

What's Next

Presenter: David Pritchard

Introduction - Jerry Hight: All right, I think we'll get started here. My name is Jerry Hight. I'm the Assistant Dean and Advancement Director for the College of Engineering. Welcome to the Executive Lecture Series sponsored by the College of ECC. We're very -- Engineering, Computer Science, and Construction Management, ECC, yeah. We're going to change that name one of these days. We need a better brand. Very pleased to have David Pritchard here with us today. David spent the day lecturing the students in Journalism and Communications, Applied Computer Graphics, and he's -- he brings to us tonight a wealth of industrial experience and great life experiences. The stories that he's imparted today I'm sure you'll find to be both captivating and provocative. David is currently engaged with "The Simpsons," "Workaholics," "Family Guy," what else am I missing? Oh, "South Park." All of my kids' favorite shows. "South Park" actually is my favorite show, I'll -- I'll confess to that. It's just -- just irreverent enough for me. But without further ado I want to introduce you to David Pritchard. Please give him a welcome.

[Applause]

David Pritchard: If I told you that I have underneath here tons of liquor and drugs, could we just pull all the faculty members out and [laughter] just sit down and get ripped? I just want to make sure that Chico still lives up to that reputation [laughter]. Can you hear me okay? Is this on? Everybody can hear me. I -- I talk loud. I have cameras. Anybody want to know all the other shit that I got in my pockets here? You want to [laughter] see the reefer? I know you do. I got my little map so I don't get lost. Oh, my God, I walked away. It says for David Pritchard. Somebody gave me one of these. Okay, so what the fuck am I going to talk about? Do you have any clue? What do you want to talk about? Anybody got any ideas? Because I don't have any, God knows.

So the reason I'm here, I guess, is because -- [inaudible] if you're going to be offended by foul language I apologize in advance. Doesn't mean I'm going to be able to control it, but if somebody raises their hand and says, "I'd prefer you didn't say a lot of dirty words," I will do my best to control it. No takers? Good, because [laughter] I probably can't control it a lot because I just had three brownies, and I'm like high [laughter] right now.

So the reasons I'm here is because I'm a little bit off-center. I don't really have a job. I don't know if I've had a job since 1989. I'm a hard-core unemployable. Before that I was actually -- from 1970 until 1989 -- I was employed. I have been the head of a whole bunch of banks. I've been an investment banker. I've done 200 financial transactions, acquisitions, mergers all over the world, 80 different industries. I'm trying to think what else. I've owned the biggest bars in New York City. That was fun. My -- my -- I had patrons that included -- regular patrons were Hunter S. Thompson who became one of my really good friends, and Timothy Leary who was my main supplier of LSD [laughter], and I probably had about 600 LSD trips. I can assure you that I don't have flashbacks. It did help me a little bit when I was doing them. I

don't know what it's doing now, but it probably still helps. And in 1990 I kind of gave up the corporate life. I mean, I was one of the top executives at HBO for seven years and helped them really build the business from 1983 until 1989.

Prior to that I was a mergers and acquisitions executive at the last big conglomerate, where we owned Paramount Studios as well as the Knicks, the Rangers, Madison Square Garden, the Yankees. We owned everything. I mean, it was just like this crazy, wild place. And as a result of those experiences and the fact that my very first job out of graduate school was -- my degrees are in Economics and Business.

And I went to Missouri University as an undergrad and then Washington University in St. Louis graduate school. My first job was running breweries. Well, that's -- you know first job was working for Johnson and Johnson where I was a marketing executive, and then my second job was running breweries in South America. If you can imagine, I'm like 26 years old -- 25 years old, and they put me in charge of building breweries in Mexico, Venezuela, Brazil, and Colombia. I'm Irish; I love beer. I mean, I really, really like beer. And they put me in charge of that. It -- now that was either just the smartest thing that Anheuser-Busch ever did or the dumbest thing that they [laughter] ever did. For me it was fantastic because I got a fantastic education by doing things. I literally had to set up and operate breweries in small, developing communities in all four of those countries. And the result of that was from 25 until 28, 29, I was like on my own learning the language, figuring out how to do all of this stuff, and it was really tough. And it was really tough because all of those countries were being -- people were just killing each [laughter] other. It was -- it was as bad as it is now -- as it is now, but it was very difficult. It was a very difficult period of time to be in those countries.

And when I left there I went to the Middle East because it was so easy in Beirut [laughter] in the middle '70s. And I ended up working for Chase Manhattan Bank and running the Chase Manhattan Bank division in Beirut and then in Amman, Jordan. And then I went to work for Schlumberger, big French oil field company and lived throughout the Middle East and all over again, and then all over Africa and Asia. So I've been -- at this point in time in my life I've been in 140 countries. I've worked in about 100 of them. There's only about 195 or 200 of them in the world, and I've been to most of them. And I've been in a lot of trouble in some of them, and I've had a lot of fun in some of them, and I've gotten a lot of really cool stuff done in a lot of different industries.

I'm telling you that not because I'm trying to brag, but I'm telling you that because number one I was kind of stupid to do some of the [laughter] things that I did. But also because I have a particular point of view as a result of doing that, and that point of view is that the world is huge, and it used to be -- in 1969 when I first started [laughter] working it was really difficult to get anything done in these places. And it was also really difficult to get there. I mean, you literally had to find five modes of transportation to get there. Today you can find your way into these places -- I mean, I was literally just in West Africa a couple months ago, a couple weeks ago, and I was in Ivory Coast, Togo, Guinea-Bissau, Equatorial Guinea, and there was one -- Chad. Now most of you have probably never heard of these [laughter] places, but you know I was -- I'm trying to set up a bank in West Africa because I want to set up a bank there so that I

can help them grow their countries without letting the things happen that we've been kind of doing in other parts of the world where we basically just rape and pillage people's natural resources.

Now that's kind of odd for a guy who also has been [laughter] the Executive Producer of "The Simpsons," and "Family Guy," and "King of the Hill," and all of these other wacky things, including Workaholics which is probably the strangest thing I've done. And I financed 60 off-Broadway plays and five or six Broadway musicals, and probably a dozen movies. So don't ask me why I've done any one of those things. I've never had a plan. I've never thought about what I was going to do.

I've just had two driving forces. The first one is I'm just interested. I'm interested in everything, and I can't help myself. It's a little obsessive, hence I've had quite a few relationships. I'm not exactly the marrying guy. Although I've been there a few times. What I can [laughter] tell you is having that kind -- making the life choices there's a tradeoff, and the tradeoff is I don't have a family. I don't -- I'm not into relationships you know. I have serial monogamous relationships, and they time out and time out. That's kind of how I've lived my life. That's not something I would suggest that anybody else do ever. It's not something that I would suggest that anybody make a decision to go to 140 countries because I've been shot, blown up, thrown in jail, tortured, beaten, and none of it was fun [laughter]. None of that part of it was fun.

But what was fun, and what was really rewarding was that along the way I got to affect a lot of people's lives, and I got to change things that were happening in some of these places, and I got to do a lot of really cool things. And at the end of this point in time, where I am right now talking to you guys, I'm -- I've kind of gotten to a place where I'm like looking back at all of this stuff and trying to figure out what it all means. And so I'm trying to help you figure out what it might mean to you, and I'm trying to also at the same time -- trying to help me figure out what it should mean to me because I don't fucking know. I have no clue. I just know that I've done a -- and people say to me, "What do you do?" And I go, "Oh, shit. I just do stuff. I -- I don't know. What do you need done? You know tell me what you need done, and I'll kind of figure that out for you. And if I can't then I'll just tell you right up front I can't figure it out." That's a strange way to lead a life.

But it's also something that has given me a point of view that I would really encourage you to think about, and that point of view is be interested. Don't think about your life this way. Think about your life in this giant fucking world that we live in because it is really big, and it's really complex, but you, because of the digital media and the digital communications systems -- you have access to this world in a way that I never did. And I can get on a Skype call in 20 minutes from now and be talking to four or five different people all over the world, and we're all talking about doing something in some other part of the world. You could not do that. I mean, when I first started working you had to send telexes. You -- you literally had to sit at a teletype machine and send a telex to somebody and wait for them to get it. I mean, now you get it on your bloody phone. You -- now you -- it's -- it's just -- it's instantaneous. And so what that means is that you have an opportunity to do stuff that I'm never going to have because I don't still -- I know how to use my phone; I know how to use the computer; but just on the basic stuff.

The -- the thing that's important about being interested is you -- I mean, I'm -- I'm going to make an assumption that most of you are thinking about, "How do I get a job? What am I going to do when I get out of here?" Because ultimately you do have to leave. By the way, I would tell you right now, don't leave. If there's anything I know this is the best place you could possibly be. I don't mean just Chico, but I mean the state of mind of being a college student because it's never going to get any better than this. This is as good as it's going to get. You may not think that, but this is cool because you're trying to figure out how to balance a budget; you're trying to figure out all kinds of shit. You've got some latitude to make some mistakes. You can take a few risks. You can try to get laid; you cannot get laid. You know all of the crap that's going on in your lives you can kind of figure out here in a microcosm because when this is over it's about work, and it's about trying to pay bills, and do other things, and take on responsibilities. And here you don't have them -- they don't have the same kind of weight, so I would really encourage you to stay here. I know that'll be hard, but if you could, don't leave.

And the -- the thing about -- now some of you heard some of this earlier, but there's a -- there's a thing that when you're making decisions, and especially if you're in the -- or you're attempting to get into the creative world there's a thing that you have to understand, and -- and this -- I'm really just starting to understand this now myself, is that there's a difference between your brain and your mind. And what's happened as a result of all kinds of medical advances and neurological measuring advances we've been able to figure out what that difference is. Now the brain you all have heard you know left brain, right brain, all that stuff. That's all cool. We all get that. But your mind, how you think, how you process information, how you make decisions, is something that at a fundamental level you really need to figure it out. And you need to figure it out for a very simple reason; your life will get easier if you know how you're making your decisions and you know how your thought processes are going.

There's two pieces to your brain, very simple. And by the way, I can give you a lexicon of all of the books and stuff because the other thing is I'm a wacky reader, and I read about eight or 10 books a month. And I'm -- and it -- they're all over the map.

But I'm really interested in neurology, and I'm really interested in this thing called the singularity. And I'm interested in this because I'm part of Singularity University which is right west of here in Palo Alto. Not even -- not really Palo Alto, but definitely near that city. Anyway, it's on their NASA campus, and it's run by a bunch of guys that are all futurists. And it's -- you should look it up. It's actually one of the coolest things that's going on in the world. And I'll take a minute to tell you what it is, but they -- we basically take about 80 students from all over the world and bring them together for 10 weeks. The first five weeks that they get lectures from about 125 of the smartest people we can find in the world on every subject. Doesn't matter what the subject matter is. So for five weeks you get to sit there, and you get all of these really cool lectures. The next five weeks you have to come up with a business plan. You have to form small groups, and you have to come up with a business plan that's going to affect a billion people in a year. So this has been going on for three years. And it's by Google, and Yahoo!, and Intel, and it was started by a guy named Peter Diamandis who created the XPRIZE and another guy named Ray Kurzweil who's considered the greatest living futurist. And Ray is the guy who coined this phrase singularity.

And the singularity is this point in time which Ray -- and by the way, if you look at -- look up Ray Kurzweil you're going to see that this guy has predicted like hundreds of things to the year, and I mean massive, dramatic things. He's saying to all of us in 2050 there's going to be a singularity moment, and that moment is going to be the place where you actually have a computer chip in your brain, and you no longer have to think for yourself. That computer chip will tell you everything that you need to know about everything in the world. You'll have your own little search engine. Google will be in that fucking gourd of yours [laughter]. And again 2050 he's betting -- Ray is betting that this is going to happen. So what does that mean for us? And what does that mean about all of this stuff that I'm going to walk you through? First of all, if you have access to all of that information, and it's instantaneous, and it's literally part of your body; it's in some nanotechnology or some computer chip that's in your brain, you now no longer have to use your brain to memorize things. You no longer have to use your brain to actually find information, or remember your mother's name, or a phone number, or your bank account, or in any of that other shit. It's all going to be there. But what you are going to have to do is you are going to have to figure out how you think because you can have all that information, but how you think is completely different then how you use information.

The two pieces to your brain, first side, segment one, that's intuition. It's basically the part of your thought process that -- that's really facile. It's comfortable for you. You just make those decisions. You don't even think about it. You know it's like how do you remember to tie your shoes? You know it's like what's it like to eat? What's it like to cook an egg? What does an egg shape look like? What does a baseball look like? All of the things that are just like natural because you've been exposed to them for 10 years, five years, 25 years. That part of how you make your decisions is pretty comfortable. You can actually make those decisions really readily. But when your brain says to you, "Uh-oh, I'm not sure about this," then the other part of your brain, section two, kicks in.

And section two is the place where you start looking for facts that will support these intuitions and these instincts. And that section two is the place where all of this abundant information is going to be implanted and this node is going to be. But your section one -- by the way it's all there now. I mean, if you know accounting, if you know history, if you know physics, you know chemistry, you know biology, that's all recorded in section two. And it's in there in some form. And by the way, most of it is available to you. You've just got to figure out how to get it. But when you make your decision you're going to use section one. 95% of the time you're going to use section one, but you're going to get into places where you need section two to kind of analyze some things that aren't consistent.

So you -- looking at a complex situation that might involve you know -- I don't know what that might be, what are the odds of me impregnating this woman? The odds you know [laughter] -- what are the -- you know, should I invest the money in XYZ company, or in Kodak, or in Blockbuster, or in Netflix? I mean, who should I invest my money in? And your instinct is telling you, "Oh, Disney because they make great movies." And I loved Disney. But the truth is Disney's stock is probably not going to do well. Oh well, then maybe Mattel. Why do I want to invest in Mattel? My instinct tells me that I shouldn't invest in

Mattel because they make Barbie dolls, and I hate Barbie dolls. And they are pieces of shit, and I hate them myself, but maybe you should invest in that because girls are always going to buy Barbie dolls."

Your instinct and your analytics, when they come together and we're using them both in -- and strong combination, and you're kind of averaging out, you're going to make better decisions. Now if we are inextricably moving to this place where this singularity is ultimately going to happen, then your intuition -- it's going to become even more important because all of the information is going to be ready. It's just going to be firing. You're no longer going to have to think about it. Some old fucker like me isn't going to lose it in some Alzheimer moment. But it's just going to happen. But I'm going to tell you right now that most of the decisions you're making right now are completely instinctive and intuitive, that you're not using section two. And you're not using section two because you haven't figured that out. Part of that's just plain neurology because your brain, even though you might think it's formed, it really doesn't form until -- completely until you're about 20 or 22. That's what all the neurology tests are telling you. And it doesn't completely expand to the adult level -- it doesn't really process properly. So you're still making decisions heavily weighting on section one.

Now what I want to encourage you to do is to use both. And the other thing I want to encourage you to do, and this gets back to the "be interested -- you will make better decisions and your thought -- toward thinking methodology will be stronger if you have a wider range of experiences. The deeper and wider range of experiences, the more things that get filed and stored in section one. Then it's going to be richer. You're going to have more resources to draw from. They're the cause you had more experiences. So don't let yourself get locked into, you know, where you want to go tomorrow and what you're going to do next week. Expand whatever it is you're thinking about, be more expansive about it. And -- and believe me, your life will get better. Your thinking will be clearer and your decisions will be clearer.

And how all of this fits into the creative process is kind of an interesting thing. So if you -- imagine a four year old who is sitting in a stark room, and you put an Oreo cookie on the table in front of him, and you say to him, "You can't eat that Oreo cookie for 15 minutes. If you ring this bell because you want to eat the Oreo cookie then you can ring the bell and then somebody will come in and help you eat -- and hand you the cookie. But we want you to just sit here for 15 minutes and do nothing. And if you do that we'll give you two Oreo cookies." So the kids that could sit there and not eat the Oreo cookie have two or three capacities. The first one is they can -- they understand data. If I get -- I get two cookies if I don't eat this cookie. I only have to wait 15 minutes. 15 minutes for a four year old is an interminable amount of time. About half of the kids can't do it. But the 50% that did do it had a -- were less prone to be drug addicts, were less prone to go to prison. I mean, it's like -- it's literally like almost in the 80th or 90th percentile of the number of kids that could exercise that kind of discipline at four years of age when you follow them longitudinally through their life. It's astronomical. That skill set is really important. And it's part of your mind, and you haven't -- you know you haven't figured out how to exercise that, and the four year old clearly hasn't figured out how to exercise that. And so how does that -- you know you're -- you're going to be better at cognitive tasks; you're going to be better at aptitude tests if you can figure out how to delay gratification. And that doesn't come from the right -- the -- not the right side -- from the section one side of the brain. It comes from the section two side. So you can learn how to do this.

The reason I'm bringing this up is you can learn how to do this at a really early age, and -- but you -- but you have to figure it out. And if you don't figure it out you're in the shitter, at least in terms of where your life goes. Now many of you are thinking about where you're going to go with your jobs and what you're going to do with your lives and all this other stuff. So there's a thing that they identified in 1983, and it's called the "X person." And this was done by a guy who examined the United States population, and he kept looking for outliers, and he basically put people -- his name is Paul Fussell -- and he basically put people into all of these categories and classes. And in those categories and classes that he put everybody into there was a group of about 18% that he couldn't figure out what to do with them. They were X people. These were people that didn't fit into any category, but they had a couple of shared traits. The first one was they hated bosses. They were really anti-authority figures. The second thing is they were really creative. They didn't really want to take a job. They didn't think about being in a retirement program. They didn't think about safety or security. They were really risk-prone, and they didn't care what other people thought about it. And that was about 18% of the people that he found.

So fast forward to 2010, and a guy named Richard Florida is -- who's one of the best economists in the world, and he's written a whole bunch of books, and this particular book is called "The Rise of the Creative Class" -- he's the most recent person to kind of look at the demographics of the United States. And he's like looking at this, and he's, like, okay, well 30% of the population of the United States works for themselves, and they work for themselves as artists, as writers, as entertainers, as scientists, as lawyers, and they don't have a job. They actually create their own work. That 30% of the population is called the creative class, and if that 30% of the population is in your community you will have a faster growing economy; you'll have a more stable community; you'll have lower crime rates. And when you read this book, "The Rise of the Creative Class" -- look at this book, and you're like, "Holy shit. Why don't we just pay attention to these people?" But these people are all outliers. They don't want to go to work for a corporation; they don't want anything to do with companies. They don't want anything to do with hierarchy.

My guess is as all of you are looking at what am I going to do with my life that appeals to you. And if that appeals to you I can't encourage you enough to explore it, and explore it while you're here in a safe environment. There are ways for you to use the college community to build little exploitative experiments where you might be able to start little businesses or do wonky little things that will test out your ability to create and become an entrepreneur. And you should do that as early as possible because when you try to do it later it becomes harder, and harder, and harder because you have more responsibilities, and you also get less -- you become more risk-averse. You can't shelter yourself from the risk. So the earlier you start down that path in understanding that you're part of that creative class and part of this X person community, the sooner you figure that out and start exercising your ability to kind of do things in that world the better off you are.

The -- the thing that is different about these people -- and if you're in that group you're probably thinking about this -- is that they're not as interested in taking a job as they are in finding a place to live. So they pick communities based on their support of a lifestyle. So if you look at the top creative

communities in the United States you would think that it would be Los Angeles because all of a really cool, creative people are there. They're not even in the top 20. It's Austin, Texas; Portland, Oregon; San Francisco; Seattle; Boston; Raleigh/Durham. I mean, it's places that you -- that are not part of the top 10 in terms of demographics. And that -- you know so when you -- when you look at how you're going to start making decisions about where you're going to go, if you fit that category then chances are you're thinking about where you're going to live rather than what you're going to do when you get there because you're going to figure, "I want to live in San Francisco. I'll go to San Francisco; I'll get a job." And by the way, if you are thinking like that I would encourage you to just do it, because 99% of the time going there having a job is not going to be as successful as you going there and finding a job. Just start doing things. Don't wait to get a job. Get a job in a place where you want to live, where you think you're going to be able to thrive, and do that. Don't try to find a job. Start to manage your risks much earlier.

So I'm going to -- I'm going to play a couple things here for you that show you a couple other things about what I think is just important. The -- the first one is we live in a world today where information and transparency is at our -- at the highest level. You -- we're -- being lied to by just about every institution that's in the world. We're being lied to by politicians; we're being like to -- you're being lied to by everybody. We're really being lied to by corporations. And when you see a couple of these things that I'm going to show you here -- they're out of a -- a couple documentaries that I've done -- you're going to see segments in here that are pretty alarming. And the reason I'm bringing these up is because this is an example of how people who are just everyday people got pissed off, fed up, and they used digital communications systems to change the world. And they did this with just their voice, just one single voice. On the Web they changed the world. And some of you may have seen some of this before, but the first one's a little bit gross, and then they -- they get to be a little bit funnier. But -- and by the way, I -- I apologize if the sync -- the sound sync is off.

Start of Film Clip

Narrator: Ground meat. We didn't know what was in the stuff. It was cheap. It was delicious. And it was safe, right? This is pink slime. It's made from parts of the cow that are normally unfit for human consumption.

Man with chunk of meat: This is inedible. Why? Because it's the outside of the meat [inaudible]. It's full of everything from salmonella, e coli, and different stuff like that.

Off-screen questioner: Tell these people where the [inaudible] goes.

Man: It goes to a rendering plant where they make chicken food, dog food.

Narrator: But it's not just for dog food. Ammonia, the same stuff you use to clean your toilet, is added to kill the bacteria. And then it goes to your local supermarket. For years most ground beef sold in America contained pink slime. It has also been a staple of the fast-food industry.

Bettina Siegel: Reports say that 70% of our ground beef contains this stuff, and yet USDA decided that it -- it can just be called beef...

Narrator: Right.

Bettina Siegel: ...where it's not labeled.

Narrator: Bettina Siegel is a mother from Houston. Bettina started an online petition to eliminate pink slime in the school lunches.

Bettina Siegel: Anyone can start a petition on anything they care about. So I went and started one with a link on my post, left the house... [laughter] and when I came home I had 600 signatures.

Narrator: Within nine days the USDA announced that it would start supplying schools with slime-free beef. Retailers across the country pledged to eliminate pink slime from their shelves. BPI, the leading producer of pink slime, has already closed three out of its four factories. This all happened in less than a month, but BPI is not going down without a fight. Among the hundreds of YouTube videos posted about pink slime, you'll find this.

BPI Advertisement – male voice: Why is innovation important when it comes to food?

BPI Advertisement – female voice: What BPI has done is taken a process so that even more of the animal can be utilized, that nothing goes to waste.

Narrator: Today [inaudible] have two options, they can try to fight against transparency, or they can embrace it.

End of Film Clip

David Pritchard: So you can imagine -- this is a housewife in Houston who reads about this, kind of discovers it, has about 600 people on her blog chains, and within a month she bankrupted -- those were two \$1 billion companies. BPI is a billion six. She bankrupted BPI. It's owned by Ron Burkle in Los Angeles. She'd literally brought it to its knees and changed the entire industry, a housewife in Houston. And she did that with one blog, well-written, perfectly on -- on-tone, perfectly on target, and literally, virally changed the world. The shit that you're eating in the hamburger joints no longer has the scrap in it. They're not allowed; it's against the law. Now are they putting it with -- putting something else in there? I have no clue. I would tell you not to eat fast food, but that's your choice. What I can tell you is the capacity to change things is in your hands in a way that it's never been available to anybody in the world before.

The other example which I don't have here, but I'm going to show you a couple other things, there's a -- there's a kid in -- in Colombia who in 2002 a couple of his friends had been kidnapped and killed by -- a

couple of his friends and family members -- by FARC which was the -- the local guerrilla group that was kidnapping people in South America, running the drugs in South America. And this 22-year-old computer engineer got fed up, and he started reading a blog about it. And then he made that decision that he was going to try to get as many people as he could to protest on one day two weeks from the day that he announced it, and he wanted as many people as possible to protest. 12 million people in 75 countries joined the protest, and as a result of the news coverage of that protest the soldiers in FARC left in droves. Within two weeks FARC was riddled; all of their soldiers left. They couldn't continue to operate, and it was just done by one guy who just said, "I'm tired of this. [Speaking in foreign language]. Enough, I don't want any more of this shit, and I can make a difference by just getting people to start raising their voice." I'm bringing this up because the -- the quality of -- the quality and the opportunity for you to actually change things in the world is there, and you've got to put your wattage to work on that. Because I don't really understand how all of this stuff works. You probably do a lot better than I do. And you've got to, like, call people on their bullshit. And I'm going to show you something here where you'll see where one of the biggest institutions in the United States, the U.S. Army... ..gets called on their bullshit.

So you can imagine being a bank and pissing on somebody who's in this community that's coming -- coming to you for a loan. And then all of a sudden that person goes on the -- on the blogosphere and starts badmouthing you and saying all kinds of shit about your bank. Everybody in the world is going to read that. It's available to everybody. This is a completely different world that corporations are going into, that every institution is in. And it -- you -- this room is filled with people. You actually have the capacity to shape that, to -- to shape brands and to actually call them on their bullshit.

Here's another one that's actually funny but glaring. The -- the point of these things is you can't hide anymore. You can't hide with any of your bullshit. And I think that you know whether or not you're in a journalistic point of -- in a journalistic job, or whether or not you're in a corporation, or whether or not you're working in some kind of digital environment, you've got to hold people accountable. And -- because if you don't, the transparency's going to catch up to them. And I think, you know, it's a completely different world. It used to be that you could hide behind all of this crap and nobody could find out about it. But today everything is available; all of the information is available. And you know the - - the thing that I'm trying to stress here is that there's a way to do this that is not so difficult to understand. And I'm going to show you a company that does a really good job. And they do it at great risk. Learn how to use both parts of the brain because your instinct is going to trick you; it's going to fool you; it's going to make you believe but you know what you're doing; it's going to make you feel really confident, and potent, and like you are optimistic and this is actually going to work.

35% of the businesses that are started are still in existence five years later. 35%, that ain't a thing that you want to invest in. That's a bad bet. It's a really shitty bet. But if you believe in it then drill down, get the facts, and get used to reading everything that you can possibly read, including all of the things that your competition is doing to compete with you.

There's this, you know, unbelievable analogy I know most of you probably don't remember to Mohammad Ali was, but if you don't I can tell you he was a really great boxer. And in one of his absolute greatest fights he goes out in the middle of the ring, and he's [laughter] fighting George Foreman, and George Foreman hits him the first time, and Mohammed Ali goes, "Holy shit [laughter]! I just got hit by the hardest punch I've ever felt in my life." And everything that he had in his training camp prepared to do he threw right out the window. And you know what he did? You remember what he did? He rope-a-doped. He just like backed up, went against the ropes, and let George Foreman beat the shit out of him for 11 rounds. And George Foreman beat the shit out of him for 11 rounds. And in the -- no, it was for nine rounds. And in the 10th round Mohammed Ali hadn't thrown a punch [laughter]. He'd just barely go yah, yah, yah. He'd had the shit beaten out of him, but George Foreman was exhausted. The whole time that was happening his trainer, Angelo Dundee, was screaming at him, "What are you doing? What are you [laughter] doing?" And Mohammed Ali couldn't talk because he knew that he couldn't tell this guy what was happening in the ring was hurting him, and that he had never [laughter] felt that kind of pain before, and he had to think of something on his own. He had to improvise.

The point of that is the minute you start a business everything that you've planned and thought about goes right out the window because reality starts to hit. And, Mohammed Ali, as soon as he took [laughter] that punch he went, "I got to improvise. I got to figure out something else because I'm going to get the shit kicked out of me here, and I'm going to lose the fight. And I don't want to lose the fight." So he figured out something that was completely stupid, no one would have believed he ever would have done something like this, and it worked. Nine times out of 10, it probably wouldn't work. He got lucky. He was a great fighter.

The U.S. Army basically -- and you know all of the -- all of the U.S. armed forces now they no longer teach people how to do firefights in the way that they use to do it. What they do is they tell you it's mission central. So they basically make sure that everybody in the group that's going into that battle understands the mission, the primary objective so that if all hell breaks loose -- because you don't really -- you can make all the plans you want, but the minute the enemy comes into [laughter] the field it becomes completely different. Everybody knows what the central objective is. And if you have that mission in your head then you're going to keep moving in that direction, and people can just fill in for each other.

But the minute you get into a competitive environment, the minute you get into a battle where there's all kinds of other crap happening that you didn't expect, you're going to panic. And you're going to panic, and you're going to lose your ass. Your risk profile is going to go up. You're going to start thinking, "My whole world's falling apart, this business is going to fall apart." So just understand that there's a couple things, use your head; think on both sides; understand that when you start that business everything that you have planned for is probably going to go wrong and that you better start thinking of what all of the options and alternatives are, or else you're going to be part of that 65% that just didn't make it. And it's really tough.

The last thing, the third part of this, is there's a couple things that we've figured out in entrepreneurial programs, and you know, of ways that you can kind of get right to the bright line of where you're going to start your business, and then you just step back, and you go, "Okay, I've got to look at this. And I've got to look at it hard." And one of them is -- what I think is the most powerful one is a thing called "pre-mortems." And if you haven't heard of this, this is a really important thing to do if you're starting a business. You make all your plans; you get ready to start your business; and then you get all of the people together they're going to rely on to help you execute that business. And what you say to them is, "Okay, we're going to do exactly what we're planning on doing. But what I want you to do is I want you to take 15 minutes and tell me that a year from now the company has failed. Everything that we're going to try to do isn't going to work. And I want you to tell me what you think went wrong on that failure day." So what you're basically doing is saying, "We're going to do everything that we did, but none of it's going to work. So tell me this pre-mortem." So it's not a post-mortem. It's not after they've died. It's pre-mortem. So pretend as if we executed the business plan exactly as we think it should work, and before we execute the plan a project yourself one year in advance, and it all failed. Nothing worked. It's been an abysmal disaster. You tell me the story that you think caused that abysmal disaster. Create the fiction. What it does is it forces you to take one last big bright look at what you've anticipated, what you've expected and it forces you to kind of, in a low-risk way, question some of those things. And one of the things that it does is it legitimizes doubt. It allows you to be doubtful because when you're starting a business, when you're starting something new, all of the people around you are going to be getting [inaudible] going, "Yeah, yeah, yeah, yeah." And you need a couple doubters in there. You need doubters all along the way. This allows people who were afraid to doubt to kind of exercise their doubt. Because it lets them do it in a safe environment.

The other thing is a thing called "forming a red team." And this is done in the CIA, Department of Defense and DARPA. And what they basically do is there's a whole group of people that you know that have not had anything to do with your business or your plans or your idea. They're just a bunch of people that you know that are smart. And you basically bring them in and you tell them what you're going to do and you give them a copy of your business plan and you say, "Okay, tell me why I shouldn't do this." You don't know anything about any of this stuff. You've never heard about any of it before. Just tell me in the coldest, hardest way possibly what's going to go wrong and why I shouldn't do this. If you do those two things you're going to reduce your risk, you're going to save yourself a whole lot of mistakes and you're probably going to save yourself a failure. Because if it's going to fail, one of those two analytics is going to get you to pause. And you need to have those kinds of pauses before you start throwing money and resources at something. And you know I -- I can tell you that I've done both of those things with all of the businesses that have been successful. And that's really been in the last four years.

The other thing that I -- I just want to touch on is that there's a way for us to kind of setup small units that you can kind of test businesses in. And I was talking to -- early this morning -- to a couple of the different groups about doing these things where if you really think you have a really good business idea go to one of these incubators that are forming. There's a couple of them here. I mean Jerry can tell you - you know, John can tell you where some of these -- there's an incubator here that's started, it's called

Chico Start. Correct? Go there and have these guys who have had experience at starting up businesses who can give you some of the legal and financial and structuring advice. Let them help you walk through this stuff. Because you need somebody who's actually gone through this and has had this experience to kind of test your thinking and look at what you're doing. The -- the thing that -- that I can tell you from every one of my failures, and I've had 11 of them. By the way, I've made more money on the successes than I have on the 11 failures mostly because at various points in time I started going, "Okay, I got to, like, pull back here. This is probably not -- this doesn't smell right." I can tell you that in those 11 failures, had I applied stronger and harder analytics and stronger, you know, data analysis, I probably would not have executed at least five of those businesses.

I just trusted my gut because I'm -- I'm an optimistic person. I believe that I can get anything done in the world and it's not the case. It's a really complicated thing to start a business. And then I -- you know, I can't encourage the women in the room enough and I really mean this. I cannot encourage you enough to start businesses. Nobody's going to give you the opportunity that you're going to give yourself. And you should take it. Women are better at running businesses than men. They're less emotional, they're more logical, they listen. They listen a whole hell of a lot better. And, they cooperate. They don't get into arguments as often. And I can tell you this not just from experience but from operating the Gramine Bank -- those of you that are not familiar with that, it's a micro bank that we started about nine years ago out of Bangladesh. We make micro loans to developing countries. We found out the first year that if we gave those -- if we gave the money to the women we got the money back. We gave the money to the men, we didn't get the money back. And I mean that literally. Like 90%. 90% failure rate with the men. 90% success rate with the women. And when Mohamed Unis [assumed spelling] -- there were about 10 of us that started this and I can assure you that all of those experiences had been born out in all of the other banks that I've set up in the developing world. Women have the capacity to do this and it's a little harder in this culture because you're not as desperate as they are in some of these developing countries. It's a little easier for you to take a job or to do another thing.

But I would encourage you to test -- and especially while you're here in school. Test out your instincts for running a business. I mean there are so many opportunities here. And that kind of comes back to being in the bigger world. If you have a big wide giant perspective, you're going to see opportunities. We were talking about this -- where was I talking about this? I can't remember. Oh, it was fast food. If I had the -- if I could, one of the things I would do right now -- and especially if I -- I knew -- if I -- anyway. I would go to where every McDonalds is and I would open up a veggie burger stand right next to that McDonalds. And I would do that because I think 90% of the women who have children, if they're going by there and they go, "Oh, fresh organic veggies burgers and they're \$4 bucks. I would go buy that fresh organic veggie burger before I would buy that McDonalds burger." And what McDonalds does and what Starbucks does, they just go find the local shops and they go right next to them. So if you started to go do that, get four women in this room, start a veggie burger stand, go to the McDonalds and just do it.

I'm telling you -- all of my instinct tells me that will work. And I think if you started doing the analytics it would actually support that. The world is moving faster and change is happening faster than these big corporations and these big brands can handle it. And you've seen that. They don't really give a shit.

They'll actually do everything they can to trick you and if you start a business it's based on transparency and honesty and high quality products and a great service. You could be successful. And the thing I learned -- you know, I've only been here one day but this is a really vibrant community. You've got a bunch of universities around here. You got a really cool school here. You got a lot of social life [laughter] here. There's all kinds of shit you can do here to test out your instincts for running and starting businesses. So do it. It -- it's not complicated.

But it does require using both parts of your brain. It requires you getting really good advice and it requires you thinking through what your plan is and testing it every step of the way. And I can show you a dirty cartoon because I feel really bad when I come and do these things. Because there's a part of me that's really serious and that's this part of me. And it's -- I'm serious because I've been doing all of these other things and I do the comedy stuff because I need a break. And -- and I'm just a twisted fuck [laughter]. And I readily admit it. I mean I think -- I literally think like a 13-year-old boy and I act like an 18-year-old. And it gets me into trouble all the time, but I can't stop myself. I'm obsessive about it.

But I'm also obsessive about doing the right thing. I mean I serially start non-profits. You know, I have about seven non-profits that I've started that are all really successful. The one in Los Angeles is based on an arts program. And it's -- it's just a phenomenal program. We only go into the inner cities, inner city. We go into the gang zones in Los Angeles and we give all of these kids in that school free music instruments. We give them violins, cellos, flutes, trombones, trumpets, guitars. We give them these instruments and then we teach them classical music. So if you can imagine a kid in a family that's 185% - 185% below the poverty level getting a \$1,500 violin and then learning how to play that violin and then standing up in front of a jury at the age of six in a little tuxedo, that's a really cool thing. We've never lost one instrument in 12 years. Not one instrument. 96% of the kids that are in that program graduate from high school in four years. And 98% of the kids that graduate from high school go to college.

We have kids on full four-year scholarships at all of the Ivy League schools. We have them at Berkeley. We have them at Stanford. It's just an unbelievable thing. What I've learned from that program is that learning music -- and this comes back to me, you know, data and information and analysis. When you learn music your brain expands. When you learn music as a little kid your brain explodes. It just expands so fast and so quick that you remember things, you fire better, you learn to read faster, you retain things better.

We've been doing a five-year research program at the university -- Northwestern University, where we've been measuring about 400 kids in the program. And the results of this early arts education just goes through the roof. I mean literally through the roof. And the -- the other one that I started and I'm [laughter] really, really involved in goes back to how I met Ray Kurzweil. I'd started a non-profit in Boston because a friend of mine became a quadriplegic. Like a stupid person he drank a bunch of beer, he drove into a pool and broke his neck and became a quadriplegic. And he calls me up and he goes, "I'm going to walk." And I was like, "Okay, you got a C4, C6 break. The odds are probably pretty slim. Okay, what do you want to do?" And he goes, "I don't know. But you got to help me." And I was [laughter] like, "Okay. I don't know how I'll help you do this but let me do some research." So I just

drilled down, I started doing research and I found a place that was basically trying to help paraplegic and quadriplegics get use of their limbs all through exercise.

So I started funding this kid to go to that program and then I said, "Okay, well you're in Boston and this program's in San Diego. You're costing me too much money." So I said, "Let's build one in Boston." So we built one of them. It's called Journey Forward. This kid ran in the Boston Marathon. C4, C6 break. Had been in a wheelchair for seven years. Now he didn't finish but he ran two miles. He's in a walker but he has full ambulatory use of all of this limbs. There are three other kids same thing. And it -- all it amounts to is early stimulation.

So when I started doing this I meet Ray Kurzweil and I go, "Ray, singularity. How do we get the god damn neurons to fire in their limbs and how do we get [laughter] all this shit to work?" So that's what Ray's helping me with. He's got a pretty big research program in Boston that's part of this. So, you know, that's the other part of me. That's why I'm wacky and that's why I look at all kinds of different things and -- so I can show you a dirty cartoon because I feel really bad that I got really heavy and dense and massy. But it's a dirty cartoon. It's got sexuality and breasts and nudity and some of you have seen it already. And if anybody wants to see it you can see it. I can -- you know, there is one other thing that I -- okay, I feel like I'm talking. Anybody got any questions?

Audience member: You listed the -- some of the top communities [inaudible] in the U.S. What about worldwide? You know like...

David Ptichard: They haven't done it worldwide. They haven't done it worldwide because it's really hard to get economic measures on demographics outside of the United States. We collect a lot more information than the rest of the world does. So our department of labor statistics has so much information. The rest of the world -- there are parts of Germany and France and Scandinavia where they do this. But it's not as dense as our information. If you -- if you read this book it'll -- it will literally tell you where the cool places are to live. It's called "The Rise of the Creative Class." The other thing that I would encourage you to read is this thing called "Thinking Slow and Fast," by Robert Canaan (*correction: Thinking Fast and Slow,* by Daniel Kahneman). Kahneman-- he might be the smartest guy on the face of the earth. He's a psychologist who won the Nobel Prize for economics in 2006 I think -- or 2004. I can't remember what it is. But he's a psychologist and he -- he's one of these guys who's like basically taking -- okay, economics is no longer about these big giant macroeconomic, you know, trends and measurements and things like that. He says it's basically an individual. So he's basically looking at people, how they affect communities, small groups, states, regions and -- it's -- he's just a really, really bright guy. Those two books I would encourage you -- I would encourage everybody to read because they really tell you what's going on in the United States. And they tell you a lot about what's going on in the world. What else? Somebody else had a question.

Audience member: What did you think the role [inaudible] played in regards to [inaudible] cerebral spinal fluid [inaudible] development?

David Pritchard: I have no idea. I'm not a chemist, I'm not a physiologist and I'm not a physician. I can tell you that melatonin helps me sleep. I've had doctors tell me that I'm completely full of shit. Melanin, I don't know what it does. I know that it has something to do with the endocrine system but other than that I don't know. I can tell you that I've taken a lot of drugs. I've never taken that one on a recreational or a medical level. But if it has anything to do with the after-effect of cannabis I could probably comment on its effect but I could not comment on its chemical effect.

Audience member: And would you agree the [inaudible] word, chemistry was the compound word and it came from [inaudible]. [Inaudible] was land of the black. Because melanin in history is the study of. So chemistry is the study of melanin.

David Pritchard: I would say that you're the smartest son of a bitch I've heard in about three weeks, and [laughter] I genuflect, bow and curtsy to you. And I don't know anything about any of that shit. I just know it sounds interesting. And I will probably read something on it. It will probably happen to me now. Either through divine intervention or because you've inspired me to understand something that somebody asked me a question I couldn't answer. Anybody else?

Audience member: Do you have any regrets [inaudible]?

David Pritchard: Do I have any regrets? [Laughter] Jesus Christ. Where do you want that list? Yes, I regret going to Chastain [India][phonetic spelling]. It's a really bad place. I would encourage you never to go to Chastain. It's a really, really, shitty, shitty, ugly fucking place [laughter]. I can tell you that traveling in India is really complicated and really, really difficult and if you get a chance to go there just really be prepared for an assault on your senses, because it is an assault on your senses like nothing you will ever experience. Ever. And it's really difficult to -- it's like when you come back from that experience it's PTSD time. Because you see -- you see so much poverty and you see so much weirdness and, you know, in the backdrop of all of this beauty and mysticism. It's just a weird place. And I ran Eagle Breweries in India in the 70s and it was really complicated and then and then I've been back there a bunch of times. Mostly to Kerala and -- and Mumbai.

Regrets? I regret that I didn't have children. But my brother's told me that I was 666 and I was part of the demon seed and I should never have children. So I guess I kind of got the curse. I've raised a bunch of kids, step-kids and I've raised a bunch of nephews and nieces. I regret that [laughter]. I may regret me influencing them and [laughter] my brothers clearly do because my nephew created "Workaholics" with me. And when he first came down to live with me I was like -- I -- I owned a pot shop with two [laughter] other guys and I had my nephew working there for a while and he was [laughter] high all the time. And [laughter] so it was like one of these things and I was like, "Okay, so Mike, I'll take care of him. I'll help him get a job. I'll help figure shit out." And you know, a year later he creates "Workaholics" with me and is getting paid, you know, like a lot of money to do nothing and now he can have his own pot shop [laughter]. So do I regret that? Yeah, probably kind of. My brother really hates me for it [laughter]. But you know, what the fuck? You know, that's what brothers are for. They're supposed to hate each other.

What else? I regret some of the things I did in the Middle East because I think it was complicated. You know, it's a weird place and I -- I was telling people earlier there's 450 million people that live in the Arab world and there's 50 works of original fiction published every year for 450 million people. There's 56,000 original fiction books published in the United States every year. They don't have a sense of what a hero's journey is. They don't have a sense of what it's like to build a culture from storytelling. And one of the things that I would encourage all of you to think about is what are your own stories? Because the first hurdle in starting a business is getting over your own shit. And anybody -- I'm going to assume you've all been in at least some form of a relationship with another person. Even if it's with a family member. I don't mean conically with a family member but I mean [laughter] you have family members that you don't get along with. Mom, Dad, brothers, sisters, whatever that shit is. Doesn't mean you're actually banging them or something like that. But if you are great [laughter]. If you -- if you are and your parents don't know about it that's even better [laughter]. Okay, that was -- that was "Family Guy" crossing the line [laughter].

But what I can tell you is the first barrier to you being successful is getting rid of all the fucking luggage that you're carrying around about your family. About how you were raised. About all the shit that you feel guilty about. About all the shit that you feel like you're afraid to do. Where your risk levels are going to be. You know, all of that stuff you have to carry with you for your whole life. The sooner you understand it, analyze it, embrace it and transcend it, the easier it's going to be for you to have business relationships with partners. Personal relationships with partners. And life relationships with yourself. That luggage, that shit, you cannot get rid of that fast enough. And the sooner you understand that and the sooner you confront it and transcend it, the simpler your life's going to be. And that's one of the reasons that I -- I, you know, all of my partners -- and actually I have four businesses that I've started in the last six months. And the thing that I start with -- and all of the people that I've started these businesses with where I actually give them some seed capital and I go help them find the VC money and do all this other stuff.

They hate me the first three weeks. Because you know what I make them do? I make them write a 20-page biography. 20 pages. Not 19 pages, not 18 pages, not 25 pages. A 20-page biography. And I make them do that because [laughter] I say to them, "I may not even read it but I want you to read it. I want you to be as truthful as you can. I want you to tell me all the drama and all the bullshit and all the pain and all the crap you've had to put up with in your life because you have to understand that. If I'm going to keep funding you or I'm going to keep working with you I may need to understand it. But I don't need to. I don't necessarily need to but you do." So it's -- it's a really interesting exercise that you have people go through. By the way, who taught me that was one of the first movies I financed, a thing called "Weeds" with Nick Nolte. It's not the "Weeds" that was on television about what's her name and all the pot and all that shit. So it -- it's actually kind of an interesting dramatic movie with Joe Montagne and Nick Nolte. But Nick Nolte shows up on the very first day of shooting -- do all of you know who Nick Nolte is? Most of you don't know who Nick Nolte is. You fucking people [laughter].

Anyways, he's an unbelievable actor. Crazy man. You know, he was one of my neighbors in Malibu. Did a few drugs with Nick [laughter]. But anyway -- that should not be on this. [Laughter] Because he's in

rehab and got a few personal problems. But he shows up for the first day of shooting and he had written a 10-page biography of every person he was in a scene with. And some of those scenes were like two words of dialog with the other person. He literally came there prepared and prepared to tell you what your backstory was. So that you would know where you were coming from in that scene. And I was like, holy shit. Does he do this all the time? And his manager's like, "Yeah, he's just obsessive. He wants everything. He wants to know everything about that person he's in the scene with." I was like, "What a great way to figure people out and to help people figure stuff out." So I mean, so that's what I do. And I would encourage you to do that. If you're going to go into business with a partner make them write that damn thing. And -- and 20 pages so that they can't -- so that they got to be exhaustive about the drama. You know? And I don't mean like my mom dropped me on my head or didn't change my diaper and I cried for three hours. [Laughter] We're talking about the crap that -- that is still hanging around there about shit that you haven't forgiven your family for. They haven't forgiven you for. It's those kinds of pieces of unfinished business that are going to cause you to act out and dramatize that unfinished business in the future. So -- so deal with it and deal with it while you're here and it's a safe environment. And don't have a problem with going to your parents and saying, "You know, you kind of fucked me up." Don't do that until after you've gotten all the money for school [laughter]. But -- but don't -- you know, go have that conversation. It's an important conversation there. Okay, anything else?

Audience member: In your opinion [inaudible] how would you think that the [inaudible]?

David Pritchard: Are you on Jupiter [laughter]?

Audience member: [Inaudible].

David Pritchard: Really? God bless you because I think you belong on Jupiter. I have no bloody clue. I can tell you that I've been up those pyramids. I've been inside of those pyramids and I think they were built by a bunch of crazy slaves that got the shit beaten out of them putting them together and they did it for over 300 or 400 years and it's a travesty that, you know, they built these massive works of art and you know, deification and so many millions of people had to die doing it. I think that sucks. You know it's just like, you know, many of the big cathedrals in Europe that were built in the 10th and 11th century. And the same thing in the Middle East. I think anytime you build -- build edifices using slavery it's unacceptable to me. Completely unacceptable. I don't think anybody should ever be made to do anything that they don't want to do. Bothers the shit out of me and I would beat the crap out of anybody that tries to do it. That's my answer and I'm sticking to it [laughter]. We done?

Audience member: I think so.

David Pritchard: Did you have a quick question?

Audience member: I wanted to go back. You were referring to running a veggie burger stand next to McDonalds. What if McDonalds starts carrying veggie burgers?

David Pritchard: NFH. You know what that means? Never fucking happen. They're not going to adapt. And besides, if you do it right -- I just thought about that a couple hours ago. I was like, you know, if I was going to start another business that would be one of the businesses I would think about starting. But the reason I say that, the reason I'm telling you that I don't think McDonalds will ever do that is they have -- they have a built-in infrastructure and operating system that is absolutely germane to their success. And for them to adjust that -- they might be able to adjust menu items but they can't adjust their product positioning. They can't adjust their brand positioning. They can't talk to the customer the same way you're going to talk to the customer. I -- you know, the more I think about it, the more I'm thinking about it. I think it's actually a smart idea. I don't know if it -- how -- I -- actually would just encourage people to give a shit about eating healthy organic food, to just go do it even if it's for a month so it pisses all the bastards at McDonalds off and it makes them have to fucking think about all the crap they're feeding us. And it's not just McDonalds, it's all of them. I mean I'm picking on them because there's more of them. But they would not adjust. They would make little -- they would say, "Oh, we're offering a veggie burger." You know, but it's going to be made with GMO soy shit and beans and all this other crap that doesn't -- that you don't want to ingest. You know? So...

Audience member: Burger King made a veggie burger I think. It tasted like crap.

David Pritchard: Yeah. I mean they can't -- they can't do it. I mean, it's just not their nature.