

## CONVERSATIONS WITH MIKE MILKEN



### Nicola Mendelsohn CBE

Vice President, Facebook EMEA

August 14, 2020

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**Mike Milken: Today's an exciting day. We have an opportunity to visit with Lady Nicola Mendelsohn. Thank you for joining us today.**

Nicola Mendelsohn: Oh, you can definitely call me Nicola. You've known me long enough, Mike. I'm delighted to be with you.

**The title of lady, where does that come from?**

Well, I've got to just be honest. It belongs to my husband and he was made a Lord of the United Kingdom, and so I get to be his lady. That's where that one comes from.

**In 1965, the Beatles received an MBE which ranks below your rank as Commander of the Order of the British Empire for services to the creative industries. Tell us a little bit, those that don't live in the UK, What is the Commander of the Order of the British Empire?**

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*"We have over 3 billion people now using our family of apps and services. Imagine having to have gone through this [pandemic] and not being able to see people or talk to people that we've been able to do through the platforms."*

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So now I'm feeling totally unworthy because let's be honest, I'm a massive fan of the Beatles. And if that's how it stacks up, I don't feel worthy having mine. But it was awarded to me by Her Majesty the Queen for the services that I've done throughout my life to push forward the advancement of the creative industries in the UK. That's everything from theater to advertising, to film and television. It's been a passion of mine for my entire life, and I was lucky enough to chair the government's working group on that for seven years.

**Well, that's fantastic Nicola. You eventually took the assignment at Facebook. And you told me that it was the best job you've ever had.**

Without question. I joined Facebook seven years ago in 2013, and there hasn't been a day, even when we've had some really difficult and challenging moments, where I haven't felt very privileged and lucky to be doing the job that I do. Because at the heart of what I do is connecting people. I've always loved working with people. I relish in the serendipity of when people come together and extraordinary things happen.

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*“The challenge that we see at the moment is there's 3.5 billion people that don't have the privilege of having access to the internet. If people are connected to the internet, then they have better education. They're able to predict the weather in different ways, which then has an impact on when they should cultivate their crops. They'll have better access to information about healthcare, so it literally can save people's lives as well.”*

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**You cover a large area, Europe, the Middle East, Africa with your responsibilities today. It's diverse, it's wide ranging. How are you servicing these different communities?**

The way we work with each of those different geographies is incredibly different. And yet at the heart is same as people. And it's people wanting to connect with one another, which is what they've always done. But the challenge that we see at the moment is there's 3.5 billion people that don't have the privilege that you and I have every day of having access to the internet. We know from research that

if people are connected to the internet, then they have better education. They're able to predict the weather in different ways, which then has an impact on when they should cultivate their crops. They'll have better access to information about healthcare, so it literally can save people's lives as well.

If I take the continent of Africa, one of our biggest areas, there is a bit is around connectivity, making sure that more people are connected every day. One of the big projects that we've worked on is a sub-sea cable; it's one of the longest sub-sea cables in the world, which is literally serving the whole of the African continent and the Middle East region, as well. When it's completed, it's going to provide more than three times the total

network capacity of all sub-sea cables that are serving Africa today. And that's what's going to then in turn enable ultimately 4G access and ultimately 5G access as well. So that's an enormous project which has taken many people and to be able to work on it.

But also when I think about what's at the heart of the way in which we think about these different places, is that it's actually people connecting with the family and friends; that's first and foremost. What people do when they come onto our platforms, they connect with family and friends, they share the things that they love and that they're interested in. you mentioned the Beatles; we've got some big fan bases there for the Beatles that goes across geographies. There's so much more that unites us than separates us. And at the same time, also from a business perspective, the small businesses around the world, well they're looking for the same thing too. And what was used to be possible if you were a small business trader to only trade in Johannesburg, I would only be able to supply to the people around me cause I would never have had access to different customers. Now through platforms like Facebook, like Instagram, you could be selling everywhere, and I've seen it. I've been on the streets of the Soweto with some amazing female entrepreneurs, and they're telling me about the biggest businesses happening in New York today. And that wouldn't have been possible that a decade ago. And that's definitely some of the most fun stuff that I get up to.

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*“By 2030 there will be 7 million additional workers that will be under-skilled in the U.K. when it comes to digital, which is about 20 percent of the job market. At the same time, it's the biggest opportunity for any market as well. There needs to be so much work and focus put into this because businesses are going to be crying out for it.”*

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**There are a number of areas Nicola you just touched on. I'd like to look at each one individually; let's start with infrastructure. In the United States, we don't think of Facebook as responsible for infrastructure. The internet was built, connections, South Korea, probably the most connected country in the world. They have 5G today. But in developing markets that you speak about, and with 40 percent of the world's population not accessing on a daily basis the internet or its speeds, you've had to take a different strategy. Is Facebook actually putting up its own money investing in infrastructure and Africa?**

Well, yes, we've also looked at aerial fiber deployment solutions as well. This is a new thing. It's not up and active yet, but that's going to be using robots designed to safely apply specialized fiber-optic cycle cables or medium-voltage power lines. And fibers is a critical element to bringing more people online at faster speeds, because that allows bandwidth at tens of thousands of times faster than any other technology. But the cost and complexity of those networks has made it prohibitive to do a large-scale deployment. So that's one of the areas that we've looked at.

The other, and we're only talking about Africa now, but if I think about India, we took a minority stake holding \$5.7 billion investment into geo platforms. And we've seen with geo platforms that in less than four years have brought on another 388 million people online. And that fuels the way to a whole new generation of a way in which people can be schooled, online entrepreneurs, and connecting people in new ways as well. So we're working in lots of different ways. I don't think there's going to be one solution to how you connect the unconnected, but it's important that we look at lots of different areas.

**Let's talk about another area that I know you have passion for, and that's small business and women-led businesses. COVID-19 has dramatically affected small and medium businesses. Facebook recently posted a report a month or two ago on the state of small business. I've found that report both chilling and educational. Can you take us through some of the findings of that report?**

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*“Entrepreneurs are also incredibly resilient and also optimistic about what they can do. In 49 out of the 54 countries [in Africa], at least a third of the SMBs said that they earned a minimum now of 25 percent of their sales from digital channels just in the last month.”*

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We partnered with the World Bank and the OECD [Organisation for Economic Co-operation and Development] and we surveyed over 37,000 small-business owners and employees from over 50 different countries specifically about the COVID-19 crisis. We really wanted to understand what their ongoing challenges were and where they needed further support as well. And you're right. I think it is both chilling and also educational about where the opportunities are, because just over 26 percent of the business owners told us that they'd actually closed

between January and May. It actually went as high as 50 percent in some countries. A third of the companies told us that they'd reduced their workforces as a result of the pandemic. And then when you look at how women were being impacted by this, there was seven percentage points more likely to be closed relative to an SMB [small- and medium-sized business] that was owned by a man at the time of the, of the survey.

And the more stringent the lockdown has been the higher the gender disparity as well. What we're seeing now is also the slowness from, again, the restrictions being eased on how it's affecting female-led businesses. And so that gives us cause for concern because the backbone of most economies is actually small businesses. But what we see is that entrepreneurs are also incredibly resilient and also optimistic about what they can do. One of the things that we've seen is how many have now moved their businesses actually online as well. A lot of them have made really serious efforts: in 49 out of the 54 countries, at least a third of the SMBs said that they earned a minimum now of 25 percent of their sales from digital channels just in the last month.

McKinsey did a report recently that said from an eCommerce perspective that what we did in 90 days basically moved us forward 10 years. And so there is that hunger for people to learn more and more about what is happening. And so one of the things that Facebook has been doing in this area is providing, first off, a lot of trainings and we've created a business hubs for businesses that are traditional businesses that perhaps weren't selling online to learn how to come online, to connect with customers. We created a fund of \$100 million to give out to small businesses around the world. We also created a number of products for small businesses where people could actually fundraise for small businesses or buy gift cards for small businesses so they could pay it forward when the lockdowns were eased as well. So these are some of the things that we've been looking at as a company.

At our Global Conference, we had three former secretaries of the Treasury of the United States on a panel. Sheryl Sandberg had worked for one of them at one time. And so we had her moderate that panel, and she told me that she was going to look at all of these three former U.S. Treasurer's Facebook accounts just to get a little more familiar. I told Cheryl that I'm willing to bet that none of the treasurers have a Facebook account. Okay? Not one of them. Because I don't have a Facebook account. She was shocked four or five years ago to discover that none of these U.S. Secretaries of the Treasury had a Facebook account. So in their honor, she made one up for each of them to make it easy. But most of us thought of Facebook as a social interactive experience, connecting friends, people you know. You've just talked about how Facebook is helping empower small and medium business. How do you do that?

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*"There are now 116 million businesses that are using our platforms around the world. You can set up a page on Facebook or Instagram as a business page and it costs you nothing to do that. You can put out content; it costs you nothing to do that."*

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I hope you are carrying on with your Facebook page that she made for you. And if not, I'm going to tell her. It started with students and then evolved to be family and friends. But where we are today, there are now 116 million businesses that are using our platforms around the world. And the vast majority are doing it for free because you can set up a page on Facebook or Instagram as a business page, and it costs you nothing to do that. You can put out content; it costs you nothing to do that. And at the same time, we have over 3 billion people now using our family of apps and services, whether it's Facebook or Instagram, WhatsApp, or Messenger, and people are using them for a variety of different things now.

And especially I think through the crisis that we have lived through and what are going to continue to live with, it's been like a lifeline for people. Imagine having to have gone through this and not being able to see people or talk to people that we've been able to

do through the platforms. We have seen some significant increases in the way in which people have utilized products that have been there for a long time. Things like video messaging, video calling, creating fun videos for one another to share together.

**I think one of the things you mentioned, Nicola, that's so important is the realization once you have these digital platforms, that your customers are not the people in your village, they're not the people in your state or region, they're not in your country, but the whole world now is a potential. We all know full well that Africa and India and other countries in the world are not going to develop the way Europe or the United States or Japan did.**

**We're not going to build five million schools that are physical with classrooms as we know it. We're not going to put roads or toll roads or freeways throughout all of the continent of Africa. How we deliver product that I might be ordering on one of the Facebook apps has just as good a chance in the future to be delivered by a drone as it does by a truck. How do you educate the people that come to Facebook? How do you increase my skills? How do you teach me how to use commerce? How do you teach me how to send videos on Facebook or to leverage any of your platforms?**

One of the roles that I play in the U.K. is that I sit on the government's Industrial Strategy Council, and that is supposed to do impartial evaluation of the U.K. government's progress on its own industrial strategy and its impact on its economy. And I worked on the skills report that we published earlier this year. Digital skills are the most under-skilled of all the skills. At the same time, it's the biggest opportunity for any market as well. There needs to be so much work and focus put into this because businesses are going to be crying out for it.

Numbers that I have from the U.K., by 2030 there will be seven million additional workers that will be under-skilled when it comes to digital, which is about 20 percent of the job market. So it's a pretty significant number. From a Facebook perspective, we do a number of things. Pre-COVID, we ran in-person trainings all over the world called Boost. It was specifically targeting small business owners. We would gather together hundreds of people would come in a conference-like setting; a very hands on approach. And the wonderful thing is you literally just need your phone. If you have your phone, you could be creating a shop on Facebook or Instagram, very simply, and then starting to put your own content out and if you want to advertising as well. What we've now done is start to move those seminars to be online that people can join up in the different countries around the world. And we have a permanent business hub that teaches you everything from how to set up a page, how to create content that engages, what our new products are and new ways to communicate. And also to take you through the measurement side of it as well, because we also want to make sure that you're getting really strong return on investment for the money that you spend with us. You can create an ad campaign on Facebook for literally a couple of dollars. It's as simple as that and start to target.

**Let's talk about COVID-19 with your own employees at Facebook. How have you interacted? What have your policies been over the last six months in different parts of the world?**

We saw what was happening in Asia and it was pretty clear that this was something that wasn't going to be contained. So by March, we'd actually closed all our offices globally and said to people to work from home. And we said that we would pay everybody and to provide them as best we could. Everyone had their own laptops and all the rest of it. We're lucky that so many people at the company are able to do their jobs.

But we actually saw that our role here could be important in terms of how we could assist with the public health response. And so one of the things we moved to do quickly, working with the World Health Organization globally, was to put coronavirus information hubs at the top of people's newsfeeds, which would direct them and link to the individual countries, direct them to information that was going on in that country to give advice.

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*"It became very clear that nobody had ever heard of follicular lymphoma. And nobody really understood what living with an incurable blood cancer meant. I have to believe in 2020 with all the incredible advances that this should not be the way. So we've set up a foundation - Living with Follicular Lymphoma - and it's about finding cures and treatments and also helping people to live with follicular lymphoma."*

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At the same time, it was very important to us to make sure that we took misinformation off the platform as well. And again, working with organizations like the World Health Organization or with local health authorities and individual countries, we would go to them and then we would make sure that we would take that off the platform. And so from April to June, we took down over seven million pieces of misinformation for violating our policies.

One of the biggest things that we did was actually making sure the infrastructure stayed up. So you can imagine we saw this huge surge in

people coming onto the platforms to connect in ways that we normally would see at some time, like a New Year's Eve or a moment like that. We've kept the infrastructure up and running. It feels like such a long time ago, but Italy was one of the first countries in Europe where it really got bad quickly. We saw at that stage that group calls jumped by 1,000 percent, such as the need of people to come together, so we had to manage for and to see that.

**You were diagnosed with follicular lymphoma, an incurable blood cancer. Anyone diagnosed with cancer goes through a lot of thoughts. Am I going to live long enough to see my children grow up? Am I going to live long enough to see them get married? Am I going to live long enough to see grandchildren? You had built such a life of success and a wonderful family. Now you're faced with a challenge, but like others you have the**

**ability to change the course of history. It's been amazing to see what you've accomplished. Take us back to what led up to the day that you came to see me in Los Angeles and then bring us forward to today. What could we do, do you believe, to help you in your efforts with follicular lymphoma?**

So I just want to start, Mike, by saying thank you to you because it's not very often you get to thank your heroes for inspiring you. And so I wanted to do that publicly now because you gave of your time to me and you helped to chart this course that I am on now, because I'm literally stealing with pride from the extraordinary things that you have done in you have achieved and the lives that you've saved, most of whom will never be able to thank you all know that you had anything to do with it. So thank you.

I was and I still am living a very blessed life and, and I was well, and I was healthy. And so the diagnosis on November 16 was an absolute shock. I was not ill. I had no symptoms bar a tiny lump the size of a pea in my groin. And if it wasn't for a good friend of mine, who is a doctor, my local GP, she said, let's just get it checked out, I wouldn't have. It absolutely floored me.

I naively thought because you see all these amazing articles as a non-science person, which I am, that medicine's changing and developing. And I just assumed it would it be fine for me too, that when I needed treatment that it would be around. And it became very clear that nobody had ever heard of follicular lymphoma. There wasn't enough research going into it, and pretty much the status quo was as good as it was going to get. People have said to me, things like, 'well, you look like a fake. It's a fake cancer.' And nobody really understood what living with an incurable

blood cancer meant. isn't it? No, no. I've gone through a grueling treatment of chemo and immunotherapy and I am grateful that I am well, but I have to believe in 2020 with all the incredible advances that this should not be the way. And the other thing that you and I were talking about is that there'll come a day where we don't talk about the fact that someone has a breast or prostate cancer or a follicular lymphoma. They'll talk about the fact that you have a genetic profile that looks like this and needs a bit of love and attention in order to get it back to where it needs to get to. So we've set up a foundation with my husband, John, and it's about finding cures and treatments and also helping people to live with follicular lymphoma as well.

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***"We were never a family that ate together. In the pre-COVID world, I was traveling every single week. But we would always be home together for the Jewish Sabbath; that was the unwritten rule in the family. We've literally spent five, six months together now where we've eaten, if not breakfast, lunch, and dinner, certainly dinner together every day. I've been very grateful to spend this time with my family because I would never ever have had it."***

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We only did it in November. We totally have been sidetracked beyond belief by COVID in terms of all the big fundraising plans that we had in place. Every single one of them got cancelled one by one, like a domino effect. So we are screaming out for money. If anybody is out there and know somebody with lymphoma, or more importantly is interested in the 73 cancers that if we cure for follicular lymphoma, we'll do a pretty good job of curing those ones as well, such as this genetic mutations that they share including Mike, as you know, some of the incurable parts of prostate cancer as well. So we're going to be creating things like the first patient registry, the world's first tissue bank. There's so many exciting ideas.

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***“The aim of this foundation is to put itself out of business as quickly as possible. We are not interested in creating a big charity. We want to be agile. We want to be nimble. We want to take the learnings from technology and we want to partner, partner, partner with people that want to find a cure.”***

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This is where all the parts of my life come together because there's also a Facebook group now called [Living with Follicular Lymphoma](#). It's one of the best places that I go to to get the information and resources and see what people are doing around the world. We're now nearly 7,000 people in that group. If anybody knows anybody with this disease, tell to join the group; they'll find it the most amazing support. And that is true for other diseases as well. There are so many Facebook groups that come together to support one another. The aim of this foundation is to put itself out of business as quickly as possible. We are not interested in creating a big charity. We want to be agile. We want to be

nimble. We want to take the learnings from tech and we want to partner, partner, partner with people that want to find a cure.

**I want to come back for a moment to where we started. And that is your leadership role in so many of the things that you have played in your life. I'd like to go now to Diageo; you're on the board of Diageo. What is its mission? Talk to us a little bit about that.**

Diageo is one of the world's leading consumer goods companies with a magnificent array of different spirits and beers around the world. When I was thinking about what sort of board I wanted to be on and to serve as a non-exec director – and actually it's something Facebook encourages us to do – I wanted to join a company where I thought I could learn, that had values that were important to me, and that my skill sets would also play well. And as a consumer-facing company that cared about marketing and advertising that cared about people and that had the global perspective plus very strong on diversity, it's been an absolute honor to serve on the board.

Half of our board at Diageo is female. If you don't have that at the top of the company, then you're not going to expect to see it as you go down the company. All the research in the world says, now that companies that have more diversity do better from a

financial perspective as well. So it just makes good business sense; it's not just a nice thing to do. It makes good, hard business sense to make sure that the company's composition reflects the people around the world that it's serving.

**How has COVID-19 changed your family? Talk to us about your immediate family and what has it been like over the last six months of 2020?**

It's been extraordinary is the honest answer when it comes to my family. John and I have four children: Gabby, Danny, Sam, and Zach who range in age from 23 down to 15. And we were never a family that ate together in the week. Busy lives. In the pre-COVID world, I was traveling every single week. I would be in a different country. I loved that and I enjoyed that. But we would always be home together for the Sabbath; that was kind of the unwritten rule in the family, that we would come home and spend the Jewish Sabbath together. So we've literally spent, what is it, five, six months together now where we've eaten, if not breakfast, lunch, and dinner together every day, certainly dinner together every day. And it became clear very early on that we needed to create a framework for us to get through this together, which meant the allocation of who was going to cook meals on different nights, but also how we could surprise and delight each other in different ways. So that's involved people taking on theme nights for dinners; we've done murder mystery evenings, we've had movie nights, we've done so many different things and we would never have had this time as a family. There's been so much bad that has happened on this, but on a personal basis I've been very grateful to spend this time with my family because I would never, ever have had it. I hope they feel the same by the way, especially my 21-year-old who's supposed to be back at university soon.

**This is a time for family that you might never have in this environment again, and you've just delivered that message as well as anyone could. Nicola, thank you for joining me today. We obviously wish you good health, and we wish all the billions of people that you're responsible for since we calculated that you have one-third of all the countries in the world are in your territory. It's been a pleasure having a chance to visit with you today.**

Mike, the honor been mine. I've loved the time today, but not just today, for helping me on the journey that I am on. I am grateful. And the last thing I would say is, practice kindness. It's amazing, the difference that it can make to just have a moment where you connect with someone and you just show a little bit of kindness; the joy that it can give you back can make a huge difference. And Mike, I know you do that on a regular basis as well, so thank you for this time as well.

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