

# How The CEO Of MasterClass Created A Billion Dollar Company & Why Stuttering Made Him A Better Leader

**Jacob Morgan** 00:00

I had a panic attack. That's right, a panic attack. What caused it? Well, I'm excited to announce that my brand new book leading with vulnerability is coming out October 3. And that's right. That's the book that caused me to have a panic attack. It happened shortly after I signed the contract for writing that book. That's how difficult that's how for another topic. This is to me, somebody who does not embrace and practice vulnerability. You might be somebody like that your leaders might be like that. But I'm excited to announce that it's done. It's over, you can now pre order your copy, which is based on over 100 CEO interviews, and a survey of 14,000 employees, which looks at the very simple concept, that vulnerability for leaders is not the same as it is for everybody else. Why is that? Well, to find out and if you want to learn from these 100 CEOs that I interviewed, the 14,000 employees that I surveyed, had to lead with vulnerability.com You can preorder your copy and get access to some really cool bonuses. Find out why this book gave me a panic attack so that you don't have one.

01:09

Empathy is now in the basis of our species. We got to understand what people want, and if you can solve that they're gonna trade you something for it.

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My guest today, David Roget, he is the founder and CEO of masterclass. Why is that important? How does empathy play a role in what you do as a leader

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in a creative field and when we're working with our instructors and trying to get their craft and their mastery out of them, you try as hard as you can to understand everything about them how they think and how they process and then our users we try to understand what they actually want, what do they actually need? And then employees and executives same thing, it is very difficult to be successful in business without being good at empathizing.

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Hey, everyone, welcome to another episode of great leadership, my guest today, David Roget, he is the founder and CEO of masterclass David, thank you for joining me on Ruby here. So I was joking around people don't know this right before I hit record. I said I was gonna start this episode by saying I'm Jacob Morgan. Welcome to my masterclass and David was like, I'll be sending you a cease and desist letter.

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That was like an 80% joke.

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20% Serious, 80% joke. Well, thank you so much for joining me. I've been following masterclass for years just to kind of see the evolution of the company, the types of people that you've been bringing in to offer the various courses. But I'm sure a lot of people out there are perhaps not familiar with masterclass. So can you share a little bit about the company? What do you guys do? And who are some of the big names that you have on the platform?

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Yeah, I mean, the idea was, I think we all love to learn, but we don't always love school. And Jacob I don't know if you still have this, but I still get bad dreams. So like, I'm a credit short of finishing school.

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I have nightmares.

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Yes, am

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I 100% have nightmares were very similar to that where I'm about to graduate. And then I realized that like, I forgot to do a class or credit or I failed something. And I came back to college, I'm not going to get a job. And then I wake up, I'm like, What the hell? It's freaky.

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Yeah, and okay. So my idea was, can we build a school that is for the rest of your life, because I think we love to learn, but I don't think we I think school scares us and do and for some of us has really bad term effects, it really has bad, it has really bad effects. And so if you think about creative school for that is for the rest of your life, you start thinking of some things, once you start thinking of, hey, the rate of change is actually increasing in the world. So when I think of my mom and dad, things they learned in school will last for their entire life, that's no longer the case. And then that rate of change is increasing further. The other part you start think about is if school the rest your life, that one big difference between that and the school you had for the first 18 years, your life, for the first 18 years, you have to you by law, have to have your butt in that seat. So all of a sudden, for the school fresher life, it's gonna be one that you want to go to. So the idea was, can we make it possible to build a school that is for the rest of life that you learn and that you actually want the actually want to go to? And so we so what we do is we pick the best in the world. And we have not only share the biggest les sins in their own life, but not only what their crafts are, but how they see the how they see the world and how you can apply that into your life. And so this is everybody from from Steph Curry, the basketball player to Richard Branson, to a class from Shonda Rhimes.

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Yeah, my brother took one with Gordon Ramsay. I'm a big fan and you got Gary Kasparov on there. I think Serena Williams had a class on there if I'm not mistaken, on there. And yeah, I mean, everybody

it's it's really mind blowing that the caliber of people who you've been able to bring on to the platform, can you share a little bit about where the idea came from? Because from what I read online, it was something I believe with your your mom or your grandmother, right that you you saw how they were kind of dealing with the education process?

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Yeah, I was working in venture capital. And in Bay Area. I thought it was gonna be a lot like Shark Tank. And it wasn't, I don't think I was really good at it. I don't think I really enjoyed it. And I went to my boss, and I said, thanks so much, but I want to go start something. And he asked me what and I said, I'm not sure yet. And he's like, why don't you pitch me? And so they said, like, hey, like, I want to think of ideas. I don't want it as yet. And he wrote, he wrote me a check for just under half a million dollars, and told me to go think of an idea. And I was trying to act so cool and calm, but like I was freaking out on the inside. And, and I obviously said yes. Because now it's a once in a lifetime opportunity. Yeah. And, and you think you're gonna jump from joy. But you very quickly, very quickly became one of the hardest times of my, my life. And I know, that sounds like a very, you know, time of privilege. But it was, I knew this was a was once a lifetime opportunity. And I didn't want to mess that up. And there's not a way to think of a great have a fantastic idea, right? Like there's there isn't a way to do that. And was also the first time in my life where I didn't have any constraints. Right. And I think most of our life, we have those constraints. And so I was thinking about how big the market is, and what what needs I have neat people, and somebody gave me a great piece of advice. She said, choose something that even if it fails, you are going to be proud of it. That was an amazing constraint for me. And I immediately started thinking about my grandmother who helped raise me and I remember winter house in second grade. And after school, when I was complaining about all the math homework, I had to obviously I didn't have a lot because second grade, my grandma, I remember I'm sitting down at work in a house and eating a little snack and she tells me that she has a story she wants to tell me and J and J and Jacob I remember like, that's the last thing I wanted to hear. Right like a second grader. Last thing you want to hear is a story from grandparents. And my grandma tells me the story when she was 16 she was living in Krakow, Poland, in in Krakow, Poland. Her and her mom went on a family vacation, Dad's gonna join, he stays home a couple extra days finishing work. While they're on vacation, the the Nazis invaded. They, they killed her father took everything. And she flees to New York City. Only job her mom can get on a factory floor, the working side by side. And my grandma decides she wants to become a doctor applies to every medical school in the state of New York. Get to know from every single one keeps working in the factory. She applies going next year, every single medical school student you'll get to know from every single one keeps working in the factory. She starts calling the Dean's of admissions and asking why am I not getting in. And they all hang up on her. Except for one guy who says I'll be honest with you. You have three strikes against you. You're a woman, you're a foreigner, and you're Jewish. Working the factory closing the next year to every medical school in the state of New York. And one says yes, and she becomes a doctor. And I remember staring at her Jacob because this is very intense things to be to be to get from just having complain about math homework. And my grandma tells me David, the point I'm trying to make to you is education is the only thing that's that someone can't take away from you. Realize if I got one chance, I want to try to make it possible. I want to build something other people can't take away from others. And then the idea was kind of born. Can I make it possible for anybody in the world to learn from the best?

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I love that story. It's very similar to my grandparents and my parents too. They also Jewish they lived in the former USSR, the Republic of Georgia. They too had to flee there. Everything was taken from them. They weren't able to get jobs. They didn't speak English. So it's very, very similar type of story worked in factories. Yeah. Yeah. Well, so they went from the Republic of Georgia. They went to Italy. And it's funny in Italy is where my parents actually met, even though they both lived in the Republic of Georgia at the time, a few blocks away from each other, but they never knew each other. So you know, 1000s of miles away is where they actually met. From there. They migrated to Australia, which is where I was born. And then in Australia, my grandfather he was a musician so he was eventually he became a cellist for the Australian Symphony there, but he drove a cab for a while. My grandmother and great grandmother, they worked in a chocolate factory, they cleaned floors, they cleaned bathrooms, they worked as janitors. And then it took many, many years, you know, until they were able to establish themselves. But you know, decades later, my grandmother ended up retiring teaching at the Naval Academy. She was teaching naval officers, their Russian. My grandfather passed away a couple of years ago, but he was a cellist. And so it's similar, similar story of, you know, Nazis, my great grandmother, she had her mom have, you know, hung in front of her and her in her house, like, just in the front yard, like it was nothing. So it's terrible, terrible stuff that that has happened. And, you know, you hear some of those stories, and you just, you can't believe it puts everything into perspective, I think when you complain about problems today, like if I'm having a bad day, if something doesn't go, Well, you just remember some of the stories that you hear from your parents and grandparents. They're like, What the hell, like, you have food, you have shelter, and no one's coming after you with a gun trying to kill you because of what you believe in. So you know, it's, yeah. Terrible, terrible, crazy stuff that's happened in the world. But I mean, you know, it certainly propelled me and motivated me to do things. I mean, it sounds like it helped you come up with this idea for masterclass. And it's funny, I talked to a lot of people who have come from immigrant families. And I think a lot of you can correct me if I'm wrong, but to me, it seems like if we have that immigrant mindset, it's you're programmed a little bit differently. The way that you think about challenges and obstacles and opportunities, the way that you can channel that and turn it into something for, for positive change. Like it's just, you're scrappy, you're in a way, and I don't know what it is. But a lot of people that I've had on this show CEOs who've come from immigrant families, whether they've come from slums of India, or being in abject poverty in the United States, where they came there, their parents were immigrants, they just have these really fascinating stories about how they were able to transform their lives. And it's people who are able to use I think, tragedy, and difficulty and turn that into fuel for success is always fascinating. So I love that that allowed you to so came up with the idea for masterclass for you, or where you just originally made

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that there was less? Huh? Oh, sorry, I was saying I would still make that tray that there is less pain and less pain? And of course,

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of course, definitely. So how did that then lead to masterclass? So you had this idea, you wanted to focus on education. And it seems like you were given \$500,000 Without even an idea. So somebody invested in you, for you as a person instead of you with an idea, which I also find very interesting. And so what did you do, then? How did you move from getting that investment to actually building a

product? Did you know you're always going to have celebrities on here? Did you have a different iteration of the product before it became what it is?

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Yeah, so I mean, I, I posted ads on Craigslist. And I did it in small farm towns around the state of California, and offer to pay people just to talk about their education. Because I wanted to interesting, yeah, I really believe in, you know, trying to understand the consumer need. And so and get outside of just, you know, I think it's, it's great to build a product that you want and need, but you actually got to make sure that other people want to need it too. And so I did that. I thought long and hard about why I've learned I don't like taking online classes. I ran lots of polls, I mocked stuff up and put it in front of people and got the responses for it. And, you know, and and, and then it slowly started iterating into masterclass I think, you know, people always want like the eureka moment to come off. But I think it was actually a combination of things that built over time.

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Who was the very first person that created a course for you?

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The first person who we recorded was James Patterson, the author, the, the the best selling author in the country. And I mean, it's literally from cold eat cold emails. Yeah.

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Interesting. So I'm really curious in that evolution of how you were able to bring in these types of people and I think it's very relevant for people, whether they're doing sales, whether they're being told no because here you are, right. I mean, it's this this young guy, you're going up to some of the most famous people in the world. And you're saying, Look, I don't have an audience, I don't really have a fully completed product. I know you're one of the most famous authors in, in the United States. Before, you've never started. Can you? Can you please do a course for me? What did you say? To James to get him to say? Yes.

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Yeah, it's a really good question. I think, first of all, there were taught there were tons of knows. So I don't think I did a good a very good job of first. There, I think there's a couple things. One is, you got to figure out what that person really cares about, right. And for James, and you know, the first three were James, sir, Serena Williams, and, and Dustin Hoffman, were first three. And you got to figure out these

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are like some of the most famous people in the world.

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I mean, like, even yesterday, what things like, the first thing is you got to figure out what they care about. So, you know, it's not money, right? Like, you know, and for these folks, they all had somebody in their life, that had a big impact on him, right? mentor, teacher, and so they want to give back, and they would love to do it at some sort of scale. Right? Instead of going to a class once a week, and the

students, they want you at scale. And so you've got to figure out, you know, what's important to them to just go through what would hold them back? What would they be scared of? And one big thing they would be scared of, is that, you know, basically brand, right, that I would, and how we portray them, and how we filmed them, it would look bad, it would have you know, it'd be it'd be sleazy, right, or all those things. And so you say, A, you got to tell them that you that's not gonna do, but you want to do more than that. You want to show them how you're thinking about a second here? And also, how can you get folks around you that they will trust. So for example, you know, our first three classes were filmed by Bill Guten Tag, who's won two Oscars, and Jay and Jay Roach, who's one, a fantastic filmmaker. Those were folks that they had that if they didn't know, on a personal level, they could watch their movies and films, and they're like, Okay, well, if they're going to film it, we know at least is going to look great, right? And so you start thinking, how can I really show them that it really care? But interestingly, I think they all took a bet. I mean, right. I mean, that was a bad luck. And should we thankful for it?

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But so it also sounds like it perhaps it's an interesting strategies, you get people on board? Who the people? No, I mean, that, for example, I found this right. So I have a book that's coming out shortly called leading with vulnerability. Congratulation, thank you. Thank you. So it's coming out on October, I interviewed 100, CEOs for that one, and did a big survey of 14,000 employees. And the book before that was called the future leader. And again, I interviewed 140 CEOs for that one. And one of the questions that a lot of people ask me is, how did you get 100 CEOs or 140 CEOs on there? And at least one of the things that I have found to be effective is that, you know, once you work with one, let's say you, you know, because I give a lot of talks for organizations. So once I give a talk for an organization, if I get one endorsement, one, quote, One CEO, one leader to say yes, it becomes that much easier than to get other leaders because you can say, hey, look, who else is involved. And so in your case, it sounds like when you were reaching out to these people like Serena Williams, Dustin Hoffman, you had people who they knew, you know, cinematographers, or directors who they have either worked with or knew. And that kind of helped close the deal. So I think it's a very interesting strategy in the business world, whether you're trying to close a deal, whether you're trying to build alliances or relationships at work, whether you're trying to get a promotion, you kind of before you go in for the kill, so to speak, as you almost build a little bit of an alliance for yourself so that people know who else is on your side? And it seems like that was a pretty effective strategy for you to close at least some of these people.

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Oh, 100% 100%. I think, you know, if I was gonna build off that, Jacob, I think you have to be strategic and smart about that alliance, it can't be an alliance for the sake of alliances. I think that people can smell that if it's not, Joan, if it's not, you know, I have 1000 advisors just like, why why, right, like, what when, like, they can't really be that involved, right? So really thinking about the ones and you want folks watching the beginning, who really believe in you or the project, right? Because they're gonna want to speak to them and, you know, talk to them, and which are the ones that are strategically going to help you so figure out where are the areas a you are weak that you want, so I had never felt anything before. So how am I going to tell them that they're going to look great, it's gonna be really great class if I've never made anything, and there's nobody involved that is good at that. Right? So like, you try to feel where you're weak,

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if you will. Yeah, that's interesting. And today I think and correct me if I'm wrong. I don't know if you're allowed to share this or not. But I think that the latest number I saw was the valuation of the company today is approaching 3 billion is that correct?

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It's that we're that this is not something that we share.

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Okay. That's okay. You can say don't share it. I just Googling online. You know, people put things online, but safe to say the company's become very, very successful over the years, which is fantastic. I'm curious, also a little bit on any mistakes that you made along the way. So for example, when you first starting masterclass, and I think this is also relevant for a lot of current or aspiring leaders, because you obviously created something that was not out there. Right. And you didn't have a model or a Blueprint was was YouTube. YouTube was around right. When you started masterclass. Yeah, yeah, it was around. But I mean, not to the scale, that it's not that old. Yeah. But not to the scale that it was now. And I don't think any of the learning platforms that a lot of organizations use were really out there. I mean, like, there wasn't really a model that you were building this off of, was there it was there something you were emulating that?

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I think you I think there were different parts of things. There wasn't something are there pieces. So you try to look at the pieces that you're impressed by, or that work well, right. You know, just a couple years ago, before we launched, I think net with Netflix had produced its first general content, right, as super high production, that you know, super high quality production quality, right? And you are starting to see that on the streaming side, unused, unused, unused, and YouTube was already exploding. But you know, there was wasn't as much that was super high on the quality side. Now. It's exponentially better. So yeah, but it was definitely, there were parts that I was inspired by, but yeah, no, there, there wasn't something that was exactly what we were doing. We asked me things learned or mistakes I made, I mean, a tremendous amount. I think, you know, I, on the council advisors that you're kind of talking about or the council, one of the mistakes I made was, I had way too many of them. And so as a result, I would ask lots of people for advice. And because you think, hey, look, I don't know all the answers. But if I get a bunch of smart people just ask them, they're gonna know the answer. And you realize, like, that's horrible. Because if you ask like, 10 smart people for their opinion, first, so it's gonna take you a long time to actually get their opinion, that is how to do. But you're like 10, smart people. And they have multiple opinions, opinions and thoughts. And all of a sudden, you're getting like a roundabout like way, and I relied way too much on that. And I realized I need to pick one or two and get really close to them for the stage. And then every stage, you can evolve that but that was one big mistake I made.

**Jacob Morgan** 23:04

Remember, my brand new book leading with vulnerability is coming out October 3, here is what the former CEO of the Home Depot said about the book. This book is a game changer for current and aspiring leaders. Jacob provides readers with a treasure trove of insights on how to connect with team

members unlock potential and drive business performance. I wish I had this book when I was entering the business world. Again, this is from the former CEO of the Home Depot, Frank Blake. How can you be vulnerable at work without being perceived as being weak?

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When you're a CEO addressing a large organization, you definitely have to be thinking about what you're communicating how it'd be interpreted from a relatability perspective, are people going to understand the message,

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the idea of being vulnerable and open and transparent, is a fundamental component of how you're good at doing the job that I have, you should have the confidence to, to do what you're doing.

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Let me follow up on that. Because I think that's really interesting, actually. To your point, I think a lot of people whether you are leading a company, or whether you're leading a team, or whether you're just an employee at a company, the I think the impulse and the gut reaction is to try to to your point, get as many advisors around you as possible, surround yourself with as many smart people as possible, go to everybody and ask them for their opinion and their feedback and questions. And it's almost like going to a bunch of contractors or doctors, or you know, choose your field where if you go to so many people eventually you're going to start getting a lot of different responses and feedback from people. And so I love this approach of just surrounding yourself with a couple core people who you can trust. How did you determine who those people were like how you went from having a lot of quote unquote advisors or people you trusted to having just a few So how did you weed them out? What did you look for in these people? To kind of bring them into your inner circle?

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Okay, I'll share what I wish I had done. Because I think like I did, I did that the wrong way, I think and I'll share our pleasure, but like the lessons I learned from it, right? One is, one is to fill gaps that you have right in your own in your own knowledge or area, or you know, and that you maybe want externally or even just for yourself, like you need. So that was one, too is, I think you want people who are a couple stages ahead. A couple stages ahead of you, sorry, I stutter a couple stages ahead of you. So I think that's true for job mentorship, I think that's entrepreneurship, for business, whatever, if there wait too many stages ahead of you, the advice they're gonna give you is not going to be like on the tactical things that you're trying to do, you're trying to deal with on a on a on everyday basis, right. So you want to get and you want a couple of stages. So the person has seen it already a couple times, they've already made a bunch of mistakes on there. And you know, but it's not, but they can still recall it and freshen their mind. The other part, I think, is, is how you use advisors, because so what I've learned is like, actually don't what bet help muscle for me isn't to call an advisor and ask them for advice on the topic. There's no way that advisor is going to know everything, all the details, all the nuance, and there's no way that they want you to explain it all to them. So what I have found most useful. So now I look for the semi advisors is I want to hear like an extreme point of view. So like, for difficult decision, I want like two advisors with very different points of view, one can be you know, very aggressive, and one can be very safe, a conservative or whatever it is okay, because I'm actually asking them to do is



to show me more of the board, if you will, more than Yeah, like, I want to see the board that's dark, I can't see it, or the moves I haven't thought of like, because then I'll make the decision. But now my I don't even know that was an option. Wow. Okay, I'm gonna think that through, right. So,

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yeah, yeah, no, I think that's interesting. So I guess in the case of, let's say, your mid level leader, or an entry level employee inside of an organization, and you're thinking of, should I ask for a promotion? I guess the smart thing would be then would be to try to find two people with different opinions. Somebody who would say, or not even different opinions on Yes, you should get it on or you shouldn't, but maybe different approaches and how to ask for the promotion. Right? And maybe somebody might say, yeah, go in there, be aggressive and just, you know, tell them all these things that you've done and everything that you know, and somebody might say, Well, why don't you go in there and talk about some of your accomplishments, but also talk about some of the things that you don't know and be a little bit vulnerable, and talk about where your gaps are, and how you're going to try to close those gaps if you get promoted. So having those, yeah, those different points of view. And I guess, if you're a leader, for example, you're thinking of investing in a product or, you know, opening an office in a different location, you want to get people around you who will say, you know, you should do this product, or you shouldn't do this product. I think the danger is when you surround yourself with people who keep giving you they give you the same answers, and then you're kind of just stuck to that one square of the chessboard. And then you got to push them a little bit and say, you know, give me something else.

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Yeah. And I think I totally agree. And, you know, in user Reese, search and insights, they often talk about the user you want to talk to is an extreme user. You don't like if you're trying to, you know, when I was looking into different things in education, I mean, I'm trying to remember the exact questions I asked to screen people, but it was like, I wanted people with strong points of view. And I wanted people be like, I hate this thing. Or I love this thing. Or I got screwed by this thing. Like you want those points. So you because they're, they're deeper in it, they're passionate about it. And so the same way when you want advice Yeah, to your point, you want somebody to be like, you go in that and you go to your boss and you tell them you know or her you tell her you know, I need this I deserve it and somebody else was

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like down the damn door and go in there. Yeah, it's blazing.

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Yeah, and you want them to be like I never asked for promotion that's the worst thing to do. You wait till whatever you like you want those extreme points of view.

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So you said you were going to talk about the mistake that you made so you you wish you would have done it that way. But what did you do instead?

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Oh, yeah, so what are the mistakes right? I had way too many of them

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what was what many? Like three four or five?

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Oh, then at that early stage Oh no, I probably had like 20

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Wow. And these are all tests by level

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Oh, all exceptions like exceptional people. But but but I mean, I could spend all day every day talking to them and getting their thoughts and opinions right and like I have to pick tool right is what is what is what I learned I should have done right but like I wasted time do that. The other thing,

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so how did you pick the the two? I don't know, if you're able to share any names and you're comfortable doing that, if not totally fine, I get it. But how did you go from 20? to two? Because that, to me is interesting, right? You're surrounded by 20. Smart people capable, very successful. Probably some CEOs, some academics, like all at the top of their game. Yeah. And you got to pick two. It's kind of like, you know, if you have an all star team, you know, you're your basketball coach, and you have an all star team, 1011 players, everyone is amazing. And you gotta pick five people to start, but they're all like LeBron James, how do you pick the five?

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I think you cognize that at different phases, what you need is going to be different. And some people are going to help you at different stages and different things, right. And so at this, you know, early on one of the people, I gravitated towards him advisor, he eventually became our COO, is Mark, Mark is Mark will mark with Mark Williamson, who was a very successful entrepreneur in his own right, and then we convinced him to come join us. But I realized I was trying, I was critical mark every day, because his advice was really helpful and practical. And he didn't think like I did, right. So I was seeing, so you just naturally started to do that. And, you know, I mentioned Jay Roach, the film director, I realized, like, he was able to see things I couldn't. And so I think actually, like, just if you take a step back, you're gonna see the ones that naturally feel right to you.

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Got it? Okay, that makes sense. So I think that's a very valuable advice as far as who you surround yourself with? What about as far as you building the product? And so kind of the analogy that I'm trying to draw? Is there a lot of leaders out there who have ideas, right? They're trying to figure out, should I invest in this product? Should I invest in this service? How do I know? As you were trying to kind of move in a certain direction with masterclass, were you? Were there some missteps that you made, like huge failures, besides the advisors like that just, you know, almost capsized this ship, so to speak? And

how did you? You know, how did you pick the direction that you wanted to go up? Because you're surrounded by a lot of people? I'm sure you got a lot of different suggestions, Do this, do that go this way, go that way? How did you pick the path?

32:34

I think you use gut when you don't have data. Yeah, help you. And so I'm outside saying this is no past couple years even right? Because like entrepreneurship isn't like you do it once you're done, like every day in your selling attorney. You know, the business in our mind was always a consumer business. And then a couple years ago, the folks at Pixar reached out and we're interested in a interested in a enterprise package, right? And enterprise package. Right, and you're like, I always thought it was also consumer business. But you're like, Okay, there's one or two people on the team or interest in this. If you can go sell some enterprise, let's see if anything happens, right? And like, my gut was like, not like, that's, that's not our business, right? Because I have focused 110% on consumer business, right? So have a lot to do there. But you're like, I mean, that's a cheap way to get data on it. And so team did and they started closing, lots of enterprise deals, and then you see that you're like, Okay, well, my gut wasn't there. But I'm now looking at the data and you're like, Wow, this enterprise business has lots of potential. And so the past couple years, we've invested a lot in enterprise and now we have half of the Fortune 111 100 as at att, att as our customers. So this is master class for their employees. Right? But that was one where you know, you know, not you're not gonna have every gut intuition, right. So you also have you know, you you have you you have to know when you're wrong.

34:10

Yeah. Oh, that's fascinating. So masterclass for business. I'm guessing you had a similar idea to the consumer product, but probably teaching what like leadership, customer experience, like just a variety of those types of themes but aimed at the at the employees.

34:25

Yeah, I mean, the big so it's all a masterclass plus what, you know, what we saw on what the need is, is that there on the soft skill side on the power skills, I think we as we have actually under invested in them, that actually those things are incredibly important in the world of AI. I'd argue the base technical skills are going to be much easier for everybody. So those soft skills is what makes you stand out. And in the pandemic, I think we've gotten worse at that. We've gotten worse at empathy. We got worse at innovation, we got worse at it. Did you have that

35:00

towed? Totally agree totally ate? You know what? You need somebody to come talk about leadership and vulnerability, you let me know we'll make that happen. All right,

35:07

especially as a person has a book, you know that we book,

35:12

a nice camera and lighting, everything's ready to go.

35:18

So I think we saw that. And then we also saw to your point on the lead leadership skills,

35:21

right. Okay. So I want to transition a little bit. And I've seen a couple articles written about this, I think you've talked about this, you mentioned this during our conversation. And so you had a, or you have a stutter. When I was younger, I was diagnosed with ADHD. And I feel like a lot of you know, in today's world, there seems to be a lot of conversation around, you know, challenges, overcoming challenges, turning that into a superpower. At least for me, one of the things that I have found, again, with ADHD when I was younger, I was on Ritalin until until my parents realized, like, it's not not a good thing to put your kids on. But you know, it was the 80s. So what are you going to do?

**Jacob Morgan** 36:04

So at least for me, I have found that something like ADHD, I was able to channel into a little bit of a superpower. Because while I was very distracted, and while I was constantly not focused, there were some things that would really focus and keep my attention. And so a lot of people think ADHD are just kind of like bouncing all over the place, which is kind of true. But it also means that when you find something you can really zone in on it. Right? So for me, yeah, you can, you can get extreme ridiculous levels of focus, when you find something that you want to focus on. So for me, on the personal side, for example, I love to play a lot of chess. And I could literally sit and just play chess all day. Like, if I had coffee, and I had food, I could go for like 24 hours just because it's it's something that, you know, it captures my attention and my focus. And there are some aspects of work that do that for me too. Like if I'm if I'm writing something, if I'm creating content, if I'm working on a book, if you know, things of that nature, if I'm trying to get a new website launched, there are certain aspects of the business where if I'm engaged, I can just go until it's done. So there for me at least something like that has been able to be used as a superpower. Now, I'm curious, in your case, with stuttering, how did that affect you? Because obviously, you're the CEO of a company, you know, communication is very, very important. Was that a challenge for you? How did you overcome it? Were you able to channel that into some sort of a, an asset, a positive element that allows you to lead more effectively with your people?

37:50

Yeah, that's a really good question. I mean, as a kid, it was worse. I was teased on school, but I think my parents did an amazing job of not letting that be an excuse for anything. Like my parents expectation was when they had friends over for dinner that I would sit with them and their friends. And I would like engage. Yeah, I'm like it. They would never I actually remember my grandfather, I went to him who my my grandfather was in my grant, my grandfather was in Auschwitz concentration camp. And I remember going to my grandfather and telling him I was being teased at school. Because Because I stutter, and he gave me a hug and kept walking. And I was like, wait, what? And he's like, so like, so? And, you know, so my family was never I mean, they, they were very kind and obviously paid for any therapy. I knew wanted or needed. Therapy. But But I think for work. Yeah, I mean, I probably messed up a couple pitch calls, instructor calls, because I stuttered a lot. I think I'm sure turned some people off from joining the company, or maybe from working with us, but

39:15

it seems like it helped you become at least from what I'm hearing, it seems like it helped you become resilient because it wasn't like your parents or your family members. PDU. They said, You have a challenge and you still need to be out in the world, you're still going to sit at the dining table, you're not going to be a victim, you're still going to, you know, work hard and do the things that you do. And correct me if I'm wrong, but it seems like it built that level of grit and resilience and hard work. That allowed you to kind of become as successful as you are.

39:49

Any challenge you have, like, you know, helps there. I think it also made me very empathetic. I think other people because I think not being able to express yourself Golf is very difficult and then being judged, not on what you saved on how you say. It's also, you know, is, is tough and being underestimated for that. But I think, yeah, but I think the biggest pride journey is inside because those people who decide not to work with us or whatever, like, Screw them, right? Like, this is who I am is what happened. And I'm working through it. And if you want to be part of that, that's fine.

40:28

Yeah. So you mentioned empathy. How, how does that come to life and in the work that you do, whether it's designing a product, whether, you know, you mentioned that in relation to stuttering, how that helps you create empathy for other people? Why is that important? How does empathy play a role in in what you do as a leader?

40:52

Empathy is not only the base sis of our species, but it's like, it's gonna sound weird. It's the basis of business. I mean, we got to understand what people want. And if you can solve that, they're gonna trade you something for it. And in a creative field, and when we're working with our instructors, and trying to get their craft and their mastery out of them, you know, you try as hard as you can to understand everything about them and how they think and how they process and then our our users, we try to understand what they actually want, right, what they actually need. And then employees and executives same thing. So I think it is very difficult to be I think, successful business without with without being good at empathizing.

41:46

Yeah, and I, I agree. I mean, it's hard to lead without empathy, right?

41:51

Yeah, and the folks who do lead without it, often still have those skills a little bit, right. Like the like, they're still very good at understanding what somebody needs and wants, they might not care, like, but but, but the person is so good at getting into your shoes, Jacob and be like this here, things are important.

42:11

Okay, let's jump to what I call the leaders toolkit. And this is the last 1520 minutes or so of the show where we focus on specific action items that current or aspiring leaders might be able to apply in their leadership journey and their professional development. And I thought of a couple things that would be

really interesting, at least for me, I mean, I'm, you know, one of the reasons I have a podcast is because I'm genuinely interested in a lot of stuff. So I get a chance to ask questions that I'm curious about. And one of them is the difference between a prototype versus a final product. And, you know, whether you're launching a physical product, a digital product or service, I think sometimes a lot of us feel like we can't launch something until it's perfect. You know, I'm not going to create a course until it's perfect. I'm not gonna release product XYZ until it's perfect. How do you balance the prototype with the product? Like what is that process like for you? I mean, I'm sure for example, you're continuously thinking of new products, the future of masterclass in 234 or five years, you probably have all sorts of crazy prototypes you're maybe thinking of or scheming on. How do you think of a prototype in relation to the product. my conversation with David Roget continues only for subscribers at great leadership.substack.com. And if you subscribe there, you're gonna get a bonus episode every single week from one of my amazing guests, including this one from David. And in the bonus episode, we're going to talk about prototypes versus final products, balancing long term growth and innovation with short term results, unique practices that David has implemented inside of his organization. I don't want to spill the beans on all of them, but one of them is something called a right handed and left handed question. And we talked about some other cool stuff in there as well. Only available if you subscribe at great leadership dot sub sect.com. These bonus episodes are called the leaders toolkit. You get one every single week, along with a video called The Five Minute leader where I share a leadership hack and a weekly in depth guide that I personally write every single week exploring a leadership topic, a theme or a discovery. Again, all of this is at Great leadership.substack.com I'll see you there