ACTION

THE RISE AND FALL OF THE RELATIONSHIP BETWEEN WEWORK COFOUNDER **Adam Neumann** AND SOFTBANK CEO **Masayoshi Son** REVEALS DEEP FLAWS IN THE TECH WORLD'S QUEST TO SWALLOW THE GLOBAL ECONOMY.

PAGE 95

BY KATRINA BROOKER

“Sunshine is the gift of the gods,”

MASAYOSHI SON CHEERILY TOLD A CROWD OF INVESTORS ON THE MORNING OF OCTOBER 3, 2018. HE WAS IN GREATER NOIDA, INDIA, GIVING A SPEECH ABOUT SOLAR POWER. THE DAY WAS HOT, IN THE MID-90S, AND FOR SON, CEO OF THE JAPANESE TELECOM CONGLOMERATE SOFTBANK, PARTICULARLY BRIGHT. HIS VISIONS FOR SOFTBANK—TO BE AT THE VANGUARD OF TECHNOLOGY AND AI INVESTING—HAD CAPTIVATED THE GLOBAL CAPITAL WORLD.

“As long as you have the land and sunshine . . . I will give you free electricity,” he said. Son had committed to investing as much as $100 billion in Indian solar infrastructure. The free power would come 25 years from now.

Meanwhile, nine and a half time zones away, Adam Neumann, cofounder and CEO of WeWork, the fast-growing global office-leasing player, was in New York celebrating a series of recent milestones: becoming New York’s largest private landlord; committing the company to becoming carbon neutral by 2023; and officially launching WeGrow, an early-education offshoot run by his wife, Rebekah.

Neumann and Son, who had become partners nearly two years earlier, when Son first invested in WeWork, were ebullient for other reasons. They believed that they were on the verge of closing a $20 billion deal to buy out WeWork’s other investors and fund sweeping plans for new expansion. The arrangement would allow WeWork to forestall having to go public for years, letting it grow without scrutiny from Wall Street analysts, mutual fund managers, or other investors. Plus, the unusual venture would value WeWork at $47 billion, more than double what it had been a year earlier. This would boost the fortunes of both men. Son could point to the deal as evidence of his investment strategy’s success; Neumann would join the rarefied club of American entrepreneurs, including Facebook founder Mark Zuckerberg and Uber’s Travis Kalanick, whose companies’ private valuations soared this high.

Meanwhile, there was a third man in the mix, Mohammad bin Salman, the crown prince of Saudi Arabia. Bin Salman was Son’s biggest investor. Two years earlier, he’d put in nearly half the capital, $45 billion, to launch Son’s $100 billion Vision Fund, a brash and controversial investment vehicle fueling the world’s biggest startups, including WeWork, Uber, DoorDash, and ByteDance. In October, the prince would say publicly that he intended to put up another $45 billion. He was also expecting Son in Riyadh later in the month, at a Saudi financial conference known as Davos in the Desert. Neumann was invited, too, even though, as an Israeli citizen, he wasn’t officially allowed in the Islamic country.

Then news broke on October 3 that *Washington Post* columnist Jamal Khashoggi had vanished inside the Saudi consulate in Istanbul. Almost immediately, bin Salman was implicated. As gruesome details emerged—a bone saw, body parts removed in suitcases—it didn’t take long for investors or the general public to take issue with SoftBank’s connection to the Saudi money. The company’s stock plummeted 20%, losing some $20 billion in value.

Son remained quiet until the headlines died down. A month later, during SoftBank’s earnings presentation, he claimed he’d been focused all along on helping Saudi citizens. “We want to see those responsible [for Khashoggi’s murder] held accountable. But at the same time, we have also accepted [a] responsibility to the people of Saudi Arabia—an obligation we take quite seriously—to help them manage their financial resources and diversify their economy.”

It was during this time, as pressures on SoftBank’s stock price and Son’s biggest backer mounted, that Son began to rethink his offer to Neumann. The pair had been arguing over who would ultimately control WeWork when the deal was done. On Christmas Eve, Son called Neumann to break the news that the

SOFTBANK’S PORTFOLIO WOES

Didi

After a couple of rapes and murders by drivers in 2018 led to a #DeleteDidi campaign, Chinese authorities castigated the ride-hailing company, and the founders apologized for being too focused on growth. Didi raised eyebrows in September 2019 for letting riders choose to be picked up by a Communist Party member.

Everything you thought you knew about investing in startups is wrong

THESE VC TRUISMS HAVE NOT AGED WELL—AND EXPLAIN THE MINDSET THAT PRODUCED WEWORK.

	"Founders first"	"Software is eating the world"
DATE CODIFIED	2005	2011
PRIMARY EVANGELIST	SEAN PARKER	MARC ANDREESSEN
THESIS	Young founder-CEOs should not be replaced by professional managers or lose board control, because they're uniquely suited to run companies in the internet and mobile era.	Businesses and industries are increasingly being run on software delivered via the internet.
INHERENT FLAW	This setup overcorrects the previous norm of replacing founders after raising a Series A funding round. Subsequent "innovations" gave founders super-voting control as a matter of course and let them sell shares during funding rounds with no effect on their power.	Markets such as real estate have different economics than, say, media and communications; having an app does not mean that you can produce high margins like a software company or deserve a tech-company valuation.

deal they'd planned was off. Neumann was stunned and upset, and still desperate for cash. He managed to negotiate a revised $2 billion deal. Still feeling pressure for more capital, Neumann made another fateful move. On December 28, 2018, he filed confidential documents registering WeWork for an initial public offering.

Neither man knew it at that moment, but the move started a death clock ticking. On August 14, 2019, WeWork, which had rebranded as the We Company, released its IPO prospectus, a public documentation of the company's history of questionable management decisions and its poor financial state. Five weeks later, battered by the markets, bad press, and mounting pressure from inside the company, Neumann postponed the offering; a week later, he resigned as CEO. In a little over one month, he'd gone from preparing to celebrate a $65 billion IPO to being ousted from a company teetering on the brink.

The fallout from We's collapse has been brutal. With cash running out, it has scrambled to secure new financing. It is laying off thousands of employees, who bought into Neumann's promise of higher purpose and even higher stock options. For them, Neumann is an archvillain. While they send out résumés, he is walking away with up to $1.7 billion, part of a final deal he negotiated with Son in late October 2019 to step off the board and cede his control over the company. Son, still atop SoftBank, has the most to lose now. He has to turn We around and justify putting $18.5 billion into the company. He is also in the midst of trying to raise a fresh $108 billion to invest in new startups. But potential partners and investors are questioning his judgment: How could Son have been so wrong about Neumann?

The implosion of We is about more than bad billionaire behavior. It has exposed the innards of a deeply flawed system, one that impacts billions of people around the world. Venture investing—once a bit player in global financial markets—is now the major force behind the companies and technology reshaping nearly every aspect of human existence. It impacts how we work, move, live. It causes investors to push founders to grow their companies at breathtaking speeds, dominate markets, snuff out competitors. Entrepreneurs, boosted by money, adulation, and skyrocketing valuations, have willingly complied. Amazon, Apple, Facebook, and Google set the standards and pace for how to win market share, at all costs, even at the expense of human rights, democracy, privacy, and fairness. At We, Son's money and backing enabled Neumann's worst instincts to flourish. One We executive recounts a meeting where Neumann openly discussed building We into a "monopoly." When the executive pointed out that the word implied unfair, potentially illegal, business practices, Neumann shrugged and said that in the future he would call it something else.

SOFTBANK'S PORTFOLIO WOES

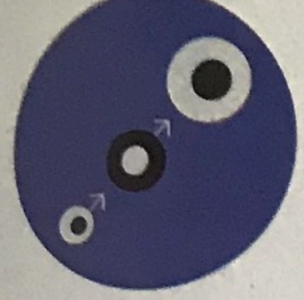
DoorDash

The food-delivery service used customer tips to subsidize its own payments to contract drivers. Questions persist as to the viability of the business model, especially if its workers are classified as employees, as a California law attempts to do, starting in 2020.

In reporting this story, I spent hours talking to dozens of executives and insiders at both We and SoftBank, many of whom asked not to be named for fear of retaliation from the two companies involved. I also interviewed Neumann on the record twice before his IPO plans were publicly announced. Stories shared with me by those who lived through We's rise and fall paint an indelible portrait of a charismatic but flawed man, his powerful benefactor, and how their strange, complicated relationship ended in shambles.

▸ PLEASE SMILE AT STRANGERS

"He saw me speak onstage," Neumann told me one morning last winter, recounting his



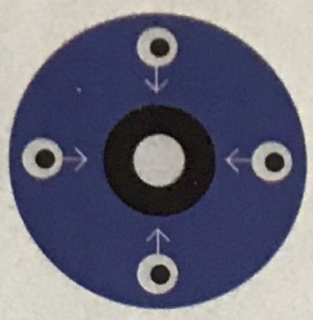
"Startup = growth"

2012

PAUL GRAHAM

"A startup is a company designed to grow fast. . . . The only essential thing is growth."

Public-market investors ultimately care about profits, too, and every sacrifice made for growth at the expense of profitability—from taking on debt to entering new markets for the sake of a story for private investors—creates a lack of discipline within a company.



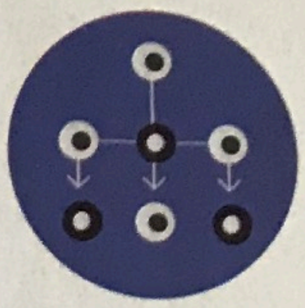
"Monopoly is the condition of every successful business"

2014

PETER THIEL

Founders need to seek out markets they can monopolize, because it's harder to capture value created in competitive industries. Ultimately, companies with no competition are more competitive.

This monopoly-seeking ethos has been misapplied to global sectors impossible to dominate, from transportation to food to real estate. It's also anti-democratic and increasingly the focus of regulators.



"Blitzscaling"

2015

REID HOFFMAN

To become the first major player in a large global market, one needs to build out a company very rapidly.

Even Hoffman has admitted that this approach wastes money and produces a win-big, lose-big mentality, which is great for venture capitalists and founders—but no one else.

memory of how Son first entered his life. It was January 2016, at an event called Startup India. At the time, WeWork had a $12 billion valuation, but fewer than 75 locations, and none in India. As a condition of his speaking at the conference, Neumann insisted that while there he get time with Prime Minister Nahendra Modi. Neumann brought along his father, and in one photo from the day, Neumann appears dressed in traditional Indian garb, smiling brightly as he and his dad, wearing khakis and a tie, bookend Modi. (Neumann got the idea to wear the outfit after attending Donald Trump's son-in-law Jared Kushner's birthday party the night before Neumann's trip to India, inspired by what Kushner's Harvard roommate wore to the event.)

Son had come looking for investment opportunities. A month earlier, he'd announced plans to put $10 billion into Indian startups. He had already backed one young entrepreneur: Ritesh Agarwal, a then 22-year-old Thiel Fellowship winner who was starting a version of Airbnb in India.

But it was Neumann who caught his eye.

At 6-foot-5, with long jet-black hair and chiseled cheekbones, Neumann stood out. So did his words. "For such a spiritual country," Neumann began, looking across the crowd of business and government leaders gathered at the Vigyan Bhavan conference center in New Delhi, "I'm surprised [by] the amount of talk I heard about valuation and raising money and bubbles and building big companies. That is not the goal. The goal is finding something that you truly love. Make sure it has intention behind it. Make sure it's going to make the world a better place."

That evening, Neumann joined Son at dinner.

Unbeknownst to Neumann, the then 58-year-old Japanese tycoon was about to start a new venture. Dubbed the Vision Fund, the $100 billion investment vehicle would let Son build a massive global conglomerate of digital-era startups. It would help him shape and dominate the next technology revolution, powered by artificial intelligence, which he believed would remake markets and industries worldwide. He called his investing strategy *gun-senryaku*, which translates from Japanese to a flock of birds flying in formation. To fulfill this dream, he needed an army of wild-eyed entrepreneurs like Neumann who would take big sums and big risks.

In courting Neumann, Son played coy at first. He passed on participating in a WeWork funding round in March 2016, which was ultimately led by Hony Capital, a Chinese venture firm. For months, he didn't show much interest.

Then in December of that year, Son asked for a tour of WeWork's Manhattan headquarters during a visit to New York. He did not say he was planning to invest, just that he had never been inside one before and was curious.

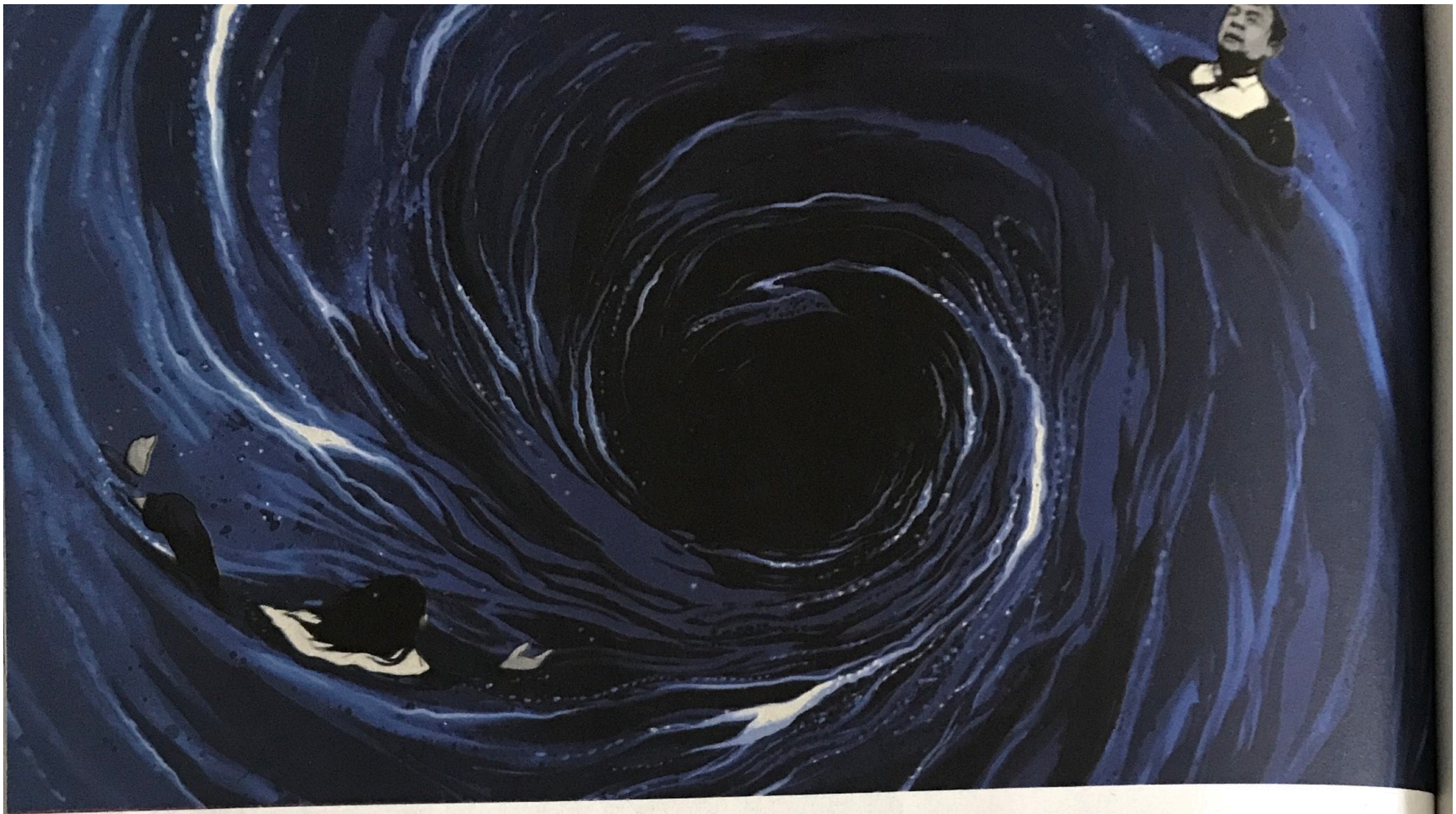
WeWork employees recall Neumann being nervous that day. Son was nearly two hours late. When he finally arrived, he told Neumann that he had only 12 minutes. Neumann raced to show him as much as he could. He hadn't gotten far before Son had to go, but he asked Neumann to ride with him in his car so they could talk.

There, in the back seat, Son took out an iPad and wrote out the terms for a $4.4 billion investment in the company. He drew two horizontal lines at the bottom, signed his name across one, and then handed the iPad to the then 37-year-old Neumann to scribble his name on the other. Neumann would keep a photo of the agreement

SOFTBANK'S PORTFOLIO WOES

Compass

The real estate brokerage's CFO, CMO, COO, and CTO have departed in the past year and a half. Real estate analysts question the extent and depth of its technology services.



on his phone. "When Masa chose to invest in me for the first time, he only met me for 28 minutes. Okay?" Neumann told me in January.

At the time, Neumann's admiration for his mentor was still intact. He recalled that Son told him, "The last person I felt this with was Jack Ma." Ma had famously turned a $20 million investment from Son in February 2000 into Alibaba, a commerce giant valued at more than $200 billion. There was a directive mixed in with the flattery: Neumann would be expected to deliver as Ma had.

▸ HUSTLE HARDER

Neumann had always been aggressive and demanding, the kind of entrepreneur who thought about having 100 WeWorks when he still had only a mere handful. Once Son's investment in WeWork was announced, in August 2017, Neumann became even more so.

Employees who worked closely with Neumann say that Son's exhortation to move "faster" made him more volatile. One executive recalls the founder returning from a meeting with Son, upset because Son had told him that he wasn't growing the company quickly enough. Neumann turned up the pace to breakneck. He tore up plans that called for opening 30 new locations, insisting that the team make it 60. "You have to imagine the strain this puts on an organization," says one employee who worked with Neumann.

The logistics involved in opening a WeWork location are exhaustive: negotiating a lease, designing the space, getting permits, building it out, finding tenants, and tailoring the marketing for a particular neighborhood. Major problems at the company's far-flung locations—it had expanded everywhere from Houston to Melbourne, Australia—would get overlooked or swept under the rug amid the frenzy to grow.

Executives say that when they tried to convince Neumann to proceed more cautiously, he would become enraged, calling them "B players." One former manager recalls being publicly berated, and later having his job title stripped, after trying to persuade Neumann to rethink a particular strategy that did not have enough staffing to be executed properly. Others who argued with Neumann would get barred from meetings, pointedly ignored, or iced out of conversations. "You would get punished for standing up to him," one employee says.

Few people on the planet have had as much access to Son as Neumann once did. Son was more than just a deep pocket. He was a mentor, a confidant, a fellow dreamer and supporter. "Adam and Masa have a special relationship," Artie Minson, WeWork's former CFO who took over as co-CEO in September 2019, told me in the fall of 2018. Neumann, whose parents divorced when he was 7 and who was raised mostly by his mother, grew to rely on Son for guidance. Neumann did not want to disappoint his mentor, and Son expected much of his star. Son appointed two top lieutenants—SoftBank vice chair Ron Fisher and Mark Schwartz, a former Goldman Sachs partner—to sit on WeWork's board. Schwartz, employees say, was a regular around the office, at times appearing in operational meetings, and working out of a small room near Neumann and other top executives.

Neumann had long kept a scrap of paper on which he and cofounder Miguel McKelvey had sketched out their early ideas for how the company could grow into residential real

SOFTBANK'S PORTFOLIO WOES

Zume

After the food startup raised $375 million from SoftBank in November 2018, its cofounder and then CEO Julia Collins quietly departed. Since then, Zume's strategy has metastasized from robot-made pizza delivery to an overly broad vision to reinvent the food system.

estate (WeLive), banking (WeBank), and beyond (WeNeighborhoods and WeCities). Son, meanwhile, helped Neumann and his team envision themselves as the next Amazon, which started out peddling books and then expanded to selling everything else. By positioning WeWork as akin to the trillion-dollar juggernaut, Neumann and Son were creating a narrative that could, in theory, justify WeWork's skyrocketing valuation. "Masa is a Jedi," Neumann told me in January, "and as a Jedi, he has a lot of superpowers."

With Son spurring him on, Neumann went on a buying spree, acquiring five companies in six months, including tech startups to manage construction projects and improve sales and marketing. Neumann decided to position the company as a technology platform. He understood that this would help increase its valuation, as tech companies are more highly coveted than real estate ones. Neumann hired a respected product manager from Apple, and he started to discuss how WeWork would outfit floors with sensors to turn members' activity into data that could be analyzed by artificial intelligence, one of Son's passions, which could yield insights for companies willing to pay WeWork for them.

But Neumann also seized the opportunity to reengineer WeWork to transcend work, venturing into education, fitness, social gatherings, sports, and leisure. At one point during 2018, Neumann was in talks with the Saudis about incorporating WeWork services into Project Neom, bin Salman's proposed 10,000-square-mile metropolis along the shores of the Red Sea. He told one executive that the deal could be worth billions. By now, he was already conceiving of the We Company: WeWork, WeLive, WeLove, WeCongregate, WePlay, and WeGrow.

SOFTBANK'S PORTFOLIO WOES

Ola

The Indian ride-hail startup has reportedly spurned an additional $1 billion investment from SoftBank, out of concern that the investor wanted to merge it with Uber, one of SoftBank's larger Vision Fund bets.

Neumann hungered for the $20 billion Son had dangled, but also demanded that he, not Son, have ultimate voting power over the company. Neumann had 100% control over WeWork and he intended to keep it. This was an issue that became heated between the two men. Neumann felt secure enough in his ability to sway his mentor that he began mapping out new opportunities—including rebranding as the We Company. He planned to announce the news at the company's annual confab, the WeWork Global Summit, in January, where the Red Hot Chili Peppers had been hired to perform.

Then another disaster struck, one neither man foresaw. On December 19, 2018, SoftBank's Japanese mobile-phone unit went public on the Tokyo Stock Exchange, seeking to raise $18 billion. It was ill-timed. The global markets buckled that week, falling by a percentage not seen since the 2008 financial crisis. The mobile spinout's shares dropped 15% on the first day of trading—the worst performance for a new issue in Japanese history.

After this disastrous IPO, Son told Neumann that the deal they'd originally planned to be $20 billion would now be $2 billion. Outwardly, Neumann took the news in stride. "We want to be known for being a company that does more with less," he told me at the time.

But Neumann was rattled. Insiders say that his behavior at the office became increasingly erratic. He left for California. He made decisions that confused and frustrated those around him. For example, after surfing with big-wave legend Laird Hamilton in Hawaii, he decided to use company funds to invest $32 million in Laird Superfood.

The newly christened We Company started 2019 with more than $6 billion on its balance sheet, but it was burning through cash much faster than it was coming in. The company had doubled in size in the 15 months since SoftBank's first investment, without taking on any new backers. Neumann had always been reluctant about taking his company public; he didn't want the financial scrutiny. But, increasingly, the public markets appeared to be the only available option to raise fresh funds.

▸ SELF-MADE

For all the pressure on Neumann, Son was seemingly under even more. By the fall of 2018, the Vision Fund had invested tens of billions in dozens of startups around the world. (SoftBank's startup investments would make up 10% of all venture investing in 2019.) Its speed and size awed Silicon Valley and the rest of the venture community. But this also set expectations for it to deliver outsize returns.

To keep his plans in motion, Son needed more money.

A few weeks after the news of Khashoggi's murder broke, in October 2018, Son traveled to Saudi Arabia to meet privately with Mohammad bin Salman. Son, who has never publicly disclosed the nature of his conversation with the prince, was in a precarious position. Son left Saudi Arabia without a firm commitment for more money, and the Saudi government never officially withdrew its $45 billion offer. Many of Son's portfolio-company CEOs stated that they were troubled by the Khashoggi news; Uber CEO Dara Khosrowhahi, for example, pulled out of Davos in the Desert. According to a We insider, Neumann told employees that he could fix the prince's problems. "He said, 'If only MBS would listen to me, I could counsel him on how to be a better leader,'" says this person.

▸ DO WHAT YOU LOVE

One glorious day in April, Neumann was floating on a surfboard in the middle of the Indian Ocean. It was the week of his 40th birthday, and he'd come to the Maldives to enjoy it with his family and closest friends. It was a lavish trip. As part of his celebration, he hosted his guests at a resort on an atoll that has exclusive access to a world-famous surf break called Pasta Point.

Neumann has often talked about the role that surfing plays in his life, and he's claimed to have ridden waves as high as 18 feet, perhaps higher. Those who have watched him surf say that he has an unusual number of instructors and guides who surround him in the water. He often doesn't paddle into the surf himself. Instead, he hires jet-ski professionals to tow him out. Some large offshore surf breaks require this, but for smaller ones, getting towed out is seen by surfers as bizarre and unnecessary. It's the equivalent of, say, helicopter skiing on a bunny hill.

The We CEO, though, couldn't focus exclusively on the waves. Back in New York, Artie Minson, his CFO, and other execs were telling him that he had to decide whether to take the company public. Minson was preparing to meet with bankers and required Neumann's sign-off. He was worried that the news of their *(Continued on page 126)*

WeWork

(Continued from page 99)

plans would leak; the company needed to control the spin on its filing. As Neumann's surf guide helped him navigate the swells, Neumann made up his mind.

Once he'd committed to the IPO, Neumann grew excited about the prospect. Over the next few months, he spent hours with his wife, Rebekah—at one of their two homes in Amagansett, near the surfer enclave of Montauk, on the tip of New York's Long Island—writing draft after draft of the company's prospectus. They wanted it to be a testament not just to their business strategy and financials but to the mission they crafted together "to elevate the world's consciousness." They talked over decisions carefully, such as whether to put a photo of a wave or a forest on the back of the document. They chose the forest, because they worried that a wave might symbolize a crash. The couple decided that Rebekah should help pick her husband's successor should something happen to Neumann—and some key executives only learned of this days before the release of the IPO prospectus. "Adam's only boss is Rebekah," one executive told me.

Neumann held a dress rehearsal for the IPO road show in July, inviting a select group of Wall Street analysts. Those familiar with the event say that this was an example of Neumann in his element, standing before a crowd, telling his story, Rebekah sitting in the front row. He spoke about how investors should compare the We Company to Amazon's early days, when it was just selling books and music. Soon, he promised, We would move far beyond its original desk-rental business. The comparison to Amazon—which was valued at $900 billion as he spoke—would, Neumann hoped, make We's proposed $65 billion market cap seem like a bargain.

Neumann judged the road-show test a success. One person familiar with the event observed that some analysts asked for selfies with him afterward. What Neumann did not foresee was that after the fanfare, analysts and investors realized that he hadn't given them any real numbers. They were already whispering behind closed doors that the business felt shaky. One serious concern: News broke in mid-July that Neumann had cashed out nearly $700 million in We stock over time. On Wall Street, this was a major red flag. It signaled a lack of confidence in We's prospects; it also raised questions about the board's oversight. At the same time, some investors had learned that We's earliest venture backer, Benchmark, had not participated in later funding rounds, meaning it had not increased its investment in the company. According to one insider, Benchmark partner Bruce Dunlevie, who sits on the We board, had been increasingly concerned about Neumann's conduct and discernment, including his decision to sell stock in advance of the IPO.

It would have been hard for Neumann to understand the negative talk after years of positive feedback from bankers, financiers, and real estate moguls. "We haven't really had a torpedo below the waterline," Dunlevie told me in April. "The company has been lucky to not have a really negative thing happen to it." Dunlevie did not respond to repeated requests for comment for this article.

▸ WE ARE HUMAN

Neumann released the We prospectus on the morning of August 14, 2019. He did not anticipate Wall Street's reaction. Almost immediately, the prospectus was devoured, and analysts homed in on the company's flaws: its massive losses ($900 million in the first half of 2019 alone); Neumann's outsize control over the company (his shares had 20 times more voting power than anyone else's); Rebekah's central role in We's future; its $47 billion in lease obligations. Neumann was ridiculed—and dragged Son down with him as critics blamed the SoftBank CEO for artificially inflating We's valuation. Neumann flew to Tokyo at the end of August to speak with Son. They discussed the option of SoftBank providing more money, either as part of the IPO or in lieu of one. Insiders who worked closely with Neumann say that he was still expecting Son to rescue him.

He didn't know that soon he would be out of a job. On September 18, *The Wall Street Journal* published a story about Neumann's behavior, including an anecdote about him smoking pot on an international private jet flight. Son was disturbed by the story, which he learned of while at his summit of portfolio CEOs in Pasadena, California. One, marijuana is illegal in Japan. Two, cross-border transportation of drugs showed a lack of judgment and raised liability concerns.

After weeks of rising tensions, a group of investors, including the board members installed by Son, pushed for Neumann's resignation. On September 24, Neumann stepped down as CEO. "The Neumann reign is over," says one insider. Neumann's and Rebekah's offices were quickly converted into public meeting spaces. Rebekah's pink couches and Neumann's poster of himself surfing are gone. As for Neumann's relationship with Son, Rebekah, via an email sent by a spokesperson on October 16, says, "He is in regular contact with Masa and his team." In late October, Son hammered out a $9.5 billion deal to take over We (pending regulatory approval) and strip Neumann of any role or power.

After Neumann's departure as CEO, Son moved quickly to fix We. He spent four days at a WeWork in Tokyo, looking into nearly every aspect of its business. Son and his team analyzed how often and when WeWork members utilize the space. "We realized that not everyone shows up at work all the time," says one source familiar with the events. "So you can sell the space like an airline." They're now revising the company's strategy and operations with the goal of being cash-flow positive and profitable in 18 months.

The week after Son's immersion in WeWork, he flew to Saudi Arabia to see the crown prince. They met on a boat floating off the coast of the city of Neom, gazing over its newly laid foundation. So far, there's a golf course, palace, an airstrip, and some restaurants, according to someone familiar with the project. Sources close to SoftBank say they're in active negotiations with the Saudis about the new Vision Fund. SoftBank has already committed $38 billion.

Meanwhile, other investments are capturing Son's attention and resources, such as Oyo, which is now Oyo Hotels and Homes and bills itself as "the world's fastest-growing hotel chain." Founder Ritesh Agarwal has used Son's help to expand his business aggressively. Over the past two years Oyo has entered China, Japan, Europe, and the United States, where it's already in 21 states and 60 cities. In August, Agarwal acquired the Hooters Casino Hotel Las Vegas and announced plans to spend $335 million on European expansion.

More significantly, in October, Agarwal gave Oyo's valuation a big boost when he announced plans to buy back $2 billion worth of shares from two of his original venture investors, Sequoia and Lightspeed. The deal, financed through other investors, set a new high mark for the company's value, at $10 billion. In Agarwal, Son appears to have found a younger version of himself.

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