Introduction

Patrick

My guest today is Kareem Zaki. Kareem is a general partner at Thrive Capital and has been at the firm for a decade. In an episode last year, Thrive's founder, Josh Kushner, told me that he thinks Kareem is the best healthcare investor in the world. Kareem has co-founded three healthcare businesses worth over $1 billion.

He also has expertise in financial services, where he's led the firm's investments in companies like Ramp and Robinhood. It's a timely moment to have this discussion, with Thrive announcing a new $5 billion fund in August. We talk about how Thrive identifies category-defining companies, what concentration means to them, and how startups should approach the healthcare industry. Please enjoy this great discussion with Kareem Zaki.

Kareem's Investing Journey

Patrick

So I have heard this story a couple times from you—not on the record—from Josh, obviously, and from others here at Thrive—Miles included. Maybe you could just give your long version. Feel free to meander a little bit in your answer here—your version of Thrive's story as a business, and I'd love for you to bake your own motivation and experience in here about, as Thrive has grown, the parts of it that you're most proud of and enjoy the most, because obviously you've been a key part of building it.

So I guess it's a two-part question: your story at Thrive as a way of talking about Thrive's story overall and what you're trying to do.

> **Kareem**
>
> I think what's just so interesting about the Thrive story is, if you looked at us from the outside, and our first fund being a $40 million fund all the way now to our most recent $5 billion and a lot of different-sized funds in between, you'd look at it from the outside and be like, wow, things have changed a lot at Thrive, and there's definitely some things we've gotten better at and we've grown up and been smarter about certain things. But if I actually look back to the early days, joining Thrive about a decade ago when we had a $150 million fund, I'd actually say the most surprising thing about the journey is just how consistent the strategy's been.
>
> But Josh, in the early days—even with Princeton, which is our first institutional investor, and we had a $40 million fund—was talking about Thrive being a firm that wanted to back these category-defining companies that were really shaping not just tech, but every industry. Now, that's a common idea—that every industry is going to be changed by tech. Over a decade ago, that wasn't a common idea, and that we were going to do it across stages, that we were going to do it in different ways.
>
> And by the way, we were going to be really close, meaningful partners to companies across those journeys. And we've obviously sharpened the language around that. But even if you look back at a $40 million fund, we were doing growth rounds in Instagram; our $150 million fund, we were doing growth rounds in Spotify and Twitch and Slack and Stripe and GitHub. The core DNA of what our strategy was—even from the outside world, you would have looked at us and said, oh, that's a seed/Series A fund in New York City, and they're building

something around that.

And that was the energy that first attracted me to Thrive. I was working at Blackstone, a large private equity firm at the time, when I reconnected with Josh. Actually, the first time I really spent time with Josh—we both went to school at Harvard—I was a senior in undergrad, and he was actually at the business school at the time. And it was finals, and all the undergrad libraries were so full. And I was like, where could there be an empty place to study? And I was like, probably the business school library. And so I went around the river, and I was right.

It was empty except for one person. It was Josh. And he was starting to think about the idea of Thrive, and we connected on it. I didn't totally connect the dots at the time, but he and I started to chat and realized all the mutual friends we had.

And then we reconnected a few years later when I was at Blackstone, and the vision of Thrive was coming through. And again, it wasn't crystal clear in the way that a lot of these stories can be, even at the earliest moments. But there was the idea of Oscar and transforming an industry, and I spent a lot of time in healthcare and financial services, so that deeply resonated with me. It was the idea that tech was going to transform every industry, and there was this big sweeping force, this tidal wave that was going to come through.

And so to see that energy and passion from someone who was young at the time—I think 27 or 28; he started Thrive when he was 26—and as a 25-year-old coming from a great institution like Blackstone but feeling that we were with these big companies but maybe not the world-changing companies, I got sucked into the Oscar orbit, got more excited about Thrive, and then joined ten years ago.

And we've been able to do things in a different way. And I think we've been able to be very pure in our mission to back these category-defining companies with long-term tailwinds. And while I say that strategy, I know a lot of investors might listen and be like, 'Of course we want to back category-defining companies that are amazing with great founders.' But if you're fine investing in good and great companies—it's not an insult—it's just if you're fine just investing meaningfully in a company because it might be a 2.5x or it might be a 3x, it actually dilutes your thinking and your aperture to be able to identify these really great, iconic companies that are about to change the face of the industry.

Or you might just be spending time on something else. Actually, a silly anecdote that just came to mind. But my wife Raquel and I—we have three kids. Our oldest son, Raph, is five years old. And I saw an awesome orange bird fly past our window, and I was like, 'Oh, Raph, let's go look at it outside.' And so we couldn't place it right away. And I'm looking for a minute or two, and as five-year-old boys do, they get distracted. And he started chasing some bugs and then a butterfly.

And then I saw the bird again. I was like, 'Oh, Raph.' And I look back and he's not there. He had run around the corner to chase a lizard, and he missed it. And obviously lizards are cool, and that was fun that he got to chase that, but he obviously missed a bird that we don't get to often see, and that was pretty rare.

And sometimes I think it's like that with investing, where you could spend all your time looking at good deals, interesting things, but because you're spending all your time there, you might miss that rare thing that really shapes the industry and financially actually defines a lot of the returns that play out.

> Even to put quantitative numbers to that, we'd actually run this internal analysis here at Thrive. And if we looked at when Thrive was founded, and we ran it up to about five years ago so that the cohort of companies could mature, there was 120,000 companies that were founded in that period. And then of those companies, I think 3,000 or so are now worth $500 million, 2,000 are worth more than a billion. But when we looked at that list, we'd probably count 100 to maybe 200 as real category-defining companies.
>
> And so all those 3,000 companies, all those 2,000 companies, those are probably good or great companies. Smart investors think that they're going to make a return on it. But just mathematically, if you spend equal time trying to chase those opportunities as those 100 or 200 companies, you'd spend 95% of your time on those deals.
>
> I think that very deliberate decision from the early days of Thrive, when I joined through today, has been one of the things that has really carried us through and has allowed us to do what we want. And I think over time, as we've gotten the words, we've set up a structure at Thrive that I think allows us to execute on that strategy. Strategy without structure, I think, doesn't allow you to actually push forward on that mission.

Thrive's Remarkable Growth and Success

Patrick

I'm going to ask about that last thing before returning to category defining because I'm worried that we're going to go off on a half-hour sidewinder—I hope we do. When you say the firm has changed and matured to better be able to handle—and we were talking about this before recording—that in the last X period of time, it feels like there's this new alignment and maturity of the business and the ability to go after this in the most fulsome way. Maybe just describe what that literally means. What did you do to change it so that you're better equipped to handle these kinds of companies and supporting them now?

> **Kareem**
>
> Absolutely. And I think this has been a deliberate decision as we've grown. Because when we were first a small fund, we were a small team, and everyone's heroing it and figuring it out as we went. And we kind of reacted to what's happening. And then as our fund size grew, I think we had to make some really intentional decisions to maintain that purity of mission that we were committed to pursuing.
>
> A lot of things make Thrive special. But if I had to really summarize it, I think it falls into four pillars. The first is that we're committed to being generalists; we're committed to being lifecycle investors; concentrated in our investments; and builders. The last point is a mentality that flows through all of Thrive.
>
> On the generalist point, this is really the idea that we're not going to constrain ourselves to certain sectors or spaces, even though sometimes there's a pull to do that because it's neat to put these things in boxes. And it really stems from the fact that we don't think technology moves uniformly through every industry at the same speed at the same time. If you look at social networks from 2005 to, I don't know, 2012, some of the largest companies were created in that period. And then since then, I don't know if there's been a single large social network created.
>
> And so that would have been a flourishing time. You could have raised your hand, started a social network fund—I'm sure someone did—and then you would have had a decade-plus where you had no investments to make. Fintech, where I spend a lot of time, was in a really

flourishing period between probably 2010 and 2015, where all these iconic consumer fintech companies got started, like Nubank, Affirm, Robinhood, Square, and Venmo. And honestly, it's been a little quieter on the consumer fintech side.

And so you see these ebbs and flows of markets. And so again, if we're committed to backing category-defining companies, pre-allocating a lot of our dollars to certain sectors or certain spaces before we know what the real winds of change are going to be—because no company is big enough to create its wave or create a market; great companies ride these big, enduring tailwinds that can go for a long period of time, similar to how Stripe has ridden the e-commerce wave—that's a 30-year tailwind that's going to continue to go, and we could probably see that going for another few decades.

And so this idea of being generalists—again, not that the firm is being generalist, but the individuals are—so that we're flexible and nimble to move across opportunities, I think has been an intentional decision that we've maintained throughout that's allowed us to pursue this mission.

I think the second thing, being lifecycle investors—which more commonly known would probably be multistage—I think it's the idea that we're not here to invest in Series A companies or Series C companies; we're here to invest in great companies, period. And if we're going to be a great thought partner to founders who are building a company, then we need to be able to understand the whole lifecycle of a business. And so again, this isn't—we have a growth team and we have an early team. We also co-found and build companies; we don't have a separate team for that. It's really that every investor is trained to really think about what a lifecycle looks like for a great company.

And that's really important even at the early stages, because the DNA of the company is really set in those founding moments where you set the team, you set the vision, you set the prioritization. And I think it's something that founders are expecting more and more of, because even from day one, they're planning for a decade-long business arc, because they've seen what Amazon's done, and they've seen what Facebook's done, and they've seen what Stripe's done, and they want to build the next one.

And so to have an investor who's able to see that with them—not one whose vision ends at a Series A or ends at a Series B, and then you've got to go pass that along—but that can be in the trenches and scale with the founder as the founder needs to scale is something that I think we've built.

And then the point on concentration, which I think is pretty counter to how people classically think of venture, which is make 100 bets, hope that three of them work, and they forgive all your sins. We've just taken a different approach. And again, someone could probably convince me mathematically that the other one is better, but I just think we want to be high-conviction when we meaningfully invest. And we think concentration drives conviction, which is better decision-making. But also, I think it sets us up to support companies in a more intimate and deep way.

I mentioned we want to back category-defining companies. The second part of that is being the most meaningful partner. If we have 1,000 portfolio companies, it's just impossible to do that. When we have a narrow set—and if you look at most of our funds, the vast majority of our capital is concentrated in 15 names—so we're talking about dozens of companies that we're really leaning in to support; we're able to be there in it with them.

I also think there's an important emotional component that's hard to separate, because for

> the founder building a company, this is everything for them. They put all the chips on the table to go build this. To have an investor who's like, "This is one of a bunch of bets; if it works, amazing; if it doesn't, I'll be fine," I think being concentrated binds us a little bit closer to the founder, to really be in it, in the highs and the lows with them. And I think we just enjoy that.
>
> It feels much more aligned. It feels like we're really part of what they're building, and that's just not speaking financially. We're committed to you in a way that we've burned the boats, for lack of a better word. And I think the last thing on the builder's mentality, which drives a lot of aspects, it's really around this idea that yes, we literally build companies, so we co-found things.
>
> And that gives the DNA, I think, to be better thought partners. I've personally been a part of starting four companies here at Thrive, and that's really helped me mature and be a better thought partner to the companies I work with. But we also think about building Thrive, which I think historically maybe hasn't been a mentality in venture. I think a lot of times it's romanticized that it's only a handful of partners in a room, and that's just how it's done.
>
> And I think that can work for some people, but I think we've learned a lot from our founders in seeing some of the best companies operate and thinking, "Why don't we apply that to Thrive?" And so I think that's allowed us to improve every dimension of what we do. It's allowed us to expand our capabilities to support founders in new ways, to really be in the trenches with them and support them across all the important functions of business building. And I think it's allowed us to constantly challenge what we're doing.
>
> So we almost reject this idea that things are static here and that the mission's going to stay constant. I feel confident that we've thought of a structure that I think hopefully keeps us loyal to that mission and the journey for the next decade to come, as it's done for the last one. But the how of we're going to do that, I think, evolves over time, and that's a big part of constantly challenging here, constantly needing to improve. One of our values is "There's no such thing as perfection, just the pursuit of it." I think that's a mentality that comes through in lots of the ways that we approach building Thrive.

How Thrive Constructs Portfolios

Patrick

One of the things that has surprised me about learning the history of the business is the nature of portfolio construction, even in the very small funds, and that you were doing these growth rounds. Still, we have to talk about the fact that you just raised a huge fund, I think $5 billion or so total, which is big. That's a lot of capital to deploy. Obviously, then people can Google and find some of the interesting companies like OpenAI and others, where you've been a huge—talk about 'most meaningful partner'—like a huge partner to these businesses that certainly so far seem to be defining categories.

Again, we'll come back to that. Maybe just talk about how the feeling is different to you because you've been here a long time with Josh doing the same thing, but having a $5 million checkbook versus a $150 million checkbook must feel radically different. So what changes? I know you're going after the same kinds of companies, but the scale is just so different.

So what is the difference in feeling to you and what it unlocks?

> **Kareem**

I know my answer is going to sound silly because, when you frame it—you started with $40 million, now you have $5 billion—it's got to feel different. A big part is that we just have felt underpowered relative to our vision to really support companies through this journey. Some examples: we've been investors in Stripe for over a decade. We were able to support and lead a $7 billion round right after COVID; we invested nearly $2 billion between us and our LPs to support that company in a crucial moment.

We've been investors for over a decade, and we're excited to continue to do that. Ramp, a company we've been invested in since the Series B, similarly, after COVID we were able to lead a round and support the business. You mentioned OpenAI; we've supported that company through multiple rounds and been partners with the company through multiple rounds. And so I think as we look at it, the strategy has been the same.

We've just not been able to support in the fullest sense that we've wanted to and really concentrate in these category-defining names. I think, if anything, maybe the feeling that's a little bit different is it's just hit viscerally how few great companies there are. And so when you start investing, you know that—everyone knows the power law, everyone can recite the power law—but you're out there and you see good opportunities. Or maybe it's a good deal.

I think one of the worst traps in venture is a good deal, because you look at it and you think you can put it on paper and it's going to play out the way you hoped, but then you step out. That business building is really hard. And sometimes these small ideas, while they seem really tractable, small ideas have lots of competition. And the opportunity to go after big things, and the companies that are able to get that scale, there are not that many.

So maybe let's say ten to twenty in any given year. You start to feel that a little bit viscerally. And so I think we'll probably have more confidence when we see that than we did when we first started at Thrive. And so maybe that's given us more confidence to lean in the big ways that we've had support across multiple funds.

And so as we're talking out, that's probably the biggest sense of feeling, is you never want to believe in your abilities too much. You want to constantly be challenging and questioning that. But I think rightly, through some experience, I think we have a little bit more confidence when we see it and we want to lean in in bigger ways with those founders.

Patrick

What does it feel like? Or what do you know about a company that you've invested in, let's say three times or something, going to raise money again? And there's lots of great investors out there that a great company especially probably can pick from. What do you feel are the sorts of things that you tend to know about companies that a brand new investor simply couldn't?

I guess this is my way of asking the value of the lifecycle approach, because private markets are this great thing where you're allowed to have proprietary private information very different than public markets. Give us a peek into what that's like and what sorts of things you learn as a longtime investor that a new one just couldn't know.

Kareem

I think the big thing is it brings the pitch deck to life. Everything looks great in a PowerPoint, everything looks great in a slide. And the reality is the great iconic companies usually have two things. One is that their core engine can go for a long time.

And when you're looking at a pitch deck, you're looking at a company at its prettiest moment. Everything's been dressed up, everyone's been prepped, the pitch has been rehearsed 100 times. And I think there's a rawness in being a partner to the company that we're able to see what's happening. And when you look at the core engine, when we're inside a company—and I don't mean this in an insulting way—but when things aren't going perfectly but the metrics look amazing, that to us is a great signal because there's such a pull in the market that you didn't have to be perfect, you didn't have to be optimized. Sometimes we call it margin for forgiveness.

Patrick

We call this busted but booming.

Kareem

Yeah, there we go. Busted but booming. I love that. But that just means that the market is there in a way that the company doesn't have to be perfect. And so the founders are great; it's just the market's willing to pull ahead of them, getting to the roadmap, getting to their plans, getting to launch that. And when we see that, we know there's a lot of room to run.

And it's hard to have that feeling and texture without being close to the company. So that's something that we index to. The second thing is usually multiple acts. Seeing how the team's executed, how they're moving towards those, their ability to launch new products, scale new products—that's something where we get a little bit more texture being close by.

Going back to some of the examples we're talking about with Stripe and Ramp, we're close and we understand what they're launching, we know what's happening, we know what the initial customer pull is. We've seen Ramp execute and launch product after product. We know their roadmap, we know their ability to be able to push this to their customers. We see how customers respond.

And those are all things that, when we see, gives us a lot more confidence in a way that's really hard to tell from a pitch deck or a first-time meeting with a founder. The other thing about being lifecycle investors, and also just being the individuals, even when we don't invest, being able to have seen a founder from the Seed, Series A, Series B, and then maybe we'll invest in the Series C, we get a chance to invest behind a line and not a moment in time because you're able to connect the dots, see how they've evolved, see how they've grown, see how they've delivered on what they were going to do.

When we talk about wanting to invest through the lifecycle of companies, we really anchor to be as early as possible when we co-found companies. So we meet lots of founders even before they have a pitch deck or an idea, because we might build something together.

We've done it over a dozen times here at Thrive. But as we see that journey gives us much more confidence to lean in in a concentrated way. Because to that point, we don't view investing as like an option call or a lottery ticket, as sometimes early-stage investing could be. We're going to be emotionally invested in this.

We're going to invest meaningfully from a capital standpoint and lean in. Being able to see people multiple times, I think really helps confirm that this is a founder that we want to be in lockstep with for hopefully the next decade.

Category-Defining Companies

Patrick

I want to talk a lot about this line that separates the top hundred or two companies—the category definers—from whatever that next group is. Maybe there's some great or very good companies in that next category, but it seems like being able to be on one side or the other of that line is the game that you're playing. So maybe break down for us, in as many ways as you can, what category-defining actually means, because, yeah, of course I want to be in those ones, but the pursuit of that that you've honed over a long time is pretty singular here. So just define that for us in a whole bunch of ways.

> **Kareem**
>
> I don't think you can talk about these great investments without talking about the founders. They're the heroes of the story. They're the ones that create and push boundaries and push farther than our imagination, and so it really comes with one: does the founder have a big vision to start? Because the idea that small ideas have lots of competition.
>
> When a founder comes in and lays to you a big vision, it just rewires the way you used to think about the world. It really hits you. It feels fresh, it feels different, because you see lots of pitches that look similar, that play out. I think a couple years ago, famously, we saw so many SaaS companies being pitched just across the board, every vertical.
>
> That's not an insult to the category, but I think there's a moment in time where that just felt so easy that we just saw so much of it. And so the first is a founder who's willing to zoom out, rewire your way of how you're gonna think about the world, but also can get into the details and connect the dots of what that's gonna look like. And a big vision without a plan is just a fantasy. And so, famous example, SpaceX.
>
> We wanna go to Mars. Amazing. Well, you're starting to see how all those steps have been planned out over two decades of first being able to launch into orbit, and now we have Starlink and all the things that they're building. On top of that, we have another company in our portfolio, Formation Bio.
>
> They're a full-stack pharma company. We invested with them in the early days, but even then, when they were just a patient recruitment company, they laid out these steps to be a site manager, to be a CRO, to bring in therapeutic assets that they're going to run by themselves. Okay, we're going to commercialize it. And so $600 million later, they're building along that journey.
>
> But the seeds were there day one, and there were the clear steps to go do that. I also think it needs founders, too. I don't know what the exact word is, but they almost have an unreasonableness, like a mutation in them that makes them uncompromising around some dimension that you wouldn't necessarily expect, but makes the company really special. For Stripe, Patrick and John Collison—I mean, just a push to simplicity.
>
> How do you take something so complex and arcane as payments, make it as simple as possible for developers? Ramp—we've been talking about—but the velocity and just the speed to kind of push: we're going to be uncompromising about responding to customer needs. I saw them post recently. They responded from a customer request to a new product feature in 5 hours.
>
> I mean, that's just where there's being relentless and uncompromising about doing that. I mean, that even scales outside of tech founders. Costco is just unreasonable at giving value back to the customer. I love that they make fun of the CEO there for refusing to change the price of the hot dog and the soda, because I think it's just so emblematic of what they're delivering to the customer.

And we're going to be uncompromising about that, even though we know we're probably losing money on this hot dog and soda for $1.50 or whatever it is today. I love that. And so we see that in a lot of our companies. Actually, a fun anecdote about Robinhood.

When we invested, they were only an equity platform and had this meeting to talk about all the other things that they were going to launch. And one of the things we had on the page was, well, there's all these robo-advisors that seem to be getting traction. You should just bundle that into the product. And the reaction was interesting because they were like, no, if we're going to do something, it's got to shock the consumer.

And that was just so core to their DNA, these really frictionless, amazing value products. When they first launched, obviously they shocked the consumer. Zero-dollar trading, no one could believe it. Everyone's like, how are they going to make money?

And obviously they had a plan and they delivered on that. And it persists to the company today where they launched a credit card and it's 3% cash back and no one can believe it. And those are some of the unreasonableness that these founders bring. I think you can have it across one or two dimensions.

If you have too many mutations, you become an alien and no one knows how to work with you. But we usually see some of that really shine through. And then to the separate point on market, I think there's a couple things that really show up. As we look at categories—back to this point—that no company is big enough to create its own wave.

We really need to see change happening in a market. And ideally it's not a ripple, it's going to be a tidal wave, especially when it's a new market that we haven't seen before. It's hard to tell for sure, but we're really looking for, obviously, one scale of vision. Some things just hit you as big, some feel small, but then you're also looking for the velocity of the market in those early moments to tell you how long it's going to run.

A couple years ago, when we're looking at AI, obviously the market was small, but you just saw the pull. And obviously it wasn't hard to imagine how all of work wasn't going to change this way. And so we're not going to get the forecast in 2030, right? But you just look at the pull of the market and you can imagine it being very large.

The famous example of Uber, where everyone undersized the market, because, again, these new markets are hard to predict. But if you looked at Uber, it was growing insanely fast. So this idea that it was going to be capped by whatever it was, a billion-dollar taxi market, made no sense. Something growing that fast isn't going to be so constrained.

And then if you zoomed out a bit, if you looked at tangential markets, well, transportation is a massive market. And so we look at it—is there speed in the market? And is there obvious tangential areas of spend that could be represented in what's happening? And then some categories I think are a little easier to define and think about, which are these old categories that can be turned over—financial services.

Well, we can look at the banking sector, we can look at the brokerage sector, we can look at the credit card sector and get a thought about that. Or the healthcare market, where obviously we can look at where all the spend's going. I just think what's really important when we look at these old defined markets, even though it's more appealing because we can neatly put it in a box or put in an investment memo how big it is, is this emphasis on where's the change in the market. Our partner, Miles, has a good line: 'Startups need to be change-seeking.'

> And I think where it really comes from is startups have so many disadvantages. They have less capital, they have fewer resources, they have fewer people, they have less time, honestly, to go after these markets. And so they need it to be changing so that the incumbents, especially in these more calcified large markets, have less to be able to compete with them on. They need change, and so we really pay attention to what is the change catalyst that's going to drive it in a given market.
>
> Because if you look at Amazon and how they beat Barnes and Noble, if in a different narrative, in an alternative universe, Amazon just built bookstores, I think they would have lost to Barnes and Noble, despite how smart those people are, because Barnes and Noble has been doing that for a long time. People are really good at that and they have a lot of resources pointed at that. I think Netflix would have lost to Blockbuster if they just decided they were going to build a bunch of stores and rent DVDs and videos, because Blockbuster was very good at that. They had it really honed in.
>
> So that's something that we really look for again. What's the change that's happening, especially if it's these well-established markets that have incumbents.

A Look Inside Investment Meetings

Patrick

Can you bring us into the room and tell us what it's like for a very small nine-person investment team to deliberate about companies around this specific question: is this, yes or no, the potential to be a category-definer? What is the nature of those conversations? When do they happen? Who's in them? How are they structured?

It's quite interesting to me, and I'm sure there's a cost to this. You can't see everything in the world with nine people, but again, you're looking for the one or two hundred. So maybe it's well-matched. But I really would love to understand what it's like to be in that room for those discussions and the sorts of things that you keep finding yourself talking about.

> **Kareem**
>
> I think it's an interesting blend of right- and left-brain thinking, which I call out because I think people think about investors and say, 'Oh, left-brain, quantitative.' But I think you'd be surprised at the creativity and elements that shine through.
>
> I think internally we refer to it as a blend of East Coast and West Coast thinking. Thrive's based in New York City—that's really important to the roots. I think it led to a lot of independent thinking, but we have a deep admiration and passion for creativity.
>
> These big projects, these magical products that can transform an industry—which I think the West Coast and Silicon Valley have famously invested aggressively behind—have created some of the greatest innovations that we see today. And so if you're in the room with us, I think you'd be surprised at how much we lean into the creativity, the magic that's being built. Even though we're looking at seed and Series A companies, we're trying to imagine the world five or ten years from now—not just the next one or two years.
>
> A lot of times the conversation will be like, 'Okay, I see where the next two years are going to go, but ten years from now, how's this company going to look? How's the S-1 going to read? How are the big incumbents going to respond? How could this be one product and become a platform over time?' This approach gets us to imagine, to believe. If the founder's in the room with us, we're starting to dream with them in the pitch and see: do we have

alignment around where this is going to go? Can we see the future together? Do we see the steps that can get us on that journey? And are we inspired by that?

I think when we look at that room, and the more animated it is, the more creative it is, I think the better investment decision we're going to make. I know I keep repeating it, but the small ideas attract a lot of competition. There's something fresh about the big ideas that, when they come into a room, I think get people excited.

And I think so qualitatively, we lean heavily there, and then we're obviously investors. So then we think quantitatively: okay, this narrative plays out the way that we see, are we going to be rewarded for this investment in the way that makes sense, for the risk that we're going to take, for the effort that we're going to put into this journey?

I think the second thing that's interesting is I think you'd be surprised by the directness in the investment conversation that we have in the room. I've only been a part of one other investment firm, but I've talked to lots of people at other investment firms, and you get the sense that investment committees are more political than they actually are truth-seeking, because, trying to make this pitch, you're really trying to get permission to go make an investment.

And I look at that and say, 'What a wasted opportunity to not really leverage the brainpower of your partners—the people, presumably, that you think most highly of in the world, in the space that you're operating within and understand you so well—to not really get their full, unvarnished view about what you're doing and to be vulnerable in the room to have unfiltered feedback through that.'

And so a lot of times, it's not that we're asking for permission; we're inviting participation in our journey to go make the best decision. And I think we're able to set that up because precisely we do have a small team; one, we have deep relationships with each other, so we know that any ideas aren't personal. We're really all just trying to achieve the same goal together, and we can engage the substance on the page without the person feeling personally attacked in that.

I think the second thing is this idea of not asking for permission. Well, because we're small and we have a lot of trust with each other, I'm going into that room knowing I can do the deal if I want to do the deal, because that's how much trust we have. There are not that many of us, but I'm excited to get the feedback of my partners to help me make the right decision, and they're willing to push me that way. I just went through that this morning on a deal, and just the process and the vulnerability helped. I even walked into the room sharing a little bit of, 'Hey, this is where I'm thinking, and this is where I'm honestly very conflicted,' which the more I understand is pretty rare.

I think the last thing that's kind of interesting at Thrive is, obviously we're an investment firm, but there's so many contributions from people who aren't investors at Thrive. And I think it really adds a richness to the conversation. And it's funny because a lot of investment firms are mostly just investors, but if we looked at a startup and it was a product company and all there were was engineers, you probably would say that's not going to be the best-executing company. And of course it's a product company; you've got to go build that. But the finance team and the sales team and the communications team and all those elements really come together to create a symphony and play music together in a way that's special.

And I think one of the things we've really benefited from by having an impact team and having world-class operators across finance and talent and data and communications and

> research is that we have contributions in a much richer color to these companies.
>
> For the deal I was talking about this morning, Anuj, who leads a lot of our portfolio impact and leads a lot of the product managers and engineers here, spent over 30 hours with the founder working through different things over the course of months, being invited to help them think through different dimensions, been able to get insights from people who've operated in certain dimensions. And those opinions, I think, add a richness to the conversation.
>
> I think the best representation of that is also Nitin, who's our executive chairman. He was the dean of HBS for over a decade. He's a confidant, mentor, thought partner to so many of the leaders, and brings in such a richness of case studies to all our conversations that really enhances it.
>
> Some of my favorite moments are when we're having an intense debate in the room, and you'll just see a smile go across Nitin's face because clearly he understands some case or some market, or has seen it a hundred times, and we're really struggling with it because we think it's the first time this has happened in the world. And just his insight that he can drop in that situation makes it even more tangible.
>
> When we were looking at Ramp at the time, you had companies like Ramp and Brex and Divvy and five or ten other players—lots of corporate cards in the market. And we were excited about Ramp, not just because they were a corporate card, but because their vision to automate finance and all the elements and the products they were going to launch over time. And the North Star felt different than every other company that was maybe focused on easy access to credit or rewards.
>
> And so we're debating, 'How's this market going to play out? There are going to be ten people in this market forever; how's it going to go?' And Nitin just goes, 'It's going to be three companies, and one of them is going to get acquired. This is just the nature of consolidation in markets.' And lo and behold, a couple of years later, there were three companies with Brex, Ramp, and Divvy, and Divvy got acquired by Bill.com. Having that insight in the room, I think, really added a texture to the conversation.
>
> And so I think the other thing is, I think you'd be surprised by the nature of the conversation, the contributions from people who aren't just investors. That adds a richness to the decision-making in the debate.

Finding the Categories and Companies that Matter

Patrick

Can we zoom in on the changing nature of, I guess, the categories or the types of companies that seem to be attracting the most extreme talent, or people with the biggest ideas for how the world should change? Because it just feels like things have graduated from software. And that was, for so long, the vast majority of time and attention that was spent by investors of your type was in software businesses. And software did eat the world.

I don't know about you, but I've had this experience recently where we build software for ourselves. And this thing is three people building it, and it's so good and so perfectly wrapped around what we need that it's hard to imagine that in five years or ten years, everyone's not just building their own, with all these tools that are becoming available through AI, et cetera. And now there seem to be way more super capital-intensive, massive scope of ambition projects, whole new fields. We'll talk about healthcare.

But the nature of the categories that matter seems to have changed quite a bit. Could you just riff on what your view on that change is and how you see it or how you feel it?

> **Kareem**
>
> Yeah, I think you articulated it really well. People just want to work on real problems. They want to work on things that, if it works, are going to have impact in the world, are going to feel meaningful. And I think maybe we lost sight of that over the last couple of years because it was just too easy to build a company.
>
> Everyone kind of wanted to launch something. Every employee at a corporation had a corporate card that they could just buy some piece of software. 'And I want a calendar app that's blue instead of red, so that's why I'm going to pick this one.' And that just, I think, deluded us or confused us from what actually would be meaningful in the world.
>
> And so we looked at revenue traction and said, that's a great company. And when you step back, great companies solve big problems. And I think that people are being grounded back into that. And we're coming out of the lead-up to COVID and the rise-up of all these tech companies and the ease of capital that went around.
>
> And now people, I think, are reflecting, like, what do I want to work on? What's meaningful? What do I want to talk about with my families? What am I going to feel proud about in ten years?
>
> And I think the great thing about that is usually also those align with great financial outcomes because you end up banding together a really talented team. Again, these big problems sometimes seem scary, but I actually think it's probably easier to go build because you end up attracting way better talent. I'm glad that the market's catching up now that capital is actually going to these great ideas instead of being crowded out by SaaS. Also, when you're working on these things, there's less competition.
>
> And so to the extent you're able to succeed in what you want to do, you're in a position to go capture that value, whether because you're the only person. SpaceX, famously, they don't really have competition. And to date, I know some people are inspired now by what they've seen with SpaceX, but they were building for two decades. No one was really paying attention to them.
>
> What it seemed like they're doing is crazy. And now they've built almost an insurmountable lead, in our view, to go do that. I think more companies are starting to think like that, like an Anduril, like an OpenAI. Companies that have a long-term vision, they're going after these crazy problems which the first couple of years people are like, no way you could sell defense to the government or no way you can achieve AGI.
>
> That just seems crazy and a fantasy, and in 2050, not 2030. And then these companies quietly build, as OpenAI has done since being founded in 2015, and then they have these light bulb moments and then everyone's playing catch-up. And so that's exciting to us. And it's something that we love to lean into.
>
> We love that more founders are doing. It's been part of our DNA from the beginning. I think being based in New York, we were backing some of these more service, capital-intensive businesses, whether it was Josh starting Oscar or us starting a PBM in Rightway to go after the big three PBMs that control 80% of the market and have 200 billion of enterprise value, or backing a lot of the fintech companies, where you had to have a balance sheet or you're

> regulated, like a Robinhood or Affirm or Nubank. And so those things were scary to people, and we kind of leaned into it, and we've seen how that's played out.
>
> And I'm just excited that more and more of the market's going there. And we're realizing that a hard thing, a capital thing, might actually not be a bug but a feature of a great opportunity.

Patrick

There's this interesting challenge. Let's say there's 100, just to make a round number, category-defining companies out there in private markets right now. If you went and asked a bunch of smart investors, what are the 100, there'd be a decent amount of overlap for sure. At some point, no one would say SpaceX is not a category-defining company, or Stripe, or all these names that you've mentioned, honestly, obviously.

At some point, they weren't, and then they became one. And of course, you want to be in there earlier, but you continue to invest as they continue to dominate. So what is it that creates the return opportunity, in your opinion? Is it access?

Because access is scarce to these companies; they only raise so much money from so many investors. Is it better understanding and knowledge? Do markets underprice category-defining-ness? Where does the alpha remain before it tips into beta for that group of 100?

> **Kareem**
>
> I think it's two things. One is what you called out. I think the market underappreciates the scale of where these opportunities can go. I think if we went back a decade ago and I asked you if there was going to be a trillion-dollar company, you'd say no way.
>
> And then if I asked you five years ago if there should be a $3 trillion company, you would laugh and say no way. And I think we have three of them now. And so I think we're underestimating the impact and the transformation and the returns to scale of a lot of these companies. Talk about Stripe.
>
> We're looking at the round we led after COVID. Stripe has been working at it for over a decade. It's this really established company. It's a category leader. You go look at their market share, and I think it was like 2% to 3% globally.
>
> And if I tell you that more things can be bought online versus less things, you'd say absolutely. Even then, e-commerce's 30-year trend—we're 20% penetrated. And so you just look at that—is that 2% or 3% market share for Stripe going to go to 5%, going to go to 8%? But I think we struggle at some of these high absolute numbers to visualize that and how it's going to play out.
>
> I think the second thing that I think is underappreciated in the market, and I think is an advantage to us as both being early-stage and lifecycle investors, is the opportunity for a lot of these tech companies to take a product and build a platform. And I think being in the weeds with this company, understanding all those details, I think is a different muscle and mind than historically traditional finance investors who know how to read a P&L, who know how to value the cash flows of a future company, but maybe underappreciate the strategic placement of a company and all the things that are going to come from that over time.
>
> And so we've seen those journeys with some of the first wave of these companies. Obviously, Amazon's become much bigger than it ever was. Meta—or Facebook—has evolved in multiple dimensions. Google's evolved in multiple dimensions. More recent

> companies like ServiceNow or Atlassian. You just see the compounding of layering on products. And even though we've seen that narrative a few times, I still think people really underappreciate that.
>
> And I think it's part of our early-stage lens that we're able to sit with the founder, we're able to see the vision, we're able to think about the product surface area where they sit, the data gravity that they might have, the workflow and the engagement they might have, and what does that create over time. I think it was a big part of our insight into GitHub where it was clear they were dominant in the developer community, but we just thought it was a really strategic place to play, one because developers were going to grow.
>
> Everyone was forecasting, I don't know, 5% growth for developers. Well, we just knew that everything was going to be built in a digital way, so that just didn't resonate or sit qualitatively with us. But on top of that, you just sat in a place where code was being created and collaborated on. What are all the downstream things that are going to be created from that?
>
> And I think you fast forward—obviously it was acquired by Microsoft—and it became an important strategic asset in terms of launching things in the cloud and all the downstream things that would come from owning the developer relationship.

Distinguishing Greatness from Fool's Gold

Patrick

There's a question here about how shocking it is. It's a very small handful of companies. Let's take OpenAI and SpaceX as two examples, which are enormous in terms of their market caps. They're quite large in terms of their revenue and crazy in terms of their growth rates. But somehow they feel kind of early.

I know SpaceX better than OpenAI, but the people that I know who are some of the best investors I know that are big SpaceX investors—they all say the same thing, which is this thing is chronically undervalued. And it's really interesting. I don't think there was another point in time when you had these, whatever, $200 billion companies, which felt like almost immature, and how to think about underwriting those ones especially—I don't know what to call them as a category—feels like an important challenge to solve.

How do you underwrite SpaceX or OpenAI in a differentiated way? And does it require you to think something about markets in general that's different to do so?

> **Kareem**
>
> I think there's two things there. I think we look at these companies, and I think our gut reaction is $200 billion valuation, a $50 billion valuation, $100 billion valuation. Oh man, that's so big. How could it get bigger from here? But I think we're just anchored to the past. And the reality is we're underestimating the ability for technology to transform every industry.
>
> And so we just look at that and say, yes, these feel like high absolute numbers, but if you look under the hood, you'd say, wow, we're still really early in some of these trends. I think with SpaceX, it's the same thing; it's almost hard to quantify where these things are going to go. And so we even look at the core and say, yes, they've accomplished a lot, but they've opened up a new frontier that really has no headwinds.

> Yes, a launch company, but they've launched Starlink, and I think they're going to reshape what telecommunications looks like. And again, we'll look at that because it's just so impressive and then try to put a cap on SpaceX. But I would be shocked if that's the last product that they launch. We're going to see more and more, and because of the scale of the platform they've built, the ability to launch so many things into space and start to open up in our imagination in ways that we don't know, we're going to see more and more built on that.
>
> And I think similarly with OpenAI, I think it's easy to put a ceiling on OpenAI because it's so impressive. But come on, it's been two years since they've launched a product. To say that there's a ceiling on the company to just try to cap what we're looking at now doesn't really resonate. It's like being in '97 and the Internet and thinking you know what it's going to look like. We're just seeing the pull so aggressively in the market.
>
> A company that's innovating—the idea that their innovation is just going to stop because we're so impressed about where it is today—I think is some people's natural reaction, but that wouldn't make any sense. Or that we've seen the boom in AI and we got the hype, and of course things aren't going to always translate on a perfect line and there's going to be overhyped cycles. But to say we've thought of most of the use cases in AI is just ridiculous as well.
>
> And so it's a very selective group of companies that we'll be investing in at these really high valuations. But to your point, it feels early; it feels like we're investing in these innovative companies that still have a long way to go. And that's what gets us excited to invest in these companies, even at these valuations.

Patrick

What are examples of—you don't have to name them—but things behind the names of fool's gold, where you thought something for sure was going to define a category, maybe even ideally later in its journey, and then it ultimately did not. Is there any common pattern across those, or is it different in each circumstance that you can imagine?

> **Kareem**
>
> That's a good question. I think the big thing is honestly the quality of the market. And so what I mean by that is if you think it's fool's gold, it's probably growing really quickly. I mean, that's the first tell—is this thing exciting?
>
> So we see businesses that are growing really quickly. And so I think the second question is, what's the durability of this tailwind, and what's the quality of the end market? And that seems obvious to say, but I think for a while we got away from thinking about that because so many of the tech businesses being created were just automatically great companies.
>
> And some of these companies didn't look great. Then they got to big scale, and there was a pot of gold at the end of the rainbow. Like Google just scaled, and then, wow, search has money. And Facebook, where it's like we're just going to scale the network, we're going to grow, grow, grow, and then money's going to pop out of the other side.
>
> And that's what happened. And then also we're back in a lot of SaaS companies where, just inherently, the business model was advantaged. And so we just—you didn't really think about how all the things line up. I think when you look at some companies, especially ones that are technology-enabled services companies playing in traditional sectors, what is the quality of the end market, and how is that going to play out?

> Because you can't escape the genetics of the business at the end of the day. And the genetics of the market.

Patrick

What makes for high- and low-quality markets? What would be the characteristics of...

> **Kareem**
>
> So, I mean, obviously you have the classic five forces in all these different dimensions. I think, to speak at a high level, I think, one, you obviously need to believe in the defensibility and the moats of what exists. Obviously, that creates the margin that you can go capture. I think the second thing is the stickiness and the loyalty of the customers, and part of that's product, part of that's market.
>
> But are you the most important thing that these customers work with? Or are you number five or seven on a priority list, which I think gives you the right of first refusal to build a lot of things over time. And I think fundamentally, just again, the unit economics of how these things flow through—which I think we got away from because capital was cheap; we looked at the headline growth numbers. But if you really parsed it back, these businesses famously were spending a dollar to get ninety cents, and no amount of growth was going to cover what was going to happen there.
>
> And so I think when you step back, you look at it and be like, am I solving a real problem? Does that have moats to it that allows me to capture margin? And we're looking at the growth stage. Does the data support the qualitative narrative?
>
> And if you look at it and the unit economics are upside down, or the customer retention isn't great, or they're not attaching and cross-selling to new products, something in your narrative about how this is a dominant company in an exciting market isn't holding up. And that's a big part of where a quantitative check comes in. The back end is like, lay the narrative out—we're so narrative-driven because the world is changed by narratives—but does the data then support what comes through?
>
> That's a big part of us assessing the quality of the market.

A Primer on Healthcare: Problems and Solutions

Patrick

Can you explain healthcare to us?

> **Kareem**
>
> Okay, easy task.

Patrick

I'm going to leave it that broad.

> **Kareem**
>
> Yeah, well, we could start in lots of places. I mean, I think the first thing is that the problems, I think, are obvious in healthcare—you don't have to look so far to find problems. Everyone's usually had a bad experience, and it's an individual problem and it's a government problem. I mean, our government itself is probably going bankrupt with healthcare.

I think we spend over 25% of the federal budget on healthcare, and that continues to grow faster than inflation. Our employers are now spending more on healthcare than they're spending on R&D on average. And so as you look at that cycle that we're entering, it's the number one reason for consumer bankruptcy. So consumers are really struggling with it.

By some accounts, consumers are spending probably 30% of their overall income on healthcare. When you look at what their employer is contributing—which is wages that would have gone to them but now it's going to health benefits—and when you look at their taxes and where their tax dollars go, and then at the end of the day, the quality and the experience, barring some unique cancer treatments (which America is better than the rest of the world at), it's not better than the best in the world, even though we're spending so much more.

And so the problems are numerous. And we could spend this whole podcast talking about the problems. Where does it kind of stem from? I think it's kind of two dimensions.

The first is the market's not competitive, and everything is so siloed on the competition piece. Healthcare is local, and in every market there's like two or three insurers. There's one to three health systems. We talked about PBMs earlier; there's three PBMs that capture 80% of the total market.

Even on the tech side, you have one or two IT service providers that power all these health systems. And so when you don't have competition, you don't have an urgency to change. And so things just move so slowly. So we have all these problems—they're so obvious—but there's not an urgency to change because there's not competition, and there's not a mechanism for the right behaviors to be rewarded and the wrong behaviors to be punished.

And then on the silo piece, I think it slows it down a lot more because it gets harder to drive change when you're in a health system. And they might be on, I don't know, different systems and different departments, and a payer has a lot of different systems. And a big part is the industry's grown through M&A. And so you have all these acquisitions, and it just builds on itself and it just calcifies.

So you have lack of competition, and you have all these silos, makes it really hard to make progress. And then I think the other thing is, I just don't think we've been approaching the problem the right way to change it. When I think about how we've approached it as tech startups or Silicon Valley—because I think when you look at that problem and you say, 'How should we do it?'—it might look a little bit different than how we would go disrupt some other industries.

If you look at classic wisdom, the first is to build a small MVP and launch that in market. And I think the only way in this moment of time to move the needle on healthcare is to go after big problems and build big products. Because there's so many small silos that if you're just another piece in the process, you're not going to really change anything. The whole experience is still going to be slow and clunky for the consumer.

I think as we look at how we've approached that, when Josh was starting Oscar, there were two routes. We could have built software to sell to health insurance companies, or we could have built a health insurance company. I think the reality is we wouldn't have moved the needle for the consumer if we just ended up being a small part of it. Oscar is like 30 startups in one to go do what it's going to do.

And so I think if we started with a small approach, which is the classic wisdom, it would have never worked. Same with the PBM I was talking about. It's intimidating to go build a new pharmacy benefit manager. I'm sure most people don't even know what that is, but that's the way that you go access your drugs.

And it's a big, considered decision for an employer to pick a new PBM, because if it doesn't work, then your employees are going to show up on January 1 and they can't get their medicine. A lot of cases, it can be life-saving and life-threatening if that doesn't work. There is so much to go build if you're going to rewire and move someone from their existing PBM to a new PBM.

We've done it backing companies that are building full-stack pharma companies. We've done full-stack home care. We've done people rewiring the mental healthcare system. And it's because they're broad that I think gives them a chance.

I think the second thing is you got to meet the system where it is. Where I think, again, classic venture would be like, 'Forget the system; build it new. Build it from first principles. Let's go challenge the norms.'

Well, U.S. healthcare is $4.5 trillion. If it was its own economy, we're the fourth-largest economy in the world—the size of Germany. Something that big is not going to move and change that quickly, definitely not in the timeline that a startup needs. And so I think you got to go meet the system where it is today.

Go build within the system, go understand the system, and then help it evolve over time. Back to some of the co-founding points: We co-founded a company called Cadence with Chris, and it's really focused on transforming chronic diseases for elderly patients. And we monitor patients in the home daily. We have blood pressure cuffs, we have glucose monitors on these patients, and we're helping them stay healthier, engage, and have care every day versus the two days they might show up to a hospital.

Well, there are some really innovative business models we could go after to go do that, but we started—we're going to go fee-for-service, we're going to go partner with these health systems. So we're going to go work with them because all the patients are already there. We're going to go work with their physicians because they already have the relationship, and we're going to be a part of that.

We're not going to build outside the system. We're going to build in the system. We're going to get paid like the system. And I think over time, we can evolve it and get paid in new ways and innovative ways, but we got to get the scale in the system and help it evolve over time, which I think runs counter to a lot of people's initial reactions, and they just want to build outside the system.

I think the other thing that looks a little bit different is, again, a lot of advice is, well, build products for yourself, build products for your friends. And I just don't know if that's going to have the impact in healthcare. If we do that, we're going to have a lot of great products that are good for fancy tech companies or big New York firms. And that's just not going to move the needle on healthcare.

We got to build for Ohio, where I grew up. We got to build for the rest of America. And that's the only chance to go impact 100 million people. Which, if we want to move the needle on healthcare—the system that's bankrupting us, that's growing faster than inflation consistently, that's a poor consumer experience—you got to think of the order magnitude of 100 million people, and you're not going to get there building for New York and San Francisco.

A cool anecdote on this: We're early investors in a company called Headway, and we were looking at the Series A of the company, and it was small at the time. But even in that first early data—and they were only in New York City—we looked at it, and the most represented employer in their data set was the MTA, the Metropolitan Transportation Authority. And why? Because it was the biggest employer in New York.

And so we looked at that and said, wow, this is a problem for everyone. It's not just for fancy engineers or high-paying white-collar jobs. This is for all of New York City's residents. And so that gives us confidence that it's going to scale to the rest of America.

That was going to scale across all the states, and now the company is in most of the states and growing really quickly because they built a model that worked within the system, that scaled to every American, and has a real shot to get to 100 million users. When we co-founded Cedar, we really focused on the broken experience for consumers, understanding their bills and their payments in healthcare, and proud to say we're serving over 20 million Americans today. So I think we're going to get to that 100 million goal as we go after that.

I think the last thing which maybe fits with the Thrive DNA, but also is counter to maybe some venture thinking, is I just don't think venture math works in healthcare. This idea that 70% of your companies can fail and the 30% will pay for it, again, mathematically might work. But I think why it struggles in healthcare is if you're gonna go partner with a health system and you're a partner with an insurance company, it's hard for them to integrate and work for you. And so if 70% of the startups they work with are gonna be gone in two to three years, you just can't get any momentum of innovation.

And so I think something we really pride ourselves on at Thrive is we're concentrated, we're committed. And when we're showing up to go partner with a lot of these systems we're committed to, these companies are going to be there. And it's a higher bar for us to show up, because if 70% of the companies we represent fail, well, there's going to be no momentum and innovation, because they have to invest real resources to work with us.

And so we got to show up with a lot more commitment, a lot more build. And so if you actually look at a lot of the healthcare companies we backed, it's big capital checks, it's big ideas, it's robust around that, because that's one—the only way we can move the needle. But we need to partner with the system, and we got to show up with a commitment that this isn't just a lottery ticket or an option call for us.

Patrick

What part of the system, if you had a magic wand that would unlock more potential or innovation across healthcare, what would you change with your magic wand? What part of the system would you alter?

Kareem

Interesting. Going back to the competition and silos, and if I had to pick one, I'd pick competition. How do we increase competition? And I think the biggest thing we can do is honestly get the employer out of healthcare.

And the fact that the employer picks your healthcare plan is a vestige of World War II, where there was a freeze on wages. And so people were thinking about other ways to pay people and create benefits. And so they said, I'll pay for your health plan. And now it's morphed into this entire system.

Patrick

I don’t think I knew that. That's interesting.

> **Kareem**
>
> And so this morphed into this entire system now. And now you have these employers who are responsible for healthcare, and rightly, they don't know what they're doing. They're like, I don't know what I'm picking. I don't know what I'm doing.
>
> And then you have a middleman as the employer who's picking benefits for your employees, and then you also have to pick these bundled benefits, because if I'm buying something for 500 employees, it's got to work for them. So it makes it hard for new things to show up. And as a startup, you can't literally do everything day one, and so you're trying to figure out your niche and do that portion really well. Employers can't bundle that.
>
> And so how do we move there? Honestly, there's a rule now that's been put into place—personally, I want to see it flourish and grow—which is this idea that employers now can give payments to their employees to go purchase health insurance, and it's tax-advantaged in the same way. And so I think that's interesting because it allows people to go pick individual plans, and hopefully that creates new competition. It allows new startups to grow in that market, new ways for people to sell, even directly to the employee.
>
> So I don't have to go sell the employer. I could sell to you and be like, well, you have your 10,000 healthcare bucks, why don't you buy these services that I'm going to bill to you and I'm going to deliver to you directly? And so we start to take the middleman out of it and allow people to compete on an individual level, because right now you have to go through the broker that then goes to the employer, who then makes the decision.
>
> And now you have this network, and then you've got to go figure out the doctor. And at the end of the day, the consumer is so outside of it, and the consumer is also so shielded from the cost of it all, they don't really understand. Yes, we talk about high-deductible plans on the rise, which I think is giving more consumer choice, but even then it might be a $2,000 deductible on a $15,000 plan.
>
> What if I gave the consumer $15,000? Now they know the cost of everything. Now they know the cost of going to one hospital versus the other. And so I think they're starting to lay the groundwork with some of those.
>
> And so the more we push in that direction, and I think the analog that gives me a little bit of hope is we had pension funds, and they went to 401(k)s. So employers used to be responsible for your retirement—that was pension funds. I was guaranteeing you a retirement, and that became really unwieldy and hard to manage. And then they said, well, I'm just going to go from defined benefit to defined contribution.
>
> Now I'm just going to give you money. You've got to invest, and you're responsible for your retirement. And so I think if we can move to a world like that on the healthcare side, I think it would be one of the biggest unlocks and would create a bunch of competition, which I think will create new innovation, new companies to be built against it.

Patrick

Are there any trends—back to your idea of the tidal waves—that are starting to form or have formed that are going to be the antecedents of great opportunity? Are there any of those that you are materially less excited about than you think, in general, investors of your type might be?

Kareem

I'm an optimist at heart, so I don't spend too much time thinking about what I don't like, more attracted to what is exciting, what's inspiring, what gives us energy versus critiquing maybe other people's thinking. So I just think if it was anything, it would just come back to this core point: revenue doesn't mean you're solving a problem.

And I think it's easy with the investor lens to just look at what's growing. But if we really step back and be like, if this company is successful, how does the world change? How does this person's life get materially better? If you were explaining this to your wife or your kids who aren't in tech, would their eyes gloss over and they'd be like, okay, sure. Or would they be fired up as well?

That's actually one of the tests I use. I talk to my wife Raquelle a lot about the things we're working on, and the more she's animated or excited about the things we're looking at, the more it resonates with me that we're onto something special.

Patrick

Are there any other heuristics like that that you find yourself using when evaluating the scope or potential impact of something?

Kareem

Yeah, I think one of the advantages, again, about being a generalist firm is I spend a lot of time in fields like healthcare or financial services or some of these traditional industries, and I think people will look at that and be like, oh, that's such a disadvantage that maybe your other partners don't understand your spaces so well. They're so regulated, they're so nuanced.

But I find that if I'm pitching something and it's not resonating with a generalist crowd, it probably means I'm thinking too small. And I've convinced myself that a small idea is a big idea just because I live in that market and I breathe it all the time.

But if I can't elevate to someone who doesn't live in healthcare, doesn't live in financial services, they're like, wow, that's a big idea. That's exciting. And I find myself having to go two or three layers deeper to defend why it's a big deal. And you don't understand this is going to happen in the market. When I'm talking that way, it's usually a click for me that no, the best ideas are going to be big and simple. They're going to captivate an audience who hasn't spent their whole life studying these markets.

An Investor's Perspective on OpenAI

Patrick

On the largest of all tidal waves side, you're a life-cycle, multi-time, and very large investor in OpenAI. So you have an inside view into what to expect, into the ways these things are being used. They had a big launch today that was very cool to see, the strawberry model that everyone's been talking about. And I love the way they announced all the different demos—in genomics and economics with Tyler Cowen and everything. Such a cool way to do it.

Kareem

Definitely a show-not-tell type of company.

Patrick

Show, not tell. Just talk about what you're seeing as a central investor in the engine that's fueling this space, and what you expect is going to start to change about companies and products as a result of this new technology.

> **Kareem**
>
> It's incredibly hard not to be fired up about what's going to happen in AI. I just can't imagine a world where not everything—how work is done across all dimensions—doesn't ultimately get transformed. I think in the short to medium term, I think it's inevitable that we're disappointed. And I think the big reason is because the world's not ready for AI. How could it be? It didn't know AI was coming.
>
> I was actually reading in a book called *Capitalism in America*, and it just goes through the history of innovation in America and all these different cycles, and it's amazing to go look back at electricity. And even after electricity was launched, which was one of the biggest innovations—horizontal innovations—that's happened in the last two centuries, 20 years in, I think it was like less than five or 10% of manufacturing was powered by electricity. And why was that? It's because all the manufacturing plants were designed for steam engine and steam power, which means you had one big driveshaft that powered the entire factory. That meant every machine had to run at the same time. There were no individual workstations. And to embrace electricity, you had to remodel the manufacturing plant; you had to create all these individual workstations.
>
> It created a flexibility that we didn't have with steam power, but it just took time for that to evolve and eventually, obviously, that replaced everything. I think it's a similar thing with AI, where it's going to be obvious that it's going to change every category, but we have to rework how work is done.
>
> It's one of the reasons, actually, we're inspired to partner hand in hand with some traditional businesses, a little bit different than we've done in the past. But again, we like to defy tradition, like to think from first principles. We're actually partnered with two founders, Jake and Frank, to go acquire a lot of accounting firms and rework a lot of the workflows that happen today because we don't think it's purely technology.
>
> It's going to be operational, it's going to be incentives, it's going to be processes that are actually going to drive the change. And we're partnered with another group that's unannounced, that's doing something similar in a couple exciting industries, and they're investing in a platform to do it across multiple spaces. And you have to marry the technology with the operations and the process to really drive that forward. And so I think for that reason, we're taking on a slightly different approach. They're much more aligned with ownership.
>
> But also I think the big breakout cases that we'll see in the short term aren't going to be the obvious ones. It's going to be the new categories that don't have that friction of transformation that we'll see break out. Vince, our partner, thinks the first hundred-billion-dollar AI company is going to be a consumer company for that reason. One, it's been stale in the consumer space, so hopefully there's surface area for something that's new and innovative.
>
> But I think it's just going to be a bit more of an unrestricted behavior that hopefully we're going to create, or new markets that are going to build. They're going to be the fastest adopted because there's not the friction of the old ways. But I'm optimistic that everything's going to change over time.

Patrick

Where do you think the most opportunity is for a new entrepreneur that's 23, 24, 25 to start thinking about deploying these things in a way that can create a business with some defensibility? Because it seems like a lot of these things—I guess this happens in every area of technology where you use the new thing to do a better job solving existing use cases—but those seem very non-defensible in the sense that you and I can build them. Probably not a good business idea.

So how would you coach a young founder that is just ambitious and interested in deploying these things but also wants to create something of enduring value.

> **Kareem**
>
> It's a great question, and it's probably the trillion-dollar question. If we're thinking about all the value that's going to be...

Patrick

The $3 trillion question.

> **Kareem**
>
> Yeah, exactly. Well, $5 trillion. By the time that these companies play out over time, we don't want to put a cap on it.
>
> I think it goes back to the first advice about all businesses and all category-defining companies which say: solve a problem that matters and hopefully do it in a way that you're adding value again. I think when we see this new technology, especially when you see it before the rest of the world, there are going to be these arbitrage moments that we're talking about where I can take this and give it to someone else because they haven't heard of OpenAI or they haven't played with ChatGPT yet, or they don't know that OpenAI has an API that they can use. Those are, I think, fleeting arbitrage moments. And to your point, if we think about the arc of time, might not be defensible.
>
> I think people would step back and be like, okay, what can I build that's meaningful? What can I build that's transformative? What can I build that can solve a problem? It might not be the first idea you have. Back to small ideas have lots of competition. If it's the first idea, probably lots of people have it. If it feels super easy, lots of people are going to go after it.
>
> And then I think it's going to take creativity. How do we reimagine the world, again, that wasn't built for AI? If we're starting to build these things from the ground up with AI, what would that look like?
>
> And I think the other element is that it should take some time to go build. I know—I think a founder wants to get out there and go do it. But again, if you can get it out there in a month, is that actually the most exciting thing to go after? Step back, be like: what do I want to work on for a decade? What do I have the best shot of recruiting the best talent to go execute on? What would I be proud about? Tell my kids that I built and created. If you can answer satisfactorily to all those questions, you're probably on something that's interesting.

Patrick

One of the things that has to have changed across the last ten years is just your surface area and the way that you found your way to the next promising founder and company ten years ago versus today, I'm sure, is different. How has that evolved and what is it like today, on average, if you're meeting X number of new people every month or whatever, how on average are you finding your way to that person?

> **Kareem**
>
> I'd say a lot of things have stayed the same and some things have evolved. And what I mean by that is we want to meet these founders as early as possible. Again, we're co-founding and building companies with them, so a lot of founders are coming to us even before they have a pitch deck ready because we might go build that together. The second thing is, I think there's no substitute, especially in the early stages, to go meet founders.
>
> And it's so hard to tell from a pitch deck. It's so hard to tell, obviously, outside-in on traction because it might not be there. And so there's no substitute for being in the room. And we do this—we audit our calendars, and usually every quarter, probably 80% of our meetings are early stage.
>
> So it's reflective. And so you might look at the capital deployed and say, oh, there's a lot of capital at the later stages. Well, we have to spend all the time in the early stage because we don't know what's going to be there. You have to engage a lot of founders to really find these exciting opportunities as early as possible.
>
> I think what allows us to make decisions at the early stage, even though it's maybe a smaller part of our time, is this narrow funnel that we have. This narrow lens of these category-defining companies—100 or 200 companies, these 10 or 20 companies founded every year—allows us to say no to a lot of things and really pursue the things that we think are breakouts. Because if I'm looking at a company that might be at scale, it might be a $5 or $10 billion company. Well, there's very few companies where we could sit here and be like, wow, this is riding a big decade trend.
>
> They're still on the exponential growth curve. There's multiple products that they can launch even from here. And so that really narrows it. And we're able to really focus on those companies, which means higher probability that we'll see the right things, and also that I think we're more attuned to identify the right opportunities.
>
> I think where we've evolved a little bit is there's lots of data out there for identifying these companies. And we have teammates here. We have a whole data and analytics team that's really analyzing where founders are. What are the new companies, what are the things that are getting traction in the market, what are consumers downloading—which I think we use to augment and help us understand the trends and what's happening in the market, what's happening broadly.
>
> And I think it's one of the things that, as we've thought of Thrive not just as an investment firm but as a company where we started to invest and bring people on who've really augmented our thinking around that and be like, how do we improve every element of it? How do we get best-in-class people across every dimension? And that's been a big part, I think, of really adding so much context to help us find the right pockets but also understand what's happening in the world.

Lessons from the Early Days at Thrive

Patrick

Yeah, so that's key. We've talked a lot about pick. What about win?

Kareem

I think a couple of things. If we think about the early days of Thrive, man, it was a grind, it was hard. And the only way that we were going to win was either we had to get to that founder early. If we showed up in a process with Sequoia and Kleiner and Benchmark and they're meeting us for the first time, zero chance.

So we got to get to them early. We got to build a relationship. We got to show value ahead of that. Again, if it's just my reputation who's been investing for two years and someone who's been doing it for 30 years and has all these wins on their walls, I'm going to lose that deal.

And so that's really pushed a lot of us to be like, let's add value to founders. Even before we're going to partner with them, we got to get early. We have to align with them. We have to do the work to understand their market and be really deep around that, which, by the way, I think translates to be great thought partners to any founder out there.

If an investor doesn't take the time to really understand your business in a diligence process, I can guarantee they're not going to do it after they make the investment. They have the highest motivation to understand your business before they make an investment. And so I look at that diligence process and be like, 'How well do they understand my market? How well do they understand dimensions? How well do they understand my product roadmap?'

I think the third thing is we work as a team, and it came from necessity at the beginning. Again, me having a couple years' experience, Josh only having a year or two more than that. Miles on our team was 22 at the time. Everyone was young and figuring it out, while the only way we could win against someone at 20 years' experience was to collectively bring our experiences together.

And so I think that's been something that we've maintained even as Thrive has gotten more experience. I think it's been grounded in our DNA, and I think it resonates with founders. I think the other thing is the way we structured ourselves has been unique, and founders feel that.

So at the early-stage side, when you're a founder and you're building, the fact that I'm sitting here not just talking about next year and how you're going to raise Series A, but I'll talk about ten years from now and what we're going to go build, how we build the foundation, what's the most ambitious version of what we're doing, resonates with that early-stage founder who wants to build something big and grand.

And it's not the conversation they're having with everyone who's maybe focused on the next year or two. The same thing is when you go talk to a growth-stage founder, and I'm not sitting there just talking about your P&L and your LTV to CAC and your payback. I'm sitting there talking about, okay, how do customers use your product? Where's the product going to evolve from here? How's it going to grow?

What's the second and third act going to look like? Engaging with them like it's an early-stage company. Think about the product lens. And I think that's exciting for founders because founders don't change who they are just because they're a Series D company.

They didn't start their company because they loved the P&L. They started the company because they wanted to solve a problem. They're animated, they're passionate to deliver for their customers. And so I think they have investors who show up and still have that DNA and aren't fully financial in the way that sometimes can flip at the later stages.

I think it really resonates and founders feel that. And then I think they respect the concentration and conviction because they're all in on their company. And so to show up and they know that we're not making that many investments, that it's a real sign for us to say yes, that it means that we're not here for just this year or just for the good times, but we're here for the whole journey. And that it's a sign of our passion and commitment. I think they want to be picked in that way.

Patrick

What's the craziest thing you've ever done to win a deal?

Kareem

Forget win a deal—just getting a meeting. In the early days, it was us emailing Patrick and John from Stripe, being like, "Oh, we're in town, we'd love to meet." And then them being like, "Can you come later today?" And we're still in New York and finding a way to get out there.

Or Peter from Segment being at a customer in Indianapolis, and us being like, "Oh, we're in Indianapolis," to go find a way to get in front of them. And so in the early days, we had to really hustle to get a meeting. We had to send people like GitHub a hundred-page deck just to get them to meet with us, and all the research that we would have done. And so there was so much in the early days just to get a meeting.

You'd put almost like a month's work in just to get an hour with the founder. And I hope that still sticks with us. I think one of the things we really want to maintain at Thrive—we can talk about the character of our team and what we look for and how we built the culture of Thrive—is this maverick mentality, this ability to want to create, the ability to do things differently.

Josh and others at the firm really talk about that the most important thing for us to remember is all the hard work it took to get to this moment. And now that Thrive is maybe a little bit more mature and established, how do we still maintain that energy and that focus to go create?

Patrick

What's the craziest thing you've ever done to support a company?

Kareem

Well, there's lots of things we've done to support. I don't know—crazy—but it's kind of an open secret at this point. But Nabil, who's one of our partners, was the interim CFO at GitHub for a long time leading up to the Microsoft acquisition. We have another person on our team who did that for another really fast-growing company where they really needed to get a hold of their finances—they're growing so quickly that they're mismanaging their working capital.

And so to step in and save that company in that moment and transition, we've had people step in as interim Chief Growth Officers to do that. And so I think we'll find here at any given time one or two of our leaders are embedded in companies, almost committed to it. And I think a lot of times people think of portfolio services and say, "Well, that's only for the struggling companies that need the portfolio services." We found the opposite—it's the fastest-growing companies who need this the most.

Because the reality is, if you're in these fast-growing companies, anyone who's been there

> knows it's more chaos than order. Things are all over the place, and it's because you're growing so quickly—so you're outgrowing your systems, you might be outgrowing your people in some dimensions.
>
> And so to have a partner here who can drop in, embed, and not just give you an hour phone call of advice—say, "I'm going to be here for the next three to six months, and we're going to get through this together"—those are the things that I think really strike founders in ways that they never expected.
>
> And they said, "I know you said you were going to be here for me, but I never thought you were going to be here for me in this kind of way."

Patrick

You mentioned the word "maverick." When I talked with Josh when we did this a year ago, we talked about will versus skill. What are the most essential attributes in a new person that you'd want to hire?

> **Kareem**
>
> I think that "will or skill" really lines up with me. It's like this maverick mentality tied with high horsepower. Back to this maverick point—you've got to want to do things in a different way. If you've always done the default thing in your life, if you've never really challenged the status quo, if you've never really pushed yourself outside your comfort zone, if you just take things that people say at face value, never challenge it yourself, you're probably not a fit at Thrive.
>
> It's not an insult to anyone. It's just more about how we want to engineer Thrive, and we want to mirror the mentality of the founders, because these founders are mavericks in their own right. They're trying to change an industry. They're obviously doing something different. Otherwise, they wouldn't put their whole life on the line to go build something they believe in, something different than the rest of the world.
>
> And so I think it's really important to Thrive that we mirror the mentality of our founders if we want to be good partners to them. And I find it surprising sometimes that you could have these conservative investors showing up to go invest in these world-changing founders. It's like water and oil—the DNAs don't necessarily match. And so I think it's just really important that we align on that.
>
> And I think the thing that's gotten trickier over time about that is the early days of Thrive. You almost didn't have to suss it out because it's self-selected. Anyone who was willing to leave their job to join Thrive ten years ago was off the path, was a rebel in some ways because it was not an obvious decision. We used to talk with our LPs because we were all so young at the time. They would tell us, "Why don't you hire someone with more experience?"
>
> We're like, "We'd hire them if they would join, but none of them want to join." Now, we're fortunate that Thrive's evolved a little bit, and I think some experienced people would want to join Thrive, but we want to maintain that because I think it's easy sometimes, as you get more established and some great résumés come through the door, that you leave the things that made you great in the first place to pursue the things that seem safe.
>
> And our founders go through that all the time. You're a company—the replacements, the ragtag, passionate people are going to go build it, and then at some point you're a Series D company, and all these résumés from Google start showing up, and it's like exciting and

flattering, but you've got to make sure that the mentality matches. It doesn't mean that someone from Google doesn't match, but you have to, I think, fight that because you don't want to lose the core of what made your company successful in the first place.

And the high-horsepower thing—there's no substitute for hard work. You said "will or skill." We believe in both. And so it's like you've got to work your tail off, you've got to be high IQ, and you've got to be high EQ. And really, when we talk about high horsepower, can you deliver on the things you say you're going to go do? Can you go deliver on that?

Emblematic of that, I think usually the first bonding experience when people show up at Thrive is how long their interview process was, because it could take months. It's intense, and it's because we're trying to look across all these dimensions, and it's easy to compromise as you're growing and you're getting large. And we have no shortage of ambition at Thrive, and so we're constantly constrained by our ability to get great people to grow here. But I think it's important to really hold the bar, because when you get those people who are multidimensional, they can create new and exciting things.

And again, when we come back to Thrive, it's again the small team, both on the investment team but everywhere, that's doing all these things: they're building companies, they're investing early, investing late, they invest across categories. That's not just, like, a fun thing to talk about. We actually think it creates better outcomes, not just because of focus but being multidimensional and having the range—that book by David Epstein; I think you might have even had him on a podcast.

He talks through that, and people who are multidimensional and connect worlds in different ways are able to see the exciting things. But I think they bring a new dimension to companies that wouldn't just happen if you have one-dimensional people. In the "Range" book, I think he summarizes it well: "If you want to be predictably good, specialize. If you really want to be the elite, the cutting edge of things that have never been seen before, it usually comes from these generalists."

It's the Roger Federer who played soccer a bunch before he played tennis. It's the Tom Brady who was better at baseball than he was at football when he was young. I think he quotes that Nobel laureates are 20 times more likely than other scientists to have serious hobbies in poetry and art, in woodworking—things like that that are able to help them connect concepts. And I think that's something we really look for in the Thrive team.

I think the last thing, especially on the investment team, is we're really focused on being able to develop and build our own talent. I think you go to every investment firm; you ask them, "What's the most important thing that you do?" "Well, it's the people." Well, if you believe that, you better be good at developing and building people, because if that's not true, you're basically outsourcing talent development to other people, and you're hoping to maybe poach them later down the line.

Well, now you've just outsourced the most important thing you believe makes your company differentiated. And so we really focus on hiring people who have zero to four years' experience, who have the raw talents and abilities—they might have never even imagined they'd be in venture capital—and be able to shape and mold that in a way that allows them to grow and do things in a unique way that we think we do. And we take a lot of pride in the development of that.

And I think a lot of us are in a position to do that because it's still fresh in our mind what it's like to be new to the industry. We've been doing it for a decade, but we've gone through

> that journey. And so we want to make sure we're continuously investing in new talent, wanting to build around that. And I think if you look at any great company, not just an investment firm that has a unique culture that does things differently, I think you would find that they hire their talent early and they stay for a long time, because they really mold them and build them in a unique way.

Life Beyond Investing

Patrick

What is your largest passion outside of investing or your family?

> **Kareem**
>
> My faith is super important to me, and so that's a big commitment and drives everything about me. I also just love learning new things. I love new challenges. I love being steep on the learning curve.
>
> The most recent thing is I'm trying to learn tennis, and I never grew up playing it. So I was comically bad a year ago, maybe a little bit better now, but I think that idea of getting better a little bit every day, learning something—I just find that to be a lot of fun.

Patrick

I'm going to ask a crazy, wacky question, just for fun. How do your ancestors show up in your life?

> **Kareem**
>
> I'm Egyptian, my family's Egyptian. We immigrated to this country when I was young. And I think there are so many immigrant stories just imprinted in me in a way that I think is really hard to separate from how I approach things, especially as my family's Christian and a minority in that country. A big part of why we came to the U.S. was to be a little bit unburdened from the restrictions that existed.
>
> My dad was a leading surgeon and doctor, and you can do a good job as a Christian, but you can't be the best. So he was denied professorships and other things because of that. And so a big part of the ambition of coming to the U.S. was to be a little bit unbounded in what can be accomplished. He ended up being one of the first robotic surgeons in the Midwest and brought that to the U.S. in the early 2000s, pioneering that.
>
> It's a big part that shaped me, this idea of not putting a ceiling on yourself and finding ways to push the limits and really finding and pushing yourself to try to be the best in that way and not let obstacles get in the way of that. I think, obviously, a relentless hard work to kind of go pursue the things that you want to get. And I think, like so many other immigrant stories, immigrants are entrepreneurs in their nature. And so I think it's really built this builder DNA within me.
>
> Actually, moving around—we had to move around a lot, mostly for visa reasons—I ended up going to eight different schools growing up. And so that just really shaped me in terms of new environments don't faze me. Change maybe doesn't faze me as much, actually. It's an opportunity to build and connect. And I feel fortunate now because I have friends across six different states and seven different elementary schools and things like that. And so I think that's morphed into what we do now.

Patrick

Can I ask one follow-up, please? Let's say I'm the seventh elementary school. What had you gotten good at to enter a new environment like that with the experience of the prior six?

> **Kareem**
>
> I have to reflect on it. I think, honestly, sports helped in some way. And so meeting new teammates, I just got used to it. So I just knew that the first month I wasn't gonna have friends, and then by the third month I would have friends. And I think it pushed me to also be proactive as well, which I think, if you're just gonna be reactive, the default comfort zone for everyone is to hang out with their old friends. And so it taught me to be proactive and try to find ways to connect with folks.

Patrick

What Christian idea is the most meaningful to you?

> **Kareem**
>
> It would have to boil down to the life that Jesus modeled on earth. Christianity is obviously centered around Christ, so everything flows from Jesus. But I think one of the things that's been really powerful is the idea that I believe I was created by God. There's a purpose for me in my life, and I think that's really shaped the intensity and the energy by which I approach things. Because if I believe that this is where God's put me, this is the opportunity He's put me in, then it's on me to make the most of it. That's probably the biggest idea.
>
> I think the second thing that's really modeled by Jesus and the whole idea of Him coming to connect us back to God, to be the person who forgives us—this idea of having grace in everything. There's no way to be perfect. The people you're going to work with aren't perfect. There are going to be mistakes along the way.
>
> And so really, how to lean with grace through things has been a part that's just made the intensity of work much more enjoyable in a way where I feel like I don't have to harbor or hold things or to feel wronged in a way, but just to lean into grace, have that hopefully be a default posture. And hopefully that makes me a more agreeable person to be around. But also, it's made me enjoy the day-to-day a lot more.

Patrick

I think you know my traditional closing question for everyone. What is the kindest thing that anyone's ever done for you?

> **Kareem**
>
> I think to answer it literally, obviously, my parents—just growing up in a loving home, the family they created here, building this foundation of faith that drives everything I do. Also my wife Raquel, who—I can't imagine a better, more wonderful partner—and to have the blessing of a family together and to see her evolve into a mother, to be able to do that together. Wow.
>
> But if I was to answer what was something that someone did that maybe felt small to them but ended up being dramatic for me—actually, my eighth-grade teacher, she went out of her way to reach out to my parents and said Kareem needs to go to a different school. And we had just moved to this area, moved a bunch. We didn't even know about the school. She printed out all these papers to explain to them that Kareem needs to go to this new school that will help fully express his talents.

And so I ended up going to the school, St. Xavier in Cincinnati, because of her guidance. And I don't think that would have happened otherwise, and we could over-extrapolate some of these moments, but I do think it honestly changed the trajectory of my life and set me on a different path, on to college and all the things that came from there. So, Ms. Bonfield, if you're listening to this podcast, thank you.

