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Sam Altman in Conversation with StrictlyVC - Podcast Notes

About The Author MMiller

9-11 minutes

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Key Takeaways

- If you don't grow up in a stable environment, with a great education, and loving parents – it's very hard to have a good shot at starting a successful company
- **The best founders are clear communicators**
- **"I think it's a real disservice that people pretend you can be the founder of a company and not have to work extremely hard and make it, at least for some period of time, *the* priority in your life"**
- On AI
 - **"It is my belief that in the next few decades some group of humans will build a software system that is smarter and more capable than humans in every way"**
 - **"The best way to solve climate change is to build really strong AI first. I think it's that hard of a problem."**
 - **"The cyber security issues we're going to face with advanced AI are eye-wateringly bad"**

Intro

- Host – Connie Loizos ([@cookie](#))
- Sam Altman ([@sama](#)) is the former president of [Y Combinator](#) and current CEO of [OpenAI](#)
 - Check out these [Podcast Notes](#) from Sam's appearance on Tyler Cowen's podcast
 - Also, check out his [blog](#)

The Backgrounds of the Best Founders

- **They tend to come from upper middle class backgrounds** (not super rich, not poor, etc.)
 - Why is this the case?
 - The stability/blessings just make things that much easier
 - **"The two great gifts I got in life were my education and the love of my parents"**
 - "My mom probably had more to do with my success than anything else"
 - **If you don't grow up in a stable environment, with a great education, and loving parents – it's very hard to have a good shot at starting a successful company**

The Y Combinator (YC) Interview Process

- (*Y Combinator is a startup accelerator program*)
- The Y Combinator interviews are now only 10 minutes in length
 - Sam wants to drop the time even further – "I think we could make decisions that are 90% or 95% as good as we make with a 10-minute interview in 5-minutes"
 - (The interviews used to be 40-45 minutes in length)
 - **"So many of the skills and thought processes related to what it takes to create a successful company, and the way people react to being pushed on their idea, are evident in the first few minutes of talking to somebody"**
- What *doesn't* YC like to see in the interview process?

- [Paul Graham](#), the co-founder of YC, has said in the past that one thing which would immediately disqualify a pair of founders is if when one co-founder is talking, the other rolls their eyes
 - What else does Sam look out for? – **Contempt**
- What are signs of a good founder?
 - **You need to be a clear communicator**
 - **“To be an effective CEO, 95% of your job is effective communication, evangelism, and trying to tell the story of the company to people you’re trying to hire, retain, and sell to”**
 - **“If you can’t communicate an ambitious vision, we probably won’t fund you”**
- Does age factor in to who gets accepted?
 - Applicants do have to be 18 (although they did make an exception and once funded a 15-year-old)
 - The oldest YC founder was 78

Running a Company is HARD

- **“I think it’s a real disservice that people pretend you can be the founder of a company and not have to work extremely hard and make it, at least for some period of time, the priority in your life”**
- If your company succeeds – “It takes over your life to a degree that people don’t believe us when we tell them”

Side Effects of Y Combinator (YC)

- **YC companies are graduating and getting HUGE valuations, just because they were accepted to YC**
 - “I wish that it were not the case that just because you got into YC means you get to raise tens of millions of dollars at the end of the program without enough diligence or discipline around price”
 - This has downstream effects (it hurts the companies in their next round of funding)
- But another effect – **YC is significantly increasing the number of good companies in the world**
 - Before YC came along, if you wanted to start a company – you had to go to business school, find experienced managers, and network to even have a chance at getting an investment
 - Now – **ANYONE in the world can apply to YC**

Sam’s Strengths and Weaknesses

- **“People that run companies are either a good leader or a good manager. I think I’m a good leader and a bad manager.”**
- Connie wrote an [article](#) about Sam which mentioned how he “wasn’t known for being a warm boss”
 - People described him as “removed”
 - Sam comments – “I am not the type of manager that wants to spend a lot of time with people in daily 1-on-1s talking about their feelings”
- A strength – **‘I think further out into the future and appreciate exponential curves more than most people do’**

Sam’s Biggest Role Model – His Mom

- Sam tells a [story](#):
 - Despite getting a full scholarship to a school in the south, Sam’s mom encouraged him to pursue his dream of going to Stanford (despite the economics of it – Sam has 3 siblings, so Sam’s parents had quite a bit of college tuition in their future)
- **“I get plenty of good business advice, but there are a handful of people you can depend on to give you good life advice”**
 - Sam also includes Paul Graham and [Jessica Livingston](#) in this category

OpenAI

- Sam is the CEO – what do they do?

- They're trying to build safe artificial general intelligence
- **"It is my belief that in the next few decades some group of humans will build a software system that is smarter and more capable than humans in every way"**
 - Very quickly it will go from being slightly more capable than humans to millions or billions of times more capable
- **"Only something on the order of the impact of general artificial intelligence can restore global economic growth equitably to everybody"**
- "I really do believe the work we're doing at OpenAI will not only far eclipse the work I did at YC, but the work that anybody in the tech industry is doing"
- "We sit there all day and stress about what this means for the continuation of humanity and how we want to design a structure where the world gets input and benefit from what we're doing"
- How is Sam so sure general AI will "happen"?
 - **People debate about the timeline (whether it will take 10-75 years) – "But for the most important thing in human history, to be that close, I think the timeline argument is a distraction"**
- Sam thinks general AI will be used to solve climate change
 - **"The best way to solve climate change is to build really strong AI first. I think it's that hard of a problem."**

OpenAI Specifics

- They have ~90 employees
- Everything they do is pure research (currently), trying to figure out which components they need to build to create general AI
 - They've recently done a lot of work with "reinforcement learning"
 - Currently, they're doing a lot of work related to unsupervised learning
- "The most in-demand people to hire right now are really great AI researchers and we are badly outgunned by a number of companies [like Google]"
- Check out some of the [Open AI blog posts](#)

OpenAI's Business Model

- Will they license the technology? Will they have customers? What's the business plan?
 - "We have no idea"
 - "We've never made revenue and we have no current plans to make revenue"
 - **"But we have made a soft promise to investors that once we've built this intelligent system, we will ask it to come up with a way to create an investment return"** (*this gets a few audience laughs*)

AI Risks

- "It's a decently long list..."
 - As an example, Sam finds the idea of autonomous weapons quite scary
- **"The cyber-security issues we're going to face with advanced AI are eye-wateringly bad"**
 - **"This will be one of the first areas we see significant societal threats"**
 - Just think how much of our lives depend on computers...

The OpenAI Investors

- Mostly just individuals have invested so far
- **For their seed round investors, Sam says their returns are capped at 100x (if the company succeeds)**
 - Why? – General AI may potentially create infinite value, and allowing one group of investors to own it all just doesn't seem fair

Audience Questions

- A Bit More About YC
 - **"The question of how you're going to get enough really good people together to put their talents, time, and effort into your company – that's one of the first questions I ask [in the interview process]"**
 - "Concentrating talent in a company has never been harder than it is today... everybody wants to start a company or be employee #1"

- Where will the next Silicon Valley be?
 - “It will just sort of be everywhere” – it won’t be concentrated in a specific place
- Sam’s Advice to Donald Trump
 - **Fix immigration**
 - **“If I could pick one policy that i think could help the global economy, in particular the U.S. economy, it’d be that”**
 - Many, many founders of tech companies are immigrants
- On the 2020 Election
 - “I’d take anyone over Trump”

Additional Notes

- Sam’s brother runs [Lattice](#)
- Check out this [article](#) in The New Yorker written about Sam
- Connie is a huge fan of [Conan O’Brien’s podcast](#)
 - Check out [this episode](#) with Jimmy Kimmel