

OMICRON! And Career Advancement Through Insights What Happens Next – December 26, 2021

Larry Bernstein:
Welcome to What Happens Next.

My name is Larry Bernstein.

Today's topic are Omicron and Using Insight for Career Advancement

Our first speaker is Ari Ciment who is a pulmonologist and manages the medical staff at Mt. Sinai Hospital in Miami Beach. He has seen thousands of COVID patients since the March 2020 outbreak.

Today we will hear from Ari about what he is seeing in the hospital right now for the Omicron patients.

I want to find out how Ari intends to treat Omicron patients depending on their age, pre-existing conditions, and previous vaccination status. What is the efficacy for monoclonal antibodies with Omicron variant? Are we seeing similar pneumonia cases as compared to the old Covid variants? And should be the immediate steps when we find out if we tested positive for Covid.

I want to know about the new trials for polyclonal antibodies available only for the unvaccinated and who should sign up for the trial. And I want to hear about the new Merck and Pfizer pills that have just been released. I heard they will be in short supply and what to do about that.

Our second guest is David Kronfeld. David is a former venture capitalist, Booz Allen consultant, and corporate executive at Ameritech.

David has a new book entitled Remarkable: Proven Insights to Accelerate Your Career that is a *Wall Street Journal* and *Publishers Weekly* bestseller.

David focuses on the importance of insight or out of the box thinking that can help you solve problems in a way that others miss. David's work process uses unusual data sets and asking tons of questions to discover these insights.

David uses his own real-life experiences to teach negotiation. He does this by finding common ground, and learning your counterpart's perspective to get to a solution.

You are going to love David Kronfeld's insights because it will help you improve your performance at work and in life.

I'd like to welcome back to the show Ari Ciment. We met Ari probably almost 11 months ago. Ari is a pulmonologist at the Mount Sinai Hospital in Miami Beach. Ari, when we last spoke, we didn't have Omicron. We now do. What's going on in your hospitals? Are you packed? Who's coming in? How does it differ, given this latest outbreak?

Ari Ciment:

I would say the difference right now, most notably is that the outpatient centers are really being packed. The emergency rooms are being loaded, and the hospital, thankfully is picking up, but it's not as loaded at all.

Larry Bernstein:

So when I was in the hospital with you, how many floors did we have, as an example?

Ari Ciment:

Well, I can't give you specifics for our hospital per se, because-

Larry Bernstein:

Fine. Did you have a floor? Did you have two floors?

Ari Ciment:

Yeah, well, we had at three to four floors of COVID packed. And now it's a little tricky because I'm a pulmonary critical care doctor. But the difference with the Omicron so far is that you're not necessarily admitted, thankfully, with COVID pneumonia. So it seems to have a different phenotype. There is a lot of sinusitis, and of course, respiratory symptoms and coughing, but there's not a lot of COVID pneumonia per se. So the pulmonologists are not routinely getting called for let's say Omicron admission.

Larry Bernstein:

All right, let's break that down. So I guess I didn't appreciate this point, that the disease doesn't manifest itself in a pneumonia like I had. Describe when you get a chest x-ray now for an Omicron patient, how does it distinguish itself from a previous patient? Or it's the frequency or does the x-ray look different?

Ari Ciment:

Right. So all this is still evolving here in North Florida, but as you heard already in South Africa, thankfully, the illness is a different illness than the other COVID. But it's also different because it's not attacking the lungs in the same way, hopefully and thankfully. So you're not developing that bilateral strange peripheral infiltrate. It's more of a really bad flu-like illness for the people that are hospitalized. And they're there because they're completely drained. They might have a little renal insufficiency. It's like a really bad case of flu. I would say that people that are admitted for the flu are most often admitted for flu-like illness and not necessarily pneumonia. This is how this Omicron is so far playing out.

Larry Bernstein:

Well, it sounds like that's just great news, in the sense that the weakness of the human body was the over-exaggerated response to the disease, flooding the lungs with water, creating an infection and creating pneumonia. You're saying this one, you're not getting that. You're getting something else. When you say there's renal problems, they didn't enough fluids? Is that the issue?

Ari Ciment:

Yeah, I think the best way, where you're driving at, is to look at it like this. In South Africa, there's 70% less hospitalizations compared to the Delta, Omicron versus the Delta. Even in Scotland, 60% less, England, 40% to 50% less. But when you're talking about so many cases, here's the kicker. Omicron is skyrocketing. And it's only going to get worse for a period of time. For instance, initially they were saying 1.2% of all cases in South Africa were being admitted, versus 20% of the Delta cases. But if you take 1% of 30,000 a day, that adds up to a lot of hospitalizations. So we're going to see a lot of hospitalizations, but we're not going to see the type that we were used to before, which was really only COVID pneumonia. We were only admitting people that had hypoxemia or low oxygen. Now it's a different beast.

Larry Bernstein:

So I suspect that... Let's say I had preexisting conditions, maybe something with a heart or some other major organ. I would be coming in because my heart would be under pressure. Is that the sort of thing we're talking about, preexisting conditions?

Ari Ciment:

It's going to be people more than likely that just can't handle the bad flu. And a lot of fear, too. I recall talking to an infectious disease doctor, who's following a lot of the patients on the floor. And he's like, "Wow, this is completely different. Maximum one to two liters of oxygen for the majority of patients." I'm in the ICU, for instance, right now. And there aren't that many of the COVID pneumonia patients at all. We have leftovers from the Delta and we are seeing... Remember it's 90% Omicron, but there is 10% Delta. The COVID pneumonia patients probably have that bug, and not the Omicron.

Larry Bernstein:

You know, when I met with your partner in crime, Dr. Tuda, who runs infectious disease at Mount Sinai. What he told me when I first met with him when I was admitted, he said he had seen thousands of patients and they were all exactly the same. And he's said, "I know exactly what's going to happen to you tomorrow. I'm already know what's going to happen to you the day after that. And I know what you look like when I release you from the hospital 10 days from now." It seems like that story is now flipped on its head. This is a different patient with a different series of problems. And they sound more unique and specialized, depending upon the preexisting conditions of that patient.

Ari Ciment:

Right. And not only that, I think that's true, 100% what you just said, but I think what we're going to see here locally is that the Omicron will depress the immune system. I have already seen this in a couple of patients. And then leads you to develop complications from that depressed immune system. Like I have a bacterial pneumonia here who has COVID positive. And so that is what I think we're going to start seeing, as opposed to COVID pneumonia. The people that we might see is COVID related pneumonia.

Larry Bernstein:

One of the long term implications of COVID is this very long dated fatigue, brain fog, and the like. Do you think that was a causation from the pneumonia? Or do you think it's some other element of the disease? And do you suspect that if it was from the pneumonia, that Omicron will not be causing that long hauler problem?

Ari Ciment:

So obviously it's too early to tell about the long haul syndrome from Omicron, but I think this is going to be a completely different disease, like a coronavirus 01H1. They have four other coronaviruses. This is a different one. I think it's going to be more like the flu. In fact, we're talking with another infectious disease doctor. There is overlap in the testing. Some people are testing positive for the flu, but they really have Omicron. There is cross reactivity with some of the flu antigen somehow, and this coronavirus antigen, that it comes out positive on the flu test. And I think it's going to act like the flu. All the people that I am seeing, it's almost exactly like the flu. "I'm drained of energy. I have sinus stuff and stuffiness. I lost my taste and smell" with a few of them. Much less than before, but those are related to the sinus congestion so far.

Larry Bernstein:

One of the things you told me in January 2021 was if you were 80 years old, go get that monoclonal antibodies ASAP. How do you view it this time?

Ari Ciment:

The state of Florida all the sites for monoclonal antibodies are being inundated and they're being used up. And I set up probably over 100 in the last four days. It's crazy, but the truth is, it's unclear if it works. So Regeneron, they're even updating the EUA in the next couple days. It doesn't have in vitro activity against Omicron. Neither does bam. The combination, bamlanivimab, and I forgot the second drug that it's combined with. The one monoclonal antibody that does have effect is the sotrovimab, which we don't have available here. But anecdotally, I can tell you for sure patients who've gotten the Regeneron say they feel better. So I don't know what to make of that. So we're giving it to them because that's the best thing that was out there versus the other COVID variants. But I suspect that once the Pfizer drug comes in, the pill, and maybe the Merck pill as well, that we're going to quickly stop this monoclonal antibody infusion, because of the in vitro ineffectiveness.

Larry Bernstein:

What about steroids? I know I responded very positively to the steroids. What's going on there? But I suspect that you use the steroids as a response to the pneumonia. Does it have any applicability here?

Ari Ciment:

So, the jury's out on that, too, because a lot of people will have lingering symptoms like sinus symptoms. And so typically for a flu-like illness, if you have persistent symptoms, we typically do use steroids for the sinus congestion and it usually works. And I've already done it on a couple of patients who've had COVID sinusitis here, and it seems to work. You're right. The utility of steroids in Delta COVID and the other COVID variants was when you had a hypoxemia, low oxygen related to the COVID. Now, because it's not

affecting the lungs, many people will not be using steroids. The majority of people won't be on steroids for this Omicron.

Larry Bernstein:

Sometimes if you get a sinus infection, you choose antibiotics. Will that be a popular medication response?

Ari Ciment:

I think the number one medication that will probably be used is, again, a Z-Pak, because people are so used to using it, and it has anti-inflammatory properties. It sort of makes sense. So we're going to start seeing that. And regular sinusitis medicines, like sinus rinses followed by-

Larry Bernstein:

That's the teapot?

Ari Ciment:

Yeah. Neti pot.

Ari Ciment:

Intranasal steroids will be probably effective.

Larry Bernstein:

Let's run through three hypotheticals. You're 21 years old, you're coming home from college, you just got COVID. Ari, what should my child be doing?

Ari Ciment:

More than likely, if the child has no immune deficiencies, we'd just be sitting tight and drinking, hydrating, and doing some sinus rinses, potentially, Flonase, that sort of thing. And just supportive care.

Larry Bernstein:

How many days after the COVID test comes back can that child go back into the world?

Ari Ciment:

So this is going to change probably on Monday. They have to change the isolation guidelines because they're really outdated. But as of today, it's 10 days from the symptoms, which actually was a change. It used to be 10 days from the test. Now it's 10 days from the symptoms. So let's say you started Sunday, but you got your test on Wednesday, you would be out the next Wednesday. So it's 10 days from the symptoms, as opposed to before. But I think they're going to change it to five days, probably on Monday.

Larry Bernstein:

Really?

Ari Ciment:

Yep.

Larry Bernstein:

Your contagious period is really a very short period of time. That's great news, too, right?

Ari Ciment:

What I have noticed with this Omicron, I think that your onset of disease is faster. It's five times as catchy as the other one. So you get it faster, but it also leaves faster.

Larry Bernstein:

That's great news.

Ari Ciment:

It's good for the people that it leaves.

Larry Bernstein:

Yeah, exactly. All right. So that was the 20 year old. Let's pick a 50 year old next. 50 year old, no preexisting conditions. Oh shit, my kid just gave it to me. Now what? Ari, what should we do?

Ari Ciment:

So that's why it gets tricky for the reason why you're even testing, because the truth is right now, the monoclonal antibody infusions are sort of drying up. I would've said a week ago when there was a glut of them, "Yeah, go for it." Today I would actually say there are actually clinical trials out there. There is a drug. I forgot the name, but SAB Therapeutics, they're doing an NIH clinical trial, ACTIV-2 clinical trial, looking at polyclonal antibody infusions. That's basically sort of like the monoclonal antibody cocktail, but it's polyclonal. And it's made by injecting horses in their lymph nodes. However, they make it, but it basically targets the spike proteins more generally. So potentially it could be beneficial and it's safe, but it's effective versus Omicron. This trial is only available for the unvaccinated.

Ari Ciment:

So in other words, if you go into a trial here, here in Miami Beach, they have several centers. You actually have a 50% chance of getting a medicine that at least has in vitro activity versus this Omicron. So that's sort of interesting. So that would be possible. Now you said a 50 year old without a risk factors, actually would be like that 20 year old. Again, there is a chance of hospitalization, but it doesn't look like it's COVID pneumonia per se. So I would feel a little more comfortable sitting tight.

Larry Bernstein:

When you say sitting tight, do you want me to go get a Z-Pak or not?

Ari Ciment:

I mean, that would be completely not medical... I mean, I would probably do it because there's nothing else. I wouldn't use ivermectin or Plaquenil like the other docs would say. But Zithromax would be potentially worthwhile, but it's not proven.

Larry Bernstein:

Does your answer change if I told you I was unvaccinated?

Alright, let's review if you are 50 and you are vaccinated with a sinus infection then take a Z-pack. You just mentioned this polyclonal trial, which is only available for the unvaccinated. Let's change the hypothetical example, you have a 50-year-old unvaccinated covid positive patient, what do you want him to do?

Ari Ciment:

So the unvaccinated person, I would strongly recommend... I mean, you have to try to get the monoclonal antibody. Hopefully they'll have the sotrovimab. It so happens that we're talking at an interesting window of time right now, where we're running out of the monoclonal. And even the monoclonal we have doesn't work, potentially. And we're a week away from the Pfizer pill. So we're literally a week away from what could be a very effective treatment. And it is a very effective against the Omicron. So that person will need to get the Pfizer pill, and will need to be put in front of the list. But in the meantime, this week, you would try to get the Regeneron. At least it's better than nothing. The unvaccinated are the ones that I'm worried about with this Omicron.

Larry Bernstein:

Do you care if you got two vaccines or have three?

Ari Ciment:

We're seeing quite a few of triple vaccinated who have the Omicron. But it does seem that they're protected versus severe illness, probably because there is more than just antibody response, probably a T-cell immunity, a different part of the immune system fighting against the overall virus. So I think that they're going to be better off, even if they don't get anything.

Larry Bernstein:

Okay. You are 80 and it hits you a little bit. We'll do unvaccinated/vaccinated, respectively. Unvaccinated 80 year old.

Ari Ciment:

Yeah. Unvaccinated 80 year old, again, I would push for it. If you can't... So now here's a good question, Larry, that has to be answered. Would you send the unvaccinated 80 year old with Omicron for Regeneron, which does not have an in vitro activity, but you're 100% guaranteed to get it. Let's say you could find the place or find the concierge doctor has it. Or would you send them to a clinical trial, which has 50% placebo and 50% something that you know has Omicron activity? I think the answer is you probably would do the 50% Omicron activity. That's what I would do. And then hope that the Pfizer pill comes, because all those trials allow you to take... If something comes along on the market that shows efficacy. So that's what I would do for my patients.

Larry Bernstein:

And do you distinguish between the vaccinated and unvaccinated there, the 80 year olds?

Ari Ciment:

Yeah. If they're vaccinated, I think there is maybe a placebo effect to getting that monoclonal antibody Regeneron, at least, so I would probably push for that. And again, anecdotally, there are people that respond. So the vaccinated person I'd feel more comfortable with just Regeneron.

Larry Bernstein:

Okay. What do you think is going to happen in the next couple weeks? I mean, people are go out and about. Omicron is super contagious. The vaccines doesn't seem to stop. If you get it from shedding it with the vaccine. We saw what exponentials look like when things weren't as contagious as this. If it's five X contagious, and R naught is three, not one and a half. I mean, oh my god, the whole population's going to get this thing in a few weeks. How's this going to play out?

Ari Ciment:

So this is a fascinating conversation because we have to learn from history, right? We learned from the H1N1. We have a lead time. In H1N1, years ago, we had a lead time. We learned from New Zealand, how they dealt with it. Now we have South Africa, we have the UK, Scotland. They've already had their... They're at their peak. Now South Africa's actually coming down. It's going to come down as fast as it went up. In South Africa, that's what we're seeing there. So we have to study the South African experience, see exactly how it's been. Speak to some of your South African friends and find out what happened, what was effective there.

Larry Bernstein:

So I guess I'm shocked by the South African experience. I don't understand just the pure math, that if you have R naught of three and a population where the vaccine is limited efficacy. Why it just doesn't go straight to the moon. Why did it top off so quickly? I'm just baffled. I don't have to be South African to think about that question in an abstract form. Ari, what do you make of it?

Ari Ciment:

Some people are protected, even with two vaccines. I don't think they had triple vaccines in South Africa. They all have double. They had a very high vaccination rate, but it was double, I believe. So, you're going to see higher spike, and then now they probably all have it, and it's coming down very fast. So I think we're going to see the same thing. I think it's going to be six weeks from the time that it hit here, probably four days ago. So, I think we have six weeks of question marks, but I think it's going to be impacted on this, with the Merck pill and the Pfizer pill is going to be coming out. I think in the next two weeks, there's going to be a sort of a mad rush. Everybody's going to call for a favor. "How can I get the Pfizer pill?" That's the biggest challenge coming up, is going to be the allocation of medicine during a pandemic hitting. This is the worst time for the medicine to come out, when everybody needs it.

It was planned that Pfizer would come out with their pill when it was a relative lull. So then you have it, you could produce it and have... It's going to be produced at a time where it's maximally being sucked up.

Larry Bernstein:

I also imagine there's going to be a huge rush to enter the hospital. How is Mount Sinai preparing for the couple thousand patients who have to come in over the next six weeks?

Ari Ciment:

Well, I specifically can't talk on behalf of Mount Sinai.

Larry Bernstein:

How about a hospital that looks just like it in Miami Beach?

Ari Ciment:

The ERs around locally are very, very smart. And they're trying not to admit people that really don't need to be admitted. I think that's the key. And one thing we learned from the prior pandemic phases is that we can branch out pretty quickly. The governor did a good job, at least opening up things like the convention center. We can mobilize other places if we need to do it. I mean, I'm not in any talks about that in the hospital. I'm not saying that's even talked about. I'm just saying I'm confident that if we do get a rush, I think we're prepared enough to know how to take the next steps. The emergency room doctors know to push that button.

Larry Bernstein:

In March of 2020, everyone said the weakness is we're not going to have enough ventilators. And then we found out that the ventilators actually killed you, so we're not going to use them. And then when I entered the hospital, you brought in that 35-liter, super duper oxygen machine for me. And you said, "We just have enough of them." But this time that won't be the constraint, either. What will the constraint be in terms of hospital supplies that are going to be in high demand?

Ari Ciment:

And this is completely postulating for me, but that's a great question. Maybe there will be pneumonia, when you take the percentages down. But assuming that won't be the case, I think just having staff. If you look at the New York Times, they discuss staff being out because they're hit. I think that's going to be the biggest constraint. We're going to potentially you have to think about the doctors and the nurses. That's why our isolation period has to be lower. Five days, because we'll be able to bounce back right away. So I think staffing and things like dinner and lunch and physical therapy and things like that would be more of an issue, I imagine, than the actual ventilator high flow. I lost you.

Larry Bernstein:

Would you be willing to take in volunteers to help give the food, change the sheets, get them out of bed?

Ari Ciment:

100 years ago when they had the pandemic, in the flu pandemic, they used medical students. Even in New York and during the first phase they used medical students, people that didn't even graduate yet, who were rounding. So I could see... Hopefully, I don't think that's going to happen here, but I've been wrong predicting other things.

Larry Bernstein:

Can I give you the silver lining and you push back? Omicron doesn't sound that dangerous. It's pushed out Delta. Everyone's going to get this thing. Everybody. It doesn't sound like it's going to kill that many people. Will it provide equivalent to a vaccine to the unvaccinated? Will it give another response function for the T-cells against a future variant? Could this end COVID for all practical purposes if everyone gets Omicron?

Ari Ciment:

I like the silver lining. I think the silver lining, but remember everything is a percentage. So when you have so many people, there are people that unfortunately are going to pass away for the lesson that we're going to all learn. My gestalt is that it's like you're saying, that we're going to get faster to a herd immunity. But then, what about the next COVID variant? So I think the silver lining, really, from Larry Bernstein should be the pan-COVID vaccine that's coming out, that they're working on. There is a vaccine that is in phase two trials that is actually for every single variant. So I think that's a better silver lining, although that's good, what you said, too. Each medicine has a problem. The Merck pill is maybe not 100% effective. Maybe it's 30% effective, but the Pfizer pill has a lot of interactions. So every silver lining has a black lining, whatever. But the overall positive of getting to herd immunity, at least for now, and then waiting for this COVID vaccine that could cover everything would be very optimistic.

Larry Bernstein:

Why would it cover everything? I would've thought that when we look at... In the mRNA example, they showed a spike protein. They figured that out. And then this new variant has 35 on the original spike protein. Why do you think the pan would work? How could we predict what it's doing? What is it about the spike protein that we can cover every potential mutation?

Ari Ciment:

Yeah. I don't know exactly how this new vaccine works. It's in phase two trials. I know Dr. Topol.

Larry Bernstein:

Oh, yeah. I had him on the show.

Ari Ciment:

Oh really? Oh my goodness. So he's talked about that a lot. I think he's involved in that. But that is the-

Larry Bernstein:

Ultimate.

Ari Ciment:

Yeah, it's the ultimate for this pandemic.

Larry Bernstein:

All right. I close each session on a note of optimism. Ari, what are you optimistic about? Besides the Panglossian, all-encompassing vaccine?

Ari Ciment:

That's a lot to be optimistic about. But I am optimistic that in six weeks' time, we'll have so many new things in the armamentarium pills, vaccines, wherewithal that we've accomplished from our previous experience that we could handle these things more effectively and hopefully deal with a little bit of pandemonium, especially with the holidays coming, and just orderly conduct as we are good human beings and helping one another.

Larry Bernstein:

Okay. Ari, thank you so much. I would now like to introduce our second guest who is David Kronfeld. David is a venture capitalist, Booz Allen consultant and Ameritech Executive and author of Remarkable: Proven Insights to Accelerate Your Career. Please begin your Six Minute Presentation.

David Kronfeld:

My topic is how to become more successful in business.

There are many skills and talents that play a role in one's career and success, the most important skill is being insightful. I define insightfulness as seeing and understanding those things that are not obvious to peers and superiors, but are appreciated after they are revealed.

It is the difference between book smart and street smart. Insightfulness can be learned with proper tools and some practice. You don't need to be a genius to become extraordinarily insightful.

I want you to be very wary of advice that you get from successful people, especially about how to be successful.

The most typical advice experts offer is the ridiculous idea that: one cannot succeed if one fails. But this is insufficient because not failing doesn't guarantee success either. It is necessary but not sufficient. This guidance of not failing will get you to play in the major league, but it is silent on how to actually win games once you start playing at that level.

Another concept that I want to leave with you today is the difference between great leaders and great managers. Being a great leader is not an important attribute for you to reach top management levels.

There is a difference between a great leader and a great manager, and the two should not be confused. Great leaders are the people that can lead, people who can talk you into doing something and motivate you into doing it in the best possible way. People can motivate you to do the wrong things too, but they are great leaders. It's great management that makes the difference, not great leaders. Because great management means managing people to accomplish something that ended up being the right thing. To be a great manager, one also needs to be a great leader because if one is unable to motivate and lead, one would not be able to accomplish much either. Focus on being a competent manager first and only then worry about how to be an effective leader, not the other way around.

Larry Bernstein:

I went to Israel on vacation and we signed up for an IDF anti-terrorism training session. We were put together in a team of four people. And, the young Israeli female soldier asked our group of four to choose our leader. And I said, "The question answers itself, it's Debbie August. She is an amazing, she is a take charge person and she can lead us anywhere. Her husband Glenn readily agreed. How did your experience in the Israeli army help you distinguish between leadership and management?"

David Kronfeld:

That's a very, very good question. There is a significant difference between a military leader versus a business leader. In the military, in 99% of the cases you only lead. You are told what to do by higher ups and you only need to execute well.

That is completely the opposite in business. In business, you are rarely told what to do, you are expected to evaluate the situation yourself, dissect it, make observations, arrive at conclusions, make recommendations and execute. You may need to get approval of higher ups, but the role is completely different.

In the military, a great leader is the one who can do the leadership role. In the business side, it is coming up with the right solutions and leading becomes secondary.

Larry Bernstein:

In the book the Desert Fox, the biography of German General Rommel, the author describes Rommel's battle management philosophy. Rommel would tell his lieutenants to "Take that hill," and he would also explain the battlefield objectives like not losing the river was critical and the hill was secondary. In the

fog of war, Rommel wanted to give his lieutenants agency to achieve the overall objective. The best managers give agency to their people, even in the military.

David Kronfeld:

There's a lot of truth to it. You want a successful outcome. How do I accomplish that?"

You need to have multiple people perform different tasks, to be well coordinated but more importantly, they need to understand exactly what the tasks are. And since there are always surprises, nothing goes according to plan, they need to be able to improvise on the spot how to react to changing conditions.

It is extremely important to make sure that everybody on the team from top to bottom understands precisely what the expected outcome is, where is some leeway to make changes, what is a do or die, or what is not. It's the compromises day to day in the field that will yield the outcome you want.

Larry Bernstein:

When you evaluate a venture capital investment in tech, do you pay more attention to the technology or the quality of the management team? Business plans and technology change all the time, does that mean, we should focus more on the quality of management and their ability to adapt?

David Kronfeld:

I want to make sure that the technology in principle is of real value. I'm willing to accept the observation that you made, that it is likely to change.

A change in technology depends on how the architecture of that technology was built. If the technology was built to be flexible and accommodate specific changes over time, then you'll be able to make the changes with good management. But if the technology was not built with an architecture that has flexibility for changes, then no good managers will be able to succeed.

Larry Bernstein:

I want to talk about new product development, we had Michael Hiltzik and Jon Gertner on this program speak about Bell Labs and Xerox PARC. These industrial labs had great technology, great scientists, and brilliant ideas like the mouse.

But it went nowhere. There was this concept that if we put great engineers across disciplines together, and give them sufficient funding that they would change the world. And then these labs were closed. Why did these famous industrial labs fail in new product innovation while entrepreneurial startups succeeded?

David Kronfeld:

Most of the technological breakthroughs that really change things doesn't happen by design. It is a creative ingenuity by a single individual who changed the paradigm.

Successful technology did not come from a plan to build but rather an innovation that occurred by an individual that saw a tremendous breakthrough. The innovation comes first, only then the question of how do we build a product that is commercially available becomes important?

The reasons that the industrial parks don't work is because they lack innovation. In a corporate environment this is not cherished. Because an inventor can be unproductive for five years, and then in the sixth year it happens. In a corporate environment, they won't allow you to be unproductive for an extended period of time. As a result, the large corporate environment is not conducive to inventing. The large corporation is good at many things. They can commercialize products, sell it, support it, and that's why they should acquire small entrepreneurial firms that have cutting edge products.

So, if I were managing a large corporation, my strategy would be not to invent anything, I would buy small companies that invented something, and then put the corporate resources where my strengths are, which is to make a commercial product and support it.

Larry Bernstein:

Let's change topics to the rule of 80/20. It has such applicability in life in every dimension. Please explain the rule of 80/20, and how it applies.

David Kronfeld:

(laughs) It's a little counterintuitive. The 80/20 rule says the following, 20% of any group is responsible for 80% of the output of that group. 20% are very productive, the other 80 percent are not. And it's true in everything about life. If you look at any work environment, 20% would be good, while 80% would be pedestrian, toeing the line, but not impressive, relative to the 20%.

When you have a task, or when you have expert advice, 80% of that advice may be pedestrian, but 20% is going to be insightful. Just because one has a great resume, it doesn't necessarily mean that is one of the 20 percentiles. There is very little correlation between being a 20 percentile from the past track record.

Because it takes more than just brainpower to be successful. Whenever you listen to anybody, no matter what their resume looks like, you have to ask yourself, "Do I believe that person is one of the 20 percenters or one of the 80 percenters?"

Larry Bernstein:

If you have a group of 100, 20 will produce 80% of the product. And then, what I find more amazing is when you remove the 80, and you now have the remaining group of 20. This rule of 80/20 applies even in that highly select pool.

In the select group of 20, the top four produce 80% of the value of the product as well. So, from the original group of 100, 64% of all the output comes from the four most productive people.

David Kronfeld:

That is correct. My mentor Charles Wong, the founder, CEO of Computer Associates pointed me to the significance of the 80/20 rule.

Charles said "when I started Computer Associates, we were three people that designed, programmed, and sold it to the market. We grew to become hundreds of millions in sales. It's still the same product, but I have now 200 people trying to change and maintain it." He says, "Why does it take 200 people to maintain something that took three people to build?"

He said, "When a development team tells me, 'We are late. We're not going to be able to deliver that deadline, we need more people.'" He said, "I have a different way. I asked him to identify the 20 at the bottom, and 'Lose them.' I don't add, I subtract people." And the bottom 20 are a drag. Because they have to be supervised, the remaining 80 will be much more productive.

Larry Bernstein:

When COVID started, I called a buddy of mine who is an entrepreneur who had about 100 employees. And I said, "What are you doing?" And he said, "Well, I can only have 20 essential employees at work. And I said, "how productive are they?" "Oh, they're very productive. They probably produce 80% of the value add of the company." And I said, "Well, by that logic, why don't you just discard the other 80 guys?" And he said, "it's easy for you to say that. But the reality is, God forbid, one of those 20 leaves, I'm toast. At least I got them in reserve."

And there's these little projects and little things that need to be done. You're right, they're not that productive. How do you think about that as a problem? It's slightly different from getting rid of your least productive 20 employees. It's that we need the other 80 guys, even if they're not particularly productive.

David Kronfeld:

First your logic is consistent with what I described, and it's proven by what he told you, but his response was counterintuitive to everybody else. It doesn't make sense to most people.

The second observation is you couldn't possibly have, in the world, all businesses, made up of 20 percenters. Because 80% would be unemployed. 80% of them are not as productive, but their performance is perfectly acceptable. The way that management works with the 20%, is through compensation and promotions. Senior management doesn't go a step farther and say, "Let's keep just the 20%, and fire the 80% and make more money?"

The second observation: 80% becomes the norm. There are companies that are only satisfied with the top 20. Consulting firms that do strategy work. Investment bankers that do very complicated transactions, the top law firms, maybe companies like Microsoft, Oracle, Google, that get rid of the bottom 20% every year. They ask people to leave if they are ranked at the bottom. This way these firm always refresh, and they will end up with a staff that would be in the 20% everywhere else, but within their organization, even though they're all 20 percenters relative to the rest of the world, there'll still be the 80/20 rule.

Because those firms view their job as providing what I call insight. If they provided average, commonly understood observations, there would be no need and role for them. These consulting firms are hired because the company was unable to solve a particular problem and needed help finding a solution.

The missing element is what I call astuteness, insightfulness, or brainpower. So, when the consulting firms are being called upon, they have to be more insightful, they have to be smarter than the client on the average, or else they'll be unsuccessful finding a solution because remember, very smart people that have been working in that industry for years have been unable to tackle and solve it.

Larry Bernstein:

I want to discuss failure. Leo Melamed spoke on What Happens Next and he said what distinguishes the American capitalist system from the Chinese communist system is that there is greater tolerance for failure. You may have done the right thing; it just didn't work.

How do you think about tolerance of failure and management's willingness to accept it and lever it for the next project?

David Kronfeld:

I rarely look at failure as a reason to exclude anybody. However, I want to see success. If I can be convinced that he had success, then failures become an advantage because it tells me that he has learned, and he can be more careful in my project than a person that had never had any failure.

Larry Bernstein:

I really enjoyed Appendix 1 of your book where you give advice to teenager about how to plan a career in business. I handed it to my son and said, "Jonathan, go read Appendix 1." Can you explain your advice for teenagers?

David Kronfeld:

I failed high school because I wasn't studying. I didn't take it seriously. And something in my life turned around to do well in school and to do well career wise. There are very few people who say, "I want A and A pluses, period. That's it. And I'll commit everything that I have right now to it," because the trade-off is horrendous. I want to go out and play and have fun and be with friends, and doing well in school may be counterproductive for that goal.

The advice that most parents give their children is "You've got to do well in school." So, in reality, they end up not listening to it because that's just not the way the world works, (laughs). So, I wanted to give them a reason why it makes sense to trade off extra time and effort on doing well in school versus the fun that they may have otherwise.

It is how you can influence them based on their view of the world.

Larry Bernstein:

30 years ago, Salomon Brothers hired the Nobel Prize winner Myron Scholes, and I walked into his office, and I said, "Hi, Myron. I'm Larry Bernstein. I'd like to work on a project with you." He said, "Okay, what are your passions in this business?" I said, "Tax policy and derivatives." He said, "this is going to work out great."

And it took chutzpah. And in your book, you showed chutzpah. You tell the story of when you were denied access to the school of your choice, so you snuck into the office of the head of Israel's Ministry of Education. I think you were 13-years-old, and you walked in without an appointment. The Minister looked at you strangely and said, "Who are you? What are you doing here young man?" And then you made your case as to why he had the power to change your life.

And he said, "All right. I'll make it happen," and you got into the school of your choice. How important is chutzpah?

David Kronfeld:

Chutzpah is great. I define Chutzpah to be gumption that you're not bashful and portray confidence that you can do it. However, chutzpah can be defined in two dimensions. The other part of is behaviorally doing something that the other person may not like. That's why it's called Chutzpah.

The best answer is to have chutzpah, but don't deliver it in a chutzpah way. Convey it in a more conducive way. You don't want to come across as being a one big pain in the butt.

Without that chutzpah, getting into the best school would not have happened for me. The Israeli minister probably appreciated that a 13-year-old kid had chutzpah to visit the Minister of Education, sneak into his office and make demands. But if I were not a kid, I'm not sure that I would've gotten a very sympathetic response. That again brings up, the fact that you need the chutzpah, but you need to be very cognizant in the delivery of the chutzpah, because without the proper delivery, you're not going to get your way.

Larry Bernstein:

One of the great things about America is that you don't have to succeed in every moment. You can make mistakes. You can fall off track. You can graduate college in six years and not four or not graduate at all. You can educate yourself. You didn't go to Harvard; you worked your way up from a lower middle-class community in Israel and ended up in the top echelon of American business.

David Kronfeld:

So, tongue in cheek first, you better have some chutzpah, (laughs).

Having chutzpah by virtue of culturally growing up in a country where it's pretty common. And I learned how do you communicate that you are capable and "Just give me a chance."

You need to be able to compete with the rest of the world, because advancement in America and in a capitalistic system is being better than other people. You want to place yourself in the 20 percentiles, it's the ability to be more insightful than the average person., I started looking for insights. Noticing nuances

and exceptions that are not obvious to other people. Taking common wisdom and showing there is a twist. Insightfulness is what propelled me to the top.

Larry Bernstein:

One of the case studies in your book relates to a junior high video that your daughter produced about a colorful singing toll-booth operator named Jack. And in the video, your daughter used the song *Hit the Road Jack*. And she won the contest to place the video on CNN, but the network said that they needed copyright permission to use the song. And your daughter was informed by the personal assistant to the copyright holder that the owner had never given permission to use the song.

What you told your daughter is that you need to get into the shoes of the copyright holder and understand his worldview, and try to understand why he got to the answer no. And if you can figure out the worldview of your negotiating partner, then maybe you'll have a chance to come up with a creative solution to the problem. How do you put yourself in the shoes of your negotiating counterpart?

David Kronfeld:

That's a superb observation, and that's insightful advice that you just gave, which most people rarely follow.

There is a significant difference in the way most people think when they solve problems. So instead of looking at what makes sense to you, try to project yourself into what makes sense from the other's perspective. Start paying attention to the why, how, everything, every minor detail. Don't just be happy with, "Oh, I made a proposal. They agreed. What else do I need to know?" I spent my early life asking, "What were the arguments? Who said yes? Who said no? What were the arguments for yes? What were the arguments for no? What at the end affected the scale? What at the end were people able to convince with? And you get a whole different perspective from the other side, from what it took for the other people to make a decision.

Larry Bernstein:

What advice do you have for negotiating a deal?

David Kronfeld:

"If you want to be a good negotiator, you need to be able to negotiate both sides of the argument at the same time," and train your mind to start thinking in advance about the quality of your position. It's the difference between thinking about it from your perspective and putting yourself in the other person's shoes.

A good negotiator is somebody who's able to think in advance what the counter-arguments might be, what the weaknesses of your own arguments are. It's not to be quick on your feet. Making up answers on the spot is a loser's game.

Larry Bernstein:

You work hard. You dig. You try to find data. You like to ask questions. You like to investigate things that have been overlooked by other people. How important is effort.

David Kronfeld:

I've been a very hardworking person, and I spent the time and effort and the energy physically. But that's not what contributed to my success. The determinative criteria are not to be physically lazy but rather not to be intellectually lazy.

Working hard is not critical. What is most important is to think hard. I outperform other people because I am not intellectually lazy and I am insightful. Beware common wisdom, buying into the obvious.

Don't worry about having a higher IQ. Pay attention to non-obvious things. That's where most people are lazy. They pay attention to the obvious, draw conclusions, and think they have a solution. I will always focus on the exceptions, whether there are nuances and then suggest a different path.

Larry Bernstein:

I had a book club years ago with Stuart Diamond who is a professor in the negotiation department at Wharton, and he has written a book entitled Getting More. Stuart Diamond suggested meeting your counterpart to try to figure out his perspective and all elements about his decision-making process. His advice: just keep asking questions. Then you can use all that information to come up with a solution that fits both of your criteria.

David Kronfeld:

You gave your listeners the solution. I recognized early on that I needed to change my interpersonal skills; I needed to change my chutzpah, the way I conveyed my ideas, I had to change my self-orientation where I was at the center, and try to appreciate what people who are responsible for the outcome will think or do. I started asking lots of questions, and that's the answer. Because when you ask the what, why, and how, you will get a treasure trove of knowledge that you will be allow you to predict what the outcome is likely to be.

Larry Bernstein:

David, I end each session on a note of optimism. What are you optimistic about?

David Kronfeld:

We have a divisive society here in America, and everybody is arguing a single point of view and having to win, and damn the other side of the argument. It's not a very healthy trend.

I'm optimistic because the business world has the opposite way of thinking. You will never succeed in business by not understanding how other people think. You will fail if you believe what you want is important and what other people want is not.

Over time, younger people who transition into business will realize that this behavior is a recipe for failure in business. They will not want to fail and they will start opening their mind, just like I did when I

was younger. And business is the counterforce to the politics the younger generation are taught by academicians who I believe have the wrong perspective.

Larry Bernstein:

Henry Ford said you can have any color car you want as long as it was black. In contrast, we had the Burger King philosophy, which was, have a burger your way. Just tell us what you want, we'll make it. And I think it's that latter philosophy is superior. And I think Ford learned his lesson when he refused to make a car other than in black when competitors showed up with colored vehicles and took market share.

David Kronfeld:

That's exactly right. You cannot be closed-minded and be successful in business. And that is the missing ingredient in where we are headed right now in the political and media arena. But financial motivation is very strong. And that's the only chance we have to reverse the trend.

If we change from a capitalistic system to a different system that is not open-minded, a government-forced system: It's my way or the highway. By losing capitalism, the economic engine that drives us, we will absolutely aggravate this downhill spiral trend towards becoming an authoritarian society.

Larry Bernstein:

Ari Ciment and David Kronfeld thank you so much for joining us today.

That ends today's session. Let me make a plug for next week's show.

I expect next week's program to be the most popular one of the year because it is on Bitcoin. Our speaker is Chris Giancarlo, and he is known as Cryptodad in the Twitter Universe.

Chris is the former Chairman of the Commodities Futures Trading Commission or CFTC, and he was responsible for approving Bitcoin Futures.

Chris is incredibly bullish on the future of cryptocurrencies. And he thinks that blockchain will disrupt the ways we do financial transactions and payments.

Chris thinks we are on the cusp of a revolution that will change finance.

And our younger generation has already embraced a lot of these ideas embedded in the crypto market and that the old guard needs to embrace change and fully engage.

I recommend that you ask your kids to listen to the show and that everyone read Chris's new book Cryptodad this holiday season.

If you are interested in listening to a replay of today's What Happens Next program or any of our previous episodes or if you wish to read a transcript, you can find them on our website Whathappensnextin6minutes.com. Replays are also available on Apple Podcasts, Podbean and Spotify.

I would like to thank our listeners for their time and for engaging with these complex issues. Good bye.