's the right way to do government, big government, small government, what's the right policies, but also culture, who we celebrate. One of the things that troubles me is that we don't enough celebrate the entrepreneurs that take risks and the entrepreneurs that succeed. It seems like success, especially when it comes with wealth, is immediately matched with distrust and criticism and all that kind of stuff.

Mark Cuban

Yeah. Well, it's changing for sure, because you can go back just 12 years, right? Traditional media dominated - let's just say through 2012 - that was the peak of linear television. Newspapers weren't as strong, but they still had some breadth and depth to them. And then, social media comes along and everybody gets to play in their own sandbox and share opinions with people who think just like them. And it also gives them the opportunity to amplify those feelings. And I think that's where celebrating entrepreneurs really started to subside some. There were always people who were progressive that were like, "Billionaires are bad" or "Millionaires are bad" - depending on the time period - but you didn't really see it on an ongoing basis. It wasn't going to be on the evening news. It wasn't going to be in the front page of the newspaper. It was going to be if you read a book and someone talked about it, or you read a magazine and there was an article talking about this progressive movement or that progressive movement, whatever it may be, or political parties. But now all of that is front and center in social media.

Lex Fridman

Yeah, we're trying to figure it out, how we deal with the mobs of people and the virality of it all. And I think we'll find our footing and start celebrating greatness again.

Mark Cuban

Well, that's the whole reason I do Shark Tank.

Lex Fridman

That's true. That show celebrates the entrepreneur. That's true.

Mark Cuban

It's the only place where every single minute of every single episode, we celebrate the American Dream. And the reason I do it is we tell the entire country, and it's shown around the world even, we're amazing advertising for the American Dream, and I don't even know how many countries, but every time somebody walks onto that carpet from Dubuque, Iowa or Ketchum, Idaho, that sends a message to every kid who's watching, 7, 8, 9, 10, 12-year-old kid that if they can do it from Ketchum, Idaho, you can do it. If they can have this idea and get a deal or even present to the Sharks and have all of America see it, you can do it. And I'm proud of that. 15 years of that, it's just been insane. Now kids walk up to me and go, yeah, I started watching you when I was five or 10, and I started a business because I learned about it from Shark Tank. And so I think it celebrates it, and we convey it, and I don't think it's going away, but there are different battles we have to fight to support it.

Lex Fridman

Yeah, I love even when the business idea is obviously horrible. Just the guts to step up.

Mark Cuban

To be there.

Lex Fridman

To believe in yourself. To really reach. That's what matters, because some of the best business ideas are probably, maybe even you and Shark Tank will laugh at.

Mark Cuban

Oh, for sure. Without question. The good ones, we're not going to recognize every good one. And then sometimes we'll just motivate people to work even harder to get it done because of what we say to them, and that's fine too. There's been great success stories that we said no to.

Lex Fridman

What stands out as a memorable business on you've been pitched on Shark Tank. What's the best one that stands out on -

Mark Cuban

There's no best one, right? They're all different. They're all best in their own way, I guess. There're stupid ones, and we haven't had any world-changing earth-shattering ones because those aren't going to apply to Shark Tank. They don't need us. So we typically get businesses that need some help at some level or another. But there's ones I've passed that I wish Spikeball, do you know what Spikeball is? So it's just rebounding net that you can put on the beach and you have these yellow balls, and you play a game of, it's just a competitive game, but they're killing it. So if you go to beaches in New York or LA, you'll see kids playing

it all the time. And it was a fun game that I wish I had done a deal with, and there's been others.

Lex Fridman

And you passed.

Mark Cuban

And I passed. They were getting some traction and they wanted to create leagues, Spikeball leagues, and they wanted me to be the commissioner, and I don't want to be a commissioner of a new Spikeball league.

Lex Fridman

So you have to have this gut feeling of will this scale, will this click with people?

Mark Cuban

Of course, yeah. Can it be protected? Is it differentiated? Is it something that makes me think, why didn't I think of that? Or is it just a good solid business that's going to pay a return to the founder and may not be enough of a business to return to an investor?

Lex Fridman

Yeah, and I guess the question you're trying to see, will this scale? There's promise? Will the promise materialize into a big thing?

Mark Cuban

Well, see, I don't even care if it's going to be a big thing, right? Because it's all relative to the entrepreneur. We had a 19-year-old from Pittsburgh Laney, who came on with this simple sugar scrub, and there was nothing outrageously special about it. I didn't see it becoming a hundred-million-dollar business. I thought it could become a two, three, five-million-dollar business that paid the bills for her. And that was good enough. And six months after the show aired, she called me up, she goes, "Mark, I've got a million dollars in the bank. What am I going to do?" I'm like, "Enjoy it. Put aside money for your taxes and go back to work." And so it doesn't have to be a huge business. It's just got to be one that makes the entrepreneur happy.

Lex Fridman

But then there's the valuation piece. Do a lot of the entrepreneurs overvalue their business?

Mark Cuban

Yeah, that's the nature of it, right? And that's really where the biggest conflicts in Shark Tank happened. That's an evaluation. They think this is the best business ever. We had one lady couple that came on and they had this scraper for cat's tongues, right?

Lex Fridman

Nice.

Mark Cuban

Bizarre. One of the most bizarre pitch ever.

Lex Fridman

I love it.

Mark Cuban

And they had this insane valuation and it was on because it was corny and fun TV, not because it was a good business.

Lex Fridman

Oh, really? Okay. You didn't see the potential.

Mark Cuban

None. Yeah, none.

Lex Fridman

There's a lot of cats in the world, Mark. Come on.

Mark Cuban

Yes, there are. And they'll go very well without me.

Lex Fridman

So how do you determine the value of a business, whether it's on Shark Tank or just in general?

Mark Cuban

It's actually really easy. So if you take, just to use an example, a business that's valued at \$1 million, and I want to buy 10% of that company for \$100,000, then in order for me to get my money back, they've got to be able to generate a hundred thousand dollars in after-tax cash flow that they're able to distribute. Can they do it or can they not? Right? And if it's a \$2 million - whatever the valuation is - that's how much cash - after-tax cash they have to generate to return that money to investors. Or the other option is: Do I see this as business potentially having an exit? Do they have some unique technology or do they have something specific about them that some other company would want to acquire? Then, the cash flow isn't as - I don't want to say important - but isn't going to guide the valuation.

Lex Fridman

And how do you know if a company's going to be acquired? So it's the technology, like the patents, but also the team, is it -

Mark Cuban

Yeah, it could be any of the above. It could be a super products' company that I think is going to take off.

Lex Fridman

And how do you know if they can generate the money? You made it sound easy.

Mark Cuban

Yeah, can the person sell? And if not them, can I do it or someone on my team do it for them?

Lex Fridman

So you're looking at the person.

Mark Cuban

Yeah, for sure. Yeah. That's where Barbara Corker is the best. She can look at a person and hear them talk for 20 minutes and know, can that person do the job and do the work.

Lex Fridman

Can you tell if they're full of shit or not? So one of the things with entrepreneurs, they're like we said, overvaluing, so they're maybe overselling themselves, but also they might be full of in terms of their understanding of the market or also -

Mark Cuban

Oh, yeah.

Lex Fridman

- or exaggerating what they're think or do, all that kind of stuff. Can you see through that?

Mark Cuban

Yeah, for sure. Just by asking questions. So if they are delusional at some level or misleading at another level, I'm going to call them on it. So you get people trying to sell supplements that come on there and it's a cure for cancer or whatever it may be, or there's this latest fad that increases your core strength without doing any exercises. Shit Like that I'm just going to bounce, I'm going to pound on them. Right.

Lex Fridman

I still love that. I still love the trying. Just trying.

Mark Cuban

No, give them credit, right? Because they know all of America's going to see it, and they've deluded themselves to believe this story so strongly.

Lex Fridman

There's a delusional aspect to entrepreneurship. You,

Mark Cuban

That's a great question. Do you have to be ambitious and set aside reality at some level to think that you can create a company that could be worth ten, a hundred, a billion dollars, yeah, at some level. Because you don't know. It's all uncertainty. But I think if you're delusional, that works against you because everything's grounded in reality. You've got to execute. You've got to produce, you can have a vision and you can say, this is where I want to get to and that's my mission, or this is my driving principle. But you still got to execute on the business plan, and that's where most people fail.

Lex Fridman

Yeah, you have to be kind of two-brained, I guess. You have to be able to dip into reality when you're thinking about the specifics of the product, how to design things, the first principles, the basics of how to build the thing, how much it's going to cost, all of that.

Mark Cuban

Yeah. Because if you can't do the basics, you're not going to be able to do the bigger things. And at the same time, you've got to be - one of the things that entrepreneurs do that I always try to remind any of that I work with on is we all tend to lie to ourselves. Our product is bigger, faster, cheaper, this or that, as if that is a finite situation, that's never going to change. And there's always somebody, I call them leapfrog businesses. Whoever's competing against you, if you do a B or C, they're going to try to do C, D and E, and you better be prepared for that to come, because otherwise they're out of business too. So you're never in a vacuum. You're always competing against sometimes an unlimited number of entrepreneurs that you don't even know exist who are trying to kick your ass.

Lex Fridman

And the tricky part of all this too is you might need to frequently pivot, especially in the beginning.

Mark Cuban

Hopefully not.

Lex Fridman

So you think in the beginning, the product you have should be the thing that carries you a long time.

Mark Cuban

Yeah, because that's your riskiest point in time. And so if you've done your homework, which includes going out there and testing product market fit, you should have confidence that you're going to be able to sell it. Now, if you didn't do your homework and you go out there and you sell whatever it is and you've raised money or whatever, just to pivot, you've already shown that you haven't been able to read the market. And so it's not that pivots can't work and always don't work. They can, but more often than not, they don't. You pivot for a reason. That's because you made a huge mistake.

Lex Fridman

Well, I also mean the micro-pivots, which is iterative development of a -

Mark Cuban

Oh, yeah, just iterations. Yeah. Entrepreneurship, having any business is just continuous iteration, continuous. Your product, your sales pitch, your advertising, introducing new technology, how do you use AI or not use AI? Where do you use it? What person's the right person? There's just a million touch points that you're always reevaluating in real , early 'time that you have to be agile and adapt and change.

Lex Fridman

But especially in software, it feels like business model can evolve really quickly, too, like how are you going to make money on this?

Mark Cuban

Yeah, software for sure, because anything digital, because it can change in a millisecond.

Lex Fridman

Speaking of which, how did you make your first billion?

Mark Cuban

So my partner, Todd Wagner and I would get together for lunches, and we were at California Pizza Kitchen and Preston Hollow in Dallas, and he was talking about how we could use this new thing called the internet. This is the late '94, early '95, to be able to listen to Indiana University basketball games because that's where we went to school. And he look, when we would listen to games, we would have somebody in Bloomington, Indiana have a speakerphone next to a radio, and then we would have a speakerphone in Dallas and a 6-pack or 12-pack of beer, and we'd sit around listening to the game because there was no other way to listen to it. So I was like, okay, my first company, MicroSolutions, I'd written software, done network integration. And so I was comfortable digging into it, and so like, okay, let's give it a try. So we started this company called AudioNet, and effectively became the first streaming content company on the internet. And we're like, okay, we're not sure how we're going to make this work, but we were able to make it work when we started going

to radio stations and TV stations and music labels and everything and evolved. audionet.com - which was only audio at the beginning - to broadcast.com in 1998 - which was audio and video - and became the largest multimedia site on the internet. Took it public in July of 1998. It had the largest first day jump in the history of the stock market at the time. And then a year later, we sold it to Yahoo for \$5.7 billion in Yahoo stock, and I owned right around 30% of the company - give or take. And so after taxes, that's what got me there.

Lex Fridman

Well, there's a lot of questions there. So the technical challenge of that, you're making it sound easy, but you wrote code, but still, in the early days of the internet, how do you figure out how to create this kind of product of just audio at first and then video at first?

Mark Cuban

A lot of iterations like you talked about. We started in the second bedroom of my house, set up a server. I got an ISDN line, which was a 128K line and set up, downloaded Netscape server, and then started using different file formats that were progressive loading and allowing people to connect to the server and do a progressive download so that the audio, you can listen to the audio while it was downloading onto your PC.

Lex Fridman

Yeah, it was a super choppy. So you're trying to figure out how to do it.

Mark Cuban

Oh yeah, for sure. For sure, it would buffer it. It wasn't good, but it was a start.

Lex Fridman

But it was good enough the first

Mark Cuban

Kind. Yeah, because there was no other competition, right? There was nobody else doing it. And so it was like, okay, I can get access to this or this. And then there were some third party software companies, Zing and Progressive Networks and others that took it a little bit further. So, we partnered with them and I started going to local radio stations where literally we would set up a server. Right next to it, I had a \$49 radio, the highest FM radio that I could find, and we'd take the output of the audio signal from the radio with these two analog cables, plug it into the server, encode it, and make it available from audionet.com. Then I would go on Usenet bulletin boards. I would go on CompuServe. I would go on Prodigy. I would go on AOL. I'd go wherever I could find bodies and I'd say, "Okay, we've got this radio station KLIF in Dallas. It's got Dallas sports and Dallas news and politics. And if you're in an office or you're outside of Dallas, connect to audionet.com and now you can listen to these things on-demand." And that's how we started. And it started with one radio

station. And then, it was five. Then, it was ten. Then, it was video content. Then - the laws were different then. So, we could literally go out and buy CDs and host them and just let people listen to whatever music. And we went from ten users a day to a hundred, to a thousand, to hundreds of thousands to a million over those next four years.

Lex Fridman

How did you find the users? Is it word of mouth?

Mark Cuban

Word of mouth.

Lex Fridman

Just word of mouth.

Mark Cuban

Didn't spend a penny on advertising.

Lex Fridman

So, the thing you were focusing on is getting the radio stations and all that.

Mark Cuban

But radio and TV - anything - any content at all. You -

Lex Fridman

Pick up the phone, how'd you -

Mark Cuban

Wherever I put everything that was public domain, I'd go out and buy a video or a cassette, whatever it was. And this was before the DMs - the Digital Millennium Copyright Act of '90 - whenever it kicked in. So, literally anything that was audio we would put online so people could listen to it. And if you think about somebody at work, they didn't have a radio most likely. And if you did, you couldn't get reception. Definitely didn't have a TV, but you had a PC and you had bandwidth available to you and the companies weren't up on firewalls or anything at that point in time. So our in-office listening during the day just exploded because whoever's sitting next to you, what are you listening to? And that was the start of it. And then in early '98, we started adding video and just other things, and we had ended up with thousands of servers. There was no cloud back then. And just pulling together all those pieces to make it work. But where we really made our money was by taking that network that we had built and then going to corporations and saying, look, it's 1996, '97, '98. And to communicate with your worldwide employees, what they would do is they would go to an auditorium that had a satellite uplink, and then they would have people go to theaters or ballrooms and hotels that had satellite down links and they would broadcast the product

introductions, whatever. And so we said to them, look, you're paying millions of dollars to reach all your employees when you can do it. Pay us a half a million dollars, and we'll do it just on their PCs at work. So we did. When Intel announced the P90 PC, we charged them \$2 million or whatever to do that. When Motorola announced a new phone or a new product, we would charge them. And so we used a consumer side to do a proof of concept for the network, and then we would take that knowledge and go to corporations, and that's how we made our revenue.

Lex Fridman

And there's some selling there with the corporations?

Mark Cuban

Yeah, a lot of selling there, but we were saving them so much money, and they were technology companies. They wanted to be perceived as being leading edge. And so it was win-win.

Lex Fridman

How much technical savvy was required? You said a bunch of servers. At which point do you get more engineers? How much did you understand could do yourself? And then also, once you can't do it all yourself. How much technical savvy is required to understand enough to hire the right people to keep building this and innovation?

Mark Cuban

I did all the technology, and then we hired engineer after engineer after engineer to implement it. And so, yeah, from putting together a multicast network to software to just all these different things,

Lex Fridman

Was this a scary thing?

Mark Cuban

It's terrifying, right? Because as we were growing, trying to keep up with the scale, and literally, we're buying off-the-shelf PCs, and then server cards as the technology advanced and hard drives and things would fail, and we would have to - we didn't have machine learning back then to do an analysis of how to distribute server resources. There was a time when Bill Clinton and all the Monica Lewinsky stuff happened. They released the audio of their interviews of him or something like that. And literally, I knew at that point in time when that was released, everybody at work was going to want to listen to it, right? So we had to take down servers that were doomed - was going to want to listen to it. We had to take down servers that were doing Chicago Cubs baseball and just make all these on-the-fly decisions because we didn't have the tools to analyze or be predictive. It was all technology-driven and marketing.

Lex Fridman

The acquisition by Yahoo. Can you tell the story of that, but also in the broader context of this internet bubble? This is a fascinating part of human history.

Mark Cuban

On the acquisition side, we were the largest media site on the internet, and it wasn't close. There was nobody close. We were YouTube and relatively speaking, we would be 10X YouTube relative to the competition because there was nobody there. It became obvious to Yahoo, AOL, and others that they needed a multimedia component. We had the infrastructure, sales, all that stuff. Yahoo, when we went public in '98 or right before, I think it was, they made an investment of \$2 million, which gave us a connection to them. After we went public, they decided they needed to have multimedia, so in April of '99, we made a deal, and then July of 2000 is when it closed.

Lex Fridman

Can you explain to me the trickiness of what you did after that?

Mark Cuban

The collar?

Lex Fridman

Yeah.

Mark Cuban

Okay. When we sold to Yahoo, we sold for \$5.7 billion in stock - not cash. After MicroSolutions, when I sold that, I took that money and initially I told my broker I wanted to invest like a 60-year-old man because I wanted to protect it, but then he started asking me all kinds of questions about all these technologies that I understood, like networks I had installed. We had become one of the top 20, let's say, systems integrators in the country. At one point in time, we were the largest IBM token ring installer in the country. It was crazy. Banyan, Blast from the Past. Anyway, these Wall Street bankers or analysts rather, that were the big analysts of the time would call me up because they would ask my broker, "What does he know about this product, this product?" I knew them all, what was working and not working. The ones that worked, I say that it's working and they say something, the stock would go up \$20. My broker was like, "You know this better than they do. You need to invest." I started buying and selling stocks, and this was in 1990 and was just killing it. I was making 80, 90, 100% a year over those next four years to the point where guy came in and asked to use my trading history to start a hedge fund, which we did. I sold within nine months, it was great. The point being as it goes forward, so when we sold to Yahoo, I already had a lot of experience trading stocks, and I had seen different bubbles come and go. The bubble for PC manufacturers, a bubble for networking manufacturers, they went up, up, up, up, up, and then they came straight down after the hype where somebody just leapfrogged.

When we sold to Yahoo, I was like I've got a B next to my name. That's all I need, or all I want. I don't want to be greedy. I'd seen this story before where stocks get really frothy and go straight down. I knew that because all of what I had was in stock, I needed to find a way to collar it and protect it. Understanding stocks and trading and options and all that, my broker and I, we went and shorted an index that had Yahoo in it. The law at the time was you couldn't short any indexes that had more than 5% of that stock in it, of the Yahoo stock. I took pretty much \$20 million dollars, everything I had at the time, and I shorted the index.

Lex Fridman

This is fascinating, by the way, because based on your estimation that this is a bubble.

Mark Cuban

Or just mine not wanting to be greedy.

Lex Fridman

Sure. The foundation of this kind of thinking is you don't want to be greedy.

Mark Cuban

Yeah. How much money do I need? Where other people were saying, oh, I think you can go up higher, higher, higher. I went on CNBC and I told them what I had done, and Yahoo stock had gone up significantly from the time I had collared. One of the guys, Joe Kernan was on there, "Don't you feel stupid now that Yahoo stock has gone up X% more?" I'm like, "Yeah, I feel real stupid sitting on my jet."

Lex Fridman

There is some fundamental way in which bubbles are based on this greed.

Mark Cuban

For sure, and I'd seen it before, like I just said. What I did was we put together a collar where I sold calls and bought puts, and as it turned out, when the market just cratered, I was protected. Over the next two, three years, whatever it was, it converted to cash, paid my taxes, etc, but it protected me. As it turns out, it was called one of the top 10 trades of all time. What was even more interesting out of that period, my broker at that time was at Goldman Sachs, and I had asked him to see if there was a way to trade the VIX, the volatility index, and there wasn't. One of the people that Goldman that we were working with to try to create this actually left Goldman and created indexes that allowed you to trade the VIX.

Lex Fridman

It's not trivial to understand that it's a bubble. You're lessening your insight into all this by saying you just didn't want to be greedy, but you still have to see that it's a bubble.

Mark Cuban

Yeah, obviously if I thought it was going to keep on going up and there was intrinsic value there, I would've stayed in it. It wasn't so much Yahoo, it was just the entire industry. We're looking at the magic seven or whatever it is stocks now and people were asking is it in a bubble? I would get into cabs and people would just start talking about internet stocks. There were people creating companies with just a website and going public. That's a bubble where there's no intrinsic value at all. People aren't even trying to make operating cap profits, they're just trying to leverage the frothiness of the stock market, that's a bubble. You don't see that right now. You don't see any IPOs right now for that matter, so I don't think we're in a bubble now, but back then, yes, I thought we were in a bubble, but that wasn't really the motivating factor.

Lex Fridman

Do you think it's possible we're in a bit of an AI bubble right now?

Mark Cuban

No, because we're not seeing funky AI companies just go public. If all of a sudden we see a rush of companies who are skins on other people's models or just creating models to create models that are going public, then yeah, that's probably the start of a bubble. That said, my 14-year-old was bragging about buying NVIDIA with me in his Robinhood account. He tells me the order, I place it, and he was like, "Oh, yeah, it's going up, up, up." I'm like yeah, we're not quite there yet, but that's one thing to pay attention to.

Lex Fridman

Yeah, we're flirting with it. You said that becoming a billionaire requires luck. Can you explain?

Mark Cuban

Yeah. There's no business plan where you can just start it and say yeah, I'm definitely going to be a billionaire. If I had to start all over, could I start a company that made me a millionaire? Yeah, because I know how to sell and I know technology, and I've learned enough over the years to do that. Could I make \$10 million? Probably. \$100 million? I hope so. But \$1 billion, just something good has got to happen.

Lex Fridman

Timing.

Mark Cuban

Timing. Internet stock market was going nuts when we started, and that certainly I couldn't predict or control. It's like AI right now, AI's been around a long, long, long, long time. The NVIDIA GPUs, you couldn't predict that now's the time that they were going to get to that cost-effectiveness where you could create models and train them and although it's

expensive, it's still doable. We had ASICs for custom applications and we had CPUs that were leading the way, but GPUs were more for gaming and then crypto mining, and then all of a sudden they were the foundation for AI models.

Lex Fridman

I think luck being essential to becoming a billionaire is a beautiful way to see life in general. First of all, I personally think that everything good that's ever happened to me is because of luck. I think that's just a good way of being. It's like you're grateful. That said, there's some examples of people that you're like, they seem to have gotten lucky a lot. We'll mention Jeff Bezos. It seems like he did a lot of really interesting, powerful decisions for many years with Amazon to make it successful.

Mark Cuban

But he was really able to raise money, a lot of money, and people were really dismissive of him because they weren't making - they weren't profitable and we were in an environment where it was possible to raise -

Lex Fridman

It was possible to raise that money. I mean - what about - somebody you get sometimes feisty with on the internet - Elon? You could even look at Zuck, and Bill Gates, and Warren Buffett.

Mark Cuban

Sure. Look, Zuck was just trying to get laid, right? And it took off and he wrote some good software.

Lex Fridman

Aren't we all? Isn't that the foundation of human civilization?

Mark Cuban

At some level, right? More power to them, you can't take anything away from them. Snapchat, same thing, took off. Apps didn't take off in 2007 when the iPhone came out, apps took off in 2011, 2012, and if you were there with the right app at the right time. Even Facebook in 2004, the bubble had burst and the price for computers had fallen enough. And kids in school all needed computers or laptops. If he had tried to do something like that five years earlier - he was too young, but five years earlier or five years later, or Friendster might've been the ultimate or MySpace,

Lex Fridman

Friendster, I remember Friendster.

Mark Cuban

Or MySpace. I had a MySpace account, and that was before Facebook.

Lex Fridman

Yeah, the timing's important, but there's the details of how the product is built, the fundamentals of the product.

Mark Cuban

But that's what gets you. When the opportunity is there, that's what allows you to take advantage of that opportunity and the kismet of it all because it wasn't like any of the people I mentioned, there weren't others trying the same thing. You had to be able to see it. You had to be able to visualize it and put together a plan of some sort, or at least have a path, and then you had to execute on it and do all those things at the same time and have the money available to you because it wasn't like whether it was Google or Facebook, they raised a shitload of money. It wasn't bootstrapping it that got them there.

Lex Fridman

Raising money is not just about sales, it's about the general feeling of the people with money at that time.

Mark Cuban

And proximity.

Lex Fridman

Oh, yeah. Sure.

Mark Cuban

If Zuck wasn't at Harvard and he was at Miami of Ohio University or he was at Richland Community College, same idea, same person, same execution, and nothing.

Lex Fridman

I believe in the power of individuals to realize their potential no matter where they come from.

Mark Cuban

I agree 100% with that.

Lex Fridman

But luck is required.

Mark Cuban

The only delta is scale. We're not all blessed with the access to the tools you need to hit that grand slam.

Lex Fridman

But then also, billion is not the only measure of success, right?

Mark Cuban

Absolutely not. Right. Everybody defines the success in their own way.

Lex Fridman

How do you define success, Mark Cuban?

Mark Cuban

Waking up every day with a smile, excited about the day. People always say when you get that kind of money, does it make you happy? My answer always is if you are happy when you are broke, you're going to be really, really, really happy when you're rich.

Lex Fridman

But you got to work on being happy when you're broke, I guess.

Mark Cuban

You're just being happy. If you were miserable in your job before, there's a good chance you're still going to be miserable if that's just who you are.

Lex Fridman

That's a pretty good definition of success, by the way.

Mark Cuban

Thank you.

Lex Fridman

How do you reach that success by way of advice to people?

Mark Cuban

We talked about my dad, my parents. I never looked at my dad and said okay, you're not successful. He busted his ass and when he came home, we enjoyed our time together. There was nothing at any point in time where I felt like this is miserable, we're awful, we don't have this, we don't have that. We celebrated the things we did have and never knew about the things we didn't have. I think you have to be able to find your way to whatever it is that puts a smile on your face every day. Some people can do it, and some people can't.

Lex Fridman

It's not always about the smile on the outside, it could be a smile on the inside.

Mark Cuban

Whatever it is, whatever makes you feel good.

Lex Fridman

Even the struggle, like with your dad, the really, really hard work can be a fulfilling experience because the struggle leading up to then seeing your kids and seeing your family.

Mark Cuban

Exactly right. That was my dad's grand slam, seeing three kids go to college, be successful, be able to spend time with them. That was the other thing he really made me realize is the most valuable asset isn't the money, it's your time. That's why from a young age, I wanted to retire because I wanted to experience everything that I possibly could in this life. He got joy from us, I get joy from my kids, and that's the most special thing that you ever can have.

Lex Fridman

Beautifully said. You have made some mistakes in your life?

Mark Cuban

Yeah, a lot of them.

Lex Fridman

One of the bigger ones on the financial side we could say is Uber.

Mark Cuban

Yeah, we call that not doing something. Yeah, it wasn't a mistake, it was just - it was a mistake.

Lex Fridman

I like how you tried to -

Mark Cuban

I always try to look at mistakes at things you did that didn't turn out as opposed to things you didn't do, the negative.

Lex Fridman

Can you tell the story of that? And maybe it's just interesting because it is illustrative how to know when a thing is going to be big and not, what are the fundamentals of it, and how to take the risk and all this kind of stuff.

Mark Cuban

The backstory of that is Bill Gurley came to me and said, "Mark, there's this guy, Travis, that has this company, Red Swoosh, which is a peer-to-peer networking company that I think you can help." I invested and would spend a lot of time with Travis. It's funny because back then, that was 2006, I was an investor at Box.net with Aaron Levy and - oh, there was one other company, but there were three of them where there'd be emails where I'd introduce them and we'd all talk in these emails and they'd all gone to have astronomical success. Red Swoosh had its issues. I always look at peer-to-peer as stealing bandwidth from the internet providers when bandwidth was a scarce commodity. What Travis did with that though, was great. He convinced gaming companies who wanted to do downloads of the clients for those games to use his peer-to-peer on Red Swoosh. He busted his ass, and I think he sold it for \$18 million, so he did well. So it was natural for him to come to me, and I still have the emails and ask me about Uber Cab. I thought okay, this is a great idea. I really, really like it. He showed me his budgets, and I think they were raising money at \$10 million or \$15 million or whatever. I'm like, "Your biggest challenge is going to be you're going to have to fight all the incumbent taxi commissions. They're going to want to put you out of business. That's going to be a challenge and I think you don't have enough money designated for marketing to get all that done." I said, "I'd invest, but not quite at that valuation." Right? Never came back to me.

Lex Fridman

Yeah, I mean - there's some lessons there connected to what you're doing now. We'll talk about it - Cost Plus Drugs. It's looking at an industry that seems like there's a lot of complexity involved, but it's like hungry for revolution and the cabs are that.

Mark Cuban

Yeah, for sure. They were dominated by an insulated few, they were not very transparent, you didn't know the intricacies, they were very politically driven, an old boy insensuous network. I told him, "Travis, the best thing about you is you'll run through walls and break down barriers. The bad thing about you is you'll run through walls even if you don't have to."

Lex Fridman

There you have to see, is it possible to raise enough money? Is it possible to do all this? Is it possible to break through? It's a fascinating success story with Uber.

Mark Cuban

I think he tried to go too big. He had too big an ambition, which cost him in the end, not financially and personally, but just in terms of being able to stick it out with them, but that's what makes him a great entrepreneur.

Lex Fridman

It's a fascinating success story. You have certain companies like Airbnb just go into this thing that we take completely for granted.

Mark Cuban

And change it all.

Lex Fridman

Just change it all.

Mark Cuban

Linda Johnson, who worked as our general counsel at broadcast.com, was Brian's GC and chief operating officer. They had a smart, smart team.

Lex Fridman

They believed in it. It's a beautiful story because you're like, "Alright, all the things that annoy you about this world - they're an inefficient - and it just seemed like a pain in the ass..."

Mark Cuban

See, I probably would've said no like a lot of people did to Airbnb because I'm like I don't want people sleeping in my bed.

Lex Fridman

I would've too. I was like this is not going to work. I've done couchsurfing and stuff and it was always - it didn't seem right. It didn't seem like you could do this at a large scale.

Mark Cuban

To monetize it. Yeah, but he did more power to him.

Lex Fridman

In 2000, I think January, you purchased a majority stake in the NBA team, Dallas Mavericks for \$285 million. At this point, maybe you can correct me, but it was one of the worst performing teams in franchise history.

Mark Cuban

It's true.

Lex Fridman

How did you help turn it around?

Mark Cuban

I had this big, tall guy named Dirk Nowitzki, and I let him be Dirk Nowitzki, and I got out of the way. I think more than anything else, there was the turnaround on the business side, and then there was the turnaround on the basketball side. On the basketball side, I just went in there, immediately said whatever it takes to win, that's what we're going to do. Back then, they had three or four coaches that were responsible for everything and I was like okay, we spend more money training people on PC software than we do developing the most important assets of the business. I made the decision to go out there and hire 15 different development coaches, one for each player. Everybody thought I was just insane, but it sent the message that we were going to do whatever it took to win. Once the guys believed that winning was the goal as opposed to just making money, attitudes change, efforts went up, and the rest is history.

Lex Fridman

The assets of the business here are the players.

Mark Cuban

The players.

Lex Fridman

The players.

Mark Cuban

Yeah, for sure. On the business side, the first question I asked myself is what business are we in? I really didn't know the answer immediately, but within the first few months, it was obvious that the entire NBA thought we were in the business of basketball. We were not, we were in the experience business. When you think about sporting events that you've been to, you don't remember the score, you don't remember the home runs or the dunks, you remember who you were with, and you remember why you went. It was my first date with a girl who's now my wife or I went with my buddies and he threw up on the person in front of us. My dad took me, my aunt, my uncle took me. Those are the experiences you remember. Once I conveyed to our people that this is what we were selling, that what happened in the arena off the court was just as important as what happened on the court, if not more so because if mom or dad are bringing the 10-year-old, you have to keep them occupied because they have short attention spans. I would get into fights with NBA, put aside the refs, but getting in fights in the NBA, I would say NBA, nothing but attorneys, because they had no marketing skills whatsoever. To their credit, they realized that was a problem and started bringing in better and better marketing people.

Lex Fridman

Part of the selling is you're selling the team, selling the sport, selling the people, the idea, all of it.

Mark Cuban

Yeah, the experience. Have you ever been to an NBA game?

Lex Fridman

Miami Heat.

Mark Cuban

Do you remember walking into the arena and you feel the energy? That's what makes it special.

Lex Fridman

Yeah, the energy is everything. Especially playoff games.

Mark Cuban

Right, for sure. Even a regular season game, even against the worst team, that's where we get - because the tickets tend to be a little bit cheaper on the resale market, that's where parents will bring their kids. You hear kids screaming the entire game, and the parents are thrilled to death, they got to do something with their kids. The kids are thrilled to death because they got to see basketball, an NBA game, and scream at the top of their lungs. If it turns out to be a close game, and that ball's in the air, and if it goes in, everybody's hugging and high-fiving people you've never seen before in your life, and if it misses, you're commiserating with people you've never seen. That's such a unique experience that's unique to sports. We never sold that and that's exactly what we started.

Lex Fridman

I have to say, just going to that game turned me around on basketball because I'm more of a football guy. Basketball wasn't like the main sport. I was like oh, wow, okay.

Mark Cuban

It's fun. It's different. The energy in a stadium is completely different than the energy and arena. In the stadium, particularly if it doesn't have a roof, it's hard to bottle that energy. You feel it and you see - I'm from Pittsburgh, so there's the terrible towels and people screaming defense and everything at Steelers games, but in an arena, the energy level is just indescribable.

Lex Fridman

How much of it is the selling that tickets in person, but also versus what you see on TV? When you're owning a team, do you get any of the cut for the what's shown on TV?

Mark Cuban

Yeah. There's a TV deal that's done with either a local TV broadcaster and we get all of that, or a network broadcaster like ABC, ESPN, TNT, whatever, we get one 30th of that.

Lex Fridman

What role does the TV play in turning a team around?

Mark Cuban

It keeps fans connected. Look, when the team is doing really well, it's easy. There's more viewers, everybody's more excited. When you're not, there's still going to be hardcore fans and general fans and kids that like to watch the game.

Lex Fridman

What about the personality of the people in the stands? Clearly, you're part of the legend of the team because you're literally there going wild.

Mark Cuban

Yeah, screaming the whole game. It's funny, the way I am here is how I am 24 hours a day, unless there's a Mavs game. For whatever reason, that's where I let out all that stress and frustration. The fan's the sixth man. We need fans to bring that energy and amplifying that as much as we can is important.

Lex Fridman

You've had a beef recently on Twitter on X with Elon over DEI programs. What to you is the essence of the disagreement there?

Mark Cuban

I wouldn't call it a beef.

Lex Fridman

It's a bit of fun?

Mark Cuban

Yeah, it's fun for me. It's his platform, he gets to run it any way he please. He pays for that right, and so I have total respect for whatever choices he makes even if I don't agree with them, but because it's his platform, people are less likely to disagree with him, particularly somebody who's got a platform themselves. When we start talking about DEI and it's just de facto racist and this stuff, stuff that I just think is nonsense. I have no problem sharing my opinion. If he disagrees, okay, he can disagree, I don't care. It's fun to engage, but he doesn't really engage, he just comes back with snark comments, which is his choice.

Lex Fridman

In your comments, you do a bit of snark too.

Mark Cuban

Yeah, a little bit.

Lex Fridman

You're pretty, let's say, rigorous in your response. There is some exchange of ideas, there's some snark, there's some fun, all that kind of stuff. You do voice the opinion that represents a large number of people and that's great. That's really beautiful. But just lingering on the topic, what to you is the good and the bad of DEI programs?

Mark Cuban

Really simple, D is diversity. That means you just expand your pool of potential applicants to people who you might not otherwise have access to. To look where you didn't look before, to look where other people aren't looking for quality employees. That's simple. The E in equity means when you hire somebody, you put them in a position to succeed. The I, inclusion, is when you've hired somebody and they may not be typical, if you will, you show them some love and give them the support they need so they can do their job as best they can and feel comfortable and confident going to work. It's that simple.

Lex Fridman

That's a beautiful ideal. When it's implemented, implemented poorly perhaps, or in a way that doesn't reach that ideal, do you see, maybe when it's quota based, do you see that it can result in essentially racism towards Asian people and white people, for example?

Mark Cuban

There's a lot to unpack there. First, you can't do quotas. There are illegal unless you're - And I'm not the lawyer on this subject, but unless you're trying to repair something that's happened in the past, some discrimination that's happened in the past. It's not quota-based, and I think that's really just a straw man that people put out there. Now, does that mean that there aren't DEI programs that are implemented poorly? Of course not. Everything that's implemented poorly in one company to another. Sales, marketing, human resources, you can pick any element of business and find companies that implement it poorly, but that's the beauty of capitalism in a free market or mostly free market where if you make these choices and they are the wrong choices, you're going to lose your best people. You're not going to be able to hire the best people. You're not going to execute on your business plans in the way that we discussed, regardless of the size of the company. It also, I think, depends on where you're having the discussion. When I'm in a different group of people off of X, the feedback's completely different. To your question of reverse racism, yes, it happens because people are people. There's no human being that is 100% objective. It's also, there's very, very, very few jobs that can be determined on a purely quantitative basis. How do you tell one janitor from the other, who's the best? How do you tell one salesperson that you're hiring versus another you're hiring because they haven't sold your product yet, so you don't know? We talked earlier about firing people because you made mistakes. Yes, there's discrimination against any group, white, Asian, black, green, orange, whatever it may be, but I truly believe that there's far more discrimination against people of

color than there are people who are white. I think it's become a straw man, that reverse discrimination because of DEI is prevalent or near ubiquitous.

Lex Fridman

Much of American history was defined by intense radical racism and sexism. But in the recent years, there was a correction and I think the nature of the criticism is that there's an overcorrection where DEI programs at universities and companies, when they're not doing their job well, are often hard to criticize because when you criticize them within the company or so on, they have a very strong immune system. If you criticize a DEI program, it seems like it's very easy to be called racist, and if you're called racist or sexist, that's a sticky label.

Mark Cuban

You're getting into the culture of organizations and leadership within organizations, and accepting any type of criticism, put aside DEI. When I criticized the referees in the MVA, I got fined. That was their option. I knew what I was getting into, not that they're completely analogous, but it's cause and effect. If I'm in a major company and I'm publicly criticizing or even internally criticizing a sales plan or a product, our product sucks. There was a Google engineer that got fired for saying Google had AGI, and nobody believed they did and they knew that created problems. It wasn't DEI related, but it was saying something publicly that was, in the CEO's eyes, to the detriment of the company. I think those are all analogous. If you're trying to accomplish something within an organization because you think there's a problem and there's people speaking out saying, "Look, we're getting it wrong. I think I'm a victim of all this." And the company - then leadership - has got to make a decision. Do they agree or not agree? Are they right or are they wrong? Is it positive or negative to the company? And you decide. This conversation that Conservatives are being silenced in organizations now, I haven't seen it. The other side of your question, I think unpacking it, is what's driving all this? Put aside universities for one. In corporate America, when I talk to people in corporate America about DEI, they always start talking about ideology. I've talked to Bill Ackman, who you've had on, and when I asked him, "Bill, you run your own companies. Who's telling you what to do?" "They are." "Who's they?" "It's the universities, the people who have this ideology of DEI." I'm like, "Did they force you? Did they coerce you? Did you lose control of your company?" "No, it's not me. It happens to other people." Then I talk to other people, same thing. I try not to go one-on-one in Twitter conversations on this topic. In the DMs, I'll talk to people who are really conservative and I'll ask the same question and be like, "Who's forcing you to do this?" "It's the ideology that's everywhere. Didn't see the Harvard thing in University of North Carolina." I'm like I've never had anybody try to push me in this direction to do this. This was my business choice. I'm not trying to tell other people you have to do this. You make your own business choices. Where companies have made their business choices, and if somebody doesn't feel confident or comfortable with it, they may feel they're being discriminated against. There was something I just read in the Wall Street Journal, where the Wall Street Journal had a company interview 2 million people, and the

difficulty in firing and how people, when they were fired, 40% of the people who were fired felt like it was wrong, that they were doing a great job. Then it talked about the HR person going through the hassle of trying to explain to this person through performance reviews that they weren't doing a good job, yet the people still thought they were doing a great job, despite being told they're not doing a good job. I see that as being an analogous to all this huffing and puffing about reverse discrimination and Conservatives not being able to speak up because if 40% of people who have been fired don't believe they should have been fired, there's a disconnect somewhere in how you think you're doing your job. If you just feel like, I can't speak up because of it, because of you're white, and that doesn't comport well with DEI programs, a lot of things are going to happen. Either that's going to come up in your performance review, HR or your boss is going to have to address it in some way, it's going to get to HR at some level, and then decisions are going to have to be made. You can't just fire somebody because they spoke up. Somebody's going to have to communicate with you. I think a lot of - I just don't trust the supposed volume - I just don't trust the supposed volume that people say it's happening at, versus everything I've read and seen. And when I talk to people in positions of authority within organizations and ask them who's forcing them to implement these ideologies, nobody says - nobody says yes - that there is somebody. But on Twitter, it sounds great.

Lex Fridman

It is true for Conservatives, but in general, you can sell books, you can get likes when you talk about this ideology, and there's a degree to which, "Is this woke ideology in the room with us right now?" Meaning it's this boogie monster that we're all -

Mark Cuban

Or is it a positive?

Lex Fridman

I guess another way to say that is they don't highlight a lot of the positive progress that's been made in the positive version of the word "woke" in terms of correcting some of the wrongs done in the past. But that said, if you ask people in Russia, a lot of them will say, "There's no propaganda here. There's no censorship." And all that kind of stuff. It's sometimes hard to see when you're in it that this stuff is happening. It does seem difficult to criticize DEI programs, not horribly difficult, terrible, they are this monster that infiltrates everything, but it is difficult and it requires great leadership.

Mark Cuban

So, where have you criticized it and been condemned? Academic or -

Lex Fridman

Academic.

Mark Cuban

Okay, academic. Let's - two different worlds.

Lex Fridman

Companies and academic, yeah.

Mark Cuban

Two different worlds.

Lex Fridman

But I also think it's not - I really want to point my finger at the failure of leadership of basically firing mediocre people. People that are not good at their job. The problem to me is DEI's defense mechanism, like immune system, is so strong that the shitty people don't get fired. So the vision, the ideal of DEI is a beautiful ideal. It's just like -

Mark Cuban

Well, maybe it's because I'm an entrepreneur, when I see an ideal that you try to implement it, and support it, and get to that point. But universities and companies are night and day different. I can see an argument for the ideology in a university. I can see, you look at the amount of money spent on it. And so while the goal is right, the way they implement it in universities, the way they implement most things in universities, is wrong. There's a reason why tuition has gone up a multitude, or a multiple, of inflation. They're not well run organizations across the board. So I'm not going to argue with that at all. So when you've seen me argue with DEI, I haven't waded into DEI in universities at all.

Lex Fridman

That's mostly focused on companies.

Mark Cuban

A hundred percent because that's where I exist. But at the same time, I read Christopher Rufo's book where he talks about the genealogy of wokeism and ideology, but then he gets to the point, and I hope I'm remembering this right, where he says that the response to it is decentralized activism, if you will, that's not the word he used, to try to counter that DEI. And that seems, to me, to be counter to the whole Conservative movement right now, other than school boards where it's centralized, and the Republican candidate is all about centralized power in him. And to me, that's just a conflict in a lot of the underpinning of the whole DEI conversation, that a lot of which goes through Christopher Rufo right now.

Lex Fridman

Let's continue on a theme of fun exchanges on the internet. So Elon tweeted, "The fundamental axiomatic flaw of the woke mind virus is that the weaker party's always right (in even if they want you to die)." And you responded, at length, but the beginning is, "The

fundamental axiomatic flaw of the anti-woke mind is that it allows groups with historical power to play the victim by taking anecdotal examples and packaging them into conjured conspiratorial ideology that threatens to upend the power structures they have been depending on.”

Mark Cuban

Says it all, right?

Lex Fridman

Well, there’s a tension there. So, yes, but both can be abused. Both positions of power can be abused. There’s power in DEI, and there’s shitty people that can crave power, and hold onto power, and sacrifice their ideals.

Mark Cuban

Okay. Put aside universities.

Lex Fridman

Dammit.

Mark Cuban

Because I’m not going to argue that universities implement DEI well, and I’m not going to tell you that they need to be spending twenty-some million dollars a year on DEI positions. To me, that’s insane. Do I look at the Harvard and North Carolina decision and say it was a great decision? No, because I think having a diverse student body helps make for kids who are better prepared for the real world. But I’m not running a university, so it’s not my choice. Maybe at some point in the future I will, but not now. And in terms of terms the corporate side of it, who’s telling anybody what to do?

Lex Fridman

Well, maybe you can give me some help.

Mark Cuban

Sure. I’m here to help you, Lex.

Lex Fridman

There’s an example in the AI world of a system called Gemini 1.5, Google -

Mark Cuban

Everybody was black or whatever - people of color.

Lex Fridman

George Washington was black, Nazis were black.

Mark Cuban

So why is it when that came out, it was a big uproar, but when somebody – so, who was it? One of the people who were trying to fuck with me, I forget which one.

Lex Fridman

There's so many people.

Mark Cuban

But he pointed out to Elon that Grok, Elon's AI, was woke when it answered certain questions, and other people have pointed out other things to Elon about Grok, however it's pronounced, that was leaning left or woke. And Elon's response was, "Oh, it'll change. It's a mistake. We're fixing it." When it happens to Gemini and Google, it's the end of the world. "Look how woke they are. And it's a reflection of all their culture." Now Google comes out and says it's a mistake. And then they doxxed the guy who's the Product Manager or whatever of AI, of that product who – and then, they go back and look at his old tweets, and show that he's very left leaning and very DEI supportive, and that's the end of the world.

Lex Fridman

It's not the end of the world, but Google's so much dependent on trust, that trust a Google search has as objective as possible, channel into the world of information. And so that brand is really important for us.

Mark Cuban

So you're giving them too much power. And maybe I'm not recognizing the power. So I'll tell you a personal experience. Up until a month ago, maybe if you put in keto gummies, Shark Tank keto gummies, into Google, it would show up with scammy ads, scam ad, after scam. And I would get emails, up until a month ago, from elderly people asking me why the gummies weren't working, and why the companies were charging all this money on a month-by-month basis when they tried to cancel. And they said it was the #1 deal on Shark Tank of all time and all Shark – it was a mistake.

Lex Fridman

Well, there's fraud, there's mistakes, but the mistakes –

Mark Cuban

No, but why didn't Google fix it? This just didn't happen once over one week, over two weeks. And because it was hard to fix. As it turns out, I was working with them to try to find a fix, and we would both look at the same page. And, if you were inside of Google within the Google.com domain, it would show one page. If you were outside of Google, it would show another. And it took us looking at it at the same time for anybody to realize it. Meaning that there's a lot of technology problems that are hard to fix.

Lex Fridman

They're super complex, and we could talk about it forever with social media. The criticism towards Google, towards other companies when they're based in Silicon Valley, there could be an ideological drift into an ideological bubble out of which the technology is created, and they could be blind to the obvious bias that comes inherent to -

Mark Cuban

But they've got billions of customers who are not going to - so, what you're saying is, the free market stops with artificial intelligence, that people don't pay attention and respond, that Google doesn't listen to the responses, that people inside of Google will ignore their own best financial interest, and even their own best personal interest, because they know they're going to get doxxed now by Elon and others, and so I just don't see that. And Elon's not allowed to make those same mistakes, but - Elon's allowed to make those mistakes, but Google isn't?

Lex Fridman

Oh, no. Elon is 100% should be criticized for the ridiculousness of overstatements that he makes about various products. He's having a bit of fun, like you are also, and I also believe in the free market, but it's not always efficient. There's a delay.

Mark Cuban

Just takes time. It's fine.

Lex Fridman

So which is why Elon is important when calling out, I think overstating the criticism of Gemini, but Elon and others are just -

Mark Cuban

Gemini wasn't even a fully available public product yet.

Lex Fridman

It's still a bias that resonates with people.

Mark Cuban

That's the way neural networks work though. That's why there'll be millions of models, because weights and biases, putting together a neural network.

Lex Fridman

No. So the Black George Washington is a correction on top of the foundation model to keep it "safe." One of the big criticisms of all of the models, frankly, probably even Grok, a little bit less so, is they're trying to be really conservative in the sense of trying to be careful not to say crazy shit, because we don't know how the thing -

Mark Cuban

It's brand new and we know what happens, and they do it on the front end with prompts, and they try to do it on the back end with the neural networks that are underneath them, and it doesn't always work. And that's why there's going to be millions of models rather than just four foundational models, or five, that everybody uses.

Lex Fridman

Well, I guess the main criticism is you want to have some transparency of all the teams that are involved and that this kind of - to the degree there's a left-leaning ideology within the companies, it doesn't affect the product.

Mark Cuban

But that's the beauty of -

Lex Fridman

The free market.

Mark Cuban

That's where the market corrects it. And not only from the outside, because everybody is going to test it. When YouTube first came out, or not first came out, after Google bought them, there used to be different commands you could give it. There were prompt commands that you could give it, and you could find all the nasty porn that got loaded before they kicked it off. And it was just the nastiest shit ever. And even now to this day, if there's some horrific tragic event, somebody's loading it up. Now, I know that's not direct to your point of internal influence to the output, but people on the outside are going to check for that now. It's almost like the new bug contest to try to find bugs in software. And then on the inside, if it's all left-leaning, and all you have is left-leaning employees, because most Conservatives won't want to work there, then again that's self-correcting as well.

Lex Fridman

That's the hope, but it can self-correct in different kinds of ways. You can have a different company that competes and becomes more conservative. My worry is that it becomes two different worlds where there's like -

Mark Cuban

Already is.

Lex Fridman

No, come on, don't give up.

Mark Cuban

Oh, I'm not giving up. So where does this go? Is the question. What happens next? And going back, I've been in so many PC revolutions, or evolutions, where porn was the big issue. Now we don't even talk about porn being an issue, even though every post on Twitter now has "link in bio" for a porn post, we don't even think that's a negative anymore. That's just an accepted thing. And now it is become very - where your politics on Twitter. But again, as you extend that and things grow, as AI models become more efficient, and trainable for a lot less money, or even locally on a PC or a phone, we're all going to have our own models, and there's going to be millions, and millions, and millions of models and not just foundational models. Now maybe they're built some on open-source, maybe it'll be copy-pasta where you can just cut and paste and create your own model and train it yourself. Maybe it'll be mixture of experts where maybe it'll be a Meta front end. Like we're working on a project where we take 30 different AI models and there's just a Meta search engine where it searches all of them, and you can compare all the outputs and see what you think is the best, like a search engine. Because you might get, "Is DEI good?" "Is the Covid vaccine good?" You're going to get a variety of outputs and you have to make that decision yourself. That's what I think is going to happen with AI as well, because I think brands - there's no way the Mayo Clinic and the Harvard Medical School are just going to contribute all their IP to ChatGPT, or Gemini, or whatever. It's going to have to be licensed or they're going to do their own.

Lex Fridman

That's a very hopeful message. But that said, human history doesn't always autocorrect really quickly, self-correct, really quickly. Sometimes you get into these very painful things. You have Stalin, you have Hitler, you can get to places very quickly where the ideological thing just builds on itself.

Mark Cuban

Twitter is not real world. There's 20 -

Lex Fridman

Twitter is not real world. That's true, yes, but you could still have a nation captured by an ideology. I think America has been really good at having these two blue and red, always at tension with each other, dividing the populace, and in the process of doing that, figuring stuff out. Almost like playing devil's advocate, but in real life.

Mark Cuban

And that's fair. And that's right. As opposed to Pravda telling you everything you want to know and everybody believing it, because there's control of everything. And so going back to what you said earlier, people in Russia don't think invading Ukraine - a lot of them see it as a positive. I'm sure you have relatives and friends who think it's the best thing that ever happened, because they believe in Putin.

Lex Fridman

They're denazifying Ukraine. They're removing the Nazis from Ukraine.

Mark Cuban

Because exactly what Putin said. And we don't have one uniform media outlet. That's the difference. Even though people like to talk about mainstream media as being the source of a lot of the friction, there is no such thing as mainstream media anymore. Fox is the biggest cable news channel with the biggest audience, and they call everybody else mainstream media. It's insane the things that we accept from our sources of information. To me, that's the bigger problem. The bigger problem is trying to figure out what is free speech and what is the line of tolerance for free speech? And at what point does hateful free speech crowd out other people? Putin's the master of that. You're going to jail or you're going to be dead if you disagree. Now, God help us if we ever get to that point here, but the person who controls the algorithm controls the world. And if you are committed to one specific platform as your singular source of information or affiliated platforms, then whoever controls the algorithm or the programming there controls you, in a lot of respects. And I think that's where our biggest problem has been. We get people attached to specific platforms, and apps, and media outlets, and they become part of that team, and they identify as such, and either you're part of the team or you're not. And that to me is the fundamental problem. It's not woke ideology, because I never felt any pressure to make the choices that I've chosen, including diversity, equity, and inclusion, and I've never forced anybody or told anybody to do it. I just said, "Here's my experiences." Whenever I've talked to people who talk about the woke ideology, no one ever got forced. If you look at Dylan McDermott, if there was a way to gauge the number of impressions that she had, and where they sourced from, I'd be willing bet any amount of money that 90% plus of the impressions and discussions of Dylan McDermott were on, right-leaning media.

Lex Fridman

Several things, actually, let's even go there. You gotten a bit of a beef with, again, fun, with Jordan Peterson about this.

Mark Cuban

That's the guy whose name I couldn't think of.

Lex Fridman

So the topic there was the gender transition and Dylan Mulvaney. Can you explain the nature of the beef? It's an interesting claim you're making and most of the people who are concerned about this are Conservatives.

Mark Cuban

The point is that if you looked at impressions when you run an ad, you're curious about impressions and who sees them, but if you look at the impressions related to Dylan

McDermott, like I just said, I bet 90% or more were in conservative media, and I don't know how many followers she had, 250,000 followers or whatever when the Bud Light ad came out. And if it weren't for Kid Rock shooting at Dylan McDermott Bud Light cans, she'd be long forgotten.

Lex Fridman

But most of the people that care about censorship are going to be free speech advocates. So most people that care about Putin suppressing speech, or anybody else suppressing speech, are going to be libertarian. So there's probably an explanation of that. The criticism that Jordan Peterson could provide, I guess he said that Dylan Mulvaney popularized the kind of mutilation in his view, that can affect - there's a very serious life-changing process that a person goes through, and when that's applied to a child, it can do a lot of harm to a person if -

Mark Cuban

But my point still holds, I don't know how many kids were following, and you could look at the followers list, it's not like it's hidden. Back then, if they had 250,000 followers and now we're on TikTok where he might get 50 some thousand views or likes, I don't know how many views, but likes, I've never seen any evidence that Dylan McDermott influenced people to transition their gender. As he transitioned to her, it was documented on TikTok over the course of a year. And again, when you go back and look at the views on those TikToks, it wasn't enormous.

Lex Fridman

But the trends start. It could be - what worries people is for young kids there to be a trend of, especially when you feel like an outsider, you feel not yourself, less than yourself, all this kind of stuff that kids feel like, that if it's because popular enough, if it's a trend, you would gender transition without meaning to do that. It is just part of a trend. That's the worry they have.

Mark Cuban

That is a big stretch, to think that all the things that have to happen before you transition gender, and I'm not saying kids might find it cool, or in the moment expedient, if you will, to dress up as the other gender. Great, who cares? But to go through the actual physical transition, I don't remember what the numbers were that I read, but I do remember that the latest numbers that came out in terms of transitioning were from JAMA, which is a medical association, that said from 2021 to 2022, the numbers went down. But the bigger point is there are no numbers for 2023 when, post-Dylan McDermott. So there's no way to know if the assertion is true, even marginally true. Now, you can easily suggest it, but you can say that about any social media influencer. Kids are dying because - it's just like when people accused Trump of potentially influencing people to inject bleach into their veins. That's a big old leap to say that because Trump says it, that people are going to start injecting, and

then they find somebody who actually did. And it's like, "Oh, it must be true. This is a trend now." I'm just not buying it that there aren't enough roadblocks in the way. Now, I'm not saying it never happens, and for me, to me, you should have to wait until you're 18 to actually have any surgery to transition. And if your parents approve it earlier, then you can have a conversation with your doctor. But you're suggesting that everybody in that process to transition, a minor is corrupt. That the doctor, the sociologist, the psychologist, all the people involved, the hospital where the surgery is happening, the insurance company that's paying for it, they all have been corrupted by this trend. I just don't see that.

Lex Fridman

Well, not corrupted, but people, it's back to the DEI thing, there could be pressure, and we are -

Mark Cuban

Pressure to operate? So think about all the people who have to be complicit to do an operation.

Lex Fridman

It's not complicit like evil complicit. It's more -

Mark Cuban

No, it is evil complicit. Because somebody - in hospitals right now, they won't perform abortions because of state law. In Alabama, they stopped IVF treatment immediately after that ruling by that judge, the Q Anon judge, to think that they're not going to pay attention to the possible consequences of being the hospital that does transgender, that gives doctors operating rights there and not be aware of the risks associated with it and double check, to me, that's just insane. They're risking their entire business, and livelihood, and personal relationships for not checking that this 14-year-old boy who wants to be a girl or vice versa, is there waiting for surgery. I just don't see that.

Lex Fridman

In America, yes. But if we look at humans in general, and Jordan Peterson, I think unjustly, incorrectly brought up Auschwitz.

Mark Cuban

That was ridiculous.

Lex Fridman

But if we look - to me, World War II is a very interesting time. It does reveal a lot about human nature, and that humans are able to commit atrocities without really speaking up. The point I want to make is that when you're in this situation where everybody is around - around you is committing an atrocity, you can be sort of the - the good German -

Mark Cuban

But -

Lex Fridman

I mean - human nature is such that you can do all of these things.

Mark Cuban

But that is in a time of war.

Lex Fridman

But it's still human nature. It's interesting to remember that.

Mark Cuban

It's a time of war when you feel like there's nationalism, patriotism, everything that comes up. Russia, right? You know, the moms of the kids sent to Ukraine who didn't come back - in Russia - feels certainly different than the everyday Russian who's just taking whatever information that's available from a unified controlled media.

Lex Fridman

Yeah, but - you know - we should remember human nature. It's interesting.

Mark Cuban

I'm not dismissing human nature at all, but there's a difference. I think that human nature - self-preservation - influences those decisions. There's nothing about self-preservation involved in DEI, wokeness, transgenderism - to compare it to Auschwitz, that's insane.

Lex Fridman

Well, that comparison is almost always - probably always - is insane - comparison between anything and the Holocaust.

Mark Cuban

I agree.

Lex Fridman

I think there's a name for that rule, but once you bring up Hitler, the conversation ends.

Mark Cuban

Goes away.

Lex Fridman

I do appreciate you bringing up Trump and bleach as an example. So continuing on fun exchanges between you and Elon, you said, "If they were having Biden's last wake and it was

him versus Trump, and he was being given last rights, I would still vote for Biden.” To which Elon replied, caricaturing you, “If Biden were a flesh-eating zombie with five seconds to live, where, upon being reelected, Earth would plunge into a 1000 years of darkness, I would still vote for him.” That’s basically quoting you, but in a caricature. And you responded, “While, I have your attention. Wanted to say thank you! Your consultants at Tesla followed up about using Cost Plus Drugs...” – about which we’ll talk about – “...to save the company money. Truly appreciated.” And in parentheses, “(My limit is 300 years of darkness.)” Very well done, Mark. What’s your intuition, if we just stick on Biden and Trump for a sec, what’s your intuition why Biden would make a better president than Trump?

Mark Cuban

Look at the basics. If you look at the people he’s hired, there hasn’t been any turnover in his cabinet at all. If you look at the people he’s hired over the course of his career, or while he was Vice President in particular, there’s nobody who’s turned on him, and came out, and written books, and made public statements about how he’s bad for the country. Now, compare that to Trump. The people closest to him – almost all of them turned – unless there’s a financial relationship involved. And to me, that says everything.

Lex Fridman

The dynamics of the team is important to you when you judge him.

Mark Cuban

If you’re going to be the most powerful person in the world, you better know how to manage and lead. And that’s not to say Biden hasn’t made a lot of mistakes. Immigration, the border, is a horrific mistake, and hopefully he recognizes that. And I don’t like the fact that he doesn’t admit his mistakes and just say, “Okay, I got to fix it.” Or, “I made a mistake in Afghanistan.” Whatever it may be. The position of Commander in Chief and President, you’re going to make mistakes. Then I look at the other guy, never admits a mistake, and the list is long.

Lex Fridman

What do you think about the immigration situation? A lot of Conservatives are using that – the theory is that the reason it’s happening is because they would be able to illegally vote.

Mark Cuban

That’s insane.

Lex Fridman

For Biden.

Mark Cuban

You can't be an illegal immigrant and vote. And now, in a lot of states, because of the Conservatives, they've passed laws saying you have to show identification. When I voted in Texas, you had to show state identification. They can't vote. You can't register as an illegal alien, that I'm aware of, to vote.

Lex Fridman

But of course, that story, and it really worries me, enables, or serves as a catalyst for questioning the legitimacy of an election.

Mark Cuban

I remember going to the debate with Trump in 2016, and he was debating Clinton, and one of the things he said was, "We don't even know if this election will be legitimate if I lose." This was in 2016 before he was even elected, and that was where he was going. That's just what he does. He's never admitted a mistake. The guy's failed a zillion times. Most people say, "Okay, I learned from them." I read a book about Roy Cohn and Roy Cohn was the ultimate "deny, deny, deny" - and that was one of Trump's mentors. And you can see almost everything that Roy Cohn ever did in the same way that Donald Trump approaches things.

Lex Fridman

But, given how drastic the immigration situation is, that story becomes more believable.

Mark Cuban

Of course it does, but the facts are still the facts. And in red states, they're going to be checking every ID, they're going to be making sure that's not the case, and you can also make the argument, "Well, in the blue state, it doesn't matter." In the swing states, they're still going to be checking because they know Trump is going to sue the out of them when he loses. And so again, that's where people will take those self-preservation steps to keep their job and do the right thing. There's still enough people who believe in this country and how amazing it is to do the right thing. And a lot of the premise of what some Conservatives are saying and doing, the underpinning of it is that their fellow citizens will not do anything, not some things, anything, that serves the best interest of this country. And to me, that's just wrong. That is just misleading and wrong.

Lex Fridman

I just worry about - I don't care about Trump or Biden, I care about democracy. I just worry. I worry about the viral nature of the idea of this illegal immigrants.

Mark Cuban

It's very functional. Either they get across - there's a thousand different ways, an unlimited number of ways to enter the United States of America undetected, and the south border where it's the easiest and the worst, and Biden needs to take steps to reduce that.

Remember, when Biden was vice president and Obama was president, they called Obama, the Deporter in Chief. He had no problem deporting people. And I think if I had to guess, and this is just a guess, that when they looked at the initial statistics for immigration when Biden took over, they thought there was room for more immigrants, not because they would vote, but you can make a fiscal argument that, in a world where the birth rate is flat to declining, we need immigrants. And immigrants typically don't have a higher crime rate or anything than indigenous American citizens. Indigenous isn't the right word, but American citizens. And so they made a calculated mistake. They made a decision that was wrong, and now they have to fix it or it's going to hurt them severely. But I don't buy what Elon's pushing that the whole reason is they are voters and will become voters.

Lex Fridman

And we should say the obvious. You're a descendant of immigrants.

Mark Cuban

For sure.

Lex Fridman

And the immigrants is what makes this country great, in many parts, the diversity of this nation. And we should probably keep the people that are already been in this country for a while and are killing it - like PhD students and all this. It's like we're just -

Mark Cuban

That's not what Donald Trump wants, though. He wants to ship them all out. There's just a whole lot of hyperbole when it comes to talking to all, about talking about all of these things we're talking about. When it's right versus left, my team versus your team, my tribe versus your tribe, the only way to stand out is hyperbole. The hard part, and why I like this conversation, is how do you distinguish hyperbole versus reality? And I get where you're going, Lex, where it's like what - the smallest spark sometimes can cause people to change, and then that spark becomes bigger, and then it becomes more widespread, and then all of a sudden your country has changed. It's not what you thought it was. I get that completely. And yes, you always have to be on top of that to make sure, but a lot of that comes from lack of leadership, and lack of trust, because there's nobody who's saying, "All right, Republicans, that's all hyperbole and you're wrong for that. Democrats, you fucked up on immigration. You up in Afghanistan. Here's where you made these mistakes. Own it." There's nobody who says, "We're not going to just bring in Republicans if the Republicans win." And there's nobody who says, "We're not going to just bring in Democrats. We're going to bring in a mix. We're going to try to get balance on the Supreme Court." There's no leadership that's doing it. That's the fundamental problem. It's not about the ideology of woke. No leadership.

Lex Fridman

Leadership, whatever systems we've created, it's really frustrating that if you don't like Trump, it's really is Trump derangement syndrome. He's definitely Hitler, and if you don't like Biden, he's senile, lizard person - senile lizard person that -

Mark Cuban

Right, everybody gets labeled right because that works on social media. Look, if Elon changed the algorithm just by taking himself out of it, seriously, I'm not saying don't post, right? Post all you want, but if you look at his followers, they're almost all right-leaning. If you look at the people he engages with positively, they're almost all right-leaning. And if you look at the people he engages with negatively, like me, I consider myself an independent, but I lean left on the DEI topic. That influences the algorithm. And so you see what you see because of what he says.

Lex Fridman

Yeah, well, I mean for sure. But there could be a lot of influential people on Twitter that influence the algorithm and all that kind of stuff. But I do feel it's not even about ideology where you lean, it's about the algorithm, not prioritizing drama. The attention grabbing thing or the lower lizard version of that where people just want the drama. They want to tear you down.

Mark Cuban

Right. When I last read through all the stuff on their algorithm, right, maybe it's changed, whoever has the biggest account and gets engagement on that account influences what people see the most.

Lex Fridman

Yeah, I mean, that's interesting. I don't know if that's, to the degree that's true, they've pretty -

Mark Cuban

I'm sure it's still the case.

Lex Fridman

- pretty rigorous description of the way the algorithm works. It's actually kind of fascinating. There's a clustering of people based on interests -

Mark Cuban

But I think they called the nearest neighbor approach, and I think that's what they do. And so whoever has the biggest account, has the most neighbors who in turn have their neighbors who in turn have their neighbors, and that's how they discern what comes next.

Lex Fridman

But there's a clustering still. So if you don't give a shit about Elon, you're not -

Mark Cuban

And you're not following him, yeah, you're not following -

Lex Fridman

You're not going to have an influence. It's not going to have an influence.

Mark Cuban

When you get a break, just create a burner account on Twitter and see who they recommend to you.

Lex Fridman

Elon.

Mark Cuban

And not just Elon, I mean the people that Elon likes. And I'm saying that's not Elon saying add this person, add this person and suggest this person, this person, and this person. I'm saying that's what the algorithm is.

Lex Fridman

Yeah. There should be transparency around that. For sure. That's the -

Mark Cuban

And there is. There is. And that's the whole point, right? He knows there's transparency and he knows the impact. That's why when I say take yourself out of the algorithm, don't include his account, that changes I think the output of the algorithm.

Lex Fridman

Well, when he wasn't owning Twitter, he was one of the biggest accounts, if not the biggest account already.

Mark Cuban

He wasn't. But still. even the Kim Kardashian accounts, whatever, it wasn't open-source to Elon's credit. It is now. So I couldn't see it to know. Right? So I didn't get the sense one way or the other of one element being dominant over the other. But obviously Conservatives felt that left leaning was more dominant back then.

Lex Fridman

Yeah, I would love to see numbers on all of this.

Mark Cuban

Yeah, you and me both.

Lex Fridman

DEI, everything like this. Sometimes anecdotal data really frustrates me. It frustrates me primarily because of how sexy it is. People just love -

Mark Cuban

That's a great way to describe it.

Lex Fridman

Love a story, and I'm like, Goddamn it, this is not science. This is -

Mark Cuban

It's not even common sense.

Lex Fridman

Well, no, I think anecdotal stories often have a wisdom in them.

Mark Cuban

No doubt, right? There's something to be gained from seeing them.

Lex Fridman

There's a signal there, but how representative is that signal of the broader thing?

Mark Cuban

There's a whole lot more noise than signal more often than not.

Lex Fridman

All right, so as I mentioned, Cost Plus Drugs, there's so many questions I can ask here, but what's the big question? What's broken about our healthcare system?

Mark Cuban

There's no transparency. And when the lack of transparency leads to lack of trust and when you can't trust the healthcare system other than maybe your doctor, that's a broken system.

Lex Fridman

So what aspect of this system does Cost Plus Drugs is trying to solve?

Mark Cuban

So the thing we're trying to solve for is trust. And the way we feel we get there is through complete transparency. So, when you go to costplusdrugs.com and you put in the name of

the medication, if it's one of the 2,500 and growing that we carry, we will first show you our costs, what we actually pay for it, then we'll show you our 15% markup. Then we'll show the pharmacy fill fee and shipping, and that's your total price. And that alone, that transparency alone, is completely revolutionizing how drugs are priced in America today. And it's led to research being done comparing our pricing to CMS and ours being cheaper than even the government is negotiating, et cetera, et cetera, et cetera. And so just that transparency alone has had an impact and saved millions of people hundreds of millions of dollars or more.

Lex Fridman

And maybe it results in more transparency in other parts of the system too, seeing the business of it. What do the so-called middlemen companies. So, the PBMs -

Mark Cuban

Correct. The pharmacy benefit managers.

Lex Fridman

Thank you. CVS Caremark, Cigna's Express Scripts, and United Health's Optum Rx - they control majority of the market. What do they do wrong?

Mark Cuban

They put profits over everything. And they know in an industry that's completely opaque, they can pretty much do what they want and nobody gets to see what they're doing in detail. And so the first thing when you sign a contract with one of those big PBMs, it says you can't disclose any of this. And the fact that you can't be disclosed means they could tell Lex's company that they're getting a great price and they're only being charged X. And they can tell Mark's company, oh, you're getting a great price and we're charging Mark X plus, right? But Mark doesn't know any better because there's no way to know.

Lex Fridman

The markup is not transparent.

Mark Cuban

The cost isn't transparent, the markup isn't transparent. And there's different things, like I was just talking to a company in a presentation a couple days ago, and they took the step to leave the Big Three PBMs to go to a rebate free PBM that was smaller. And what they said led to the decision, they had a contract with the PBM for these things called rebates, where depending on the volume of medications you buy, they'll kick back to you a percentage of them. And as it turns out, when they compared what was contracted for to what they actually got, they were getting underpaid every single year. They just don't care. They'll take products. There's a drug called Humira, and it is the number one revenue drug in the country. And there's also a biosimilar, multiple biosimilars, but one we carry called Yusimry.

And, Humira, the pre-rebate price is about \$8,000 per month. After rebates, depending on the size of the company, it'll be anywhere from three to \$6,000 a month. You can go to get your doctor to prescribe that biosimilar Yusimry and you pay \$594. But those Big Three PBMs won't allow their clients to get Yusimry because they don't get a rebate on Yusimry. So they'd rather keep a drug on their formulary, even though their patients, their customers would save a lot of money, they'd rather keep a drug and exclude another because they'll make a lot more money.

Lex Fridman

So the CVS Caremark spokesperson, I think responded to you, Phil Blando, with the usual language that so deeply exhausts me, but I was wondering if there's any truth to it. Employers, unions, health plans and government programs work with CVS Caremark precisely because we deliver for them. Lower drug costs, better health outcomes, and broad pharmacy access through our true cost, cost vantage and choice formulary initiatives, we are the leading agent of change, innovation, and transparency in the market.

Mark Cuban

That's a whole lot of nothing.

Lex Fridman

So they are not transparent?

Mark Cuban

No. Call them up. You go to Cost Plus Drugs, we'll give you our price list of all 2,500 plus drugs.

Lex Fridman

The actual cost?

Mark Cuban

The actual cost, and what we sell it for because it's just a plus 15%. Call up any of the big three companies and ask them for the same thing. They're going to laugh at you. It's so bad, in fact, if you do business with them right now and you just ask for your claims data, meaning how many people use Humira that we're paying, what are we paying for it? They won't even give it to you unless you really, really scream and yell at them and then they'll charge you and take six months to get it. So when we moved away from them, we wanted to get what our claims data was to understand what we were going to be facing. They wouldn't give it to us until six months later, I forget the exact month. And then they charge us for it as well, our own data.

Lex Fridman

On the CEO front, you've said that CEOs don't understand healthcare coverage and it's costing them big. What's the connection between Cost Plus Drugs and companies?

Mark Cuban

I can speak for my own companies, and this applies to all companies, bigger companies that's self-insured, because we self-insure. When we started Cost Plus, I finally said, "Okay, it's time for me to understand how I'm paying for my healthcare for my employees and their families." And the first thing I looked at was a lot of these companies use employee benefits consultants, and turns out I was paying \$30 per employee per month, which was millions of dollars a year, and they were just sending us to the companies that paid them the biggest commissions. I'm like, "How fucking dumb am I?" So I'm like, "Okay, we're cutting that." And then, I looked at our medication - our prescription deal - that goes through the PBMs that we were using and that the consultant connected us with. And I took a list of - this was early on in Cost Plus Drugs - list of the generic drugs that we sold that cost more than \$30 that the Mavericks also had purchased. We were able to get that claims data and it turns out, we spent \$169,000 with that PBM - one of the Big Three PBMs - and it would've cost us buying from Cost Plus Drugs \$19,000. And that's just a simple example. Then, I looked at the insurance side of things. We self-insure, so there weren't premiums per se, but we were getting charged \$17.15 cents per employee per month just to use the network that they put together for us - providers, hospitals, or whatever. And I'm like, "Alright, are there companies that won't charge us to put together these networks?" Turns out there's a lot of them. And those insurance companies and those PBMs are also responsible for determining what claims, what to authorize and what to deny. So for a drug, it may be, "Alright, this is an expensive drug." - but before they'll say they'll pay for the drug that your doctor wants to prescribe for you, you have to try these three other drugs in what's called step up therapy to see if these other cheaper drugs work or they're not even necessarily cheaper, they may be being pushed because they're getting a higher rebate. And so I'm like, that's insane. I want my employees to get the medication that the doctors say is best. And so I didn't realize those were the intricacies of where my healthcare dollars went. There's not a single CEO who does because that's not a core competency that they need. And the CFOs, that's not their core competency and the HR people, they contribute and they understand it some because they're dealing with the claims, but they spend most of their prescription drug related time or healthcare related times trying to get pre-authorizations approved. So your kid breaks their arm or you get sick and you go to the doctor and before the doctor will do a surgery or do whatever, they have to go to the insurance company and get preauthorized. And then they always say no. And then you have to go back and somebody has to argue for you. And that just eats up employee time because I'm sick or my kid's sick and you're wasting my time. Eats up HR time. The CEOs don't know any of this, right? So what I'm saying is one, the smartest thing to do is to get a healthcare CEO at every company with over let's say 500 employees that focuses on all these things. You'd save a shitload of money. And two, healthcare is your second largest line item expense after payroll. And in

some companies it's hundreds, billions of dollars and you don't understand it and you're letting these guys rip you off? And it's because these big CEOs don't understand it and are getting ripped off that the industry is the way it is because that allows the opacity to continue.

Lex Fridman

That's fascinating. So that most companies outsource, offload the expertise on the healthcare side when they really should be internally - there should be an expert -

Mark Cuban

Yes, because it's the wellness of your employees and their families and -

Lex Fridman

It costs a lot of money.

Mark Cuban

Yeah, but if your employees aren't healthy or if they're worried about their kids and what is more worrisome and detrimental to the performance of a company? A DEI program or having to go to HR and scream and yell and explain, and your doctor wasting their time doing the same thing to get authorization for a surgery or a medication? It's insane.

Lex Fridman

What made you decide to step into this cartel-like situation where so much is opaque?

Mark Cuban

So I got a cold email from a Dr. Alex Oshmyansky, who's my co-founder. He's a radiologist by trade in a physicist and a smart mother fucker. And he had a pharmacy that he wanted to create a compounding pharmacy that would manufacture generic drugs that were in short supply because it happens all the time that things aren't available. I'm like, you're thinking too small. We should do something on a much bigger scale. And then it was right around the time they were sending the "Pharmacy Bro", Martin Shkreli, to jail. And so I was reading up on that and he increased the price of this drug, Daraprim, I think it was like 7500% or increased a low cost drug to \$7,500, one of those. And I'm like, well, if he can just jack up the price to this drug and charge more and get away with it, this has to be an incredibly inefficient market. And so the question is why is he able to do it? And it was immediately apparent that it was a lack of transparency. And so can we start a company that is fully transparent with our costs, our markup and our selling price, and see if it works? And so we went for it and it took off immediately. I mean, you read a press release from a company saying they were creating a cost advantage program basically pretending to replicate us? We haven't been in business two years. How insane is that?

Lex Fridman

Did you get a lot of pressure? I mean, I'm sure they're very good at playing games, so cartel-type situations they protect. It feels like healthcare is very difficult to get in there.

Mark Cuban

Yeah, it does. And the whole industry is an arbitrage, but we don't work inside the system. We work outside the system. And so we don't work with those biggest companies, the biggest companies with the most dominant control. It's very insulated and very controlled, like you said, we work outside them, we won't work with them. And so because of that, we don't have access to every medication because they've told a lot of the big brand manufacturers that if they work with us, they'll take them off their formularies or change the rebate structure so that they won't be prescribed as much.

Lex Fridman

That's dark.

Mark Cuban

Yeah, it is dark. But we'll get past that, right? Because there's a downstream impact of all this in the rebates and the greediness of those Big Three PBMs. When you go to a local pharmacy here in Austin, and let's just say you have a friend here that is on Medicare or Medicare Advantage, and they go to a local pharmacy and they get a drug that costs \$600. Well, in the insurance company, that \$600, the pharmacy first buys that drug for probably that price, minus 5%. So \$570. Then there's probably a copay by the patient, and that's probably \$20. So now the net investment that the pharmacy, the local pharmacy has for that brand medication is \$550. Where it gets really fucked up is those Big Three PBMs, they're not reimbursing them \$550 or more. They're reimbursing them \$500 or less. And literally those community pharmacies are eating that loss, and as a result, they're going out of business left and right. And the most insane part of it is yes, with corporate employer insurance, that happens, but it happens more with Medicare Part D and Medicare Advantage. It happens all the time with those, almost with every script. So the government is complicit in these community pharmacies going out of business. So how does that connect to Cost Plus Drugs and what we're doing and the big brands? The big brands know that if all these community pharmacies are going, tens of thousands of them are going to go out of business because of the way this pricing is, they're going to lose a connection between their brand medications and grandma and grandpa and Aunt Sally and all that business is going to get transferred to the big companies and they're going to have even less leverage. So they're working with us to come up with programs that are very supportive of independent pharmacies, and that's going to allow us to break the cartel because it's in their best interest not to allow them to be so vertically integrated that they destroy the entire community and independent pharmacy industry.

Lex Fridman

Is there other aspects of the healthcare industry that could use this kind of transparency and revolutionizing?

Mark Cuban

Yes. Yeah. So what we're going to do with our own healthcare, we're not going to be in the business of selling healthcare or anything like that or operate, but the things we do for my companies, we're only going to do deals with providers, healthcare providers, that allow us to be completely transparent. So that whatever contracts we do, we're going to post them all. Whatever pricing we get, we're going to post them all so that every company who's our size or even bigger will have a template that they can work on, which will take it away from the big three insurance companies and the Big Three PBMs. Because now without that transparency, they have to use consultants who are getting paid by those big three, those big companies and aren't giving them the best response. And so now that transparency will overcome that.

Lex Fridman

And you're using your, how should I say it, celebrity? Your name to push this forward?

Mark Cuban

Yeah, that's why it's the only company I've ever put my name on.

Lex Fridman

It's weird that people aren't getting into this space. Public people, there's not a big, you look at tech, there's these CEOs are open and public and public and they're pushing the company and they're selling everything, and it's all transparent. But you don't see that in healthcare.

Mark Cuban

No, because it's a big business. And most people, if I was 25 trying to start a company, I'd work in the system. If I can build it up big enough, they would just buy me and I'd make money and buy a sports team, but I don't need that money now.

Lex Fridman

Let me ask you about AI. You got a little bit of an argument about open-source. I think you stepped in between Vinod Khosla and Mark Andreessen. You think AI should be open-sourced?

Mark Cuban

Yeah, for sure.

Lex Fridman

So all that discussion we've been having about Google and so on, one of the -

Mark Cuban

Well, they're two different things, meaning that Meta is doing open-source. That's a good choice for them. I think that's a smart choice, but it's just a business decision for everybody else. I don't think it should be forced.

Lex Fridman

Forced, yes. And even Google's open-sourcing some of the models and -

Mark Cuban

Because they're all - that's a very incestuous industry where the people all work together at some level. They read the same papers, they go to the same conferences. It's like the early days of streaming and the internet where people used the same technology everywhere, and now they just try different things. And you get one smarter or a couple of smart people in one company like Anthropic, and they do things a little bit better and efficient, model efficiency gets better. So it's just a business choice, but I don't think it should be forced, but I think it's a smart business decision.

Lex Fridman

Open-sourcing is a smart business decision.

Mark Cuban

Yeah.

Lex Fridman

It's a tricky one. I mean, Google is a pioneer in that with TensorFlow in the AI space. That's a tricky decision to give -

Mark Cuban

It really, really is, right?

Lex Fridman

To give away the code.

Mark Cuban

Go back to historically. There was Digital Computing - which was a dominant player - and they thought - and IBM to a certain extent thought that they wouldn't be subject to a problem with the PC industry. And then all of a sudden - with their mainframes and everything - they had captive software. They wouldn't use off-the-shelf software. So, for a Digital Equipment mainframe or an IBM mainframe, you needed software that was written for it. There was nothing off-the-shelf. And when the PC industry came along, it was the exact opposite. There was MS-DOS and then Windows - things that were off-the-shelf that every PC could use. And that changed how people thought about software. And I think the

same thing will happen here where it's going to be as models become more efficient and easier and less expensive to train. I think there'll be more reasons to open-source.

Lex Fridman

Yeah, that's the hope. It creates more competition and a lot of different diversity of approaches in how they're implemented deployed - what kind of products they create - all of that. Vinod compared to the danger of that to the Manhattan Project.

Mark Cuban

Yeah, I'm not buying that at all.

Lex Fridman

You don't see the parallels between nuclear weapons and AI?

Mark Cuban

No. No, I think - I'm not an AI fatalist at all, right? I'm an AI optimist, but it's not to say that there isn't a lot of scary shit that can happen with it.

Lex Fridman

Yeah.

Mark Cuban

Militarily. Like I said earlier, I'm a big believer that there's going to be millions and tens of millions of models and people will take their expertise and either get hired for it and contribute or create their own models and license. So that you see now with this thing called mixture of experts where you connect things and people can take their expertise and we'll be able to take that expertise and retain it in a way that they want to retain it. So I don't think there's going to be one medical database. I told this to people at a couple of big companies that were doing healthcare initiatives. Branding is so important in the healthcare space for hospitals - the Mayo Clinics, the MD Andersons. They're huge brands and I don't think they're just going to give up their expertise to some main singular model and say, "Okay, whatever expertise we have is available to you in Gemini, or ChatGPT, or so-and-so's version of Meta's open-source." There's just - that would be business suicide. And so, I think you're going to see each of them have their own models and update them as they go and license them.

Lex Fridman

Yeah and make money from the expertise.

Mark Cuban

You have to. You have to.

Lex Fridman

You don't give away messages. You have - yeah, any expertise evolves, and grows, and all that kind of stuff - and you want to own that growth. What advice would you give to young people? You have an exceptionally successful career. You came from little - made a lot. What advice would you give them?

Mark Cuban

Love your life. Find the things that you can enjoy. Be curious. You don't have to have all the answers. When you're 12 - 15 - I get emails from 13 - 15-year-old kids, right?

Lex Fridman

What do I do?

Mark Cuban

What do I do? I feel like I'm being held back. I'm like a 15, you feel like you're being held back? But just be curious because you don't have to have the answers. You don't have to know what you're going to be when you grow up. I'm a hardcore believer that everybody has something that they're really, really, really good at. That could be world-class, great. Every single human being on this planet. And the hard part is just finding what that is. And in some places having resources to enable it. But be curious so you can find out what it is. I took one technology class in college, Fortran programming, and I cheated on it, right? I mean, it wasn't until I got a job at Mellon Bank and I started learning how to program in this thing called Ramus, this scripting computing language that I realized, oh, this is interesting to me and I like it. And that's what got me a job selling software and going on from there. You just don't know what that's going to be until you go out and experience different things. So for anybody young out there listening, enjoy your life. Find things to smile about, be curious, read, watch, expose yourself to as many different ideas as you can because something's going to click at some point. You may be 15, you may be 25, you may be 55, but it can happen.

Lex Fridman

One thing to mention is sometimes it's difficult or your parents, people around you might not be conducive or might not be of help in finding the thing you're good at. In fact, in my own life, the society was such that, I don't know if they've helped much at the thing I was good at. I'm still not sure what that is, but I think -

Mark Cuban

The interviewing done pretty well for you.

Lex Fridman

Well, it's not even, there was a thing where I saw the beauty in people. Like I, very intensely. So you can call that empathy, all that kind of stuff.

Mark Cuban

Someone called it wokeness.

Lex Fridman

Super woke, I guess you could say, just super woke, that's me. But in the education system I came up in, it was a very hard mathematics, science and so on, and it didn't notice that whatever that was in me, but you have to keep the flame going. You have to try to find your way and see what that's useful. And others around you might not always notice it. So it might take time. So it could be lonely. You can really have to find the strength to believe in yourself.

Mark Cuban

Oh, for sure. And I'll tell you one quick story. 1992 - I went to Moscow State University to teach kids how to start businesses. I had sold MicroSolutions and I wanted to travel, and I took Russian in high school. Мой русский - is like - не хорошо.

Lex Fridman

Good enough to remember that.

Mark Cuban

Yeah, right? Yeah, but it was interesting to me. And I bring it up because they didn't know what the word "profit" meant. But at the same time, I would go around and meet people and it was as entrepreneurial right after the Soviet Union fell. Entrepreneurship went through the roof. A lot of it was mafia-driven, but it was - people found that spark because I think that is natural. And so, you just never know when and how and when the circumstances will come together for you to be able to take advantage.

Lex Fridman

That spark is really important to comment on is in Russia and Ukraine, I think the system kind of suppresses that spark somehow. As you said you saw the natural entrepreneurship, but there's not the entrepreneurial spirit once you grow up in both of the nations I mentioned. There is -

Mark Cuban

No, I believe it, right?

Lex Fridman

But there's something about the system - that kind of - you know -

Mark Cuban

Without question.

Lex Fridman

"Be reasonable. Be secure. Be safe."

Mark Cuban

There would have been no reason for me to go over to do what I was doing if it - if it was otherwise.

Lex Fridman

But, that's the thing that really can help a country flourish.

Mark Cuban

You know, it's going to be interesting with Ukraine if they're able to survive this. Because as horrific as it is, as you saw across Europe after World War II, the rebuilding creates opportunities.

Lex Fridman

Rebuilding creates opportunities, but - you know - first, the war has to end. How that ends -

Mark Cuban

I don't know either,

Lex Fridman

- is a really complex path. What gives you hope about the future of humanity?

Mark Cuban

Just looking in my kids' eyes, just talking to them and seeing their spirit, their friends' spirit. And obviously we're blessed as can be, right? And it's not the same for every kid, but I get emails that I don't respond to all of them, but from 13, 14, 15-year-old kids around the world, because Shark Tank's shown everywhere asking me business questions. And it's just like they took the time. They were that curious and that interested. And I see it when I talk to schools, when I go to different groups, that spark in kids' eyes that there's something bigger and better and exciting out there. And that's not to say there's not fear. Yeah, climate and any other number of things, but that's the beauty of kids. And I think Gen Z really embodies that. And to me, that's just really exciting.

Lex Fridman

They dream. They dream big, they see the opportunity for making the world better. It's cool. It's cool to see young people - in their eyes - that dream. And "I could be the one to do it too." - which is super powerful.

Mark Cuban

It's funny because when I go talk to elementary school kids, one of the things I do - I said, "Okay, let's look around. You see that light there. One day, that light didn't exist. Then, somebody had the idea. Then, somebody created a product out of it and now your school bought that. You see that chair? Chairs didn't always look like that. Somebody had that idea. Why not you? So, when you walk out and - what I make them do - ask yourself, "Why not me? Why can't I be the one to change the world?"

Lex Fridman

Thank you for that beautiful, hopeful message and thank you for talking today, Mark. You are fun to follow. I'm a big fan of yours, but you're also an important person in this world. I really appreciate everything you do.

Mark Cuban

Well, I appreciate it. Thanks for saying that, Lex. And keep on doing what you're doing. This was great. I really enjoyed this.

Lex Fridman

Thanks for listening to this conversation with Mark Cuban. To support this podcast, please check out our sponsors in the description. And now, let me leave you with some words from Oscar Wilde: "Imagination was given to man to compensate him for what he's not. And a sense of humor was provided to console him for what he is." Thank you for listening and hope to see you next time.