

Scarlett 2i2 USB: [00:00:00] Welcome to 20 VC with me, Harry Stebbings them for this Thanksgiving special. I wanted to bring some of the best minds in AI together for an amazing panel. The only thing is this panel never really happened.

What you're about to hear is the leading minds in AI from the head of AI at Matta, the founder of Intercom's stability runway leading AI investor, Tom Tonga's. All debate some of the core questions in AI, I pulled together some of those bass moments, I'm the most contrary and elements from that different episodes.

Let me know what you think of this different style and format. I think it's really special and cool. You can do that on Twitter at Harry Stebbings,

You have now arrived at your destination.

Scarlett 2i2 USB-1: So I want to start at the very core, the foundational model layer. And I want to ask how do we see this layer in terms of the foundational model providers playing out and will we see the commoditization of LLMs? Emad. I know that you have some strong opinions here, so Emad it's stability, handing the mic over to you.

Emad Mostaque: I think that there's only gonna be five or six foundation model companies in the world. In three [00:01:00] years, five years.

I think it's gonna be US and Vidia, Google, Microsoft, OpenAI, and Damme and Apple probably are the ones that train these models.

Scarlett 2i2 USB-2: What about you? Daz? You're the founder of Entercom. Do you think? We'll see the commoditization of alums.

Harry Stebbings: I don't

Des Traynor: know if it's actually happened yet, if I'm clear, right? Like, we actually torture test all of the LLMs. It's not yet the case that they're all equal.

Harry Stebbings: And when you compared OpenAI to the alternative providers, what did the test show you?

Des Traynor: It's basically a quality of conversation and like, does it fail any of our like, hallucination tests? Does it fail any of our trustworthiness tests?

Can it infer its own confidence? Was it close though? Or was there a why?

I, I, Close on narrowing on like it's also a work in progress all of these things are moving targets right

so, like, we haven't even gotten around to maybe testing the latest and greatest of all the providers, which are increasing in number. You mentioned Bistral. There's also Glamour. There's Anthropic. There's like, Cohere. Like, there's like a whole chunk of them. And it's a bit of work to go around and constantly be Trying to find out has anyone got we only really care about better right now.

We're not in cost optimization mode We're just like who's got the best.

Scarlett 2i2 USB-3: [00:02:00] Jeff Seibert. You're the founder of digits. So you sit on top of these foundational LLMs and then fine tune them with your own data. What do you think in terms of this commoditization of the foundational model layer?

Harry Stebbings: I certainly think we will. and this may not be a popular position. Obviously, OpenAI is charging ahead, sort of leading the way right now. I think the market forces at work mean there's just immense energy to have an open source equivalent. Meta appears to be highly motivated to open source its work.

many folks want to run these themselves and tune them themselves and so on. That is hard and expensive today, but I can't think of another thing in time in history where something hard and expensive in tech has lasted all that long. it's going to be commoditized.

Scarlett 2i2 USB-4: Okay. So if we go one layer deeper from just the commoditization of these models to actually, how important is the size of these models. And then how do we think about the lifespan and longevity of these models? Emad. I know that you have quite a few thoughts on this. I'll start with you.

Emad Mostaque: The reality is no models that are out today will be used in a year.

So again, you see the order of [00:03:00] magnitude improvement. Palm last year was 540 billion parameters, then Chinchilla 67, and now 14 5, 40 to 14 is a big step.

You see the quality of GPT three versus GPT four.

Harry Stebbings: Is there any extent to

how low it can go?

Emad Mostaque: We have no idea. you already said this is impossible two years ago. You're like, no way. You have a single file that's maybe a few hundred gigabytes that can pass every exam apart from English lit,

There is no such thing as an unbiased model. Dally two, when OpenAI had that and they introduced the bias filter, any non-gendered word that ran a random gender and a random ethnicity, so you're typed in sum wrestler and you get Indian female sum wrestler.

This is why you need national data sets. You need cultural data sets. You need personal data sets that can interact with these base models. And customize to you and your stories, cuz you and I both have our stories that make up our psyche.

And understand that context is so important to Haves that can work for us, not on

us.

Scarlett 2i2 USB-5: Yeah, and help me out. Hey, you run AI at matter. We heard that cultural datasets, we had national datasets just start Yan. How important is the size of the [00:04:00] model first?

Yann LeCun: you don't need those models to be very large to to work really well. And I think it caused a bit of an epiphany for a lot of people realizing, oh, okay, maybe you need a thousand GPUs running for a couple weeks to train it.

The base system. In fact, that number is going down to to, because people are figuring out how to do this more efficiently. But once it's pre-trained, you can use it for all kinds of stuff and you can fine tune it. Really easily and then at the end you can run it on your laptop, right? That's gonna be amazing.

Or maybe on a desktop machine with a GPU in it or a couple GPUs. So I think it opened the minds of people to the fact that there is like enormous opportunities that really weren't thought to be possible before. And I think it's gonna make even more progress because, If we go towards the design of AI

systems, perhaps along the lines of what I described with objectives and planning, I think those systems could actually be even smaller to some extent.

Scarlett 2i2 USB-6: That's so interesting. Yancey, you said there about it becoming less important to have larger and larger models. I'm really intrigued Richard Satya, the founder at you. I know that you have a different take on this, so.

Do you [00:05:00] think that it is important in terms of the size of the models themselves?

Richard Socher: It is super important. You just cannot train a single model for all of these different tasks with a small model. That's exactly why and how it would have always failed in the past.

Scarlett 2i2 USB-7: Some different opinions that Chris founder runway, what are your thoughts on bluntly, the defensibility in terms of the size of the models being used and how do you think about that?

Cris @ Runway: I found myself hearing a lot about models as the mode and mode has been something that Silicon Valley has been discussing for, for some months now. I think models are not a mode. Models eventually don't matter. What matters most is the people building those models and how fast can you change and learn from those models. And so I don't think that's why I go back. There's no one singular model that's going to rule them all.

Scarlett 2i2 USB-8: So models are not the moat now, Jeff. founder at digits here we had from earlier. I know that you may be disagree with this slightly. So do you disagree with this in terms of models not being the moat and how do you think [00:06:00] about that data size and quality also being a moat.

Jeff Seibert: at the base LLM layer, the data size so far has been very correlated with performance. And so, right, the bigger the models, the more data, the more parameters, etcetera, the better they do. Now counterpush of like, okay, can we compress them? Can we pull that back? Like, how do we maintain the performance improvements without the size?

So I think that's a super interesting part of R and D. What I'm talking about is sort of the next tier of how do you fine tune the models, and that's where actually I think the quality of data is most important.

Scarlett 2i2 USB-9: I mean, I think before we go deeper, in terms of data quality and data size, I just want to ask in terms of the models themselves as a core. Challenge today in terms of two opposing ideologies, which has open versus closed Yan, you run all things AI at Facebook or matter. How do you feel about the open versus closed discussion?

I know you've got some very strong opinions.

Scarlett 2i2 USB-10: Why does the future have to be open? Not closed.

Yann LeCun: It's very

simple. It's because no outfit as powerful as they may be, has a monopoly on good ideas. if you do [00:07:00] it in the open, you recruit the entire world's intelligence to contribute to things and having ideas and ideas that you might have thought about, which are not fit with 400 people, has no chance thinking about.

Or even a large company with 50,000 employees may not want to devote any resources to, because. They may not think it's useful in the long term, or they have more urgent thing to take care of, so you give it away. And then you have tons and tons of people, some of whom are undergraduate students or people you know in their parents' basement.

So coming up with amazing ideas that you would never had thought about or willing to spend the time to crunch down the 7 billion weight Lama so that it runs on a Mac, on a laptop. I think that's why open source projects, Succeed, particularly when they concern basic infrastructure.

Scarlett 2i2 USB-11: Now I'm really intrigued to do a you're the founder of contextual, which is essentially a contextual foundational model. how do you feel about this? Cause I know that you do have some opinions in terms of the open source versus closed.

Douwe Kiela: So I'm a big fan of open source, right? I would like it to be true that [00:08:00] with open source, we could just keep up with all of that, but I think that's just incredibly naive. OpenAI has this very deep understanding of how people want to use language models basically nobody else has.

And they have this giant economy of scale where they can serve up language models very cheaply because they get so many requests coming in at the same time, so they have a giant mode.

Scarlett 2i2 USB-12: Richard founder at you, you would chief data scientist at Salesforce before I'm really intrigued. How do you feel about this lead position that open AI has that do AI just illustrated that and what that means then for the potential, for an open source competitor to rise.

Richard Socher: I mean, certainly you can't deny that OpenAI is ahead by a lot.

I predicted that we'll have a GPT 4 equivalent model before the end of the year that's open source. of course, GPT 4 keeps getting better and better. So my prediction was for the version we had, like, a few months ago, but I actually think that with models like Lama2 from Facebook [00:09:00] and everyone there, I do think open source will take over a lot of use cases, right?

It's already getting close to GPD 3. 5. When there's this much excitement in so many careers, depending on understanding these models, imagine all the researchers in all these universities, right? They're all of a sudden kind of out of a job unless they have an LLM that works really, really well and they can do useful things with it.

They're not going to just say, Oh, let's just from now on run our entire research agenda on some closed API that we cannot analyze and understand and improve and publish papers on. So they need to have a model to exist. And those are all very, very smart people. Now they don't have as many resources.

Usually they can't train a single model for like. 20 or 50 million because they're in universities, but they're finding ways they're collaborating and they're probably going to work on foundational models that are fully open source. Uh, and we now see this with like surprisingly Facebook being at the [00:10:00] very forefront of it.

People will layer on top of that, make it better. And then there'll be open source versions you can run on your phone and. Those will get better and better over time. And so I'm, I'm quite bullish on the LMs in particular getting more and more commoditized. And yes, there will be a few foundational companies, you know, here in Anthropic also behind OpenAI working very hard to catch up with them.

And they did raise a lot of money too. And it's good to have some competition in that space. But my hunch is a lot of people will be okay with an open source model too.

Scarlett 2i2 USB-13: Okay. So some different thoughts are in terms of open versus closed. I think the next big debate is where does the actual value accrue? Is it in the infrastructure layer or is it in the application layer? Now, Tom turn. You know, you found it theory ventures, which is one of the leading AI investors.

When you think about infrastructure versus application layer, in terms of web audio crews, how do you think about that?

Tom Tunguz: I ran this analysis, so in web two, if you take the top three clouds and you look at their market cap, so aws, gcp, and. [00:11:00] Azure It's about a 2.1 trillion market cap just for the cloud businesses.

And then if you take the top 100 publicly traded cloud companies, both on B2C and B2B side, so Netflix and ServiceNow, they have equivalent market cap, about 2.1 trillion for both. So once at the infrastructure layer, once at the application layer. Market cap is basically equivalent. The difference is at the infrastructure layer there are three businesses and at the application layer there are a hundred.

if the analogy holds as an investor, the odds of success are gonna be significantly higher at the application layer because the diversity of needs there is greater.

Scarlett 2i2 USB-14: That's so interesting to hear about the concentration of value. You're going to those three core providers in the infrastructure layer Daz, obviously with Entercom, you said at the application layer, how do you think about this question of where value or cruise infrastructure versus application layer?

Des Traynor: I think right now a lot of value is going straight into the infra, like as in we're handing it all at the back door to open AI in this case, right?

in your first question about commoditization, if that happens, then the value starts to reduce there, right? Because, if there's more competitors offering the same thing, that's the beginning of commoditization or at least You go from a monopoly to an oligopoly [00:12:00] to ultimately perfect competition where you, you know, our price goes down on each step, that that's what I expect.

I'll play it less openly. I can continue to find mass market differentiation, which is always a hard thing to find, right? Like, like it was in the differentiation that all the customers care about, not just specifics, right? So let's assume over time,

I believe that, like, just, you know, the amount of people investing in the space means that I think the infrastructure layer will gradually.

Get a lot more AWS like, right, like just like razor thin margins. Well, sorry, not razor thin margins, that's the wrong way to frame it. Price mixed with strength of product as a competitive weapon, if you know what I mean, right? Like Amazon make good money off intercom, you know, but they're also like, we're all in on them and we're very, you know, we're very committed to them.

So that's what the competitive battleground. They'll probably be three or four big providers, is my guess. probably GCP, AWS, maybe OpenAI directly and I'm sure Azure. That's how I think that layer will play out, and they'll end up in direct price competition with each other. Where does the value accrue beyond that?

I think just differentiation value just generally follows differentiation around the stack.[00:13:00] whoever has the stuff you can't get anywhere else can charge the margin state, no one else can charge. that sometimes means quality of software products. Sometimes it means quality of network or social network.

Sometimes it means like we've got the most distributors in our marketplace. But like whoever has the differentiation and no one else can get. is the person who can actually basically charge the highest price.

Scarlett 2i2 USB-15: That's so interesting. As you said there about price, you said about margin. I think another big question is bluntly. What does the pricing model and the business model look like for the next generation of AI? I want to bring in miles grim shore at benchmark general partner at benchmark for this one.

So miles, what do you think in terms of the next generation of both pricing and business model for AI?

Miles Grimshaw: if AI is to be the force that it can be, I think you will get a new. architecture and new business model emerging from it versus what we only see right now, which is kind of a sustaining architecture, which is just that of a co pilot, which fits on top.

What is the new architecture and what is the new business model? I think the way to encapsulate would be this idea. Of selling the work, not the software and that will move [00:14:00] from a paradigm where you might think of it as moving from what we see right now as a copilot and moving to what I think

about as a control center where we'll sell an SLA on work, not an SLA on uptime, and so we'll move from a world where.

We all, as users of software, kind of are like monkeys doing data entry, usually. Like, what's most software? It's a, it's a database with a form on top of it for users to manage information, put information, and get information

Harry Stebbings: out. And so an example is you set your objectives on your marketing spend and what you want in terms of CAC and LTVs, and then actually a marketing efficiency engine will go across channels, spend, and deliver you back

Miles Grimshaw: results.

That might be an example, right? And so, We'll move from a world where the users are doing all this work to a world where the application is doing a lot more of the work, right? Where the AI, the notion of agents inside of it, etc. is doing it. And where, right now, like you go to any SLA for any software, you get uptime, you get support SLAs for questions, and things like that.

[00:15:00] I think there's a world where we move to in the future where, like, an SLA, maybe almost looks more like a BPO would, in some sense. An SLA will be... You wanted an efficiency of X on your market, we delivered that. You wanted this many leads from an SDR team, like, we do that. You wanted this sort of accounting and books closed by two days at the end of a quarter, we'll give you an SLA on that.

Not on the software's up. You'll go from copilot to controls, and it'll be a UX for a worker, which is dominant, to a UX for managers. You'll go from a seed add on to software and labor, and you'll go from SLA on, like, reliability to SLA on, outcomes on work performance.

that's what can be offered up by this. You see very little of it so far. I think it, AI is offering the potential for that architecture shift. And if we get that, that the whole seat model, the whole, the worker does it and the product paradigm, the distribution in terms of who you can reach changes because ACVs change.

And in that way, I think it will be very different to mobile, which was mostly. Another UX, but the same [00:16:00] architecture, the same business models.

Scarlett 2i2 USB-16: Does, as we know you are the founder of Intercom, you know, you're at the forefront of customer service. How do you feel about the

business model that will be prominent in this next wave of AI and how you think about that today?

Des Traynor: I think a lot of work is going to get handed over to LLMs over the next five years, we're going to start trying to, like, price against the work that's being done, not price against the seats or the employees, but just say, how much has it worked for you to have all of your digital assets created dynamically, or how much has it worked for you to have, like, your customers get sub second replies to common questions?

And I think we're Like that's the actual right way to think about pricing in the future.

Scarlett 2i2 USB-17: I want to bring in a new voice. Hey Christian Lang. Uh, former founder of Tradeshift. Now the president or co founder of beyond work. I have to ask, how do you think about this consumption model pricing versus seat based pricing question in the future?

Christian Lanng: but

I do think the world is changing I think we're going to absolutely move to consumption based pricing It's the only way I think it's going to be very hard to hold the moat on on recurring revenue as it is today Because customers will want to see more value and they'll want to see a more soft [00:17:00] ramp up to that value but I also think on the work piece look at demographic problem like Most of the people I talk to, even if they wanted to replace the workers they have in their shared service centers today, one to one, they can't.

Because that generation of young people, they don't want to go in and sit in front of a computer and type formulas into Workday every day. So we've got to completely change the work experience. In the next five to ten years, we're going to run out of people to do the

work.

Scarlett 2i2 USB-18: So everyone seems aligned that we're moving to consumption-based pricing away from seat based pricing. But Jeff Seibert at digits, we have one who thinks otherwise. So Jeff, I want to move to you. This is great. why do you think that maybe we'll stay in the realm that we're in today?

Christian Lanng: So this may be just me, but I, I very much see AI as a tool, not a product. And so it's a, it's a technology. It's like your database. It's like

memcache back in the day. And so because of that, I don't think it'll change how people price in specific industries. Like if your market does perceive pricing, that'll probably stay.

If your business and product does consumption pricing, that'll probably stay. And you'll have to work that [00:18:00] into how you use the AI. I think it'll be commoditized and seen as technology within a couple years.

Scarlett 2i2 USB-19: I do have to ask. We see copilots everywhere miles. You mentioned co-pilots earlier.

how do we feel about the rise of co-pilots? Are they an incumbent strategy? How useful are they, Christian? I want to start with you Christian Lang, over to you. How useful are co-pilots and are they an incumbent strategy?

Christian Lannig: I mean, who wants a co pilot? I want to be a pilot. And I want to have a pilot. Like, I don't want to have a co pilot. I don't want to be inside an application. I don't care how many co pilots you have. The problem is not to have an AI help you navigate an application that's shit. The better solution is to remove the application that's shit and just talk straight with AI.

And I think the co pilot metaphor, right? I mean, what happens when we have 10, 000 clippies all just talking to each other? And for you to work, you have to go and work in all of these clippies and you're going to have to tell clippie A to go talk to clippie B about that thing you have on clippie C. I mean, it's going to be worse than it is now.

Scarlett 2i2 USB-20: Miles' Grimshaw at benchmark. You were [00:19:00] the first in this discussion to bring up copilots our copilots and incumbent strategy.

Miles Grimshaw: I think co pilot is an incumbent's strategy. Incumbents own distribution, they own data, they own the UX, and they own a business model that all aligns to a co pilot.

co pilot as GitHub co pilot, right? Like inline suggestions. Think of it like how most go to go to any Microsoft product right now. Every Microsoft product now is a co pilot experience instead of a sidebar, an autofill, things like that, right? Where the UX, the core product is a layer on top of it, right?

It's immediately added in, which is also totally incumbent strategy. And it's still about sort of supercharging that worker, but still where every user has a seed and every user is doing most of the work. And it works probably, you know, if

you think about the evolution here. The models, most of what's rolled out might not be good enough for some of this yet, right?

But that's what will come around the corner. You know, if you think back to Salesforce disrupting Siebel, Salesforce launched like five years After Netscape launched, like it might take a moment for that to happen, but the co pilot, this idea of [00:20:00] I'm still the pilot, I'm still the user controlling everything, and it's sort of like giving me assistive suggestions like GitHub co pilot, fits into the UX of incumbents, it fits into the business model of incumbents, and they already control that distribution, the opportunity offered up to a startup, being a co pilot for something else, like probably won't be that amazing and there might be pockets of it where it can really work but the opportunity to disrupt is to be

Scarlett 2i2 USB-21: Yeah. And we said there about it not being the best position to maybe be in for startups. Christian mentioned, we don't want to copilot, we want to pilot, how do you feel about copilots and intelligent assistance? And is it brighter than maybe we think in terms of what we have coming.

Yann LeCun: Let's imagine a future where everyone can talk to their intelligent assistant. That system will have. Pretty close to human level intelligence. Probably more accumulated knowledge than most humans. You know, they could translate in any language and give you a quick summary of yesterday's newspaper and things like that, right?

Explain mathematical concepts to you, things like that. So people are probably [00:21:00] going to use this almost exclusively in the future for their interaction with the digital world. You're not gonna go to Google or Wikipedia, you're just gonna talk to your assistant. the only way to do this properly is for the base infrastructure for those assistants.

They will be so pervasive, so much will ride on those systems that I don't think anyone will accept that those assistant be. Behind the event horizon in a private company, they will insist that the infrastructure is open. They will insist also that the vetting process by which those systems are trained be something maybe like Wikipedia,

We tend to trust Wikipedia sometimes with a grain of salt, but we tend to trust Wikipedia because there is a vetting process so that whenever an article is modified, some editor kind of check on it and then the changes are accepted or not. Things like that, so you can imagine that. The sort of common repository of all human knowledge that will be our assistance will be constructed through

some sort of crowdsourcing process, perhaps similar to Wikipedia, where you're gonna have a bunch of people training those systems and finetuning them so that whatever they, and so they produced are correct.

Scarlett 2i2 USB-22: Yeah. And you mentioned [00:22:00] Wikipedia. I do want to move to the company level element and discuss which companies were incumbents of best positioned.

Now I want to start with apple and Daz. I know you have some strong thoughts here. So what are your thoughts on how apple are positioned. for this next wave?

In the next three to five years of AI?

Des Traynor: I think Apple will make massive, massive strides forward with AI. I'm kind of disappointed how long it's taken them. But

Harry Stebbings: this is my point, what makes you say that? Because so far we kind of left

Des Traynor: searching. Yeah, yeah, for sure. You have to assume Apple's a really well run company.

And you have to assume that there's a head of AI in there. And you have to assume that they're training LLMs and they're looking for LLMs that can possibly run on their hardware natively. And not even have to talk to the cloud. And Apple are very privacy focused. So they're going to get all that shit correct.

And you have to assume it's all going to work with your AirPods, your watch, and your phone, and all that sort of stuff. That's like... I would be shocked if that wasn't the case. So then what will they win is the question. I think what they'll win is this idea of Siri might finally become useful. Siri is currently not useful because it doesn't really have enough smarts. But I think when Siri can be as conversational as [00:23:00] ChatGPT and can take actions on the device, it'll change the entire interaction model across desktop and iOS as well in huge ways. So I think Apple will win there,

Scarlett 2i2 USB-23: Emad it stability. You would, as in saying that apple, when that, or do you have a different perspective? Active.

Emad Mostaque: Apple's a black box. Right? And so they couldn't surprise us all. But let's face it, series crap, But they have all the ingredients in place, the

identity architecture, the secure enclave, other things, neural engine, a stable diffusion was the first model ever optimized on the neural engine, et cetera.

But let's see that one.

Scarlett 2i2 USB-24: Jeff ditches apples, a black box. We get it. Agree. How do you feel about how that position for the next few years?

Jeff Seibert: so Apple of course is super focused on privacy. They don't want your data to leave the device. The only way to do that with AI is if you can fit a machine learning model on the device and keep all the data there. I bet Apple can and will. And so if you project forward five years, if they get to the point where they can run a sufficiently large LLM on your iPhone, then OpenAI is out of the picture.

don't even need to hit their servers. It's [00:24:00] just on your phone.

Scarlett 2i2 USB-25: Okay. So Apple's in a very strong position looking forwards.

Scarlett 2i2 USB-26: Tom Tinker's value a former employer. How do you see Google playing out over the next few years?

Tom Tunguz: I didn't believe that chat would replace search, but I think it, for many use cases it will.

And I think Google had a rude awakening where, I don't know, for 20, 25 years they were uncontested and now all of a sudden there's a disruptive technology. To some extent they developed in-house but ignored. So it's a classic innovators dilemma. And so this technology went to other places and now is challenging the hegemony, The monopoly power. And that is so exciting. If you think about like the ads ecosystem, like the B2C ecosystem has been relatively quiet over the last 10 years because of that dominance of Facebook and Google. And now all of a sudden you have a technology and a re-platforming where all that market share is conceivably up for.

grabs You could create a new travel agency. You could create a new shopping experience. You create a new stack of overflow, you could create a new social experience based on chat. And so it's wide open.

when you have a golden goose, when you have an incredible business model, you're always faced with the choice of disrupting yourself [00:25:00] and

destabilizing the ship or waiting until somebody destabilizes it for you. And it's, I think as a leadership team, it is so difficult to have the discipline to say, we are going to destabilize this ourselves. That's what happened.

Scarlett 2i2 USB-27: That's. What are your thoughts on decisions from leadership team at Google and how they stand today? Looking forward.

Des Traynor: I feel like barred. Unfortunately felt like we have to release this because chat GPT was getting a lot of traction, it didn't feel like we've actually cracked search again. We've reinvented ourselves all over again, you know, they need to have that sort of a jay z like allow me to reintroduce myself moment, right?

Where they come back and they say like. Google 2 is here, Now you're pulling onto the real potential problem, which is are they willing to risk it all to win it all, right?

Like, are they willing to disrupt themselves? Or are they happy to take the, like, long, slow decline into obsolescence or irrelevance or whatever, right? what would you do?

Harry Stebbings: Yeah, genuinely

I mean, it's easy to say here, but if you are CEO of

Google and you have shareholders

in Wall

Des Traynor: Street I kind of hate what I'm about to say We're gonna say it because I think it's what I it's what I would feel compelled to do I'd be [00:26:00] scrambling to find ways that companies can sponsor injections into the LLM so I said like Who is the best footballer in the world and the answer is clearly like Lionel Messi, but you could say something like according to transfer market, the answer is Lionel Messi, right?

Like, and that's what my sponsored injection, right? And then, like, you could augment the Barrett style answer with such injections. So it's presenting you Facts that it is kind of disowning right like it's kind of saying hey like this isn't the LLM deducing this this is just what we think this is what we've been paid to say whenever we talk about this type of thing that's kind of the attack factor I'd go on and I'd try and float that with all my big ad buyers and sort of say hey

look let's be honest the world is gonna go to LLMs even if this doesn't work we have to give it a lash And then I try and like get some sort of traction going for that type of ad model.

Then I explain to the investors we have to move to this because the alternative is the company basically starts to be on a ticking clock, right?

I could totally imagine Google doing a thing where they give away effectively free Android phones powered by the fact that they now control the intent layer.

Which is when you say, okay, Google, call me a [00:27:00] taxi. Google goes and they get you whatever taxi which comes from whichever of the highest paid provider.

Scarlett 2i2 USB-28: I mean, wow. I love that idea of giving away for ins for free and what that enables for Google. Jeff. I think that you're quite pessimistic about Google's future. In terms of the next wave of AI, Jeff Seibert, obviously from digits. How do you think about the next few years for Google in this respect?

Jeff Seibert: I think Google's by far the most vulnerable. Because, again, their business model is pretty binary, right? Search is all their revenue. And so if that gets damaged, they're in a huge problem. And they've been slow to react. They combined two different ML AI teams. They've just punted Gemini into Q1, which tells me it's not doing very well.

Uh, so I would be nervous.

They need to go all in on it. I don't think they have a choice.

I, I agree with you. I think it's existential for them. Because if AI replaces search, their golden goose has been killed. it is way more effective to kill your own golden goose than let and watch someone else do it. And again, I mean, going back to Apple, it reminds me of the iPod Nano.

Apple killed their most popular product. because they knew there was better tech coming. I think Google needs to get [00:28:00] bold and do the same.

Scarlett 2i2 USB-29: Richard Socher. I'm fascinated to hear your thoughts on this, obviously with you.com you compete in many ways with Google on the search side. Richard. How do you think about this in Google's next steps?

Richard Socher: we don't see Google change and become a chat for a search engine, They have some features somewhere else, but the main Google experience is the same. That big change will be hard for Google too, because they make 500 million a day with privacy invading advertisements on that page, And so you don't just willy nilly change most of that page, and you get rid of the five, six ads that are on top of that page, followed by a bunch of SEO microsites that are not as good as the ads. So people click more on the ads. Like you don't just replace all of that with a chat, right? Cause you just lose hundreds of millions of dollars a day.

And so there is still some innovators dilemma that will not make them change their main experience overnight.

Scarlett 2i2 USB-30: Okay. So it's pretty universal. That is existential for Google and they have to change and innovate. Otherwise they call golden goose is in trouble. If we [00:29:00] switch tacks and just look at Amazon, how do we think about the next few years for Amazon and how they've done so far? If we start with you and Matt it's stability, I'd love to hear your thoughts.

Emad Mostaque: Amazon have moved faster than, I think they moved before Amazon's engine, cuz they're an engineering organization, so they have self-driving cars. They have satellite internet because once they've got it and they can take it from research to engineering, it's there.

One of the struggles they've had is that it's not moved from the research side yet. You're still evolving on research. They're like, what do we do now? But they are inclusive. Jeff Bezo said for his first a hundred billion in revenue, he envisioned half of it being proprietary and half of it being marketplace.

And they're having the same approach with Bedrock and things.

Scarlett 2i2 USB-31: Does Traina, I'd love to hear your thoughts. How do you think about what would be a strategic next move for Amazon and whether we should be wary or not?

Des Traynor: I'd be wary of Amazon. so like I could see Amazon just like flat up like buying Anthropic and being like, let's just make this part of the EC2 cluster

Scarlett 2i2 USB-32: Now I want to finish with an eye to the future, and I want to finish with Yana. a lot of people suggest that we should be concerned about

AI its impact on jobs, its impact on society. How [00:30:00] do you feel about this? The concern.

And how we should think about the next few years of AI and its role in society.

Moving forwards.

Yann LeCun: people are kinda extrapolating if we let those systems do whatever, we connect them to internet and they can do whatever they want.

They're gonna do crazy things and stupid things, and perhaps dangerous things. And we're not gonna be able to control them. And there's, they're going to escape or control and they're gonna become intelligent just because they're bigger. And that's nonsense.

No economists believes this. No. Economists believes we are gonna run outta job because no economists believes that we're gonna run out of problems to solve a requirement for human creativity and human communication and stuff like that.

This is gonna create as many jobs as it makes disappear. And, and those jobs, by the way, are gonna be more productive. So overall technology makes people more productive. In other words, for the same amount of hours worked, you produce more wealth. Okay? But every technological revolution, unless it's accompanied by political changes and social changes.

Generally profit, a small number of people, at least temporarily, right? That happened in the industrial revolution in the late 19th century where a few people became [00:31:00] extremely rich and a lot of people were exploited. And then society changed and there were like social programs and income tax and high tax for richer people and stuff like that, which the US has backpedal on this, but not Europe.

So there is a question of how you distribute the wealth if you want. Okay. How do you organize society so everyone profits from it? But that's a political question. It's not a technology que question, and it's not new. It's not caused by ai, it's just caused by technological revolution, right? It's not a recent phenomenon.

AI is going to bring a new Renaissance for humanity, a new form of enlightenment if you want, because AI is going to amplify everybody's intelligence, right?

Every one of us will have. A staff of people who are smarter than us and know most things about, most things so it's going to empower every one of us. It's gonna make us more creative because we're gonna be able to produce text, art, music, videos without necessarily having all the technical skills that are currently required for doing those things.

And so exercise our creative juices. So that's the positive side. There are risks, there's no question, but it's not like those risks. Don't [00:32:00] believe the people who tell you that those risks are inevitable or that they will inevitably lead to catastrophe. That's just not true. Place yourself in 1920. Who would've thought that am mere 50 years later you could cross the Atlantic in a few hours in complete safety, you know, at near the speed of sound and with people.

Seriously want to ban aviation or call for regulation or jet engines before jet engines existed. I mean, that's kind of insane. So I'm not against regulation there. There should be regulation of AI products. Particularly the ones that involve making critical decisions for people, but regulating or slowing down research is complete nonsense.

Oh.

Scarlett 2i2 USB-33: I mean, I absolutely love doing that show for me. It was so interesting. Bringing all the different thoughts and opinions together, I would love to hear your thoughts. Did you enjoy the show? You can say, if you didn't like it, let me know on Twitter at Harry stabbings, we have so many more of these that we can do, whether it's on price sensitivity for venture deals, reserve decision-making best and worst investments.

There are [00:33:00] so many where we could bring awesome, awesome opinions together in a really cohesive episode like this. So let me know what you think, and I can make more or less of them. I love your thoughts. I do this for you. And what you want always comes first. So let me know. And oh my God, we have an amazing show coming on Monday with Keith Rabois and Mike at Traba.

And so stay tuned for that, because that is a fantastic show.