

EPISODE 1186

[INTRODUCTION]

[00:00:00] JM: Large technology companies are a new type of industry. Their power and reach is resistant to a comparison of previous generations such as big oil. Alex Kantrowitz is a journalist who has covered big technology for much of his career, and he currently runs Big Technology, a newsletter and podcast about the biggest technology companies in the world. He's also the author of Always Day One: How the Tech Titans Plan to Stay on Top Forever. Alex joins the show to talk about his work and share his thoughts on big technology.

[INTERVIEW]

[00:00:38] JM: Alex, welcome to the show.

[00:00:40] AK: Thanks, Jeff. It's great to be here. This is a legendary show, and I'm glad to be on with you.

[00:00:45] JM: So your book is about how tech giants plan to stay on top of the business world. My main question is what is new about what tech giants have access to relative to businesses in the past? I mean haven't businesses always plotted ways to stay on top of the competition?

[00:01:05] AK: No doubt. I don't think the concept of having a plan to stay on top forever is new, but I do think the capacity is new. And I'm particularly excited to be able to speak with you about this given your past working as an Amazon engineer, because I think you might have seen the beginnings of this firsthand as you coded up I believe logistics software for the company. So I think what's new here is the technology that we have that's enabled us to be able to spend time on more inventive tasks as opposed to tasks that support the business. And amazon is a great example. I think every company has always come in every day saying let's act as if it's their first, but they've spent so much time just supporting their flagship products

that by the time they get around to wanting to invent the future they just don't have any time to do that. And I think what the tech giants have done really well is use technology in their workplace to give themselves the time to be able to invent as opposed to focusing all their time on supporting the stuff that got them there in the first place.

[00:02:07] JM: Okay. Now on the subject of technology, my perspective is that modern technology has unlocked such a plethora of avenues to explore in terms of invention that there's no one company that can capture them all and there's no two companies. There're no N companies that can capture them all. There're so many opportunities that you can always have new companies spring up, and we've seen new tech giants come to light. I mean Airbnb, Stripe, those seem like two companies that are poised to dominate entirely new sectors of online business that the mainstays are somehow not equipped to handle. So who is to say that this is necessarily a negative thing? Maybe there's just so much greenfield opportunity that we want businesses to be constructed around dominating entire sectors because there's too many sectors to capture.

[00:03:07] AK: Yeah, I agree with you that there is a greenfield opportunity. And I don't want the tech giants to be the only companies dominating the economy. I mean I guess sort of the whole point of the book was saying these are enormous companies. They are totally bucking the typical life cycle of a big company, which is typically companies grow big, then they grow bureaucratic and they grow slow. They move into a period of stasis and fall apart. And the tech giants have been able to turn that cycle on its head and they remain inventive even though they're large. And so my idea with this book was saying the rest of the economy has a real opportunity to learn from these companies and to say, "Once we get our flagship product up and running like Airbnb, for instance, doing bookings of home, or Stripe doing the financial layer underpinning transactions on the internet. How can we make sure that we don't remain stagnant? Because last century companies would stay on the S&P 500 for 70 years. Now the average lifespan is 15 years.

So back in the day one idea would sort of give you an entire lifetime of success. Now you need maybe three or four ideas in order to be able to sustain success for the same amount of time.

And so I think the key to the modern economy is really reinvention. And the tech giants do that extremely well. And so by unlocking and learning about what they do, I think that we can end up in an economy where, I mean, yes, we have challengers, but we definitely have these big companies dominating. And my idea is we need to get to a point where we have some of that success more evenly spread out across the economy not just through tech firms, but firms across every industry. And I think learning the methods of the tech giants is a good way to get started.

[00:04:54] JM: Was the book that you ended up writing, was that the same book that you conceived of when you started writing it or did the mission or the idea the concept of the book change as you were writing it?

[00:05:04] AK: Oh man! Jeff, I think if you could see the book proposal and what it turned out to, it's radically, radically different. So I had been reporting on Facebook for BuzzFeed and now I'm doing my own sub-stack newsletter called Big Technology and podcast called Big Technology Podcast. But I had been at BuzzFeed reporting on Facebook, and I had seen you know a few interesting things inside the company, the way they use technology in the workplace not just in terms of building it into their products but how they actually change the way they work with technology. And then also the way that they have this culture of feedback, right? And I thought that that was interesting, that everybody inside Facebook feels or at least in theory should feel empowered to go up to anybody and share their idea and share feedback on a certain product or a feature.

And then of course I saw the way that they led through crisis. And I said, "What if we did a book sort of like four mini books in and of itself where I go to each one of these companies and say, "How do they use technology? How do they lead through crisis and what's their defining feature of their culture?" I had Apple, Amazon, Facebook and Google in there. I didn't even have Microsoft in the proposal. But then I thought that as I got deeper into the reporting, there had to be a through line in terms of what's made these companies successful. And that's when I really started to learn how the technology actually plays a big role into their ability to reinvent and this mentality of them deciding that their flagship products were important but weren't the

only thing. And so that animated the book that we changed the title from The Tech Titans to Always Day One, which is sort of a hat tip to Jeff Bezos's theory of reinvention or culture of reinvention inside Amazon and then looking at Microsoft in the way that they reinvented themselves. From a company that was essentially all about the desktop operating system to one that's now about cloud and mobile. I had to include them. So we added a chapter of Microsoft and that's sort of how the book took shape.

[00:07:06] JM: How else did your perspective about the technology company shift as you were writing the book?

[00:07:13] AK: Well, certainly, it made me think a little bit about the nature of leadership and sort of this new path of leadership that they were defining. I had a sense that something was different inside these companies from the ones that I had worked in because I started my career buying ads and selling ad tech. So I saw there was something different in the way the tech giants operated. And I wasn't quite sure what it was. And I think that it was astonishing to me how they're really forging this new way to run a company, one that really models itself after the engineers way of thinking. I think most companies in the past have been run with the real sales mentality. You build your flagship product and then you sell it. And that means that when there are ideas for new products or features, the pre-technology age, you'd have to sort of run it up this chain of approvals, right? You tell your manager and they tell their manager and they tell their manager. And if anybody along the chain decides that they don't really like the idea or the message gets miscommunicated in a game of telephone, then it sort of it doesn't happen.

And I think with an engineering culture you really see something that's more flat where people feel empowered to go up to leadership or people across divisions and levels and then share their message, share their idea. And it doesn't really matter where your rank is or your level or your division. And I do think that the thing that struck me was the fact that these companies have modeled their leadership systems after the heart of an engineer where people feel empowered to speak across divisions, where people feel empowered to bring ideas to the top. And where it's not all about selling a flagship product, but building new ones and reinventing again and again.

[00:08:56] JM: There's been a brewing animosity between technology journalism and the technology companies itself. And you see this play out most acutely on Twitter where you see just arguments about kind of the effects of technology companies or the responsibilities of technology companies or the stances of technology companies. We see kind of an accusatory stance by some tech journalists and then kind of a defensive stance from the technologists, the entrepreneurs, and it becomes kind of a war where the tech journalists see themselves in this kind of – They see themselves as the – Who's the author of that book about the meat packing plants in the 1920s or the 1930s?

[00:09:49] AK: The book's called *The Jungle*. Yeah.

[00:09:52] JM: Yeah. Yeah, *The Jungle*. Who's the author of that?

[00:09:55] AK: Slipped in my mind right now. But yeah, *The Jungle* is the book.

[00:09:57] JM: Right. Yeah. But the tech journals see themselves as holding the feet of the tech entrepreneurs to the fire. And the entrepreneurs just see themselves as like trying to innovate. Do you see yourself as in either of those camps? Because like I don't see myself as in either of those camps. Like I came from the world of technology, I came from engineering, and now I'm more of a journalist. So I don't really sit in either of those camps. But do you find yourself in either camp?

[00:10:23] AK: Well, I would definitely consider myself a journalist. And I feel like with this book and with big technology, I am trying to chart not a different way, but sort of I'm trying to live the values where I really think that this conversation should go. And to me, as a reporter, I would never shy away from a difficult story. If I find something that's nefarious inside a company, of course I would report it. I also think that there's an unfortunate issue right now where it seems like reporters and some members of the tech community are talking past each other. And it's a big issue in our society at large. And it doesn't do anyone any good.

So I am a journalist. I don't view it as my mission to prop up tech companies. And I see real value in journalism that exposes real ills, and there're plenty of them. And I think the tech industry should be receptive when there's criticism and say, "Hey, what sparked this?" like for instance when a number of employees speak up about what's going on in Coinbase. There's definitely like bad press stings, but it's also a moment where you might want to take a step back and ask, "Well, why did all these employees come out and speak about some of the ills of our culture and is there anything there?" I think that's the best way to have a productive conversation. But for me, most importantly, like I think about like what the journalism accomplishes and this adversarial relationship, to some extent, adversarial relationship is necessary, but I do think that the recent wars that have been going on are counterproductive. And I personally hoping that there's more of a dialogue that ensues as opposed to accusations and fights.

[00:12:18] JM: What did happen at Coinbase? I'm not familiar with that episode.

[00:12:21] AK: Coinbase, a number of black employees spoke out about culture inside Coinbase saying it was unwelcoming to them. The New York Times reached out to Coinbase about the story. Coinbase then front ran the New York Times, which is sort of like an industry term for they went to Medium and posted a blog post about the impending New York Times story and why it was wrong. And then sort of in the aftermath there was this whole discussion between members of the tech industry about – And this happens through each negative news cycle about boycotting the New York Times and going direct. So starting their own publications and not working with the press to filter out their opinions. And of course journalists hit back and said that some said this sort of de-incentivizes the courtesy to go for a fact check. And it turned into this whole mess, but it sort of encapsulates a lot of what you talked about at the outset of your question, which is this brewing war between journalists and the tech world.

[00:13:28] JM: Gotcha.

[00:13:30] AK: Yeah. I guess like just to put a point on it, I don't think that these two sides need to be at war. Of course they're not going to have a friendship relationship, but it concerns

me that there's been so much animosity out there. And of course I'm doing my best with big technology to – And it doesn't mean be soft on these companies, but it does mean sort of show a way to cover them with nuance that I think is necessary here. And I also call upon folks in the tech world to understand that the purpose of journalism isn't necessarily to prop-up companies. Of course everyone wants the stuff that they do well to be recognized, but like if there's – I would say the first reaction instead of trying to condemn the press should be what's actually wrong inside, or is there anything wrong inside our company and taking our egos out of this. Is there any truth here? And should we investigate it and rectify? And I think that that would lead to a better, a more healthy tech industry because that's where growth comes from.

[00:14:31] JM: Definitely. I think one problem is the size of these companies, it inhibits the ability to report on them in a sufficiently nuanced way. And the example I would provide is there was that article about the workplace environment at Amazon I think five or six years ago, the New York Times article. And Amazon is just a gigantic company. And so reporting on five or six cases of people who felt over stressed at work, it's not hard to find five or six people who are overstressed at work at Amazon just because there's so many people. And then I think the general population might get the sense that that's a case of the overall culture and that's just perhaps a mistaken identity. But that's an issue that I remember causing a similar amount of distress.

[00:15:24] AK: Yeah. Were you there for the Times article when that thing hit?

[00:15:29] JM: I was – I think I had just left when that article published, and that was not my experience working there.

[00:15:40] AK: So I think that like there are articles that tend to go overboard. And I think that like my view of that New York Times article was that while there were no factual errors as far as I could tell inside the story, it was a little off. And I think that you having been in Amazon, me having shown up in Seattle and spent a couple of months there trying to learn about Amazon culture, we could both agree that Amazon is a really difficult place to work. And of course it depends on your manager. And when you find some of those cases, it becomes this juicy story

that some folks can't resist. And in fact that I think when Amazon tried to discredit the story, by taking on the key source who had come out on record and sort of describing some issues with their employment record, New York Times said they're just among one of many people that have cried at their desk. And so they felt compelled to report that. But also people cry at their desk at every company. I mean I've almost cried at my desk and I'm the only person in mind.

So there are going to be articles that are off, and maybe that New York Times article was one. But I also push back on this notion that it's impossible to report on the breadth of these companies. It's hard, but it's doable. And that was definitely what I dedicated myself to with *Always Day One*, which was I said, "Look, we need to learn a little bit more about these cultures and the way the companies work and their processes and the technology inside." And the only way to do that in my opinion was going to be to write a book about it. Give myself the sufficient amount of time and breathing room in the reporting process to be able to do this right.

And so I addressed that Times article in the Amazon chapter of my story. I ended up speaking with probably anywhere between 20 and 30 current and former Amazon employees, everyone from Jeff Wilke, the departing CEO of worldwide consumer to people working in fulfillment centers and then former tech employees. And I think that I'm happy to hold up the Amazon chapter and *Always Day One* as an example of something that I'm standing by it. Like I think that this gets it right. I think that it dives into some of the aspects of Amazon culture we haven't heard a lot about including hands off the wheel, the automation program inside the retail organization. That's automated a lot of the vendor managers work. People who used to be on the phone with brands, stocking the warehouses and handing that over to machine learning and how that changes the company. And was it easy? No. I mean Amazon's a company now have 1.2 million people or they're about 600,000 when I started reporting. So these companies are also growing fast. But I think that with the proper amount of dedication and commitment to hearing all voices, it is possible to tell the story of these companies. And, again, it's not going to happen every time, but I think it's doable. And I think that when it does happen, we all benefit from it because we can start to learn a little bit about the way some of these massive organizations operate. And I think that there is something to be said for taking that juicy news

nugget and saying, “Does this belong?” Let's say, for instance, people crying at their desks and saying, “Does this belong in the lead in the headline? Or is this a detail that belongs deeper in the story of something that's more nuanced and complex?” So I personally would have put the crying anecdote deeper down. In fact, I did, in the Amazon story, in the Amazon chapter of the book. But yeah, this stuff is tough. I agree with you. But I don't think it's impossible.

[00:19:24] JM: How did you manage to get a conversation with Jeff Wilke?

[00:19:27] AK: Well, it's actually a funny story. So even before I sold the book, I had booked – So I live in San Francisco. I booked a flight to New York to meet with publishers after I had a book proposal in with them. And then I booked a flight from New York to Seattle. And I was going to Seattle whether or not I had a book deal. And I had made this agreement to cat sit my friend's mom's cat, lady the cat, and said, “We had a 20-day deal.” I was like, “All right, I'm going to stay at your house for 20 days. If I get the book deal, I'll be reporting on Amazon. If not, it will be extremely depressing but at least I have the cat to keep me company.” And I landed in Seattle without a deal. The day afterwards Penguin Portfolio, who ended up being my publisher, said, “We want to work with you.” I said, “Great. This is an amazing opportunity. I'm going to have a chance to report on Amazon.” And I had a one-way to Seattle. I had no return flight back to San Francisco. And I met with Amazon and I was like, “Look, you can take a look at some of my track record at BuzzFeed and know what I'm doing, and I'm not leaving the city until I get the story.”

And basically it wasn't like me saying work with me or else. It was me saying I'm here to do the work and I'm going to do it thoroughly. And I think they saw the commitment, and I of course made – I spoke with more people not that they didn't give me access to through the front door than those they did, but I made a determination to leave that city with the real story, and I think they saw that and said, “All right, we'll set you up with a conversation with Wilke and let you go visit a couple of fulfillment centers including the ones with robotics in there,” because they knew how technology impacts work was an important part of what I was doing. And then they also set up a conversation with a guy named Ralf Herbrich, who was their head of machine

learning who helped implement this hands off the wheel automation program inside the retail organization and just basically giving me the story of how it happened inside Amazon. And I detail that thoroughly inside the book.

And so at the end of the day like this was the first book that they worked with since *The Everything Store* with Brad Stone, which I believe came out in 2014 or 2013, somewhere there about. So it'd been five or six years since Amazon participated in a book. But I mean, man, sometimes it just takes showing up and being committed to doing the work and then things happen in your favor. And I think that's certainly what happened with me in Seattle. And Amazon went from being chapter number two or three to being chapter number one, because I found the way that they operate their workplace to be so fascinating and so out of the box for most other people that it was worth detailing and making the focal point. And that's where *Always Day One*, the Jeff Bezos saying, becomes the title.

[00:22:27] JM: Can you go deeper on that anecdote? The hands off the wheel anecdote just to give people a sample of what the book entails?

[00:22:34] AK: Totally. So the book will basically go through the culture processes and technology of all five big technology companies; Amazon, Apple, Facebook, Google and Microsoft. We spoke in the beginning about how all companies plan to stay on top forever, and today reinvention is key in order to be able to stay on top given the fact that there's technology that enables you to start a company in as quickest time as you ever could and for as little money as you ever could. So big technology companies, any company, needs to be reinventing or else their competitors will sort of take their market share given how easy it is to start and build products.

So the way that they do this is they separate work into – And this is sort of a terminology that I use, but I think all the big tech companies and maybe outside of Apple think about work in two categories. One is idea work. Anything involved in building something new. And the other is execution work. Probably should have used the word support work for it, but anything involved in keeping your flagship business operating. And so Amazon is definitely – And I think that like

– And you've talked in previous keynotes about how we've changed from the industrial era. And I think in the industrial era everyone was doing execution work, right? There would be someone who would have an idea and say let's make a widget. And then they'd be in the factory making widgets. Then we shifted to the knowledge economy where people's ideas matter. And though people had ideas for new things, new products, we'd be spending so much time in the workplace on the flagship products that we didn't have time to build anything new, which we've spoken about.

And so I think that machine learning automation and other enterprise technology has brought us into this third era where we're able to use technology to minimize execution work and make room for idea work so we can actually have the time to reinvent. And that's sort of core of the Amazon story. So in the retail organization, and Jeff, I'd be curious to hear if you saw the beginning of this, but just about the time that you were leaving 2014, there was a push from leadership to use technology to minimize the execution work and make room for idea work essentially. Basically, Amazon was saying, “We have 20 years of historical retail data here, and we can probably use algorithms to make better decisions of what we should order, which items we should put in which fulfillment centers when. So that when people are ready to buy, it can get to them in a shorter amount of time. And we don't have all these people spending their time on doing this process that could be easily automated. So we can free them up to do new things.”

And so basically what happened was they started out calling the project Project Yoda. Instead of the vendor managers doing this work themselves, they'd use the force, and the force would be machine learning. And then they eventually called it hands off the wheel. So eventually their algorithms got good enough where they started predicting, “Okay, like let's say there would be a person on the phone with Tide saying we want this many units of detergent in these fulfillment centers at this.” The algorithm started to be able to predict that better than the humans could, and it started showing up in their software with an automate button. And eventually it became so good that the company said, “All right, we are going to – Instead of having you do this, we're going to give you goals where X-percent, sometimes up to 80% of people's activity uh needed to be automated.” And eventually it went largely to the machines.

And what Amazon did was it took this – It took these support related tasks, handed them over to technology to make room for tasks for the people inside the company who had been working on these retail functions to become more inventive. And if I could have maybe one more minute, I could tell you this one story of how this actually worked in practice.

[00:26:27] JM: I grant you that one minute.

[00:26:28] AK: Thanks, Jeff. Okay. So there was a guy inside Amazon who was running Amazon's product and promotions, a vision called Dilip Kumar. And probably right around the time that you were there, he starts to move to become Jeff Bezos's right right-hand man, something called a technical advisor where you follow Bezos around to every meeting and just sort of see how he runs the company. Andy Jassy, famously, was the first one before he went to found AWS. And so Kumar goes from pricing and promotions, shadows Bezos. And by the time he's done, pricing and promotions is on its way to become automated. So instead of going back to do that work supporting Amazon's flagship product, he gets a bunch of folks together who have been in the retail organization and said, "Why don't we create something new?" And what we're going to aim at is using technology to solve one of the most annoying parts or what we find to be the most annoying part of shopping in real life, and they settled on checkout. And so then that group said, "Okay, we're going to try to build a supermarket without checkout." So at first they say, "Let's create a big –" Eventually what really amounted to a big vending machine where you sort of punch your order and then a bunch of tubes bring you your products. But they figured that would just be kicking the can down the line. And they eventually came up with Amazon Go, which is the store that you can just scan and walk and take whatever you want off the shelves. Cameras and sensors figure up what you've taken and then I will charge you when you walk out. No scanning or checkout needed.

And so by using hands off the wheel, Amazon was able to take this support work, free it up, pick the people who had been working on those projects, put them towards ideal work and then they go out and invent what's going to become a mainstay in Amazon's brick and mortar retail strategy, which is Go. Technology they're going to use not only in their own supermarkets, but licensed out to others. And I think it's going to be a key pillar of Amazon's

business moving forward. So it's just one small little anecdote of how these technology companies, how these big tech companies use technology to change the way they work and reinvent and remain competitive despite their old age.

[00:28:39] JM: Now, just hearing that anecdote makes me think that you had to go into a lot of depth into each of these different companies, and five different companies is a lot. How long did it take you to write this book?

[00:28:51] AK: Oh, it took a while. I mean, let's see, the introduction is a meeting that I had with Mark Zuckerberg, which starts in 2017. So I mean the story really spans like over the course of about two years. But I ended up taking a full year off from BuzzFeed to do the reporting and the writing. It was all original stuff. Yeah, so it was about a two-year process to do it. And from what I understand, that was fairly fast for the way books usually come together.

[00:29:22] JM: And was it exhausting to try to cover so many companies at one time?

[00:29:27] AK: Well, I would say, first, it was invigorating because one of the cool things about writing this book was I started with a central question, "What are these companies doing differently than anyone else?" And man, I just kept learning things. And perhaps it's just an indication of my nerdiness. But that really excited me because it gave me an opportunity to once I learned something about one company, I could go back and probe whether the other companies were doing that similarly or different and whether I need to ask different questions to the folks that I had met before. And, honestly, like when I moved out to the Bay Area in 2015, one of my main goals was to just kind of figure out how this ecosystem works. And I don't think it was really until I got into this work that I started to really feel like I had an understanding of how things operate. So it was invigorating, for sure.

Now, was it also exhausting? For sure. I mean it was definitely hard. Especially because of the speed we were trying to put the book together with, the stuff is kinetic if we're talking about five companies, five leaders who knows how long they're going to stay in their position. So we wanted to get it out in like as quick a time as possible. Also, the stories could have gotten stale

over time. Although now I feel like they're pretty evergreen. So yeah, there were many late nights and long weekends working more than I ever had in my entire life to get this thing out. And yeah, but it was pretty rewarding when you'd be able to see it packaged together in a physical book and then to see it get shipped out to folks was pretty special and something I'll always remember.

[00:30:58] JM: Do you have another anecdote from the book that stands out as illustrative of what you conceive of as different about these big technology companies?

[00:31:10] AK: Yeah. One of the interesting things that they do is they also – It's interesting that these companies touch so many people's lives, because when they find something interesting that works internally it can sometimes ship it out to the general public. And that certainly happened with Microsoft. Microsoft, they rely on their sales force in a pretty big way. They have all these enterprise clients. And I'm sure many of your listeners have been on the phone with Microsoft sales. And so the question for them is how do they – Look, having worked as a salesperson, this is the big problem, and this is the problem Microsoft struggled with. You never really know who to call. You have this customer relationship management tool. Sometimes it's Salesforce. That's what I worked in. Obviously, in Microsoft, they were working on their own CRM.

And so what you do as a salesperson usually is you just spend your days combing through and just going account by account. Who have I last reached out to? Who have I followed up with? Why is this deal not moved? And it's extremely arduous. You probably spend 80% of your time figuring out what your next operation is and then 20% of your time actually doing it. And then like, “Okay. Yeah, you can sell and meet your quota, but are you really adding ton of value to the organization?” Because you are speaking with people who are using the product every single day. So the sales people are the best researchers you can find, and generally lead to product improvements. And what would it be like if their day could be freed up to be better at that?

And so Microsoft's machine learning team came to the folks that were selling and said, "We could probably internally have a research organization." And they could they said we could probably use our machine learning tools to make your lives easier. And not only we can take data, not only looking at the accounts that you're working on, but accounts across the company, and figure out what your next action should be based off of the nature of your accounts and the cadence of your reach outs and what's going on with the companies you're speaking with.

And so they built a tool internally called the daily recommender, and we basically recommend 50 actions to a salesperson a day. If the salesperson couldn't get to all of them, it would recommend less. If they could get through all them, it would recommend more. And the cool thing about this was they were able to see, "Did our recommendation lead to a sale?" If it led to a sale, they thought it was a good recommendation. If it didn't lead to a sale, they said, "Okay, maybe it could have been better," and they were able to optimize the system by building something like this.

So, of course, Microsoft sells its own CRM. And that eventually makes its way into Microsoft Dynamics as a feature. And I just found that fascinating to see how the world changes inside the tech giants first, and then the world changes for the rest of us. And so I felt that it was reaffirming what I had gone into the process with saying, which is that this is probably what the future of work looks like and they have a head start. And maybe by digging into stories like this we can figure out where it's going for the rest of us. And, again, this is sort of going back to this idea of changing the nature of work. Sales people had – Not only were sales people able to be more effective in their days because of software like this, but they were also able to spend more time speaking to customers and then pass those ideas back internally through a system that Microsoft had called One List. That would basically be a list of all build requests throughout the organization that they would use to prioritize what they would build next. And I think it's going pretty well for them depending on the day they're either the most or the second most valuable company in the world. And their transformation's been pretty fascinating to watch.

[00:35:01] JM: Are there any unanswered questions that writing the book left you with at the end?

[00:35:07] AK: Yeah. I mean I guess the main question is we're going into this economy where we invent faster than we ever have before. And so how do we do that thoughtfully? And can we be in an economy where we can build and then also think about some of the repercussions from what we build? Because every new platform comes with problems, whether it's things break on your end or potentially ramifications to society. And so I guess like the main questions I leave with are can we build thoughtfully and can we create a society where these tools that sometimes will concentrate wealth among a smaller percentage of the population than we had previously, what will be the impact on society because of that? And is there a way to grow? And distribute the gains more evenly.

And so I think that one part of it is just giving the rest of folks opportunity to co-op these systems. So they're not just the domain of the tech giants. But I don't think that's the full story, but I'm hoping that with the book – I did a small part in democratizing some of that knowledge and hopefully leading to something where growth is more equitable across the country and across the world.

[00:36:27] JM: I'd like to get some perspective from you on journalism. We talked about it a little bit earlier, but the size of these tech companies and the influence that they have on our everyday life really has put us in a different historical position than we've had in the past. You can talk about separation of church and state. Those being two large monolithic influences on our trains of thought. But now the tech companies have as much or more influence on our everyday thought as do church and state. How do you think that impacts our everyday life and how does it impact the way that journalism progresses?

[00:37:10] AK: Well, look. I mean if this is what's going on, and I think it is, right? These companies have more impact on what we do you know than I think any set of five companies ever before just in terms of the nature they filter information. I mean, think about – And the work, how many of these tools we use. We're spending all of our time on the big five tools

pretty much, or much of it, not all, because there are others out there. But I think, look, once you consider that, think about the role that journalism has. And I think there's an important part of journalism that's often overlooked, which is that telling the stories and helping people figure out what these companies are doing, what's going on behind the scenes, how they think, how they feel and the impact of their products. That takes on a greater importance.

And so even the straight stories that sort of reveal a tiny bit of the thinking of the way that these companies operate or tiny bit of the thinking behind one decision or another become increasingly important. I kind of think we need way more tech journalists than we have today to be able to go deeper into what's going on and sort of to explain these to folks, because ultimately the goal has to be to empower people to succeed in this world and to be aware of the forces acting on them in this world.

And so, for me, tech journalism, we all know started out with a bunch of gadget reviews, but it's evolved significantly in the past decade and especially in the past few years and it will continue to evolve. Sorry. It will continue to evolve. And yeah, I think that this is not going away. Like I think that society is going to be hungry to hear about the impact of these companies on people's daily lives, and it's an important duty for journalists to be able to tell these stories honestly and with nuance and as vigorously as possible, because ultimately secrecy is not going to benefit anyone but those keeping the secrets.

[00:39:12] JM: Have you done much coverage of the legal representation of these tech companies relative to government? Like the lobbying or the lobbyists? Like how many lawyers these companies have that are lobbying politicians and kind of that relationship between the government and the tech companies?

[00:39:30] AK: What I've seized on at big technology lately has been the funding disparity that the government's anti-trust divisions have compared to the tech companies. So think about the Federal Trade Commission, which just brought a lawsuit against Facebook. Their annual budget is around \$330 million a year. 330 million. Facebook makes 17 billion – Facebook alone, 17 billion in a quarter. So you talk about two, three days and Facebook has already

exceeded the funding of the FTC. And think about the Department of Justice's antitrust division. That's a division that has funding under \$200 million a year. I mean so you're talking about a day. So basically a week of one tech giant, so probably the weakest tech giants revenue equals the annual budgets of both of the anti-trust arms combined. So I do think there's a definitely a mismatch where the tech giants are in much better position to fight all this anti-trust stuff coming from the government just given the nature of their size.

And so, to me, whenever I hear a member of congress talking tough about the tech giants, I always say to myself, "Well, you have the opportunity to fund the regulatory agencies that could have a real impact in terms of checking their power, and you don't. So what's going on here?" And I haven't gotten any really good answers, but I think it sort of goes to show you the level of seriousness in congress. They toss a million here, a million there to these agencies. But I think that if the FTC is going to function appropriately, and this mirrors what former FTC chair, William Kovacic, said recently in a senate hearing. The agency needs a billion dollars a year.

And in fact I just broke the news on big technology of internal FTC memo that talked about severe budget restraints that are causing them to go through a hiring freeze. Have to decide whether to hire less experts or bring less cases. Freeze IT spending. It's so underfunded. And then this is the agency that's charged with checking Facebook and Amazon. The mismatch is pretty unbelievable there. And yet nobody really speaks very much about it. So I think it's a good question you brought up. We need to focus a little bit more on the power dynamics between these companies in Washington, because right now the companies are – They seem to be far more powerful.

[00:41:56] JM: What are the macro subjects that you're covering most closely on big technology? Like obviously you're covering the big tech companies, but are there some particular threads, maybe online advertising or censorship? Something in that vein that you're covering most tightly?

[00:42:13] AK: Yeah, I've spent a lot of time on antitrust. I spend time on how these companies impact society, and it's not just like – It's not the traditional Facebook where it's causing

people to be angry at each other. I like to look every now and again into how software is changing our sense of meaning and our sense of community because it definitely has had impacts. And then I also like to just get involved in the topics of the day. So for instance, right now in the tech world, we are having a big discussion of whether people are going to start leaving Silicon Valley and New York and moving to places like Austin and Miami.

And so, for me, I'd much rather instead of writing like a Silicon Valley is dead take, hot take, what I do my reporting process, as I say, that's an interesting question. Why don't I go to LinkedIn which has data on where tech workers live because they self-identify, right? There in the headline. And ask them what's happened in terms of the major shifts that have gone on in the tech world. And I'm actually publishing you know a deep dive into that LinkedIn data this week that might blow up a narrative about how everybody's going to Austin because of this pandemic. So that's the type of stuff I like to do. Basically anything that's deep in nuanced, and the news cycle is fun, but I'd much rather write about the systems that are acting in the background that are changing the way that we live and impacting these companies than taking on the latest content moderation controversy.

[00:43:46] JM: What has been the impact of Substack on reporting?

[00:43:52] AK: I think Substack is not like some people said that Substack will save journalism. I don't agree with that. If you're counting on a newsletter platform to save journalism and you don't really have a high opinion of the future of journalism, but I do think that Substack has been a great opportunity, great new avenue for reporters like myself who want to write independently. I sort of had a determination of the way that I wanted to go in my reporting, and Substack has enabled that. And the thing is that we're all giving it a shot, right?

So my newsletter is free. I'm going to mine largely. Ad supported for as long as I can. Other reporters are doing this as a subscription. But at the end of the day, like it's a new avenue that we might be able to support some journalism with, and I think that's a good thing. And I think giving it a shot is definitely the move. So I was excited to move there. I moved there from BuzzFeed in the aftermath of writing the book. Had stories that I wanted to pursue and go into

depth on that I felt it would give me a chance to do in great detail. And honest to God, like there's nothing more exciting than writing for an email audience. And again, I guess this is the nerdiness coming out here. But when you write an email newsletter and it comes into people's inbox, there's like a one-to-one relationship that you can have with folks. I often get replies from people who engage with the ideas on big technology, push back or share different thoughts or say they appreciate the analysis. And I just find it far more satisfying than shooting articles out into the ether. So I think Substack is an interesting bright spot on the internet. We don't quite know what it's going to be yet, but I think it's off to a good start and I'm excited to see where it goes from here.

[00:45:36] JM: Any final topics of conversation you'd like to explore on this episode?

[00:45:42] AK: Well, look, I just want to leave with a parting thought, which is that we know the tech giants aren't perfect. That's for sure. But they're also doing some interesting things inside their companies that are worth taking a look at and potentially co-opting in our companies. And not everything they do is going to apply one-to-one to everyone. But I think that if people go through *Always Day One* or if people read big technology and they're able to implement one or two things inside their workplace that make them more effective, a more effective worker, a more effective manager, a more effective CEO. Or for investors, learning these things, make them a more effective investor, then I think that we're heading in the direction that we want.

And so, look, I'm not someone who's coming here saying I have the answer to all the world's problems, but I do think that I saw some interesting things inside the tech giants and felt obligated to tell them over and empower people with what I've learned. And I'm hoping people give it a shot and that if they do read the book or they do sign up for the newsletter or the podcast that this stuff helps them in their everyday life, and that'll be a sweet victory for me. So that's sort of my closing thought.

[00:46:58] JM: Alex, thanks for coming on the show. It's been a pleasure talking to you.

[00:47:01] AK: Thanks, Jeff. Been looking forward to this, and really excited to have the opportunity to stop by.

[END]