

Mario Schlosser @OscarHealth

[00:00:00]

Mario: I don't think I've told the story, but uh, we went public, right, I think it was March 3rd or whatever 2021.

It was Josh and I ringing the bell

And we're like, fuck yeah, this is going to be great.

And then we open and the thing falls, it opens low right away and it falls right away.

the world doesn't end that often. that is actually one of the things you do realize, And so you just need to basically say, step outside of yourself almost and observe yourself and say, you've done this before, it is going to be fine. Sometimes the rhetoric in Silicon Valley of like, oh my God, life and death, whatever, is also just fucking stupid.

Scarlett 2i2 USB-4: You all listening to 20 VC with me, Harry Stebbings now stay. We have an incredible story for you. In 2021, Oscar health went public with a market cap of \$7.1 billion. Following a tumultuous time in the markets, their stock price dropped 94% today. The company is rebounded and has a market cap of \$3.2 billion with an astonishing \$5.8 billion of revenue for 2023.

Today, I sit down with the founder, Mario. Schlosser to discuss the incredible journey, how he [00:01:00] dealt with it, why he stood aside as CEO and the insane rebound that there in the middle of.

ZIP: But before we dive in,

Let's face it, your employees probably hate your procurement process. It's hard to follow, it's cobbled together across systems, and it's a waste of valuable time and resources. And as a result, you probably are facing difficulties getting full visibility, managing compliance, and controlling spend.

It's time for a better way. Meet Zip. The first modern intake to pay solution that can handle procurement and all of its complexities, from intake and sourcing, to contracting purchase orders and payments. By providing a single front door for employee purchases, Zip seamlessly orchestrates the procurement process

across systems and teams, meaning you can procure faster, with the least amount of risk, and get the best spend ROI for your business.

With over 4.4 billion in savings for our customers, Zip is the go-to solution for enterprise and industry disruptors like Snowflake, Discover, Lyft, and Reddit. Finally, a solution employees love to use, where buying [00:02:00] things for work just works. Get started today at [ZipHQ.com](https://ziphq.com) slash 20VC

Cooley: History man, and so I want to talk about Cooley, the global law firm built around startups and venture capital. Since forming the first venture fund in Silicon Valley, Cooley has formed more venture capital funds than any other law firm in the world, with 60 plus years working with VCs. They help VCs form and manage funds, make investments, and handle the myriad issues that arise through a fund's lifetime.

We use them at 20 VC and have loved working with their teams in the US, London, and Asia over the last few years. So to learn more about the number one most active law firm representing VC-backed companies going public, head over to cooley.com and also cooleygo.com, Cooley's award-winning free legal resource for entrepreneurs.

And finally, travel and expense and never associated with cost savings, but now you can reduce costs up to 30% and actually reward your employees how well [00:03:00] Navan rewards your employees with. Personal travel credit every time they save their company money when booking business travel under company policy.

Does that sound too good to be true? Well, Navan is so confident you'll move to their game-changing all-in-one travel corporate card and expense super app that they'll give you 250 in personal travel credit just for taking a quick demo. navan.com forward slash two zero VC.

You have now arrived at your destination.

Harry: Mario, I'm so excited for this. I cannot believe it has been so long since we did our last one. Hopefully I've improved as an interviewer. Christ, I needed to. But I so appreciate you joining me today.

Mario: I hope I've improved as an interviewee, as an entrepreneur. We were both just starting out. I feel like when we, when we last talked, so it's great to

be back on.

Harry: is astonishing how time flies. But I just want to go back to a little bit actually in childhood. I believe the best entrepreneurs are shaped early. When you think about your childhood, how would your parents and teachers have described the young Mario?

Mario: I always had a [00:04:00] high degree of totally intrinsic motivation and just not really caring what others told me to do or what others thought about what I was doing. And so, um, I got a Sinclair ZX 81, which had, I think, one kilobyte of RAM relatively early on from not my parents. And my father's a middle school teacher and mother's a nurse.

And so they had really no mathematical or computer science inclinations whatsoever. But at the end of my father gave me that little computer. And so I would type in listings and never learn all that stuff. And so, um, I don't think I was always that smart in, in going about and learning it.

I remember actually. a summer where I kept trying to figure out how to have the computer draw lines. And I would just on, you know, square paper, draw lots and lots and lots of lines and see how much you have to place the pixels to draw a line. the guys who invented Doom, for example, would have probably figured out a clever algorithm there.

I couldn't figure it out. And eventually I realized, okay, floating point numbers, that's the thing you need there, but it took me way too long. Okay. So. The persistence and the intrinsic motivation and then the sort of not caring what others think about it's probably the biggest ingredients.

Harry: I have this theory that the best entrepreneurs show early signs [00:05:00] of exceptionalism always. It could be in sport, it could be in business, they start very, very young. It could be in designing websites for local businesses, but there's always a sign of exceptionalism early. Do you agree with that as an investing thesis almost, or not?

Mario: I think it is almost unfortunately the case, and I say unfortunately because I hate for the world to be one where you're locked into your own destiny, into your own fate early on. I mean that, does not appeal to me as a Socialist European, you know, as I know you're a fellow of Socialist European, I don't know about the socialist part,

I think it's a very multivariate problem, though. But I don't think necessarily that we know exactly how to break down who's going to do something incredible based on just one aspect or a measurable test or something like that. I do think there is this dimension of sort of like, how much do you care about what others do, how much cognitive capacity do you have um, and then how much persistence do you have?

Maybe that's the z axis, you know? there is an efficient frontier somewhere in there, and some, when I went and was in school, for example there were definitely always, I think one or two people had better grades than I had, and they went on to [00:06:00] become theoretical physicists.

They didn't start companies, and they never will. And so there is something else in this sort of embeddings dimensionality of what drives performance that is not easy to put the finger on.

Harry: You mentioned there, like, persistence. Jensen Huang said the other day that he thinks we should have lower expectations and people with lower expectations have higher resilience, which I thought was interesting.

Mario: that is a hundred percent something I subscribe to. I had incredibly low expectations through my whole life, really. I mean, you know, when you grow up in a small town in Germany, and not like in a poor upbringing or whatever else, I was lucky that my parents were just basically very normal German middle class people.

Then, you don't necessarily see yourself going to Stanford or Harvard or whatever else. That's in a completely different world. And in fact, actually, when I was at university, University of Hanover in the north of Germany this is like 2001 or so, I kept reading about um, you know, Napster was a big deal, Hank Berry had taken it over.

And it was the most incredible thing to me in the world when two years later, I met Hank Barry and a buddy of mine was friends with him and we talked to him about peer to peer and file sharing [00:07:00] and whatever, something that I didn't did some academic work in as well later on. just the magic that you feel as someone with low expectations, when you finally get to the place where all the people with the high expectations are like, and for me, Silicon Valley is absolutely incredible and uncopyable.

Harry: I think it's also important though, to have access to the people with higher expectations. Otherwise you can always live the kind of, I mean this in

the nicest way, but the simple low expectation life, that I think maybe a lot in Europe do. Because people go to the valley to have their mind expanded, to see the upside.

How do you think about that balance of lower expectations, but also being around people who make you think bigger? Yeah.

Mario: I know we're going to talk about organization later on in startups and so on, but that is absolutely something that happens in the organizations they grow. That's the bar just in. Everybody will tell you this just sort of goes goes down because people. Do not have a few standout folks or teams to look at and say, okay, that is the bar I could get to that.

That is actually what's possible when you see somebody else there. And so [00:08:00] for me, this was, it's absolutely the case as well. I, I'll maybe two quick thoughts there. Um, There's a German competition called Jugend forscht. It's like a classical German. Like just, it literally it's called young people do research.

That's the name of the competition.

Harry: Brilliant brand. that their branding is on point.

Mario: Yeah. it's literally the, like, grammatical tense of the imperative, like the commands, you know, you, you, young people are not going to do research and I, I did a bunch of work in that and I built them an early eye tracker.

So it was a camera on the computers like 1996 and would film you and then the mouse would move based on where you would look. And so I have the Apple vision pro and I still don't think the vision tracking is that great even now, you know, whatever, 26 years later, but but point being that competition was the first time for me where I saw people who were doing stuff that I could not even imagine doing, like designing chips or writing code or inventing cool stuff or saying they want to start companies.

I'd never heard anybody say that. And so that was a interesting bar. The other one I'll tell you is I was at Stanford in computer science as a visiting researcher and I went to McKinsey and do an internship there. And I remember to this day, when my Stanford advisor called [00:09:00] me after I'd been there for like a couple of weeks or so, when he asked me, how is it?

I said, it is so incredible how fast they can build Excel spreadsheets. And I meant this from the bottom of my heart. It was an incredible like bar raising for how quickly you can build an Excel model. I'm like, this is magical powers. And so you just need someone to show you where that bar is. And if you don't have that, it's a, it's a big problem.

Harry: You know what worries me a little bit, and I promise we'll get back to schedule of some kind. I speak to a great friend of mine who's a leading GP in the valley every night. we always talk about the deals that we do. And pretty much every time it's like, Oh, I'm doing this amazing property management company in France.

Or B2B procurement company in Germany. And then he goes, oh, I'm reinventing the chip, or I'm investing in the next generation of LLM, and I'm like, I said to him the other night, do you not ever see how fucked up this is? Like, I'm in B2B procurement and property management, and you're doing, redesigning chips, and sending things into space.

Mario: You should make sure to be nice to him and give him a good tip when he serves [00:10:00] you coffee in 10 years from now. you know, that's a high risk game obviously. Now, I'm more with you there as well. I think this is a, again, to go into a territory that I understand very well, U.

S. healthcare. That is one of the issues in U. S. healthcare. The big ideas and the big disruptive approaches to just changing this four child system have not worked all that well for the most part. Nobody's completely reinvented primary care.

There's an incredible amount of very pedestrian, simple workflows and ideas where some amount of companies make a ton of money in US healthcare and replacing the, their 40 year old COBOL code base with what you just said just a good startup that makes money early on.

I think it's a huge opportunity and by the way, these guys who invent the cool chips, they got to sell those chips and that compute to somebody and I think that then that'll be your companies who will buy that.

Harry: I agree with you completely.

What is the number one reason why so few have succeeded in healthcare? we've seen some amazing entrepreneurs. We've seen some bold visions and ideas.

We've seen a lot of cash go [00:11:00] in. What's the number one reason in your mind why we haven't innovated in such an archaic space?

Mario: I think it's misunderstanding the market dynamics. have very few market segments in U. S. healthcare where you get paid more for delivering higher quality because that market isn't being created. You know, the employer market that buys insurance, for example, and has to buy digital health services is not necessarily driven by a deep understanding of, if I buy this product, exactly what will I get and how can I beat the price down?

Like when Walmart decides how to stock their shelves, They know exactly what to look for and how to get the best price for the best quality. there is no such broker, metaphorically speaking in the U. S. healthcare system. And so entrepreneurs don't understand this. They have the simplistic view of, Oh, I build a faster and cheaper car and people will come and buy it.

That's not how it works in U. S. healthcare. And so you get this broken market and therefore the wrong approaches. And I used to say that there is, if you want to draw a Venn diagram of companies or startups in healthcare, you've got the circle of. Startups with good technology and you've got a [00:12:00] different circle startups that understand how healthcare actually works And the overlap is very small

Harry: would you ever invest in a healthcare founder that didn't have deep domain expertise in healthcare? In traditional venture, you say, hey, I quite like outsiders to a problem. They bring naivety, which is creativity and resilience in some ways. Here, given the expertise required, would you ever invest in someone without deep domain expertise?

As

Mario: want to, who doesn't realize that and wouldn't want to bring that in. I think you can have a head of sales or somebody who's, you know, a head of a commercial chief, whatever else, who understands healthcare, has the relationships and things like that. And you can make that work.

But I've gotten more cynical about this. I will tell you that. look, there's definitely the possibility that. And we will all have an LLM based doctor next year and that something else will happen that completely changes the way healthcare works. It hasn't happened in the last 15 years and it hasn't happened in the last 40 years.

My question to you is, quoting Jensen Huang again, he broke my heart recently because he said, No, I wouldn't do it all again.

Harry: Knowing all I know now? No. And my [00:13:00] question to you is, knowing all you know now, about how fractured, stressed the U. S. healthcare system is. Would you do something in healthcare again?

Mario: So if I wind the clock back to 2012 and we started, yes, because at that time, the idea of starting an insurance company as a startup wasn't at all on anybody's radar screen. I mean, Oscar really was the first insurance company startup and there was no category insurtech, whatever that didn't exist.

Everybody else came after us and that aspect I loved the most. Yeah. I love the fact that people weren't doing it. Again, I didn't have, had no illusion about the fact that I know anything about healthcare operations, anything like that. But I love the fact that other smart people were not trying.

that's not the case anymore. Healthcare is not that area. There's plenty of people who are smart, technology oriented, who now have started something. Startups and healthcare. But that aspect I, I love back in the days. And so I would today go into an area that has that aspects. Like, what is that?

Is that agriculture in Kenya? Is that you know, quantum computing in Iceland? Is that drugs in space or whatever. it [00:14:00] needs to be something that is just not on people's radar screen.

Harry: I have a simple rubric for exciting business. Low competition. I find it hilarious the amount of people who want to go up against the Collisons or Toby at Shopify. Are you kidding me? You chose the Collisons as your weak competitor? low competition. One, legacy infrastructure of existing incumbent that they cannot move off of.

And then three, is terrible talent brand. And

Mario: Oh, the terrible talent brand is a great, that's a fantastic dimension.

Harry: Really important,

great engineers do go. Shopify, Stripe, that's, that's an exciting. No great entrepreneurs, like, or software engineers, like, UnitedHealth. Yes!

Mario: I love that one. That's a fantastic idea. it, I actually really think it's exactly what happened with Oscar. it was very easy to stand out with quirky ads and, you know, a couple of articles, whatever. And Josh doing a little bit of like the dance. Yeah. In the sea of unbelievably boring and uninspiring insurance companies.

And then you get five great software engineers and they're going to build you a cool system. And you go from there.

Harry: I hope you brought your [00:15:00] inhaler because , some of these questions are gonna get a little bit more direct. You've had an interesting ride. I mean, the stock price, it tank 94% .

Mario: But who's counting?

Harry: but who, but who's counting? I mean, you know, it could be worse, could be 95.

Right? Just help me understand, why did it tank so bad?

Mario: I would say two things. The simpler one is. People thought running out of money and that begets discounting the stock price. And then you have this sort of vicious circle that spins you down because analysts write reports that say Oscar be out of money in 2023, 2022, whatever else.

you have to start discounting the fact that we have to raise money again, the stock price goes down. Oh, and then the dilution would get bigger on that raise your needs. And boom, you circle down, you circle the drain. That's the biggest reason people didn't think we'd get to profitability in time.

Very, very simple. The more complicated reason is the following that people didn't know anymore which business models were real and whether there was any connection between the thing you said you're disrupting and you're doing and the actual way your business model was working. And [00:16:00] that I think is still very much an issue everywhere in certainly in digital health, but also in, I don't know, FinTech and in other.

Is it really the case that some fintech startup bank is attracting members more cheaply than JP Morgan is? Maybe the first million members or whatever, because they happen to be in the local town that they were in or whatever. There's like a small segment. But once you scale it, is that still the case?

Is it really the case that the systems we have built are allowing us to influence the economics of, you know, paying claims faster, paying them more cheaply, stuff like that? That is the other thing people couldn't put their finger on. I think it's related to, you know, would Uber ever make money because, well, they're just subsidizing these rides.

Harry: is that not your fault, respectfully, for not illustrating that clearly to the public market, to Wall Street, of how you are able to do those things efficiently, given the team stack that you have?

Mario: Ha. for sure. an efficient market is not efficient. If you go down by 95 percent and then up by eight X, you know, that's not a hallmarks of an efficient markets. I mean, the story of Oscar and the data we published, if [00:17:00] you go back through time it changed dramatically at the EBITDA level for sure, but the underlying figures, you know, the medical loss ratio moved from 86 to 82, whatever, right, that does not seem like an unbelievably massive move.

It's a pretty big move in, in healthcare circles, but it wasn't something that was completely out of the question when we were at 86. So clearly the markets were not understanding or hearing something I was saying. And here's one learning actually from the public markets about this.

a funny story recently, Mark Bertolini, the CEO now, he gave a talk at the JP Morgan healthcare conference. That's like the Mecca and the Christmas of healthcare investing. You know, it's every first week of January in San Francisco, whatever. And everybody gives speeches and gives guidance for the year and all that kind of stuff.

And one of our VPs of engineering is a very smart guy came to me the day after and said, Oh, it was great to hear Mark talk. Like he makes things sound so simple and straightforward. And I said to him. Just, can you give me some feedback so I can learn for next time I do this stuff. What did I not say?

What did he say that I didn't say? And he's like. Yeah, I think he said all the same things, but he sent a bunch of more stuff that was also more [00:18:00] complicated. And people think people just didn't want to listen to that anymore. And so, he thought I was explaining the details. He as an engineer wanted to hear in a good way, I sort of lay out these dynamics we were seeing, you know, here's the claim system, we're paying 10 percent faster.

Therefore, next year, it'll be another person fast. Therefore, this will all work in this way. Public markets don't care about that. They just don't, they have limited

attention spans at least for companies like, like ours. And so, my long story short to you is yes, we try to show these things. If you look at our analyst reports and all that stuff, we try to always say here the things we are seeing and how our systems are influencing economics and outcomes, but when you lose 400 million a year.

what the fuck do I care? That's so much money, how are you gonna like, get out of that by having a nice red button instead of a blue button? You just had to get out of that stuff.

Harry: I get you totally. is that not where actually a direct CEO brand is so helpful? Because you say on Twitter, literally, two analysts saying sell, we do x through y. I don't think enough actually communicate directly [00:19:00] and simply enough. And I love you Mario, but you're a smart dude and you get lost in the details when you talk about those things.

Wall Street is just pretty simple and basic

Mario: I don't know, it's not that easy by the way, okay? Let me tell you two stories. Okay. I used to work at Bridgewater, big local macro funds, right? I mean, people say smartest hedge funds, you know, the returns are not showing that that much anymore, but certainly smartest group of people I think I've worked with so far and, um, at Bridgewater we always saw that analysts price targets lag, stock market changes.

So the market moves first and then analysts move afterwards and move prices up and down. You just see this throughout history. Okay. There is no, almost no information in analyst price targets. Okay. And I say this with the greatest due respect to analysts, because, now here's the second part, Scott Blackley is our CFO, came from Capital One, and I used to tell him that story, it's like, ah, the analysts don't matter when they downgrade, I'm like, analysts don't matter, whatever, because the price has already moved, and all that stuff, and he's like, yes, but, and he said at Capital One, the analysts in their models, they build these elaborate models, whatever, actually were always leading the [00:20:00] publicly available data on credit defaults.

Like the analysts had a very good idea of where the fault rates would go in credit cards, whatever, which is one of the things driving Capital One's business, of course, right? So, Wall Street is in the details. They're not stupid. they have incredibly smart, you are playing a game with some of the smartest, most motivated people in the world, if you trade against anybody in Wall Street or via company.

we have a handful of analysts as a small company at that time covering us. Those guys don't necessarily have enough attention span and the big long only funds don't have enough attention span make this all work. That's the issue.

Harry: Can I ask, do you regret going public?

Mario: No, not at all. Not, not at all. I mean, this is the famous Winston Churchill quote, right? Nothing better than getting shot at and surviving it. Nothing more exhilarating. And I definitely think that's true. There's nothing better to get kicked in the nuts violently.

At some point I would have turned around and I will only immediately get kicked in the butts, you know? So I'm in the process of turning 180 degrees. I still think that is fantastic. I think you get better at this stuff over time I would not wanna miss that period in my life for sure.

[00:21:00] And frankly, also, Oscar wouldn't be around having not gone public. It's a very simple thing. We raised a billion and a half dollars in the IPO. In the night before uh, this is still one of my proudest moments, I insisted in the pricing call, and I have a recording of the pricing calls, like, really funny that I see all the bankers, like, say all these things, this will happen, that will happen, none of that, which happened, by the way, whatever and I said, what's the highest amount of money we could go and get from the market?

It's probably one reason why the pricing went down on the first trading day, not the only one um, but we needed all that money. Otherwise, we would have had to raise at bad points in time, and we would have gotten diluted, and the thing would potentially have gotten sold and gone out of business or whatever else.

it was necessary, we were lucky we did what we did.

Harry: Okay, listen, I'm with you on the resilience, on the it's good to get, you know, shot and survive in that wonderful terminology. It's really freaking hard in the moment, though. don't know about you, but when I'm going through really tough times, it hurts. And you're 94 percent down. People start doubting you.

People start saying Wednesday's going bust. How did you actually just control yourself and your emotions? Because it's really hard.

Mario: Oh, no question. I mean, [00:22:00] I don't think I've told the story, but uh, we went public, right, I think it was March 3rd or whatever 2021. you go on

the stock exchange and it is really the pinnacle of an entrepreneurial career when you go there and you ring the bell.

It was Josh and I ringing the bell and I prompted it wrong by the way, I like pushed the button and took the hand away. You were supposed to like push the button and keep it there. Maybe that was the omen that put the price down. And you wait for the opening option and you have your market makers on the trading floor come to you and say, here's the crosses we're seeing.

Here's how we think the supply and demand is bouncing out. And that morning, it initially looked like we were going to go up from, from the opening price. And we're like, fuck yeah, this is going to be great. It's the dream career of an entrepreneur and everything else. And then we open and the thing falls, it opens low right away and it falls right away.

I had to give the C-N-B-C-I-A view where you stand in front of the tv, in the backgrounds, in the stock exchange and the price is down. And it is so incredibly embarrassing and so painful that to this day I couldn't go back there. the stock exchange invited us back for a three anniversary, literally two weeks ago.

I told everybody, I'm not going. until the price is [00:23:00] back at the IPO price. Or I'd be in my next company, just because I have almost only bad memories associated with this day. And I say this just from the bottom of my heart. And, and do you really go into a depression?

I mean, I had a period afterwards where I had to get prescribed antidepressants from a psychologist. Which then, by the way, worked wonders. To just get out of that complete basement of depression. What do I do next? and the other thing you then sort of realize as well, and this is a very unique public company issue, is you have this price every day, and you know it can, it can just keep falling every day.

my favorite joke from that time then was, what do you call a company that's down 95%? The answer is a company that was down 90 percent and fell by half, which is just so crazy to imagine, right? The step from 1995 doesn't seem that big, but it's another 50 percent down.

getting used to the fact that just there is no bottom is incredibly, incredibly difficult. So the way to get through it is to take drugs. I mean, I say this only half jokingly. at that point, you have to step in. With professional help and, and

get [00:24:00] yourself pulled out of it because you do have people depending on you at least being functioning.

Harry: Did you talk to someone?

Mario: and I never had a psychologist before, a psychiatrist, but then I, I was able to get somebody I had an executive coach who was a fantastic guy, Jeff Hunter from Bridgewater, and he referred me to somebody. you know, he said at the time that there were other founders in New York, he was also coaching and, you know, we sort of had a, Almost the community of those folks who all were beaten up at various points in time.

But Oscar was down before everybody else was down. That period of 2021 when crypto was still riding high, when companies were still going public, like Doordash came after us, for example, they were all still going up and doubling on the first day. So there's a time when it was very, very lonely, stocked down and that psychiatrist was helpful.

But frankly, the chemistry helps. I took a thing called Sertraline that was a unique way to do this thing. It was very, I, I do this thing where I track my, my, my moods. So I do this thing, I started doing this in 2012 when I started Oscar actually. I write down every day when do I start doing something, when do I stop doing it?

So like, I would now say, 11 o'clock, you know, from whatever, 1230, [00:25:00] like Harry and Mario talk, and I put the name of the person who I talked to with that back in there. So I have a full record of everything I do. And I categorize it by, was this thing for me, was this thing for the company, whatever else.

I think actually my joke is now that I can, train my AI replacements on this data very easily. Yeah. I haven't tried that, but it'll happen at some points. I started putting mood into that too, scale of one to 10, and it's like OKRs, Objectives and Key Results, seven is the expected.

So seven is like where you want to get to. with the drug, it's interesting. You really are just always at seven. It's fascinating to see when I look back at that charts and without it, you go down a lot and then you stay down a lot as well, at least in those days.

And you climb back up again, you crash down again. And that is an incredibly interesting. To me in a qualitative data sets, that helps me even look at, do I need to go back on this thing or whatever when certain things happen,

Harry: did you mind that? Like, I've been on antidepressants too, I find, you not everything's been easy too. hated the level all the time. I didn't ever feel happy either. Like, really happy.

Mario: I asked this, my psychiatrist, he did not have a good answer. My concern is [00:26:00] that what is the real worlds? Are you perceiving the real world when you're on the drug or you're perceiving it when you're off the drug? And I just don't know if there's a good answer. Like you talked earlier about entrepreneurs have something.

Great early on that you can sort of see, right? The flip side, as I mentioned, is um, yes, but also the things that you don't see won't come in, on Twitter, and now there's this video of the young of the cognition AI guy who won this math competition when he was like nine years old or whatever else, like four years old, I don't even know.

Yeah. He looks pretty young in the video. I don't have that ability. that means there are certain things I should not try to do in life. I should not try to build a company, for example, that relies entirely on a scientific breakthrough, for example. It's just a silly thing for me to try to do.

that insights being on the drug might not come to you and you might end up actually doing the wrong thing because the drug sort of cuts out some of these deeper insights that you should, that should flood into your consciousness. And I don't have a good answer there. I don't want to, yeah, need to see beyond it either.

Yeah.

Harry: drop the ball on many other important aspects of my life. Being a [00:27:00] good son, being a good brother, being a good friend. And because of this shitstorm here, all the other plates drop as well.

How did you manage being a husband, being a father, while your stock's down 94 percent and you're like, Oh my god.

Mario: Yeah, I mean, I do think the, the, the old trope of a family life that is not in itself unstable, right? Ideally, you have a stable family life does help in these

situations. I it is definitely a thing that if you come home and you, I don't know, you can lie down next to your kids.

Yeah. And they will ask you whatever, what's going on and stuff like that. And you say, oh, shitty day, stock price is down or whatever. I mean, I honestly, I did not even look at the stock price. That was one way in which I dealt with it. I didn't look at it. the other day I got very mad because Chrome doesn't keep your full history apparently.

It like deletes it after two years or whatever else. Because I wanted to show on Twitter how often I looked at the stock price in the last two years. And I look at it when it goes up, I don't look at it when it goes down anymore, which makes me a bad financial trader, for sure. Like, I couldn't be that. but going to your kids and just doing nothing with them [00:28:00] is a good sort of safety blanket for the soul.

It just, it just is. Then not making mistake, by the way, of projecting your frustrations with your own life into your kids. I had that quite a bit as well. I'm like, well, I'm a shitty CEO apparently, and I don't know how to do math, because otherwise the stock price would be better. So now I'm mad at my son for being, not the world's best mathematician either next time.

that's another thing I think, that actually kind of the drugs help with that a little bit. To not have that. Sort of extrapolation of stuff you think about yourself in too many other situations. But a family life of people who support you and love you is a great thing. And I have a great relationship with my, I think my, certainly my wife and kids and my parents also.

And just going back to Germany, my childhood home, for example, one of these places where you really felt like, you know what, fuck it, this is the same Donald Duck comics I read back in the days. I lost investors, a lot of money, but. I can still read that comic book, you know, that was in a weird way, stabilizing.

Yeah,

Harry: hippie like, but like, actually being in nature, stabilizing, because it's like, the [00:29:00] tree that's been there for 200 years will be there for another 100, and it doesn't care about your stock price, and it's unimpacted by the rain, the wind, the whatever, and it's like, the permanence of life goes on.

Mario: yeah, yeah, Josh, my co founder likes to say this the world doesn't end that often. that is actually one of the things you do realize, that you don't get from reading books, that experience. Yeah. The more you go through this stuff, it does get easier.

you sort of pattern match and you say, well, I did survive this before that at least gives me the opportunity of surviving it again. alum of Oscar. I had dinner with a couple of days ago. One of the great things when people leave your company and then they start companies themselves, right?

And they get bigger even than, than Oscar, I hope certainly. And that guy asked me, Oh. I have somebody leaving who was with me from the very beginning. What should I do? I said, what you should do is not just like say, fuck yeah. That's great that you're leaving. It's great. I love it. Like best of luck for you for your next steps.

And then mean this from the bottom of your hearts. So many people will leave your company. The first time you will freak the fuck out. It's like, what did I do wrong? How can I do? People don't like me anymore or [00:30:00] whatever. I'm too stupid to do this. It just is not the case. People have all kinds of other reasons.

but you can't do anything about those reasons, so whatever. Just be okay with it. So the repetitions do matter. So that goes to Jensen Hwang's thing. If you can, at a low stakes situation, survive getting shot at a couple of times, it does get easier than really go on the battlefield.

And by the way, the other thing I would say is, now there are real wars in the world, right? And none of us is fighting any of those real wars. Sometimes the rhetoric in Silicon Valley of like, oh my God, life and death, whatever, is also just fucking stupid. Like none of us is, gonna get shot at in the trenches of Ukraine if our stock price goes down.

Harry: Alright, listen, I agree. Uh, A kind of multi billion dollar founder said to me the other day when I was moaning to him, like, You're trying to do something very, very hard. It was never meant to be easy. if it was easy, like, lots more would do it. You are in this position because it is hard. you have to be punched and get back up again.

Can I ask you a weird one? You just said, hey, I feel like a shitty CEO. Do you think you're a shitty CEO? Now out of the seat.

Mario: I have, I mean, I'm certainly bad at some things that I think [00:31:00] professional CEOs should be good at. I'm probably bad at delegation. I'm probably bad at operationally managing people. Like saying, Hey, I told you to do these three things. Did you do those three things next week? You know,

Harry: CEOship is about?

Mario: that's a huge question. there's a lot of stock advice VCs give you, and books give you whatever. And I used to wonder from like a purely scientific view, how is it that we could get dietary advice so wrong over so many years, right?

We told people for a while, you should not eat fats. And then we're like, oh, oops, nevermind, you should eat fats, but don't eat carbs or whatever. And then oops, nevermind, like do another thing, whatever. Well, now they have the drugs, so now we're all fine anyway. the only explanation scientifically is not people are stupid, or like cheat in their scientific papers.

I think the explanation is it depends, it depends on the person and the metabolism and the genetic makeup, whatever, of the people who take the advice. And I think that very thing is true for CEO ship as well. I actually remember a conversation with my, with, with an executive coach as well. And I, I'm sure every founder has had the question of what would Elon Musk do?

That should be like a bumper sticker, you [00:32:00] know? What would Elon Musk do with my company? And I so many times thought when I watched another fucking rocket launch, I'm like, What the fuck am I doing, you know, trying to, configure this database when Elon Musk is just doing all these things all the time.

I asked my coach, should I try to like fire more people or whatever, like more executives? Should I be just like, you're not good enough, you get out the door now, whatever. he's like, well, it's not what you do. So if you do it, you can't play acts. You have to do it all the way and every time and with everybody and throughout all of your life.

Yeah. And you can't be inconsistent about these kinds of, things. And I thought that simple thing was very good for better or worse. You are what you are. You might as well stick to the, understand that better and then stick to that and try to design organization around those things. That introspection is good, but to then say, good CEO advice is to have more to do lists.

that's your genetic makeup and the makeup of your brain, the embedding space that you live in or whatever else. It's not necessarily the thing that Everett, you should be pulling.

Harry: I think the secret to unhappiness is comparing yourself to other people. I [00:33:00] often ask, like, you know, what would Elon do? What would Mr. Beast do? In my case, Yeah.

often with the content business. But I really don't try and assess myself according to anyone else. Like, you know, Alex Wang at scale is my age.

Jesus Christ, this guy's made a seven billion dollar company, and I do podcasts and funds. Like, I look like a complete chump compared to him. But actually, I'm fine. I'm happy. I'm doing well. In other cases, I'm doing much better.

Mario: like literally when, when I said, I'm going to be on, on Harry's podcast, I got like tons of people in the company saying, oh my God, you're on 20 minutes. We see that's amazing. Fucking love it. And, The lesson here is I'm sure in your life, and when we first met in 2017 you did not think that that's the level you would get to.

would imagine you didn't. and the bar consistently shifted upwards for you. You would not, I mean, back in the days, you're looking at me like, yeah, obviously I'm not Elon Musk. You know, that's like an obvious comparison. Why would I compare myself to that silly, whatever? Just like you wouldn't compare yourself to Messi, right?

Like playing soccer looks easy. Like there's a guy running past the ball [00:34:00] to the fucking guy, right? So you're British. So you've had your share of soccer pain, and the bar just shifts up. as long as you understand that part, I think it's actually not a bad thing.

I mean, the mere honor of being at a point where you can even think the sacrilegious thoughts of, well, maybe I could do more than, you know, the next guy, whatever, is a great place to even get to in life, I think. And it's also a good place to not stop there. I mean, that's something I think about a lot today as well.

That's I admire The people who put their, who have an ability of putting their chips back on the table when they got to a certain place. And I mean, that's one of the great things about Elon Musk, certainly, right? That he's like, screw this, I'm just gonna take my hundred million and buy Russian rockets.

Harry: So I think visions are one of the most dangerous things that people can have. And that sounds very strange. But visions often underestimate your true ability. Going back, when I started this, I wanted to be an associate at a fund in London. That was like the dream end goal. You know, now we've managed over half a billion dollars, and we have millions of listeners.

If I had [00:35:00] stuck to the vision, I would have accepted the jobs that were offered to me, and just done that. I think visions can limit you. Do you

agree or not?

Mario: absolutely, yeah, totally. What is it? I think it Jeff Bezos saying is I reserve the right to change my opinion even without new facts. that is totally true. I think you just should constantly try to rethink. What should I do with my life? Whatever. And what should the company do and stuff like that?

you don't need to tell people all the time about it, but if you have this one thing you cling to, that's limiting. I agree.

Harry: Okay, so if you preserve the right to change your opinion and change the way that one lives, you made a decision to step aside as CEO, take on the CTO role, and then obviously bring in an amazing CEO. Why, and what did that decision making process look like, Mario?

Mario: it was a, for me, a couple of different things I remember watching the 2018 World Cup, which was in Russia and Germany, a kicked out in the, in the first round after winning the World Cup in 2014.

And the coach was Jogi Löw, the same coach who had coached him to be in world champion in 2014. And, you [00:36:00] and I, I don't know about you, but I certainly measure my life in Germany's performance at World Cups.

I'm like, Oh, that's when they last won. That's when they were next to whatever, you know, it's like such a markers that you just remember. so they win the thing and then they go back to Russia and the guy stays on. And they just get kicked out in the first round in an embarrassing fashion. and then he didn't leave again, still, even after that.

And of course they get kicked out of the next tournament as well. it was such a great example of, the guy just lost his, his, like, hat was empty of magic, of rabbits to pull out. He just lost his ability to talk to the team, motivate them,

whatever. And I was very concerned about that. at that time at the beginning of last year, Mark came in, in April, I think we announced them.

At that time, it was relatively clear that the company would not need to raise money again. It would be profitable within a foreseeable future. It would have a profitable insurance business in 23. Because the way insurance companies work is we get all membership at the end of the year before.

It's all locked into a price that we can't change. And we do all these things in such a way that we have very good visibility into the, to the annual numbers. I mean, stuff can always [00:37:00] happen but it's exactly what, what ended up happening. I mean, our 23 numbers were the same, if not better than what I thought they would be in January, 2023.

Okay. So I knew we were essentially out of the woods. I had a very, very strong feeling about that. And I think the board thought that too, and whatever else we'd quit the right markets. We'd quit the right sort of other deals that didn't work out and whatever. It was all behind us. I had made those decisions.

And we were done, but I was concerned that if we would ever turn down again, and if stuff ever happened again, it would be my last crisis. I would not be able to go and do the same stuff that I said before, and people would still believe me and I didn't want to risk that. I think greater leaders and greater CEOs would have risked that for sure.

And maybe there's a survivorship bias of people who then do that and then become great and others don't and then just fade from obscurity, but I thought it's a better thing for the company and it's, I think it's probably a better thing for me if I then do the right things with that. Later on, there's a coda to this.

To just hand that over. And have somebody come in who, if there was a crisis again, would have a different bag of tricks and could do different things with a company and to me that was [00:38:00] Mark. The other thing though was I had spent two years talking to him. We met him in the IPO process. We asked him to join our boards.

He's like I'm on enough boards I'm gonna do that. But I talked to you once a week and so I talked to him once a week for an hour an hour and a half. Or so I got to know him. I thought really well us stories about you know. When he had crises and you know just really deep private stuff that we shared with each other. I read his, he has a biography.

I read the biography, I underlined stuff. I shared the underlined quotes with my chairman of the board and with Josh. And we're like, okay, what kind of guy is he based in the book? So I tried to do the research there. I never showed him that. I should show him that. he was a unique guy to bring, to bring in.

There wouldn't have been any other person. I think I wouldn't have wanted to run a CEO search or whatever. I wouldn't have run it, try to look for other people. It's a unique moment in time.

Harry: did you feel like you were out of tricks? You mentioned kind of the German manager pulling tricks out of the hat.

Mario: I thought I was out of tricks, certainly against the next crisis. I mean, Oscar needs a bunch of more tricks. That's for sure. I think we, there's a huge opportunity for us to you know, shift more towards software as a service. [00:39:00] Towards this, some of the stuff that's happening in the U S healthcare market around individualization of care, those are big opportunities.

I didn't think necessarily my bag of tricks was the way to go and unlock these in the CEO seats.

Harry: I think a really unfair thing that happens with the idolization Jeff Bezos, Mark Zuckerberg, is this idea that founders should be the CEO forever. And it's like, as you said, it needs a different bag of tricks and you need to find product market fit in each stage as a CEO and as a founder. Yeah.

And I think so few actually do, respectfully. And there's nothing wrong with that.

Mario: No, some, some founders should, by the way, right? Like, I mean, Elon That guy has a, seems to have a capacity to do things that is just, not the same as, as what we have. By the way, I always, I read the biography so carefully for all the stuff that others then say that he does. And it does seem to me, it's not always the engineering ability he has.

It seems to be some of these other things like firing people quickly or like spending three hours on a topic, whatever. That have maybe even more to do with, with the success, but that's a different topic. But yeah, I agree with you. I think [00:40:00] people need to not always cling to these things.

Harry: Mario, what are your biggest lessons from moving out of the role of CEO or demoting yourself, as you've put it before? What are your biggest lessons from doing that?

Mario: If you do it, you have to do it wholeheartedly. what blows startups up is, is if you, if you say, Oh, I'm going to take a different role now. And then you don't, and people still come to you and you tell them, Oh yeah, I would do this, you know, but whatever. Maybe Mark has a different idea.

You can't do that. You have to say that's a decision for the CEO. You've got to go talk to Mark sometimes I hate saying that I'll tell you honestly. Sometimes I love saying that's like, I'm like, I'm so glad I don't know. I don't want to have to decide that one anymore. It's an annoying decision.

So fuck. Yeah. Mark, go take it on. So that's definitely one important piece of advice.

Harry: What one do you hate to delegate, and which one do you love to delegate? Just as an example.

Mario: think there's certain ways in which I. Would go about brainstorming strategy or even management tooling in the company, like who meets at what point in time, what data do we look at? Whatever. I've always thought about that in a certain way. I could never quite get there, but there's just [00:41:00] like a system in my mind.

I would like to see that system be the thing. But Mark is now doing a different way. That one, I don't like giving away. I don't like it. I mean, look, it is difficult not be the person with the top authority anymore. It just is. I mean, anybody who doesn't tell you that isn't fucking idiots, you know?

Like, if you're the guy who can tell everybody what to do and they all have always respect for it, that's a sweet gig. If you don't have that anymore, you feel like a chump. You know, you have dreams at night of like, not getting, literally not getting invited to the party anymore. Like, that's how it translates almost.

That part's more difficult. The part that's easier is Things along the lines of you gotta deliver a tough message to a person. You gotta tell this person to shut up and do this now. That was, it's always more difficult for me. And so one of the reputations Mark had was to be more of a hard ass. always thought the company needs more of a hard ass.

and Mark is not, I would say, showing up that way as much in, in, at the moments of just like a guy who's like, boom, and he's probably also matured, mellowed and whatever. But he's got that more than I have it.

Harry: One of my biggest weaknesses [00:42:00] is I shy away from hard conversations because I hate discomfort and I care about being liked. Are you the same and what do you do? Because that's not how, it's a really bad trait. I think.

Mario: I don't know anybody who's good at that. That, that's one of these other things, like when you, this is why I'm glad you're doing these kind of podcasts. And if you think that the people who are famous in this world somehow are good at these things, it's a complete nonsensical thing. In fact, they're better at avoiding these conversations than we are.

You and I are good at maybe avoiding conversation because we don't want to have it. They are good at manipulating you in such a way that you didn't realize they avoid the conversation, you know, so, that is a whole different skill. there are very few people who are schizophrenic or psychologically hampered enough that they don't feel difficulty telling you something you don't want to hear.

In fact, to the point where you need to get, you need to get it out of people. This is something that I always disliked. That's when I talk to my board, for example, or even to Josh, I'm like, you don't be polite to me. Like, it's just not helpful. Don't tell me, oh, this was a really nice thing you did, [00:43:00] Mari.

I'm like, okay, but then why are you not happy? clearly you are unhappy about the other three things I did that were not good.

Harry: I get you, but you've gotta be willing to accept that. And I mean, I had a time probably about a year ago or two years ago, where literally just another bit of bad news just broke me even more. And I just didn't feel like I could take another hit in the face. And so when Mario said to Harry, Do you really want the hard feedback?

My heart screamed no, because I just could not take another hit. Did you ever

Mario: Yeah. Oh, oh my God. I used to have this issue of when there's an email and I know it's bad, most likely. Or there's an Excel table and I know it's bad. You don't want to open it. And I just find ways not to open it. By the way, a good trick is to open it in the presence of other people. It's a, that's like how I got over it eventually.

so we used to have this thing, it's actually an Oscar thing. don't want to go too much into the weeds, but the federal government redistributes revenue of insurance companies in the market we are in, depending on the risk of the membership base you've attracted.

So if Oscar has a younger [00:44:00] membership base. Then another insurer in the same States, we have to send money to the other insurance company because, members of Oscar went to the doctor less in this called risk adjustments. It's an incredibly clever way to actually get insurance companies. Neutral in who they want to sign up as members.

You want to get every member and then manage the member. Well, it's actually a very well working system now. It didn't work so well early on. Now it works well, but the way it works is that in late March We get the first report from the federal governments as to where our risk score landed and it moves the numbers by a staggering amount.

Like it used to move the Oscar numbers by on a billion revenues. This thing would move it by like a hundred million up and down. It's insane. Like it's completely crazy. And big public companies have failed in sometimes estimating that thing. Well, we now know how to do this.

We now know how to have a really good system that's. Lands within like 000 or whatever, you know, of, the estimate because we get so much throughout the year or whatever. But that was one of these things where I could not bear to be the, open the email or whatever, or hear the phone call or whatever.

And we would then go and sit [00:45:00] down. It usually comes on a Friday night. We have whiskey out with the actuaries. And we would sit there and wait for this thing to come. That is the way to deal with bad news. To just deal with it with other people for whom it is equally bad, but at least you share the badness in some way.

So yes, I had this too. It's totally normal. there may be some schizophrenic head from managers who don't have it. But I'm glad you have it because it makes you a real human. and that's a great thing. Maybe, maybe you and I will not build fusion power or fly to Mars.

I've accepted that limits to my abilities. It's okay. But if you didn't have that, I think you would, there are many other things you would not be able to do.

Harry: I did not know about this mechanic in readjustments.

Mario: but I do want to go like a little bit below you and your leadership though. We mentioned kind of the bag of tricks earlier for the team and being able to lead them. You said to me before, you might as well build organizations the way you like it, not the way that a book or advisor tells you.

Harry: I just want to throw that one out there and be like, what did you mean by that? Where does that come from?

Mario: is the stage every founder goes [00:46:00] to where the board tells them, now you got to bring in professional people. Uh, And then you go and hire a consultant, like a recruiting firm and you find the first CFO and COO and whatever else. And, and some, you know, I wouldn't miss any of the people we had in those roles.

They were all, they're still great friends. Every single one of them. And so we have great relationships. But what then happens inevitably is that those people will bring in management systems that have worked for them they will make you as the founder and CEO feel that it's time to grow up, do it, you know, like, just don't be in every meeting and, let us handle this one and let's, and you do that and so on.

that's, can be a good thing. I mean, you should certainly always learn from other people as to how they do things. For example, I am so surprised. That podcasts, for example, don't ask more the very simple question of what is your weekly meeting? how do you meet with your management team?

I remember asking CEO of Airbnb that, and she was telling me Oh, we change it all the time, which was very relieving to hear because they had also gone through the same different iterations of weekly management meeting compositions in the same way we have. And I always thought there must be some kind of way to do it.

And you eventually [00:47:00] get there. No, there isn't. So it's different stuff works for different periods and different people and all that kind of stuff. And so listen and ask people what they're doing. That's great. Don't just do what the professional managers will tell you to do for sure. And, and so, for example I've always thought there is no way around spending hours and hours and hours in a room to just go through all priorities of your company with people in detail once a month, whatever else.

and we just never really did that because people are always like, oh, that doesn't seem necessary or that's whatever. that is one thing where I today know that

suiting my style. I like the ideas I get when I do that. I can make more connections.

I do think I have an ability of, of keeping more piece of information in my mind at the same time than, than most others. so design around that as opposed to just sort of, you know, Read the book, you know. I

Harry: What are the biggest things to break in company scaling? I fundamentally don't believe that you can have How many people are at Oscar now, employee

Mario: think about three thousands.

Harry: Okay, 3, 000. We're always like, oh, hire A plus talent. There's not 3, 000 A plus talent. A plus, by definition, is top 1 percent in my mind. It's [00:48:00] just, it's too hard.

degradation of quality. Where do you think companies break? And do you agree with my assessment there?

Mario: Well, I think one thing I've certainly observed is if you try to professionalize management at the top level, everyone below you will try to do the same thing and that's how you end up with nine layers, if you as a CEO say, look, I have a great idea.

I want to have a meeting now we meet and go through these things and that's where we're going to get our ideas. I want to delegate more and whatever. Right. Your people are going to do the same thing and the people that they, that report to them will do the same thing. And that's how you end up with lots of meetings, lots of spans of control and fewer people doing the actual work.

The other thing I would say is, and this is actually a problem I have. If things remain unspoken about how stuff should run. so we had the story at Oscar actually where, I think it was 2014, 2015. And so we've been around for like two years or so. We didn't have values written down at that time.

It was actually a little bit more rare that companies had values. Now it's a very common thing. Right. Leah, right. And that sort of whatever other stuff. And I also, you're making a very funny face. The funny face might be, you know, it's like, if you have to say I'm an ethical company, you're probably not an ethical company, that whole thing.

You [00:49:00] know,

Harry: company values. You should, I'm sorry, I'm gonna jump in here. You should be for or against them. know, we, fairness and honesty. If you're not in for these, then obviously you're an immoral person, respectfully. What are you in for? Unfairness and immorality? I, my values are, this will be the place where you work harder than you will ever work in your life.

You will also make more money here than anywhere else and that's cool to be about money. That's fine. We are very hard. Don't have feelings in this business because you'll get roasted. people can be for or against those. They're values

Mario: Okay. but there are certain things I think that you, if you go one level down from these, you expect certain behaviors that flow for you from these values very obviously. the make money thing, for example, means that you don't have to share all of your, I don't know, maybe it's okay to be competitive and like steal a deal from the other guy or whatever.

I don't know. You know, that might be too far. But there are certain things you implicitly expect as behaviors. And other people might not understand that. And so that is a problem I [00:50:00] think we had. People don't know when, when I want to brainstorm. They don't know when I want to, get work done or whatever else.

And that you have to codify for people. Otherwise you get locked. That's the other thing 3, 000 person companies don't do. They don't

know why are you, in

this meeting with me? Are you in the meeting with me? Because you don't trust me. Or are you in a meeting with me because yeah, you do trust me and I think my work's getting done well, but you want to brainstorm.

You want to have ideas. You want to be in the juices, you know, that stuff you have to explain to people and companies don't do that enough.

Harry: I don't think that's values. I think that's a personal preference.

Mario: Could be,

Harry: that's a desire for creativity, for innovation, for collaborative thinking. That's the way that you like to do it, which is great, and that's fantastic. But it's not like a company wide value.

Mario: to me, that's a value. here's, I tell you the story real quick in 2014, 15, we said, we should write down our values. What we did is we gave the whole company an afternoon office, but a hundred people at the time, let's do a values bazaar. People were able to write values that they thought Oscar should have on a screen and they were holding them up.

And then people would congregate and gather and we would pick values that way. And then I got all the, data back [00:51:00] and they were the most boring fucking values ever. They were like excellence and integrity and like all totally vanilla because you took an average of extremes.

And that is just going to be somewhere in the boring middle. You just need to lean into something as a company, you need to say, we are a company that is going to generate ideas and we're going to do it unabashedly. I mean, we all do all these things, but it means I want to understand what else is in your minds.

And it's not every company that way.

Harry:

no, I agree, and I totally agree with you in terms of taking the average, and actually the binaries of those is probably where you should be, or where most telling signs are. We mentioned money there, I do find it an interesting and a telling point actually, which I think we demonize unfairly. How do you reflect on your own relationship to money, Mario?

Going public, making money you're a public company CEO for a long time, you're now a public company founder, how do you think about your own relationship to money?

Mario: Okay. I actually do have an opinion on that. Yeah. And this is my observation from navigating the woods of Silicon Valley as well. and this might be a bit of a European thing um, have a fairly strong feeling [00:52:00] that others should judge my value and my worth. the system to some degree.

So I say, shouldn't be on me to decide. You know, what equity I get or you know, how much money I have or all that kind of stuff. if there is enough systems in place that allocate value based on whether I did something that was

useful for society at large or not. I certainly, by the way, think money is the best way we have to measure societal impacts.

I guess it's not perfect by any means and I don't like it necessarily. But I absolutely think that, it's not that the wrong, it's always the wrong people who are rich or whatever else that, that's stupid as well. Like it's a good metric to sort of assess that.

Harry: how can you say about trusting systems to align values efficiently? When healthcare is the most inefficient alignment of values.

Mario: sure. It might not be true, but certainly in the world I live in, I think, you know, the venture investing, whatever that like, purely for myself, I, I did not try to somehow go to the board or whatever and say, I need more, I need this and need that and whatever else. And, and so, and that actually is not, that's not a good piece of advice.

and, I'm a white male, so probably [00:53:00] it's easier for me comparatively to get paid the right amounts than, than other people who probably, I actually do believe these inequities are in the system. And we got to do something about the fact that, you know, women have few opportunities and, people of color and everything else.

And, you know, we try to really pay attention to that unabashedly and none of the Bill Ackman bullshit would ever change their mind in any way on that. But I do think that the people who make the real amounts of money, the people who become the moguls, they have an incredibly strong sense of what they are owed by society and by the system or by other people that I don't have.

and I think it's almost a brain defect. If you become a billionaire, you don't just become it randomly. your brain tells you I am owed this. I will get it for me. I will demand it for me. And I don't do that.

and that is actually not a good thing. If you want to be one of the absolute top people, you have to have that as well. And some, a certain amount of self delusion about it as well. I, this is always the favorite famous thing in, in, in AI now, right? Like there's a fairly IQs on a normal distribution and not a, they're not a power law distribution.

So by definition, we know that, you know, the whatever top [00:54:00] IQ, there's like, you know, there's 1 percent of them. It's not that there's like three people of them, whatever. So they're not as extreme of a distribution and yet the

outcomes that they lead to are extreme. distribution of wealth and influence in the world is a power law.

And so normal distribution somehow work their way through the system into power law outcomes. that has to mean. that the mechanism is not perfect for going from one to the other. There's some weird nonlinearities that are random in that thing.

when did you first become a millionaire?

I mean, it's questions paper versus, versus knots. on paper, I think it was when the 2015 fundraising rounds thereabouts. We did

Harry: Let's say cash. Paper's one thing, but cash is another. Like looking at the bank and seeing that

Mario: We did a secondary rounds, I think, in that 2015 fundraising round, I might say. And we tried to at that time make it so that we took everybody above a certain tenure and level at that time. They were all able to sell just about the same amounts. And we thought that that was important because otherwise you'd have that sort of inequity of like, why did the, you know, why can't the [00:55:00] founder sell something, whatever.

how did you feel? You know, people always say, Oh, money doesn't make you happy, money doesn't 2015, you do actually have a million in cash. How did you feel?

at that time, it wasn't a million yet, by the way, but it was approaching that level, I think. but it was close enough. It's like 900, 000, something like that. I have a screenshot of the bank account still of my checking accounts. And that, that was in,

it really gives you a feeling of for sure of accomplishments. There's no question about it. So you're very relieved that that is the case. There's relief as well. That if shit goes to hell now, not everything will be taken from you. But the third thing is, you have an instant feeling of, Holy shit, now it's on.

and the level of fall just goes up. Like, you're like, okay, now we fuck it up. It's really painful. Now I have, the excuses go away. I admire people. Who have an ability of going through that and then pushing the, I said it before, the pushing the chips back on the table. This is one reason why I think you know, mathematicians do their best work before the age of 25 or whatever, right?

Nobel Prize laureates tend to be, 35 or something like that. Because you just don't want to venture [00:56:00] out into the woods anymore. In some sense, I know how improbable. The journey of Oscar was because I was there for the whole thing I was there for all the times when it almost blew up and fell apart.

And it is that sense of improbability that I will now forever project into everything else I will do from here on out. And that's a terrible thing because you start measuring against that improbability as opposed to against the naivety you had. I had in 2012 was like, I'm smart. I can fucking figure this out.

No problem at all. And if there's one thing I want to do in my life, it means many things. I would try to get over that, sense of improbability again and say, you know, if I do something again, I try to build a, a computer based on anthills, then I want to go and do it.

And if it doesn't work out of the ants eat me, that is a completely fine outcome. You know, and it is the case of with that money, you can do more of that's for sure.

Harry: what thing that money buys or brings do you most value?

Mario: I think it is that sense I do not have to go do what others tell me to do. I love, and it is unbelievably ineffective to just do something that I find intellectually somewhat interesting. Like I learned [00:57:00] Mandarin in the last two years, for example, for no reason whatsoever.

Now I'm trying to learn how to read Arabic. I think there might be something coming out of it at some point. But um, It's not useful right now for sure.

I built this game over this week, this weekend. I'm hoping to publish it next week or so. That's uh, takes like words and puts them into some kind of riddle thing. I'll say it's hard to explain. But like, I just programmed this myself and it's very ineffective. I should hire somebody to do it, whatever.

But I love doing those things and I like the idea of being able to do more of those things. And I also think those things have sometimes randomly gotten me somewhere. And you have to put yourself into these, like, maelstroms of randomness.

Harry: final one before we do a quickfire, but you go to many events with the biggest CEOs, execs in the world now. You sit at all the tables with the most powerful people. luckily now sit at them too. And a little bit of me is like,

you've got that house, and you've got that thing, and I always laughed at people who were like, Oh, bigger boat,

Do you ever have the bigger boat dilemma?

Mario: For me, it's not the boat at all. when we fly with the kids, whatever we, even when I fly some of myself, I probably still do [00:58:00] economy or something like that when people fly private planes nowadays. And I, there's a very nice, like putting my backpack on and a pillow or whatever.

it reminds me of when I still thought everything was possible. in this whole discounting improbabilities in, in some sense, and look, I mean, I, again, it's not a big hardship, right? It's to fly to the West Coast on an economy. It's not like that somehow in the trenches of Ukraine.

Let's be very clear again here as well. the thing where I feel exactly the way you just said, is in the influence sides. And there's some, I forgot who said this to me as well. Probably, I don't know, Charlie Munger or whatever, but there's always a, there's always a room you're not in.

And I'm sure that's still the case, even for Zuckerberg. Like if Zuckerberg doesn't get invited to, I don't know, the royal wedding, whatever. I was just like, damn it. I wish I was at the royal wedding. there was just always a thing that you don't get invited to when you don't, somebody who doesn't call you back.

And, and by the way, I learned plenty of those things and that attention economy. Once you get to the level of, I don't know, Silicon Valley, whatever, where money is less of the issue, that is much more important, I think. Way more important than, than, than money. Everybody can sort of get some NBA tickets or something like that.

I [00:59:00] couldn't care less as who's at the Super Bowl or something like that. I just really didn't give a shit. Or like a Taylor Swift concert. Who gives a shit? Like, I really don't care. It's the influence. are you getting a phone call? when people want to know something about AI and language models.

And by the way, not just from the big guys, but from the even former engineers in the company, whatever else that actually does that. I love it when somebody like calls me about, Oh, this, I have this, I saw this model. Do you think it's a useful model or whatever? I like that way more. and I actually do think that that is a relatively efficient market as well.

I used to think, Why do actors hang out with actors? That's so stupid. That's like a sign of, you know, they're stupid or whatever. It's not the case. Like I actually think actors and writers or whatever, they are incredibly creative people. They operate at this level of performance that few others can get to.

And they just don't want to be bored in conversations. And so not being boring in conversations is maybe the, one of the biggest goods you can have, which is a great way to I hope this was not boring as we talked,

Harry: I'm just, I'm still laughing at Zuck having a little hissy fit that he wasn't invited to the royal wedding. I can't quite see that [01:00:00] happening. I think it'd be a relief for him probably not to be. But I want to move into a quickfire. I've so enjoyed this. I say a short statement, you give me your immediate thoughts.

Does that sound okay?

Mario: Great.

Harry: So what have you changed your mind on most in the last 12 months?

Mario: How much time I have left? I used to, I used to not care about it at all. And now I'm like, Oscar took 12 years. how many things of that nature could I try to do and try to bite off?

Harry: Is Oscar your life's work?

Mario: I think it something I'm incredibly proud of, it very likely is the most useful and interesting thing I've done without overvaluing it too much, right? It has a lot of challenges still ahead of it and whatever. That's very possible. It doesn't mean I shouldn't try to do some other things.

It doesn't have to be another company, right? I'm not saying I want to go and do something else tomorrow. But even just like, oh, a game some people will play that I could build in my free time or a piece of advice I can give somewhere. How many more of those can I give out? That, that's not that many anymore.

it just takes time. And so therefore it gave me more of an appreciation for. whatever I do in an hour [01:01:00] of a day. It doesn't mean I don't waste tons of time every single day in like, I don't know, reading the internet or whatever. I also read on Twitter. But it does compress the amount of things you can do in the day in just shorter chunks.

So that was a big one. the other thing is you cannot imagine going back to before you had kids anymore. When you had them, they will always be there. You hope. They will always be the last thing in your life you can, go and, I think, feel good about. If you let yourself to it, you can also just be ambitious about them and, and being a fucking, unhappy person because they didn't go do this, do that, whatever else.

But it's like the last thing you did in your life is probably that, and that is comforting.

Harry: How did having kids change your marriage?

Mario: So positive, it gives you a lot to talk about. It's I really love when we get a dinner with my wife and I and just like saying, Oh, no, I did this today. Say, no, I did that today. Whatever, all that stuff. By the way, that's them in the back here.

so you have a lot to talk about, which is great, like, it's a real, in marriages, I think the worst thing is to run out of stuff to talk about, and so that's great, it makes it awesome to go to them, to go on vacation with them, like we went to Egypt last year, I actually love going with my wife on vacations because we have a very similar streak of like, oh, let's do some adventures, something adventures, [01:02:00] whatever else But to do it with the kids, it's just really like, oh, that's a hieroglyphic.

and it is cool. It's been around for 5, 000 years and Jesus Christ was here and all that stuff. Like it's just cool stuff.

Harry: what do you think the secret is to happy marriage?

Mario: I think it is that attention piece. It is, if you are bored, if you don't have anything to talk about anymore, that's probably the biggest thing because Everything else, I think, you know, I don't know, attraction, whatever else, that comes and goes in waves, I think. It just does. But that's sort of, whether you can stand each other.

Like, there will be ways where you don't, and then there will be ways where you're like, oh, this is what it used to be, like, great, awesome, I'm happy again. But that's something to talk about. If you run out of that, I think that's the problem.

Harry: Weird one, but it says a lot about a mindset. You can be in a cage with a tiger or in a swimming pool with a shark. Which one do you choose and why?

Mario: I think Cajun Tiger is like a much more pleasant death, no? Drowning seems like a very Bad way to die. So, that's the one I would

Harry: Well, I mean, I love that you're so European that you went straight to just losing. Most people would, like, fight. They're like, [01:03:00] Oh, I'll do a shot because I could punch it in the nose. No, you're

like,

fuck it, I'm gonna die.

Mario: And you can also scream louder in the tiger's cage. how do you scream underwater?

Harry: What do you know now that you wish you'd known when you started, Oscar?

Mario: That one I would go with the Jensen Huang thing. Which is pain is deep. And the lows are low and all that stuff. they will be there. And so you just need to basically say, step outside of yourself almost and observe yourself and say, you've done this before, it is going to be fine.

And if not, then you can't change it anyway. so be okay with that. You have a finite amount of time to do this. 10 years sounds like a long time. It's not that long. And so it does matter a lot what you do.

Like, I remember there were times when, it's weird, I don't get enough emails today. Should I feel good about this or bad about this? And you know, that's okay. Maybe I can do anything. it is your job to bring the intensity back in.

It just is. And you know, there's obviously family, there's the rest of your life and so on as well. But if you let the intensity go out. I think the intensity goes off, it disappears from the company. don't have that much time, is the other thing I would [01:04:00] actually say to myself.

Harry: I love that. Penultimate one. I love Josh. You've mentioned Josh a couple of times. What's your biggest takeaway from working with Josh now for 12 years?

Mario: Josh and I started, are first coming together in 2006, so it goes way back before Oscar. the thing that later became a gaming company. but it wasn't a gaming company at that time. It was, it was a social network and none of us was doing it full time.

And between the years 2007 2010, I think, he and I didn't talk. We hated each other. Because, I wouldn't say that strongly, but we just had like, we had a fight over equity. And I thought, he's a young kid, he doesn't know what he's doing. And he was arrogant about it and whatever and like, why the fuck am I doing the programming?

What is he doing? That's pointless. You know, all that stuff. And we needed to get that out of the way. And I think my takeaway there therefore is Josh is an incredibly good person, very loyal very smart, obviously and an incredible guy at knowing what to ask of the right person. Yeah. but he's also the other face.

He also has those, [01:05:00] you know, he's also a guy you can fight with. And at some point you have to get it out of the way. If you think he's a saint, if you think he doesn't have those things, you will awaken to it at some points. And so you might as well get the fighting out of the way at the very beginning.

Maybe to me, that's a, that's one learning there. I think the other learning is that this thing is still a business. Don't just think that everything in life you have to do with one person. it is up to people like Josh to connect to many, many others who could do interesting different things.

You should do the same thing. that is a much better kind of working together of equals. If you both have value, you can bring it to this relationship. That's, I think the other marriage advice people give, right? If the relationship becomes too uh, too complicated, Asymmetric in terms of value generation.

How do you want to define that in a marriage? You know, it becomes difficult as well

Harry: you've said attraction comes and goes over time, so that probably is not the most offensive thing, so it's okay.

Mario: Final one for you, my friend. Where will you be in ten years? 2034. Scary thing is, it's not that far away from when we last spoke. Terrifyingly.

I mean, I really don't know. I mean, I hope i'm at the [01:06:00] equivalence of What Oscar was in 2012, some area that people don't have on the radar screen

that I said, as you said, has the bad talent brands, and it's just not interesting for most people, but it has so much more impacts on a big part of the world or something that it's just not on people's radar screen at all.

I hope I still have a notebook. With the last interesting notes I took with the day before, I look at my notebook and I look at when it was the last taken notes on something interesting. And that is a big part of whether I still think I'm, do something interesting, you know, and I still feel engaged on something.

So I still, I hope I have that wherever I am. I have this notebook.

Harry: Mario, I've so loved doing this. Thank you for being such a great guest. I hope I've improved as an interviewer. You've definitely improved as an interviewee, so I can't thank you enough.

Mario: I love doing it too, Harry. Really great to see you.

Scarlett 2i2 USB-6: Honestly, I so enjoyed doing that show with Marissa. For me, the joy is when you feel like you really got to know someone and interview and they reveal maybe a part of themselves that they wouldn't normally have revealed publicly. I can't fact, Mario enough for being so open now about some of the challenges that he faced, how he dealt with [01:07:00] them.

Scarlett 2i2 USB-4: I hope it was okay for me to also open up about how I've dealt with some of mine. If you want to see more, you can of course, check it out on YouTube by searching for 20 VC. But before we leave you today, But before we leave you today,

ZIP: let's face it, your employees probably hate your procurement process. It's hard to follow, it's cobbled together across systems, and it's a waste of valuable time and resources. And as a result, you probably are facing difficulties getting full visibility, managing compliance, and controlling spend.

It's time for a better way. Meet Zip. The first modern intake to pay solution that can handle procurement and all of its complexities, from intake and sourcing, to contracting purchase orders and payments. By providing a single front door for employee purchases, Zip seamlessly orchestrates the procurement process across systems and teams, meaning you can procure faster, with the least amount of risk, and get the best spend ROI for your business.

With over 4.4 billion in savings for our customers, Zip is the go to solution procurement for enterprise and industry disruptors like Snowflake, [01:08:00]

Discover, Lyft, and Reddit. Finally, a solution employees love to use, where buying things for work just works. Get started today at ZipHQ.com/slash/20VC

Cooley: History man, and so I want to talk about Cooley, the global law firm built around startups and venture capital. Since forming the first venture fund in Silicon Valley, Cooley has formed more venture capital funds than any other law firm in the world, with 60 plus years working with VCs. They help VCs form and manage funds, make investments, and handle the myriad issues that arise through a fund's lifetime.

We use them at 20 VC and have loved working with their teams in the US, London, and Asia over the last few years. So to learn more about the number one most active law firm representing VC backed companies going public, head over to cooley.com and also cooleygo.com, Cooley's award winning free legal resource for entrepreneurs.

And finally, travel and expense and never associated with cost savings, but now you can reduce costs up to [01:09:00] 30% and actually reward your employees how well Navan rewards your employees with. personal travel credit every time they save their company money when booking business travel under company policy.

Does that sound too good to be true? Well, Navan is so confident you'll move to their game changing all in one travel corporate card and expense super app that they'll give you 250 in personal travel credit just for taking a quick demo. [navan.com/forward/slash/two zero VC](http://navan.com/forward/slash/two%20zero%20VC).

Scarlett 2i2 USB-6: As always, I so appreciate all your support. Now stay tuned for an incredible episode. This coming Monday with the one and only Basti layman, founder of Postmates to reveal that incredible journey, ultimately selling to Uber.