



# Raymond A. Mason School of Business

WILLIAM & MARY

LEADERSHIP & BUSINESS PODCAST

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## EPISODE 112: THOMAS TULL – MACHINE LEARNING AND HUMAN INTERFACE

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### Ken White

From the College of William & Mary in Williamsburg, Virginia, this is Leadership & Business. The podcast that brings you the latest and best thinking from today's business leaders from across the world. We share the strategies, tactics, and information that can make you a more effective leader, communicator, and professional. I'm your host Ken White. Thanks for listening. It's difficult to put one label on Thomas Tull. He's an entrepreneur. He's the founder of Legendary Entertainment, the maker of blockbuster movies. He's part-owner of the Pittsburgh Steelers, and he's an innovator. Tull is the founder and CEO of Tulco, an operating company that transforms existing businesses by bringing in great management teams and technology. He recently visited with students at William & Mary's School of Business. Afterwards, he sat down with us to talk about the intersection of machine learning and human interface, when to listen and when not to listen, and how to have a job and career you love. Here's our conversation with the CEO and founder of Tulco, Thomas Tull.

### Ken White

Thomas, thanks for being here. Great. Great to meet you and great to have you here on campus.

### Thomas Tull

It's great to be here. I've really enjoyed it.

### Ken White

And you've talked to a lot of students. What did you talk about? What were their questions like?

### Thomas Tull

Well, I've done three sessions in analytics class, an undergraduate business class, and then we had yesterday at four o'clock a campus-wide group that came in, and I spoke, and I have loved the energy here. I've gotten great questions, you know, especially there were a couple of questions from undergrads that I was like I can't believe that very sophisticated

questions and I, you know, of course, it's a beautiful place, but you can understand why people are so passionate about the school.

Ken White

Great to hear. Well, let's see if we have some good questions for you as well. I don't know if we can top our students. That's a tall order, but our audience knows your background. And when we see the background, one of the questions that came right to my mind is when you were growing up did you know this is the kind of life you under lead this what you wanted to do?

Thomas Tull

You know, no, I was convinced that I was going to be a lawyer. I was going to go to law school and follow that sort of trajectory. And you know, but then as I got a little older, I thought to myself I'd kind of like to have my own business or at least be able to blaze my own path. So I thought about that a lot. And you know, at a young age, I had little, you know, lawn mowing and snow shoveling businesses and stuff like that to try to help my mom out with the bills and so forth. But in terms of the things that I get to do today. Absolutely. People ask me, did you ever you know dream any of this would happen. No, I had no context to even think it was it was possible, so I'm incredibly fortunate, obviously.

Ken White

How do you label yourself? Would you consider yourself an entrepreneur? How do you what title do you sort of give yourself?

Thomas Tull

That's an interesting question. You know entrepreneur, I guess from a standpoint of I've always you know kind of had my own businesses and so forth. But I think also what I seem to do more of is taking existing businesses and trying to either put a different slant on them and so forth. So I'm not capable of inventing social media or any of these things that didn't exist before, and now they do. But I've always been fascinated by finding a company or finding a business or a sector and being able to look at ways to make it more efficient.

Ken White

How did you do that with Legendary?

Thomas Tull

Well, with Legendary. It really started out as looking at it as an asset class. It was a 30 billion dollar asset class at the time. I started studying it in sort of 2003 and looked at a lot of the financials over the previous decade looked at performance metrics around how films

did where I thought the market was heading, especially internationally, and I thought you know there was an opportunity to create a company that was sort of adjacent to the Hollywood ecosystem. And you know and then along the way, you know seven or eight years ago saw the need for looking at things and deploying our capital, especially against advertising in hopefully a more thoughtful way. So formed Legendary Analytics and bought a sort of boutique analytics shop in Boston and grew that up to something that was pretty valuable for us. So it's constantly trying to ask you know how can you do things differently if you could know, what's worth knowing, and trying to push teams to think that way.

Ken White

That sounds like such a good idea, but how do you know it's a good business. How do you know it'll work?

Thomas Tull

Well, and those things are oftentimes incompatible. So I think one of the things that I believe in is that you have to sort of have that blend of stubbornness do your homework do very deep homework so that you've convinced yourself that your thesis holds water and that that very question you ask. And the reason I looked at ten years worth of financial returns and all the different things that we looked at for legendary was I was at first nervous that even if you did well. Right. So you deployed your capital, you made your movies, and they did reasonably well that you still didn't have a real business that could scale and was worth putting institutional capital behind. So I had to convince myself and then obviously the financial markets that I thought it was prudent. So you have to be stubborn, and once you've convinced yourself that you've found a path. I mean, people believe me had like an intervention with me and said this is a crazy idea you don't know anything about the industry et cetera. And they meant well, and some of the points they made were, you know were reasonable. But I had really looked deeply at this and convinced myself to go all-in on it, and I think if you find businesses that have worked or people that have kind of blazed a path, you'll find a lot of similar stories that you know that that it was it certainly wasn't obvious and they got a lot of no's and that you do it anyway. Now you also can't be stubborn to a fault where you know if the empirical evidence is this isn't a good idea even though it's your idea and you feel real emotion around it, you still have to be thoughtful enough to say, okay I can't pursue this.

Ken White

But a tough line to cross or not cross for some entrepreneurs. Right. We see people hanging on too long or giving up too early.

Thomas Tull

Yeah, I think both of those things you certainly see if you have conviction. One of the things that I have said before is that you have to stay the course even when reasonable people would sort of tap out and say, you know I'm giving up. But just as dangerous as that is, your plan clearly is not working. And you know you're in a hole, and you just keep digging.

Ken White

Do you have advisers' inner circle who do you bounce ideas off of?

Thomas Tull

Yeah, I mean, look, I have phenomenal people. There's one guy, in particular, his name is Marty Willhite, who is with me at Legendary. Before he was with me at Legendary, he was at Charlie Mongers law firm at Munger Tolls and was sort of one of Berkshire Hathaway's outside deal lawyers for a dozen years or so. So incredible experience and intellect. And you know Marty is now is with me a Tulco as well. And there's just we have an amazing board of directors. We have an amazing group of advisors, far better and deeper group than I deserve, and certainly take advantage of that in terms of, you know, getting advice and bouncing ideas off of them.

Ken White

So you're doing a lot of listening along the way.

Thomas Tull

Absolutely.

Ken White

Yeah.

Thomas Tull

Yes.

Ken White

You're involved with the NFL and professional sports. What do you like about that?

Thomas Tull

Well, I would say two things. It's probably the only investment I've ever made that was ruled by emotion rather than numbers. I grew up a diehard Pittsburgh Steelers fan, and in 2005 we had filmed a movie called We Are Marshall about what happened at Marshall University, and Pittsburgh Steelers wanted to see an early cut of the movie because Katie

Morrow, who's in the movie, is related to the Rooney family. So normally, I just would have sent somebody else but believe me, I said I'll take it. So I went and spent the day with the Steelers and struck up just one of those amazing relationships with Dan Rooney. I think he was fascinated by the fact that I, just in his words, had an encyclopedic sort of knowledge and passion for the Steelers. And we stayed in touch and built a real friendship, and I think it was in 2007. He asked me to be his partner and join the Steelers ownership group. And that was an out-of-body experience for me.

Ken White

I'll bet as a Steeler fan. I get it. I totally get it.

Ken White

We'll continue our discussion with Thomas Tull in just a minute. Our podcast is brought to you by the Center for Corporate Education at the College of William & Mary's Raymond A. Mason School of Business. The Center for Corporate Education is hosting the certificate in business excellence program for professionals in the Northern Virginia, Washington D.C. area. The program begins in mid-March takes place on Fridays. Each day is devoted to one important core business area, including effective communication, accounting for managers, business analytics, business strategy, and executive leadership. If you're looking to expand your business acumen and give your career a big boost. Check out our website at [wmleadership.com](http://wmleadership.com) for information about the Certificate in Business Excellence. Now back to our conversation with the founder and CEO of Tulco, Thomas Tull.

Ken White

There's got to be a lot of parallels with the movie industry and professional sports. I mean that that's entertainment, right. What do you see as some of the parallels?

Thomas Tull

Well, I would say first and foremost that both businesses are primarily you're in the human being business right you're dealing with very talented people that motivate themselves in different ways. You're dealing with sort of large financial numbers and having to make things work whether it's, you know, look, I really want this actor or actress to be in the movie, but it can't tip the budget to an out of control place. Obviously, you're forced with a lot of decisions on rosters where talented players that you want to keep but there are other teams in the market that'll pay more. And so there's complexity around that. And then I think because you're dealing with immensely talented people who are also now in a social media age face different pressures far different circumstances than the quote famous people that came before. I think that creates a lot of interesting dynamics and pressures. So I think there are parallels just in terms of, you know, trying to build the relationships and trust and so forth, and was it has been an amazing ride with both.

Ken White

Yeah. And now it's Tulco. Very interesting.

Thomas Tull

Yes.

Ken White

Looking at businesses and making them better basically, and how are you doing that?

Thomas Tull

Well, so the thesis with Tulco was sort of to it's a holding company, so it's not a fund. It's an operating company. And what we look for is companies in traditionally sort of large but sleepy spaces that have not heretofore had a lot of innovation and used a lot of technology and then partnering with great management teams that have deep domain expertise and not only providing the capital but at the heart of Tulco is Tulco labs where we have data scientists and machine learning artificial intelligence. And what we seek to do is to partner with these management teams, buy the company or large chunks of the company and have our Tulco labs folks come in and help them employ technology that is transformational. Right. We don't look for incremental change. We look for things that really move the needle. So knock on wood has been working. We've got an amazing shareholder group and has a board and so forth, and I get out of bed excited every day.

Ken White

That leads to some serious change within an organization. So what do you have to do as a leader? When you do when you come into an organization, and it's going to be transformational change. How do you handle that, or how do you lead?

Thomas Tull

Yeah, I think the first thing is an alignment of goals and a very clear path that you outline with total transparency. Because if you have a management team frankly that wants the check but doesn't really embrace or understand the change that we think needs to happen, that's not going to be a very successful relationship. So we look for our management teams to say, look, we have a really great business here. We think we're in a great sector. We know this cold, but we don't have the resources to be able to do this. And the teams that get excited about it and are reinvigorated by it and kind of see where you can take it. Those are good partners and a good fit for us.

Ken White

How do you see and this is a tough question. How do you see things like data analytics and machine learning changing what we're doing in business and changing our society as we move forward?

Thomas Tull

You know, certainly, we're seeing this now, but over the next decade, I don't think there's a corner of our economy that is not going to be touched and affected by machine learning, data science, artificial intelligence, robotics. And you know I think that where we see the magic happening is between the machine and human interface, right. If you if you're just doing everything with data analytics or just saying, look, the machine will decide those aren't highest and best outcomes, but where you can take large swaths of data and information, organize it and then make it actionable. We think that's extraordinarily compelling and valuable and then all the different things that would be very difficult or take enormous amount of time or resources in order to kind of get to know every nook and cranny and using the right technology to get your head around that. I think all those things are incredibly valuable.

Ken White

So as our work world is changing. What advice do you have for professionals? What should they know? What should they be leaning toward in terms of career, and if they know nothing about data, a lot about data, and so on?

Thomas Tull

Yeah, I think you know. I think the whole knowledge economy thing is interesting because your skill sets now I think have to include being able to lean into and embrace technology because it is happening regardless of what anybody's thoughts or wishes are. You know those things are going to happen, so if you can understand the context and really spend some time learning what data, what analytics, what what's these sorts of things can do and can help to transform businesses and make more valuable. I think that's a prudent thing to spend time on.

Ken White

To double back to something you said earlier, you say you love getting up in the morning can't wait to go in. What advice do you have for people to reach that spot? How do you get there to when you get up in the morning? You just can't wait, your feet hit the floor, you can't wait to go in?

## Thomas Tull

Well, I would say a couple of things. The first is you know that old adage about know thyself I think is incredibly important because you know whether it's expectations placed on us at home socially whatever it is about what we should be doing with our life versus really getting comfortable with who you are how you're wired what you're good at maybe what's challenging for you understanding as much as you can about what environment you'll thrive in. I think is very, very important because if you're going to be successful, I mean there's a number of measurements for that and I think one of the biggest is that you know certainly the older I get, the more I understand that time is your most valuable asset. So you know if you're spending your time in a vocation where you know it's just a grind for you. Now, look, we all start somewhere, right. So it's very difficult to come right out of school and say, you know this is how I'm going to spend my time. You have to earn your stripes in that way. But I do think looking at a situation and saying, look, I think I would do great in a structured environment at a big company versus somebody that says, look, I would hate that like I need my brain works best when I have creative freedom when I have you know the ability to have immediate efficacy and not get frustrated and so forth. I think the more that you can be intellectually honest and reflective about those things, the more valuable it is.

## Ken White

That's our conversation with Thomas Tull, founder, and CEO of Tulco. Our podcast is brought to you by the Center for Corporate Education at the College of William & Mary's Raymond A. Mason School of Business. The Center for Corporate Education can help you, and your organization get to the next level with business and leadership development programs that specifically fit your needs and get results. If you're interested in learning more, visit our website at [wmleadership.com](http://wmleadership.com). Thanks to our guest this week, Thomas Tull, and thanks to you for joining us. I'm Ken White. Till next time have a safe, happy, and productive week.