

# **AI Superpowers: China, Silicon Valley, and the New World Order:**

## **A Special Interview With Dr. Kai-Fu Lee**

**By Dr. Joseph Mercola**

**JM:** Dr. Joseph Mercola

**KL:** Dr. Kai-Fu Lee

**JM:** Welcome, everyone. This is Dr. Mercola, helping you take control of your health. Today we are honored to be joined by Dr. Kai-Fu Lee, who has enormous credentials with respect to spending decades in Silicon Valley and the China tech scene. He worked at Apple, Microsoft and Google, and incubated quite a few Chinese startups. But he's got a really interesting story.

You might be wondering why I'm interviewing one of the leading AI, artificial intelligence, experts in the entire world. Well, because we want to help you understand the impact that it has, there are not many better people qualified in the world than Dr. Lee. But also, he has a very intriguing personal health history. I'll let him describe it in detail. But I don't think anyone would ever criticize Dr. Lee of working any harder.

But in 2013, after enormous achievements, he came down with Stage 4 lymphoma, I believe. That really crashed his world. I would be sort – If you're okay with that, I'd like to start there, because I think it's a real interesting testimony to what can happen if you work too hard. Because you were working probably 100-hour weeks for many years or decades, and I think it finally caught up to you. Why don't you chime in whenever you want to help us understand how you got to that position?

**KL:** Sure. Thank you. It's great to be on this show. I have been a workaholic basically my whole life, until my illness. Workaholic to such an extent that when I was the president of Google China, I would work 100-hour weeks. Not only that, I would automatically wake up twice a night to answer my emails, as I had to talk to the people in the headquarters with the time zone difference. But, I think, inside me, I also wanted to set an example so that my team thinks that I work really hard, which I did, and that they would do too.

Once, I got a surgery and I had a special computer made so I could work while lying on the bed, recovering from my surgery. Also, a long time ago, before my first child was born, I was due to give a presentation to the Apple CEO, John Sculley. My daughter wouldn't come out, so I was ready to leave my wife in the hospital and just run to my presentation. Fortunately, she started coming out, so I was able to stay.

**JM:** That was your first child, right?

**KL:** First child, in 1991.

**JM:** Yeah, yeah.

**KL:** The working hard dated back to my Ph.D. days, and then went on as I worked at Apple.

**JM:** Where did you do your Ph.D.?

**KL:** Carnegie Mellon University.

**JM:** Carnegie Mellon, which is probably one of the most prestigious AI institutes in the country, U.S. at least, and probably the world at the time you were studying there. Yes.

**KL:** I was studying, and I did my Ph.D. thesis on AI, more specifically on speech recognition. Anyway, I've been working hard my whole life. People have given me advice [that] that wasn't advisable. But I just said, "Hey, look. I'm healthy. Nothing has happened; therefore, nothing will happen." It's very absurd that a scientist would think that, but I think a lot of people do. Because when I give people advice about not working too hard, they give me the same answer, "We've been healthy. Nothing will happen." But something did happen.

Obviously, we don't really know what are the reasons, but I was diagnosed with Stage 4 lymphoma. When I found out, it really changed my whole life. First, there's the normal stages of denial, "Why me?" And then finally, acceptance. Once I accepted, I started looking back on my life and realized, first, that my lifestyle probably led to this illness. We don't know if it was the lack of sleep, too much stress, not eating healthily, could be any one of those reasons. But more importantly, I realized that in my life, prior to my first 52 years of my life, I felt I was singularly focused on my work and accomplishments, and really overlooked all the other things that were more important.

When I realized I may only have a few hundred days to live, working hard didn't mean anything to me. What was important was giving love back to the people I love, spending time with them, and of course, regretting that I haven't lived that way.

During my illness, I read a book by Bronnie Ware, *The Top Five Regrets of the Dying*. She was a nurse. She saw 2,000 people die. Before they died, they talked about their regrets. One of their regrets was working too hard. The top regret was not spending time with the people who they loved. [Another] important regret was not doing things that they were really passionate about, but instead, listening to the society, parents, environments and did what the world thought was good to do, as opposed to what they really wanted to do. That changed my outlook. I'm now in remission. Since then, I have been changing my priorities in my life.

**JM:** Thank you for sharing that personal testimony and warning others of the dangers that can happen. Your behavior wasn't necessarily an aberration in the Chinese culture. Perhaps before we discuss your book, which is the *AI Superpowers: China, Silicon Valley, and the New World Order* – fascinating read. It was just recently published and really helps us understand some of the potential implications of AI, which is clearly one of the hottest topics now in the tech world. Most major corporations are investing heavily in this technology. Why don't you give us a background of what's it like to work in China, especially in the tech environment and the crazy, insane schedules that the vast majority, the standard working hours are?

**KL:** Sure. I am a venture capitalist (VC). I fund startups. In China, the startup environment has an amazing work ethic. There are reasons for it. Many young Chinese entrepreneurs, their families have been poor for 10 or 20 generations. They're an only child. Their two parents and their grandparents have only this one child or grandchild to look forward to, to improving the lives of the entire family. The pressure was on and the expectations were high.

Usually, they got to good schools, so even higher expectations. They gave up high-salary jobs to do this risky startup. I think there was this feeling they just had to succeed. Also, I think the whole environment feeds on itself, because some companies work hard, and some entrepreneurs are so proud they work so hard, then that influences other people.

To give you an example, there's one startup that advertises a very good work-life balance. "Join us and you don't have to work as hard as your current startup, because we only work 9-9-6." What that means is 9:00 a.m. to 9:00 p.m., six days a week. In many startups, it's more like 9-12 – Or actually more like 10-12-7. That is 10:00 a.m. to midnight, seven days a week.

Basically, when you eat, you just eat your meals at work. The takeout infrastructure is phenomenal. You can order anything you want. It's delivered in 30 minutes. There's not even a lunch or a dinner break. You see people eating in front of their computers. This is 14 hours a day, seven days a week. It's about 100 hours. It is really crazed like that.

When the top leader works like that, because that leader usually has great majority of the stock in the company – You can see also in China, the entrepreneurial thing, there are a lot of role models. Jack Ma is the best role model. He's a multi-, multibillionaire, one of the richest people, once upon a time the richest person in China. He went to a very poor college and told stories of how Kentucky Fried Chicken wouldn't hire him. People said, "Wow. If he could do it, we can." That all feeds into this phenomenal work style that people work incredibly hard.

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Now, on the positive side, that work ethic and hard working has led China to become almost miraculously an equally valued country in terms of the value of the internet and mobile internet companies. If you compare company per company, all the Chinese companies versus the American companies, they are now roughly equal – Alibaba to Amazon, Facebook to Tencent and so on. There are a lot of Chinese startups that don't exist in the U.S. Anyway, if you add it up, they're about equal. These are, in fact, high-accomplishing with great results. It has also led to this crazed work style that, I think, I became a part of because that was the environment. I became influenced by the environment.

**JM:** You mentioned that you're a VC, and that one of your current roles – I think the name of your company is [Sinovation Ventures]? You've founded or established – "funded," actually would be the correct term – a number of "unicorns." A unicorn is a company that's grown in value to over a billion dollars. Can you expand on that? We'll go into some of the other things you've done before we go into how AI is impacting China.

**KL:** Sure. Sinovation Ventures is a venture capital firm. We started about 10 years ago. We have funded 15 unicorns.

**JM:** Fifteen. That's crazy.

**KL:** Our funds are among the best-performing. One of the reasons there are so many unicorns is our knowledge about technology and AI. My own AI Ph.D. and my partners' technical backgrounds allowed us to really pick out the best technical entrepreneurs and then help them with the business side. I mean we invested in these companies when they were 10, 20, 30 million dollars in valuation. Now, they are 1 billion to 15 billion.

Our investments made anywhere between 50 to 100 times for these 15 companies. Obviously, there are other companies that failed. But even considering that, just these companies, have made us very, very well-performing. The significant percentage of five of these companies are core AI companies. The other 10 are non-AI companies, but they used AI, so we were able to observe the power of AI and how it was transforming all kinds of usages and applications.

**JM:** Some may notice that the volume of Dr. Lee's voice tends to vary. That's because we're recording this with a 14-hour difference. I'm in Florida, and he's in China. We're going over quite a few international cables there. I apologize that that's distracting.

But prior to your work with the VCs, you were one of the leading AI researchers in the world. Also, you were responsible for establishing Google China. Maybe give us a little bit more background prior to Sinovation.

**KL:** Sure. I did my Ph.D. in 1988 in AI. It was one of the earliest Ph.D. theses on speech recognition and machine learning. The techniques are actually quite similar, not as good, but very similar to what's being used today, called deep learning. After my Ph.D., I led the AI, graphics and multimedia groups at Apple, then I went to Silicon Graphics, Inc. (SGI), and then I went to Microsoft to start Microsoft's research lab in China. We mentored over the last 20 years.

Actually, this week is the 20<sup>th</sup> anniversary of Microsoft Research China. That entity, now called Microsoft Research Asia, basically trained 5,000 people, probably about one-third now living in the U.S. They're tenured professors, famous scientists. Two-thirds stayed back in China. Of those who stayed back in China – Basically, the chief technology officers (CTOs) of all the top Chinese companies, maybe 70 percent were trained by us in Microsoft Research at that time. I did that for a couple of years. I went back to work with Bill Gates in headquarters for five years. Then Google hired me to start Google China.

During the Google China period, we grew the market share significantly in China. Then I found that a lot of my smartest people were leaving Google China to start their own companies. I felt the entrepreneurial spirit was going to be phenomenal, and I wanted to join that. I left in 2009, after which, unfortunately, Google also decided to pull out. That was my career history. For the past nine to 10 years, I've been doing investments in China, primarily in AI and technologies.

**JM:** I would imagine most of our viewing audience in the United States are not familiar with the Chinese technology front. There's probably a bit of an arrogance to think that Americans in the United States are leading the technological front. But you have the unique opportunity to having been in both environments. You can tell us firsthand that's not true.

You invoke your right that the Silicon Valley looks downright sluggish compared to the Chinese. It's just an example. I've never heard of it before reading your book. But WeChat – Oh my gosh. It has the functionality of Facebook, iMessage, Uber, Expedia, Evite, Instagram, Skype, PayPal, Grubhub, Amazon, LimeBike and WebMD, all in one app on your phone. Why don't you expand on that? Because this is some of the core of the reason why the Chinese technology program is going to really catapult where we really are in the U.S., because of this massive data structure and its accumulation. Why don't you expand on that? Because it's really an important issue.

**KL:** Okay. Certainly. Let's see. Let me show you as an example. As you can see, this is my phone and my usage. You can see –

**JM:** WeChat. This looks like 99 percent.

**KL:** Not quite that much, but probably 75 percent for the entire week – WeChat.

**JM:** Okay. Wow.

**KL:** In fact, I am on everything. I'm on Facebook. I'm on Twitter. I use Google. I use YouTube and other Chinese apps. This is 75 percent for me. That means a couple of things. First is that the Chinese companies, in particular, Tencent, which built WeChat, built an incredible platform that allowed people – Imagine if, if you will, Facebook bought all the companies Dr. Mercola listed, plus Visa and MasterCard. That company built an app that's very convenient. But also, for the company, it accumulates a tremendous amount of user data.

If you think Facebook has a lot of your data, WeChat has a lot more. But it's not all their data. They partner with people. They partner with the food delivery, the bike rental, the Uber of China and other companies. And also, people in China use the mobile phone to pay. There's almost no cash in China anymore. People just pay with WeChat or Alipay. Those are the two choices. If you go to the street, to a farmers market, a convenience store or even the vendor in the street, they would be holding up a sign that says, "Scan me," not, "Give me money." Scan is the way in which you use your mobile app, WeChat, to pay.

But what this really means for AI is – AI is this very powerful algorithm that really thrives on data. If you think about that it's oil that fuels our automobiles, the electricity fuels our cities. It's data that fuel AI.

The way AI works is it's very different from our brain. It simply looks at many, many samples of data. For example, patterns of people buying things on Amazon, then it learns what you might buy and push that to you. Patterns of people reading on Facebook and people like you, and then sort your news feed in the way that you will click on more things. Of course, it can hear and see, so there's computer vision that can look at faces and you recognize them, speech recognition that can listen to speech and recognize them. And then they will start to move using the same algorithms by training on data. There will be robots and autonomous vehicles.

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All these things apply to internet, business, including banking, insurance, education, retail, manufacturing and healthcare medicine, as well as robotics and autonomous vehicles. All these AI applications will come out in the next five to 15 years. The internet ones are already out, but the other ones are coming soon. China's advantage is having that ocean of data. That in the age of AI, data is the new oil, and China is the new Saudi Arabia. That is China's advantage.

Now, in terms of research, core research competence, U.S. is still much stronger. Maybe 10 times stronger. But the academics generally published papers and they move on. Entrepreneurs in China, the U.S. and anywhere can use that. Usually, it's open-sourced, without internet protocol (IP) protection or patents, because university professors just want to write papers. China is actually at roughly the same ground as the research competence, because all the researchers in the world share, and then China is better at taking all this data and working 100 hours a week to monetize the data to create applications and create the unicorns that leverage the AI to build the applications that change the banking insurance, and eventually the medical industry.

**JM:** Yeah. You had mentioned that China has accumulated more data. But I don't think you've really given it a perspective. I know one of the statistics that you quoted in the book is that the mobile payment system, which you referenced earlier, China outnumbers U.S. 50-to-1 at the rate of 17 trillion dollars. Obviously, they have three to four times the population of the United States. There's an advantage there. But there's an ever-increasing percentage of the population. Perhaps you can give us an estimate of what that is now, but actually have mobile systems that they can use for these activities. I would suspect it's the majority of the population by now. But why don't you give us a scale of the differences between the U.S. and China, with respect to the data that has been accumulated by the companies?

**KL:** Yeah. The mobile payment data is incredibly important, because you pay everything with mobile. Nobody carries cash and credit cards anymore. If you just have your phone, you can pay everything online and offline. The total amount of transaction was 17 trillion for 2017. That's larger than China's GDP. For a 1-dollar product sold, you can imagine there may be several dollars in terms of the parts, wholesale, labor, salary, resell channels, services, returns and so on. That's why it's larger than even the GDP. The transactions are pretty much mobile payment only.

There are about 800 million people in China on the internet. Of the 800 million, about 600 million are using mobile payment. When I say mobile payment, you're probably thinking it's like Apple Pay. It really isn't, because not everyone has Apple Pay. Everyone has WeChat Pay and Alipay. And also, in Apple Pay, you can only pay the merchants. In WeChat pay, you can pay anybody. Just imagine 600 million people, they can pay each other. The transaction occurs instantaneously.

The best thing is there's no surcharge, no commission. Unlike credit cards, which have a hidden charge back at the merchant site, which cost them 2 or 3 percent, the transactions are completely frictionless. The entrepreneurs can collect money immediately. The users find this greatly convenient. It's for online and offline transactions. Use it when you shop or use it when you arrive to take a taxi. You use it for farmers market, basically everything. It's 50 times that of the U.S., in terms of the total quantity. It's not only a larger quantity, this is the highest-quality data ever.

Because if you think about, let's say, a doctor's diagnosis on a patient, well, the doctor could have made a mistake. If you think about a loan officer's decision to make a loan, the loan officer may have made a mistake. You think about your browsing a page on Amazon, maybe you were just browsing, you have no intention or interest in the product, just-for-fun browsing. But if you pay for something, that is a definite transaction, and that carries a lot of value.

On this type of data, China or Chinese companies, I should say, have 50 times more than the U.S. Technologies built on top of this data, such as targeted loans that you can borrow money instantly, such as insurance policy design based on your usage, such as recommendations on how you should invest your money, and so on and so forth. And also, totally online banking and financial transactions – Once you pay online, you might as well save online. You might as well invest online. You might as well buy insurance online.

It's making a total disruption over a period of time for all things financial, because once it's cashless and merely electronic transactions, then everything goes electronic. Then everybody has data, and then everybody has AI. This is what propels China forward with the AI applications. U.S. leads in research, but China really leads in application.

**JM:** In their implementation, sure. You had mentioned a startling fact that there are no service fees like we have in the United States credit cards, 2 to 3 percent of 17 trillion dollars, you're looking at hundreds of billions of dollars. I'm just curious what allows them to do this, to eliminate the service charge fees and have it essentially free. Is it the value of the data that's been generated that they can sell and subsidize as the free transactions?

**KL:** Selling data would be illegal in China, so it's all for internal use. But imagine WeChat and Alipay. They are competitors. So basically, when there are competitors in the marketplace, they each have about a 50-percent market share. They just compete down to zero profits. That's part of the tenacious gladiatorial competition in China – that large companies and small ones work hard and fight tooth and nail with no holds barred.

But having said that, there is tremendous value in the data. Once, for example, Alipay persuades you to have an electronic wallet, the way it works is you fill the money with money from your bank. When you start the account, you'd move 500 dollars over. And then you spend against it. Then when you run out, you can go to the bank and get another 500 dollars.

You probably always have a couple of hundred dollars in your wallet. And then they will say, "Well, let me invest the money for you, so you can earn, right?" You might be making 4-percent interest, but they

might be making 1 percent for every dollar you have. That will allow them to make some money. And they will also use the data to say, “Oh, Kai-Fu buys a lot of seafood takeout. Let’s sell an ad for a local seafood restaurant or takeout.” That targeted ad will cost 10 times as much for the restaurant, because we know the customer is buying a lot of this product. Their ads become more valuable. It’s similar to how Google and Facebook give you free newsfeed, free search, and then make money on the backside with advertising and e-commerce.

**JM:** I have another interesting question for you. I don’t think you directly address this in your book. But I don’t believe there’s anyone better qualified in the world to answer this question, because you highlight some very innovative behaviors that’s happening in China. I’m wondering if you could predict what type of changes we’re going to see in the U.S. It would seem likely that we’re going to repeat this. I’m wondering if you have a prediction for mobile payments.

What was particularly intriguing is the ability to order food and have it delivered. I mean it’s just extraordinary. We didn’t go into details, but perhaps you can go into that and any other services that take advantage of this technology that we might be able to anticipate in the next few years.

**KL:** Yeah. I think U.S. is in a strange position because U.S. has been the No. 1 country and infrastructure for many, many services, for many, many decades. That actually causes it to be a little more difficult to disrupt itself.

Remember when U.S. had the world’s best landline telephone? The option of mobile became slower in the U.S. compared to China and other countries, where landline wasn’t as penetrating in the society, because Americans had a better technology of the last generation. So it becomes a baggage and legacy for the new generation.

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Similarly, U.S. has the credit cards, right? The world leading penetration in credit cards. That makes it a little difficult for Americans to accept – for the mobile payment to penetrate, because Mastercard, Visa and American Express are very powerful. They have a lot of advertising, brand, lobby and so on.

In China – Also, U.S. has a lot of shopping malls and restaurants, because you can go easily somewhere. Americans own their cars and can easily drive to go out and eat. That convenience doesn’t exist in China. The Chinese entrepreneurs found ways to leapfrog, really. Mobile phones over landline, mobile payment versus cards. The takeout in China is incredibly convenient.

A company called Meituan built a delivery service that will service 80 percent of the Chinese people. You can order from a couple of hundreds, maybe 300 to 500 restaurants anywhere you are, and have the food delivered to you in about 30 minutes, including the time to cook it. It’s a bunch of people, 600,000 people, riding on electrical mopeds that do this delivery run by an AI algorithm that tells them where to go to.

That’s another example. When will U.S. get these services? I’m a little skeptical U.S. will get them very soon. Because I think for two reasons: one is the old technologies, brands and usage patterns are too much ingrained in people’s usage habits to embrace the new technology. People might feel, “Oh, mobile payment. Can I trust the software company with my money? All my money is with financial and credit card companies. Software companies, could they be hacked? Could there be fraud?” That kind of last generation-thinking may make it hard to adopt.

The other reason is building a Meituan delivery is incredibly complex, difficult and no fun. Hiring 600,000 people to work for minimal prices – The delivery charges 70 cents per delivery. To get it down to that level,

you have to find people who will work the minimum wages. Then there will be a large turnover. You have to buy a lot of electrical mopeds, figure out how to recharge the batteries. You have to train these people. These are the kinds of things that Silicon Valley entrepreneurs hate to do.

What Silicon Valley entrepreneurs love to do is hire 10 people, write some code, and then change the world. That is their dream. And it has happened, right? Google has done it. Instagram has done it. Facebook has done it. But this is ugly, offline, large, heavy and very risky. I mean, imagine if Meituan didn't get down to 70 cents per delivery, at which they can breakeven. If it were 1 dollar and 70 cents per delivery – they make 25 million deliveries a day – they would lose 25 million dollars a day if they didn't succeed in driving down the cost of delivery.

All these challenges and complexities make it unclear when U.S. will have it. America is also more dispersed in population. People live in suburbs. Some of these things are fundamentally more difficult. Probably, U.S. will leapfrog China when the drone delivery and autonomous vehicle delivery start to happen. It's interesting. U.S. and China are leapfrogging each other with next-gen technologies.

Because when China now has this human moped delivery, people are pretty happy. Who's going to start a company on the drone that's complex, expensive and risky? But in the U.S., maybe it's time to go to that. Drones can probably deliver to suburbs a lot more effectively than a person who needs to make 20 dollars an hour. That wouldn't be so effective. U.S. and China will leapfrog each other, and that will be a lot of fun to watch both countries advance.

**JM:** Have you been following the autonomous driving technology? I'm wondering if you have any predictions on that, with respect to its implementation in the U.S. and in China. I don't know how many people drive in China relative to the U.S. I imagine it would be less, percentage-wise.

**KL:** Yeah. Well, U.S. is well ahead in autonomous vehicles. Unlike implementation of face recognition or speech recognition, which are commonly understood – China sleeked ahead because of implementation capabilities – autonomous vehicles are really incredibly advanced, difficult and unsolved. As such, these kinds of research or companies, U.S. would be ahead, way most probably two and a half years ahead of any other company, Chinese or American. This is an area where U.S. is way ahead in technology.

The question, again, comes to implementation. The Chinese government is putting a lot of infrastructure that might make the Chinese companies faster to launch. For example, highways that will talk to the cars, cities that have new roads paved, two levels of downtown, one level for humans to walk, one level for cars. This will avoid hitting a person, which is the worst case of accidents, because the person is likely to have serious injuries when hit by a car. We saw what happened in the Uber autonomous vehicle in Phoenix.

China is watching these incidents and saying, "Well, our companies are behind. Why don't we build roads that will facilitate companies to get their product going? Even though they're not as good as the American counterparts. But we make it safer by moving away the pedestrians? So what happened in Phoenix can't happen." Now, it must cost tens or hundreds of billions of dollars to redo a two-layered downtown for however many cities that try it, but that's the kind of effort the Chinese government is doing that they hope will help achieve parity in areas where U.S. has had.

**JM:** Maybe you can give us some more insights on the Chinese government. It appears that the catalyst for this sweeping blueprint it has for increasing the leadership in AI was a result of AlphaGo's victory over the leading Go player. That was not too long ago. I forget the specific year. But it seems like there was a catalyst. It actually resulted in whole neighborhoods being destroyed and rebuilt, and creating mini-Silicon Valley neighborhoods. Can you give us some insights on that?



**KL:** Yeah. Actually, two different events. I think about five years ago, China decided it needed to encourage entrepreneurship. It quickly built up 8,000 incubators and accelerators. That really made the first step in entrepreneurship much easier and changed the mindset about entrepreneurship. And then two and a half years ago was when AlphaGo defeated the Korean master, Lee Sedol. The Chinese government, as well as VCs and entrepreneurs, really woke up, so the AI.

That was, in my book, *AI Superpowers*, [what I would] describe as the Sputnik moment that China felt so much pride about having invented the game of Go, but here came a U.S. or U.K. company with people who know nothing about Go, who just wrote a program that taught itself and learned from data that beat the best. It was something that China had to embrace. Government policies, VCs with more money, entrepreneurs jump into the scene.

We, of course, at Sinovation Ventures started about five years ago, because we understood the technology. We saw its power five years ago. But the most of China just woke up two and a half years ago to the power of AI. Now, there are already many, many unicorns. A lot of top companies are doing it. The government is giving encouragement and building infrastructure and subsidies to help China become a leader in the world of AI.

**JM:** Terrific. With your current work down in Sinovation Ventures, have you been able to change your lifestyle to allow for healthier approach to keep you around for a lot longer?

**KL:** Yes. Definitely. My doctor – I had a really tremendous doctor who was very kind and very generally knowledgeable, not just in hematology and lymphoma. He told me that for my health, there were four things that I needed to really, really watch. He put it in this order. You may or may not agree. They were sleep, stress, exercise and diet.

**JM:** You get all three, or four rather. Those are the big ones.

**KL:** Yeah. Stress, I think we can try to reduce. You can't really eliminate it. Any exciting job is a little bit stressful. But it's important to realize that stress isn't just when you're feeling terrible. When you're all excited, you're stressed and tense as well, right? Giving a speech to 1,000 passionate people, or being a great cheerleader to 10 entrepreneurs, getting all excited – That's stress too. It doesn't feel good, but doesn't feel bad, but it's still stress. Sleep is well-known to be the best way to make sure our immune system is able to regenerate and recover. That's probably my biggest change, going from five hours a day to about seven and a half.

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**JM:** Great, great.

**KL:** When I feel tired, I just go to sleep. I used to drink a lot of coffee. I used to drink like seven cups a day. Now I just limit myself to two. Those are the big changes. And then exercise and watching the diet as well. That's been a change. Also, priority for my family and for people I love.

It doesn't mean I don't work hard. I probably still easily work 60 hours a week. But it's a matter of putting things first. It's not a matter of reducing my work hours and giving it to my family. Family don't just want hours. They want to see that you genuinely care. When my daughters have their vacation, I take my vacation to match theirs, not the other way around. My wife travels with me wherever we go. When she travels with me and doesn't have something to do, I come back at 2:00 or 3:00 in the afternoon and take her somewhere.

This is one of the good things about being a VC and having my own company. It's that I need to put in some hours, but I can put it in whenever I want. It's not a nine-to-five job. I can basically put my family's needs first, and then the work later. For the past month, I've been on this book tour for my book. I haven't been as good. But once the book tour is done, I'll be back in this month.

**JM:** That's great. You're still a relatively young man. You're incredibly intelligent, dedicated and committed. What are your new goals in life? You're obviously passionate about what we've discussed, but do you have any big goals that you plan on achieving in the next decade or so?

**KL:** Actually, I do not.

**JM:** Interesting.

**KL:** Yeah. Because after being sick, I spent some time with a lot of people. A very brilliant Buddhist monk, I spent time with him. I'm not Buddhist, but he's very, very wise. What he told me was that the problem I had in my life was I was always setting incredibly aggressive goals. I use goals to drive myself. These goals became an addiction for me to be rich and famous. People have greed, and not only greed for money, but greed for fame. I had become a machine chasing fame. That was his advice, that many successful people become these machines, not like people anymore.

He said, "You don't worry about AI becoming humans, but I worry about humans becoming machines." He said, "What you really should do is think about what matters to the world. Give love back. Give knowledge back. Give wisdom back. You're at an age where you don't have to prove anything anymore." That also changed my outlook. Obviously, I want to keep making good investments. I have many partners in my company who will do that. They're in the frontlines. I'm there to support them.

Then the new book is kind of a small goal for me. The reason I wrote the book is when I saw AI becoming very good one domain at a time, with large amounts of data, beating human performance – Well, the implication of that is jobs will be lost.

When I look at our investments – we've made about 45 in AI – seven of them are aiming at helping companies save money by using AI instead of people. Now, AI, of course, can enhance professional jobs – lawyers, doctors, government officials, CEOs, scientists and so on. That's a great symbiosis. But for the routine jobs in many professions – I'll just tell you the seven jobs we are invested in. That if they succeed – and I think they will – jobs will be lost. They're telemarketing loan officers, customer service, strawberry and fruit pickers, dishwashers, drivers and assembly line inspectors.

Each of these jobs, drivers is obviously the largest group, maybe 5 or 8 percent of the population. The other ones are all fractions of a percent, 10 million, 20 million, up to 100 million jobs worldwide. These jobs are not going to be human-machine symbiosis. We don't need a human with a machine that picks strawberries. We don't need a human to be with a machine to make loans. The jobs will be basically, completely displaced.

I think it's important for people to know, to start moving out of their routine jobs and for corporations to realize that they have a responsibility to take care of their people, even if they plan to use AI to displace them. For education, parents have to know that you don't educate your kids to go after routine jobs. What is a routine job? I mean. You're a medical doctor. I think most doctor jobs are obviously non-routine, but some large components of some doctor jobs are routine.

**JM:** Radiology.

**KL:** Radiology, pathology – Not today, but in 15 years, AI would do the diagnosis and reading part of their job, which is a substantial portion. I think parents need to understand. People going to medical school should think about, “What is the most sustainable medical job?” Probably in research, and “What are the least sustainable?” Probably radiology and pathology. These are important messages for people.

If you ask me what are some big goals I want to accomplish, I think getting more people to read the book, *AI Superpowers: China, Silicon Valley, and the New World Order*. Not so much to speculate China-U.S., who will win. That’s the cover, the publisher’s effort to sell the book. But the content I really want to get across is we, as employers, parents, people who run companies, employees, really have to plan for ourselves in light of AI coming over to take over anywhere between 30 to 50 percent of the jobs in the next 15 to 25 years.

**JM:** Yeah. If you’re in any of the seven fields that you’re invested in, it would be wise to consider shifting in the not-too-distant future to prevent that from happening. I’m wondering if you view your transition in your firm as one of mentoring the CEOs of all the companies that you’re supporting and funding. Do you have regular meetings with them to try to share some of your wisdom, so that they don’t repeat some of the mistakes you made?

**KL:** Certainly. Let me address one point first. It’s not just the seven jobs, because we are a one VC out of several hundred VCs that are invested in companies that displace the jobs. We have seven.

**JM:** Sure. Right.

**KL:** There might be hundreds of jobs, not seven.

**JM:** More job categories. Right.

**KL:** Yeah. Exactly. In terms of – Yes. I view that – Because I reprioritize my job, I try to think what is the biggest value that I have for my entrepreneurs? It’s not running into incubators to look for projects. Our young team members do that much better. That takes a lot of stamina.

I feel my job is, as companies mature and become large companies, unicorns, and they start to face issues about management, growth, strategy and competition, or they need help or advice about their strategy or their need to meet someone or bounce an idea off someone or have senior representation on the board, the coaching that you mention, those are the things that I feel I add the most value. I primarily do these, and leave the seeking the deals and then talking to the entrepreneurs to make decisions. Those, my partners and young team members do more of that.

**JM:** Perfect. Are there any other messages you’d like to share from your book? Or points that you’d like to emphasize?

**KL:** Well, I think the main points really are that China and U.S. are the two giant AI engines that will create this technology revolution that is comparable to the industrial revolution, but probably even faster because it doesn’t require an electrical grid to be built out. AI is working today, runs as software. That AI can create huge amounts of wealth for humanity, and reduce poverty and hunger.

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But at the same time, AI also has a lot of issues, including privacy, security, wealth, inequality and job displacements. My book is a summary of all of the above. It’s actually not a technical book at all. A lot of

people say it's very, very accessible. You can look at the Amazon review. Hopefully, your readers and audience would have an interest in the book.

**JM:** Yeah. I really enjoyed it. I read probably two books a week or so. It's definitely one of the best books I've read this year. But I love tech and I love AI. I think the potential is so incredible, that any new insights, especially from world leaders like yourself, are greatly appreciated.

I thank you for your time. I thank you for writing the book and creating a resource and sharing your personal story, that I'm sure will inspire and help others change some behaviors that could essentially allow them to encounter diseases that they don't want to see, like you did. It's clearly a lot easier to prevent a disease than to treat it. I wish you the best in your changed behavior and continuing to build the resources your body needs to defeat that disease.

**KL:** Thank you. Thanks. Bye.

**JM:** Okay.

*[END]*