

A Platform for Entrepreneurship

An Interview with Marcelo Claure,
Chief Executive Officer, SoftBank Group International and Chief Operating Officer, SoftBank Group Corp.

EDITORS' NOTE Marcelo Claure serves as CEO of SoftBank Group International and COO of SoftBank Group Corp., where he oversees the company's strategic direction and its portfolio of operating companies, including WeWork, SB Energy, Fortress, Boston Dynamics, as well as SoftBank's stake in T-Mobile U.S. He also spearheads the SoftBank Latin America organization, a \$5 billion fund dedicated to investing in technology growth opportunities throughout the region, as well



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as the newly-launched SB Opportunity Fund, a \$100 million fund dedicated to investing in entrepreneurs of color. In addition, Claure serves as Executive Chairman of WeWork, the world's largest co-working and space-as-a-service company, where he oversees the company's long-term strategy and growth-led transformation. Previously, Claure served as President and CEO and then as Executive Chairman of Sprint, where he is widely-recognized for delivering the best financial results in Sprint's 120-year history and architecting its merger with T-Mobile U.S. Prior to Sprint, Claure founded Brightstar, which he built into the world's largest global wireless distribution and services company and the largest Hispanic-owned business in U.S. history, with operations in more than 50 countries and revenues exceeding \$10 billion. Claure is a member of the Boards of Directors of Arm and Univision, and serves as Chairman of Fortress. He is also the president of Club Bolívar, Bolivia's most popular and successful soccer team; co-owner and Chairman of Inter Miami CF, this year's newly debuted MLS team; and most recently co-owner of Girona FC.

COMPANY BRIEF SoftBank Group (global.softbank) invests in breakthrough technology to improve the quality of life for people around the world. SoftBank Group is comprised of SoftBank Group Corp., an investment holding company that includes telecommunications, Internet services, AI, smart robotics, IoT and clean energy technology providers; SoftBank Vision Funds, which are investing up to \$100 billion to help extraordinary entrepreneurs transform industries and shape new ones; and SoftBank Latin America Fund, the largest venture fund in the region.

Will you highlight the history and heritage of SoftBank and define the SoftBank culture?

Since we were founded in 1981, SoftBank Group has invested ahead of the major technological trends shaping our lives – from the birth of the PC, to the internet, to the smartphone era and now Artificial Intelligence. We believe that technology is key to building a happier and more fulfilling future. SoftBank has transformed, originally from a telecommunications company, into a global investor in

entrepreneurs around the world. These innovators are reimagining e-commerce, health-care, finance, mobility, and other sectors. Headquartered in Tokyo, SoftBank has offices around the world, including in London, Silicon Valley, New York City, Washington, Miami, Mexico City and São Paulo.

SoftBank is a platform for entrepreneurship. Our CEO and Chairman, Masayoshi Son, provides this incredible brand, global capabilities, and mentorship for founders and for his own executives to dream big and do big things. Everything I've done inside SoftBank has been entrepreneurial, and that's a very special part of our culture.

How has SoftBank and its portfolio adapted to address the challenges caused by the uncertainty of the global pandemic?

Despite its devastating impact, COVID-19 has accelerated the pace of digitization. There's no doubt the virus has caused tremendous pain for so many, but what differentiates SoftBank is that our entrepreneurs look for the silver lining to bring new technologies to life and have a partner in SoftBank to support rapid change. Some of the most innovative ideas of our time will stem from this time of uncertainty.

Commercially, we have seen rapid adoption of new technologies that would have normally taken a decade or longer. Our portfolio companies have been leading the charge. Rappi revamped its app to better support customers and advance the digitalization of everyday life, from food to grocery to financial services. VTEX's fully integrated, end-to-end commerce solution is allowing businesses across sectors to operate during the pandemic.

Will you discuss SoftBank's investment strategy and what are the key traits you look for in an entrepreneur when evaluating a potential investment?

Our investment strategy is simple. SoftBank invests in companies that utilize technology to disrupt the way we work, the way we live and the way we play. We love entrepreneurs who are obsessed: obsessed with solving a problem, obsessed with finding talent, obsessed with making their mark and proving to the world what they can do. Obsession is the only thing that can get you up every morning, even when things aren't going the way you want. I was an obsessed entrepreneur myself.

We also love entrepreneurs who are specific. Everyone knows that big markets are important and competitive advantages are important. Those things sound good on PowerPoint, but the best entrepreneurs are very clear and specific about what they are doing, even though it may sound less grand than some "big idea" on a PowerPoint page. They know their business, they know their customers, they know their product intimately. I enjoy nothing more than a conversation with an entrepreneur who can go down the rabbit hole and explain all the small details.

Finally, we love entrepreneurs who are building for the long term. We don't focus on the next quarter; we focus on the next century.

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We align most naturally with entrepreneurs who think in terms of the future value they are building, not just what revenue number they are hitting this month. The best founders are constantly investing in the future – that’s what makes them so different from most professional, public market CEOs, who are solving for the next quarter.

How will the rapid expansion of artificial intelligence and the AI revolution impact SoftBank’s future investments?

What’s unique about SoftBank is that the focus of our investment philosophy for the last almost 15 years has always been on technology, data, and AI. The pandemic has reaffirmed our strategy. SoftBank continues to invest in the AI Revolution – we are focused on funding companies that use AI to improve the way we work, the way we live and the way we play. We have proven our philosophy as one of the largest tech ecosystems in the world.

Our habits have fundamentally changed with digitalization. These trends will continue to evolve as we leverage AI to take digitalization to a new level and make today’s technologies smarter and more agile. We are already seeing the benefits. Today, AI-enabled software helps us find the nearest restaurant or get answers to our questions within a matter of seconds. It enables businesses to sort through mountains of data, streamline processes, and provide analysis on potential operational next steps. AI is driving amazing health discoveries that will help us improve life. This is only the beginning of the AI revolution, and we have been there since the start to drive the next generation of new solutions.

Will you discuss the state of WeWork’s business and what you see as the keys to its future growth and success?

WeWork is resilient and on pace to meet new challenges and grow stronger. WeWork refocused on its core business of flexible space, but as the pandemic unfolded across the globe, its product has become the perfect solution for companies that need to be more agile and customize solutions that work better for their employees. A recent global study of professional office workers across industries showed that all work styles and levels have suffered negative impacts on collaboration and innovation since the work from home model took hold. Ninety percent of those surveyed want to return to the office at least one day per week.

WeWork’s many locations allow employees to work in professional working spaces near home, employers to set up decentralized offices or collaboration hubs, and companies to redesign workspace to accommodate for social distancing and other COVID-19 protocols. From locations in Miami, Mexico City, Buenos Aires and more, WeWork is a ready partner to support the LATAM entrepreneur.

What was the vision for launching SoftBank Latin America Fund and what do you see as the opportunities in LATAM?

Latin America has massive potential and is fast becoming one of the most important economic regions in the world. The region’s environment is ripe for technology-enabled companies to flourish; it represents 10 percent of the world’s population and 8% of the world’s GDP (two times the GDP of India; half that of China). The region has a rapidly growing middle class, extremely dense urban centers, poor logistics infrastructure and significant under-penetration of a broad range of products and services. All these factors present significant growth opportunities for rapid technology deployment and adoption at scale.

Despite these opportunities, capital investment in the region was seriously lacking. That is why in the spring of 2019, we launched the \$5 billion SoftBank Latin America Fund with a clear goal to support the development of the region’s innovation ecosystem. In nearly two years, SoftBank has invested more than \$2 billion in almost 30 transformative companies. We are by far the largest investor focused on the region.

We have been positively surprised by the breadth of innovation in the region. It’s not just fintech and e-commerce. Entrepreneurs are building innovative and enduring businesses in every sector – from education to B2B SaaS.

In LATAM, which industries and countries has SoftBank focused on for its investments?

We have invested in companies using tech to help address the challenges of consumer access faced by many emerging economies – sectors like e-commerce, digital financial services, healthcare, mobility and insurance. In addition to investment dollars, we have brought operational expertise and worked alongside management teams to grow their business model and position them for growth. Our investments span across Latin America, including in Argentina, Brazil, Colombia, and Mexico.

Brazil is undeniably the current leader in terms of entrepreneurial activity and capital. However, there are green shoots in every country and every industry. We want to make sure we find every promising entrepreneur, regardless of country or sector.

Do you feel that the ability to be an entrepreneur can be taught or is the entrepreneurial spirit something a person is born with?

Everyone has it in them to be an entrepreneur if they are given the right tools. Throughout my career, I’ve been lucky to have mentors, including SoftBank Group CEO and founder Masayoshi Son, that have shown me what it means to be optimistic and tenacious. Education systems need to innovate and inspire too. It’s not just about the academic coursework, but equipping students with the vision, practical know-how and technical skills they need to navigate the future. With our focus on AI, we launched a data science training program in LATAM in partnership with Correlation One. We customized the program’s structure to solve our portfolio’s specific data science needs, including upskilling internal employees who knew the company’s business but did not know enough about AI.

What do you see as the keys to effective leadership and how do you describe your management style?

To me, the key to being an effective leader is adapting to changes and surprises. We plan and plan and plan, but as the last year has shown, unforeseen events can change everything. In an uncertain landscape, people are looking for guidance and leadership, making it critical to lead by example. Praise and recognition are important, but constructive feedback provokes change and fuels growth. As a leader, learning how to bring out the best in others is one of the most important things you will ever do.

What advice do you offer to young people beginning their careers during this challenging and unprecedented time?

You must follow your passion and maintain the creativity that drove you to either start a business or become a doctor, architect, or teacher. When you follow your dreams, you will enjoy your life and the journey. In this period of uncertainty, it is essential to remain agile – this crisis is unprecedented and there’s no single playbook for success. Do what you love. ●