EPISODE V - 1

[INTRODUCTION]

[0:00:00.3] JM: A few announcements before we get started. One, if you like Clubhouse, subscribe to the club for Software Daily on Clubhouse. It's just Software Daily. We'll be doing some interesting Clubhouse sessions within the next few weeks. Two, if you are looking for a job, we are hiring a variety of roles. We're looking for a social media manager. We're looking for a graphic designer, and we're looking for writers.

If you are interested in contributing content to Software Engineering Daily, even if you're a podcaster, and you're curious about how to get involved, we are looking for people with interesting backgrounds who can contribute to Software Engineering Daily. Again, mostly we're looking for social media help and design help. If you're a writer or a podcaster, we'd also love to hear from you. You can send me an email with your resume. jeff@softwareengineeringdaily.com. That's jeff@softwareengineeringdaily.com.

[INTERVIEW]

[00:01:04] JM: David, welcome to the first video version of Software Daily.

[00:01:08] DR: I'm so honored. I feel very special right now.

[00:01:12] JM: Well, it's much deserved. You're the host of one of my favorite podcasts. Probably the most popular or second or third most popular business podcast.

[00:01:21] DR: We're working on it. We're working on it.

[00:01:23] JM: Right. Acquired, if people haven't heard it. We are in the midst of emerging from Coronavirus hibernation, and I thought it would be a great first guest for the video podcast.

[00:01:36] DR: Well, thank you. I'm so honored. I'm so excited. We're back.

[00:01:39] JM: We're back. Somehow.

[00:01:43] DR: In person. We were talking before we started. Ben and I, my co-host on Acquired. Ben and I we haven't done in person recording in over 15 months. Got to miss it. This is great.

[00:01:55] JM: I've had to shake off a lot of cobwebs, not just for podcasting. Literally for in person interaction, going to dinner. I almost had to force - there was an atrophy that I had to overcome like ordering in a restaurant and hanging out with people or playing basketball, all these things, it's just a rebirth that's happening.

[00:02:15] DR: Totally. It's been hard for me in the last couple of weeks. It's been awesome is consuming alcohol again, because I'm going out. I'm seeing people almost every day now, which is wonderful. Most of these interactions involve having a beer or a glass of wine. I'm just not used to it. I'm wracked by the end of the day. I'm glad we're doing this in the morning.

[00:02:35] JM: Right? Okay. Yeah, it's a Bacchanalia. We should go ahead and get into it. I was listening to your recent episode with Brad Stone, the Amazon Unbound author, who is maybe the best modern business writer.

[00:02:52] DR: I think he's up there. I would put him right up there with a different style than like Michael Lewis. He's much more company specific focus, but Walter Isaacson. Brad is just, he's wonderful.

[00:03:05] JM: Yeah. The ability he has to investigate that company that is pretty much impenetrable, is really amazing. The one thing that stood out to me, especially in relation to the episodes you've been doing about Berkshire Hathaway, and I read snowball, not too long ago.

[00:03:25] DR: So great.

[00:03:26] JM: Yeah, another great one, is the idea of the fully integrated conglomerate versus the disparate conglomerate. If you look at Amazon, you have basically a conglomerate that has few boundaries between the different businesses that are under its brand.

[00:03:47] DR: Famously brand in Amazon unbound, talks about how basis has been saying in recent years to mature businesses with businesses within Amazon. What are you doing to help these emerging growth businesses within Amazon? It's all integrated.

[00:04:01] JM: Right. Which is in Stark Contrast to the Berkshire Hathaway model, right? Do you have any perspective on which is superior?

[00:04:10] DR: I do. Actually, I do. You're referencing with Ben jokes that were very self-indulgent. On acquired, we tend to do three-hour episodes. We've now done three. The third is about to come out. The three hour-plus episodes on Berkshire Hathaway, just telling the whole story. This third episode hasn't come out yet. We end it with Warren and Berkshire. He's the goat. He's the greatest investor of all time, almost without a doubt.

However, his whole style and the approach and everything that Berkshire Hathaway has become. You got to remember Warren was born in 1930. It was shaped by his experience growing up in America. He always talks about never betting against America. The whole philosophy behind Berkshire Hathaway is that the future is mostly going to look like the present.

Yes, there was lots of change in America between 1930 to 1950 to 1970 to 1990. Probably on the whole of those 60 years, there’s less absolute change in the world than there's been in the past one year. I think the way Berkshire is this decentralized conglomerate with all these different businesses that are wholly independent. Warren famously has this line that he wants businesses that can be run by a ham sandwich, they're just on autopilot from reading this snowball.

That's not the way the world works today. My view, although I have so much respect for Warren and Berkshire. I'm a shareholder. I'm happy to be a shareholder. I just think Amazon's approaches in a world where there is so much more change that is happening every day, and it's accelerating. You can't run a business a ham sandwich. The Amazon approach is far superior in today's environment, I think.

[00:06:06] JM: I mean, can they still be successful? Looking for the ham sandwich businesses? I mean, I guess the modern equivalent of that is like, what's that private equity firm in Austin, Silver Lake or something? Or what are they called? Not Silver Lake.
[00:06:22] DR: Yeah. The guy. Vista.

[00:06:25] JM: Vista. Yeah, Vista. I mean, that's the technology equivalent, right?

[00:06:30] DR: Yeah. You can do that for sure. I don't think so though. Businesses like, take Coca Cola, right? The fame, one of the famous Berkshire Hathaway investments. When Warren invested in Coke, it was right after the new coke disaster. This was in the late 80s. I think, Berkshire made a 10x return on their investment in the first 10 years. Then the whole world realized, "Oh, Coke is really a great defensible business, this brand, people are going to keep drinking it, people are going to keep drinking Diet Coke especially." It got fairly valued.

Over the next 25 years that Berkshire held on to all of their shares of Coke to this day, they've only returned three and a half x from the last 25 year period. It's 10x in the first 10 years, and then three and a half x over 25 years. Yeah, those types of businesses get fairly valued, and then they you're not going to make outsized returns on them. You asked, can Berkshire continue their success, investing in ham sandwich businesses? No, I don't think so.

However, Berkshire, and it was not Warren's idea. It came from Ted Weschler, one of the two investment deputies who report to him. Berkshire has made one of the greatest investments of all time in the past four years, five years. Right up there with the Naspers investment in Tencent, right up there we Softbank investment in Alibaba. The 2016, Berkshire investment in Apple has returned $89 billion in gains - to Berkshire. We did the math on Acquire. That single investment in 2016 has returned as much or more dollars, than the entire rest of Warren's career.

[00:08:22] JM: Have they talked about the reasoning behind that, because I know that pays to have a really big bet at some point. When I saw that I was like, "Yeah. Okay, whatever."

[00:08:29] DR: Yeah. Right and everybody's like, "Yeah. Apple of interest. Whatever." It didn't come from Warren. Starting in 2014, 2015 maybe he first hired? No, it was earlier than that. He first hired Todd Combs, as a deputy investment manager and then Ted Weschler. They have very different styles than Warren, Ted especially. Ted got interested in Apple. We don't know if it was Ted or Todd. I believe it was Ted got interested in Apple around 2016. He had discretion to make up to a billion dollar bet on his own.

He put a billion dollars into apple in 2016. Then deploy more capital. He had to get Warren on board. The rationale that convinced Warren was - and that Warren talks about is Apple is a consumer brand. It's more Coke than it is a technology company that the brand loyalty is so high. It's a consumer products company. I don't know, right? Sure, Apple has a lot of brand loyalty. I don't think that's why people keep buying iPhones. I think it's because I message lock in. I think it's because of their technology is so far ahead all this other stuff. Yeah, we'll see.

[00:09:45] JM: It is. Even as Android user. I'm Android guy, but I actually can recognize, there's no Android watch, that's as good as the Apple Watch. There's no product with the consumer appeal of airpods. Even though I don't personally see the airpods. To me is a crazy phenomenon. It's I don't know if you've used other Bluetooth headsets, but air pods is no better than a $25 Bluetooth headset. It's very strange. It's one of these phenomenon's where basically, nobody was buying Bluetooth headsets relative to how good a Bluetooth headset is in your life.

Apple just basically said, we're going to make a Bluetooth headset, and we're going to market it in a way that people will buy it. The technology was already there. Maybe I'm the crazy one here, but -

[00:10:27] DR: No, I don't think you are. I do think that actually does illustrate the ecosystem lock in that Apple has right with airpods. If you use all Apple devices, they seamlessly switch between – they've done so many times down now. I'm listening to podcast on my phone. I get home. I'm out for a run or whatever. I open up my iPad. I start watching a YouTube video and it just seamlessly pops over.

[00:10:49] JM: Right. Probably it's easy to underestimate how good that frictionless is. Anyway, we'll leave that to the John Gruber crowd -

[00:10:57] DR: We'll leave that to the talk show to talk about.

[00:11:00] JM: Yeah. I guess it doesn't matter that Charlie Munger doesn't understand Bitcoin.

[00:11:08] DR: No. For my personal portfolio. I view Berkshire just a very different part of my portfolio, Tech stocks, angel investing, crypto. I view it as, I'm going to get nice appreciation in this not going to do anything too dumb. I'm not going to lose capital. It's I view it as my "safety portfolio." I invested in crypto. I don't want Charlie invested in crypto for me. I can do that.

[00:11:36] JM: You've been studying, investing for a lot longer than I have. I'm quite sure of that.

[00:11:41] DR: You've probably gotten quite the education in six, seven years you've been doing this now?

[00:11:45] JM: Yeah, six years. Just to show you my level of financial responsibility, I had almost no money when I started this. I'm not invested prudently. As a prudent investor, somebody who's just a student of the markets. How do you evaluate crypto? Is it a, this time is different type of asset like a new type of asset? Is it game changing? Is the jury's still out? What's your perspective?

[00:12:08] DR: Yeah. Well, that's the trillion dollar question. Okay, so here's how I think about it. A lot of this is real time for me and informed by the workshop series we did. I unveiled in Episode Three of the Virtual series that's coming out soon. I've just been noodling the whole time. We spent weeks and months studying Berkshire, Warren's mindset that I was talking about, never bet against America.

What was the world looking and going to look like during the prime of his career? I think he's totally right in the concept of, if you can figure out a trend that is almost unassailably going to continue for decades into the future. You can invest behind that trend with a lot of confidence and ignore any ups and downs along the way. He did that amazingly well with the rise of American business in the 20th century.

To me, it just hit me towards the end of Berkshire research that it's blindingly obvious to me, that same trend exists now. Instead of never betting against America, it should be never bet against the internet. It feels today, the internet is mature. The internet is 20 years old. The rate of growth and change and everything happening is accelerating, it's globalizing. Crypto to me, feels a core part of that. All parts of Crypto, Bitcoin the Ethereum Ecosystem and everything going on there, DeFi, NFT's.

So yeah, my view is like, look I have no idea what's going to happen tomorrow, a year from now, whatever but when I zoom out, and we should say too, this is not investment advice. This is entertainment purposes only. We're just jamming about what we do. For me, when I zoom out, it's very hard for me to imagine 5, 10, 20, 50 years from now, where digital money, decentralized, permission less finance, and business is not a thing on the internet. That's I think about how are you thinking about it?

[00:14:16] JM: I couldn't have said it better myself. I don't know the governmental direction. If you get a state sponsored cryptocurrency from the United States, what happens? Doesn't China already have one?

[00:14:32] DR: They're working on one. I don't think it's live yet.

[00:14:34] JM: Or it's centralized. It's a digital.

[00:14:35] DR: Yeah. The digital one. Yeah.

[00:14:38] JM: That's like no different than normal currency today.

[00:14:42] DR: I haven't studied it enough. That's my thinking. It's still –

[00:14:48] JM: Yeah, print more of it. I don't think that's anything new. Yeah, I think it's gigantic. I don't think its tulips. I think there are tulips in the garden.

[00:14:58] DR: 100% that is the case.

[00:15:01] JM: You should do an acquired-ups on Uniswap.

[00:15:04] DR: Yeah, I've been diving deep on Uniswap. We got to do with Ethereum first. We did Bitcoin in January. Next up in the Crypto series is in Ethereum. Then I think the natural one after that is Uniswap.

[00:15:16] JM: Or MakerDAO. MakerDAO might be the next one. Yeah, Uniswap or Coinbase. Maybe Coinbase. Yeah, but Uniswap is that's a crazy story. I think the craziest part of that is just how - even Ethereum was the work of several people. A several people brought that to market but Uniswap really feels more the genesis of just one guy who –

[00:15:37] DR: Yes, Hayden right?

[00:15:37] JM: Hayden Adams.

[00:15:39] DR: The story as I understand it, haven't dove into the research yet fully is, he was laid off right or something like that. He wanted to get into crypto. He's like, "I missed it." I think he had a friend who was like, "Dude, if you spend two months on this, you're going to be a world expert"

[00:15:54] JM: His friend was named Karl Floersch. Karl Floersch was one of the first 10 guests on my podcast.

[00:15:59] DR: Amazing.

[00:16:00] JM: Karl flourish. I did shows when Ethereum was doing its presale. I didn't invested. I covered Ethereum during the Ethereum presale, and I was like, "Who are these people?" These are the weirdest people I've ever met. Absolutely, no offense. I'm very endeared towards weird –

[00:16:22] DR: Weird people.

[00:16:24] JM: Weird, nerdy people. We grew up playing some Magic, Magic the Gathering, is exactly the kind of people that attracts the Ethereum people.

I interviewed the creator of Metamask. I interviewed Karl. He was telling me what Ethereum enables. He was, “Yeah, we're going to have basically Uber, but it's going to be decentralized.” That's what Ethereum enables is -

[00:16:46] DR: I don’t know man. That’s sounds crazy.

[00:16:47] JM: I don’t know about this.
[00:16:50] DR: So great.

[00:16:52] JM: Yeah, it’s like the Ethereum is 30 cents. I don’t know how to do this wallet thing. I’m just going to pass on this. I've got podcasts to record. I got money to make money. I got ads to sell.

[00:17:05] DR: Did you eventually figure out and –

[00:17:07] JM: Not really. It took me until 2017, 2018. Even then I wasn't –

[00:17:11] DR: Still early enough. That's great.

[00:17:13] JM: I didn't buy that much in 2017, 2018.

[00:17:17] DR: Again, not investment advice. I think in the long run just even in small amounts, in small amounts in your portfolio, small percentages. Just participate in this stuff now. These things are like the base layers Bitcoin likely, Ethereum, almost certainly. Yeah, there are Ethereum killers out there, why not but there are enough network effects here. I think it's going to be fine.

You're just going to participate in a massive, it's the Warren Buffett thing. Don't bet against America. Don't bet against the internet. Even if you're in a small position today. You're going to be great.

[00:17:48] JM: Yeah, I agree. You've been looking to DeFi a lot?

[00:17:52] DR: Yeah. Okay. Here's the other thing about crypto that I just think is so fascinating. You and I both do a lot of angel investing, which is great. We meet great founders through iPods and we get access to invest in their companies and their folks are kind enough to let us do that. The amazing thing about crypto that I don't think enough people appreciate yet. It's completely permission less. Anybody listening to this can go invest in Uniswap.

You don't need special access. You don't need to know anybody. You don't need to be friends with Hayden. You can go do your own research and you can go buy governance tokens, and then you can participate in the governance of this thing. That is just an incredible step change versus any financial aspect.

[00:18:35] JM: Actually, even the crypto VCs. I have a crypto VC friend who I met a few days ago, and he was telling me about a deal he did recently. There's no paperwork and the deal. They do the deal through a smart contract. Millions of dollars as a VC investment through a smart contract. I was like, “I had no idea this is like even VC, even crypto VC has -

[00:18:56] DR: Yes. Well, slightly different situation. There's one of the original set of early crypto dedicated focused funds and firms as a firm called Paradigm. Great folks, the two co-founders or Fred Ehrsam is the co-founder of Coinbase and Matt Huang, who is a partner at Sequoia. I can't remember how big their first fund was. Let's say it was 300 million or something that USD. Famously, when was the - was it 2018 or 2019? Just 2019 when March 2019, I think when Bitcoin crashed down to $3800 of Bitcoin.

They called the entire fund and put whatever capital - work on. They called the entire fund and put it all into BTC. Imagine a traditional venture firm doing that. They did that and you can do that in crypto, and that was a good move.

[00:19:54] JM: Is running a crypto VC firm more running a hedge fund?

[00:19:58] DR: I think so. Not that I know it all from experience, but if you look at a lot of the folks that are doing it now. A lot of them come from Hedge fund type backgrounds. It's this weird mix of early stage venture with Hedge fund like dynamics.

[00:20:11] JM: Active portfolio.

[00:20:12] DR: Yeah, active portfolio management.

[00:20:14] JM: You would theoretically want a bunch of technical analysts like you would want. I mean, the best way to do I guess is Alameda research, right?

[00:20:26] DR: Actually, I don't know them.

[00:20:27] JM: You haven't heard Alameda Research? Do you ever heard Sam Bankman-Fried?

[00:20:27] DR: The name sounds familiar, but no.

[00:20:31] JM: Oh, so he's 29 years old and he's made 10 billion. Yeah. He's like a wunderkind.

[00:20:39] DR: In crypto?

[00:20:40] JM: Yeah, he made through crypto. I think he studied physics at MIT, worked at Jane Street, and then went from Jane Street to start this thing called FTX.

[00:20:50] DR: Oh, okay. Yeah, I know FTS. I just didn't know he was the guy.

[00:20:52] JM: Yes, he started FTX. Which is like an exchange. I think they just bought an arena somewhere. Yeah. I think there's an FTX arena. Basketball arena. And it's another acquired episode in Alameda research. They're one of the top investment firms sec.VC firm.

[00:21:10] DR: Yeah, betraying my ignorance, but this. Yeah. Back to the Berkshire comparison. This is the thing, the scale at which this stuff is happening now makes Berkshire look quaint. Warren's a whole thing was he wanted to be a millionaire by age 35. He made it by age 32. That was amazing. Now we're talking about what a 29 year old is worth 10 billion. It's incredible.

[00:21:36] JM: If you don't mind sharing, directionally what percentage of your portfolio do you put into crypto?

[00:21:44] DR: Yeah, yeah, I'm not quite there yet. My theory and philosophy is, again, this is not investment advice. I do not recommend most people do this. I have my, I call it the safety portfolio, and that's Berkshire stuff and like real estate - my family is going to be fine. No matter what happens and the rest of my portfolio, I take the long term view. So for that rest of the portfolio I'm aiming right now to be roughly a third, a third, a third allocated to US or Western, traditional tech companies, both big and small, third to crypto, and a third to Chinese China tech companies.

[00:22:26] JM: No cash?

[00:22:26] DR: Well that's in the **[inaudible 00:22:27]**. This is in the portion of my portfolio that is all about long-term capital appreciation.

[00:22:37] JM: Got it. In a crypto bucket, you still have the question of how much do you put into aggressive stuff and how much you put into Ethereum and Bitcoin?

[00:22:45] DR: Yep, exactly. I've only just recently started transitioning away from pure – I was for years, just BTC and ETH and only just started investing in other stuff in that bucket. So far, Uniswap, Compound and Solana, which we've got some great folks in the acquired community.

[00:23:06] JM: I don't know if you know, but Sam Bankman-Fried is one of the people who created – I believe he created. He co-created Solana, or his organization co-created, or something, or sponsored it, or they're heavily involved in Solana.

[00:23:18] DR: Amazing. Yeah, we are overdue on Acquired for going deep into the whole rest of the crypto world.

[00:23:26] JM: I mean, unfortunately, or fortunately, the domain that I think both of us are pursuing, the business of software and technology is expanding in too much of a fractal rate that gets getting away from us.

[00:23:38] DR: It's so cheap, but it's great. The rising tide is just going to lift everybody. I don't know if you've seen, there have been so many awesome creators that have come into the business of tech space.

[00:23:50] JM: For sure.

[00:23:51] DR: It's just so great. We all get to collaborate.

[00:23:53] JM: For sure.

[00:23:54] DR: Yeah. We've done a bunch of stuff with packing McCormick, who does not boring and Mario Gabrielle who writes The Generalist, William Lee, who writes Chinese characteristics.

[00:24:02] JM: He should come on the show.

[00:24:03] DR: Yeah, we did an LP episode with her.

[00:24:05] JM: Oh, nice.

[00:24:05] DR: She's great. Have you had her on the pod?

[00:24:07] JM: I have not. I'd like to, though.

[00:24:09] DR: If you want an introduction. She's a wonderful. Yeah, I assume you've been collaborating with lots of person.

[00:24:13] JM: Oh, yeah. I mean, well, you and I both know Courtland, Indie Hackers.

[00:24:17] DR: Yeah. Courtland's awesome.

[00:24:17] JM: Who else? It’s escaping me right now. I mean, I've had podcasters and newsletter people. I don't know. Names are escaping me right now. Yeah. I mean, I agree with you. The amount of content relative to where it was six years ago when we started. I used to hit inbox zero on my podcasts all the time. Granted, I was listening to podcast way too much. I still hit inbox zero. Now, it's impossible. Now, scrolling my podcast app. We should have anticipated this. I can scroll my podcast like a Twitter feed now. It's just too much content.

[00:24:51] DR: I think it's great though, for creators, because we can all have our niches.

[00:24:53] JM: Yeah, absolutely.

[00:24:54] DR: Yeah. I started got this philosophy from, we’ve done a bunch of stuff with the OOG of business and tech podcast **[inaudible 00:25:03]**. Oh, yes. He's so great. He started to takes this approach. He took us under his wing. He's like, “Look, the young guns are coming up. Great. Let's do stuff together.” Yeah, it's great.

[00:25:15] JM: And he’s back on top.

[00:25:16] DR: Now he's back. We got to talk about all that. How good is it?

[00:25:19] JM: It's the best.

[00:25:20] DR: It's so good.

[00:25:20] JM: Why is it the best?

[00:25:22] DR: Okay, so you had this in the prep questions. I think there are a few things, I'd say. A, just the chemistry between the four besties. That's the magic. Having the different political viewpoints. Who would have thought that a tech show that is mostly about politics would be interesting, let alone the number one pod out there. Chemistry is great. They have played so well. Because they all have other business activities, and they don't need to monetize it, they've played that up so well, and just made it all about the community, the open sourcing it to the fans.

What a brilliant, brilliant move. The value that they get out of their reach and influence, versus what they've given up in terms of selling advertising is immense.

[00:26:15] JM: Well, it's the A16z model effectively, right? We've got a great media channel, and we monetize it through venture capital.

[00:26:23] DR: Exactly, exactly. All them in different ways. I would say, the last thing that I think that they nailed relative to the traditional media landscape, and even relative to – I think they're ahead of all other pods, us included, you and me right now. They break the fourth wall. It's not even that they break the fourth wall. There is no fourth for sure. They act like the audience is right there with them. It's so impressive. What do you think?

[00:26:56] JM: Yeah. I mean, there's certainly an element of like – Okay, one thing I think is pretty interesting is, so they came out during COVID. COVID was this time where some people have the sense that surely, somebody out there knows what's going on here. Surely, this is a conspiracy. Ever this was planned, the smartest people in the room knew what was going on. They knew what was going to happen. Here you have several billionaires sitting around the table, saying they don't know what's going on.

David Sacks has deep ties to Peter Teal. Peter Teal is probably one of the most informed people in the world, like co-founder of Palantir. If somebody who's basically, good friends with the co-founder of Palantir, and he doesn't know what's going on, like he can't tell you anything more than – not much more than what you can read on Twitter, then it's groundbreaking in the sense that it indicates that nobody knows what's going on.

[00:28:06] DR: Yeah. So true. I haven't thought about this time, but they – I don't think all four of them are billionaires. Certainly, at least one of them is. Probably multiple. They're all well above you and me. We'll put it that way. I don't know anything else. Any other piece of media content thing that has humanized billionaires so much as the All-In Podcast. Especially in an era where every increasing day, it feels like the billionaire's versus the rest of us. It's like, they switch sides. That's amazing.

[00:28:43] JM: Any perspective on this back phenomenon?

[00:28:46] DR: Oh, man. Nothing unique. Ben, my co-host has been actively trading SPACS since the phenomenon started. No unique perspective. The only thing is I graduated from college in 2007, and went and did investment banking on Wall Street right out of college. In 2007, summer of 2007, before in the fall, before the crash of 2008, when the market was at its peak, there were a lot of SPACS on the market at that point in time. When everything started heating up in SPAC land again, as I've seen this movie before. I don't know. It could be different this time, but I don't have enough of a view. I'm just going to stay out of it. That's my view.

[00:29:26] JM: Do you have any macro-economic perspective on the crash, crashing coming?

[00:29:35] DR: I don't know.

[00:29:36] JM: I mean, did you get spooked a few weeks – What was it? Three weeks ago? When did the markets crashed?

[00:29:39] DR: Yeah. Well, there was this weird double hilltop thing, where the growth public equity markets crashed, was it three weeks, a month ago or so, tech stocks and crypto stayed high. Then, two weeks later, growth stocks recovered a bit. Then we had a crypto crash, whatever that was, two weeks or so ago. Now that's recovering. I don't know. I just feel it all is noise.

I have my portfolio set up that way very intentionally, where I'm everything that I have allocated to those types of assets is like, I don't need to touch that for 5, 10, 20 years. As long as I think that – Zoom is a great example. When the pandemic hit, I was like, "Okay, I missed Zoom in the IPO." If there ever were a time I'd been wanting to buy, and yes, the price is high, but I just got to get in. Then zoom hits $600 a share. People were selling. Yeah, it was tempting. I was like, I don't know, do I think that there is a reasonable possibility? Can I see a future where in five years, in 10 years, Zoom is a $6,000 stock, not a $600 stock? Yeah, I think I can.

Yeah. Then Zoom went back down into the 200s and that sucked. I don't know. I didn't really care. As long as my faith wasn't shaken in that long-term future, and it hasn't been. Yeah, I don't know. What are you doing?

[00:31:07] JM: I wish I had the portfolio architecture that you do this. I'm a little bit more playing it as I go along. I'm still just – I mean, I've told you a little bit about this, but I still want to start a company. I want that to be my route to victory. Then, I think of investing as just a learning experience and a I don't know. I don't pay as much attention to it as I probably should. There was some money into private deals when I can get into private deals. I throw 50% of my portfolio into crypto, and then 50% into stocks. Actually, no. It's probably 40% crypto, 30% equities. Then 30% cash, actually. I just hold a lot of cash.

[00:31:56] DR: That feels like a decent allocation. The other thing that's – it's just, I know we keep harping on this, but it's so freaking cool, that you don't need any permission to do that. You don't need a wealth manager to do that. The gatekeepers are dead. So cool. Should we talk about company?

[00:32:14] JM: Sure. Whatever. Yeah. Sure. Yeah. I mean, well, yeah. I haven't talked about that much. Yeah, I'm making a company, making a company.

[00:32:21] DR: This is huge news. I'm so excited for you.

[00:32:23] DR: Yeah, yeah. Yeah, it's good. It's going to be cool. I shouldn't say too much about it, but it's around gaming. It's a great gaming-based company. Grew up a gamer. Apparently, you did, too.

[00:32:30] DR: I definitely did.

[00:32:32] JM: Yeah. We'll see more about that in the months to come.

[00:32:35] DR: Tell us about the thought process. You've started companies before. You started at Amazon, your career in Amazon, right?

[00:32:41] JM: Well, I didn't start my career at Amazon. Started my career at a trading place, actually. Well, I did internships and then went I graduate, I went to a trading place. I worked there for five months.

[00:32:51] DR: Also, don't say you don't know. You're not financially literate? You've been a professional investor.

[00:32:56] JM: Yeah. I don't think any of my code made it into production when I was working at that place. I was an engineer and I don't think any of my code made it in production.

[00:33:02] DR: Don't sell yourself short.

[00:33:04] JM: Yeah. Then was an engineer at a few other places. Then, yeah. Since starting the podcast, started some companies that didn't work. Now, I think I've finally have enough battle scars. I think I know what to do. It's under some direction.

[00:33:17] DR: I love it. I love it. What was the major thing that you felt? We won't talk about the idea. Maybe that was the thing you felt that you just found the right idea, finally. What was the big emotional hurdle? Were you like, “All right. I'm ready to fight this fight now.”

[00:33:31] JM: I mean, the pandemic was really hard for me the last summer, the last company I started. I didn't start a company, but I built a product, a collaboration product called FindCollabs, that just was not getting any traction. I was trying all these different things. I couldn't make it work. Eventually, I stopped working on it. I started focusing more on the podcast. I was like, “Okay, look. I'm just going to focus on a podcast.” Maybe I'm going to do investing, maybe a full-time investor. I talked to you a lot about that.

[00:33:58] DR: I was like, “Don't be a full-time investor.”

[00:33:59] JM: Because you were going through something similar. You’re evaluating it similarly. We could talk about the venture market. I did a whole lot of soul searching, basically over the last year. Then I did on deck. You know on deck?

[00:34:14] DR: Oh, yeah. Cool. How was the experience?

[00:34:16] JM: It was actually great. Actually, during the middle of it, I was not having a great time, because I was surrounded by a lot of people who seemed they knew what they were doing, or they had – On deck is great. There was a bunch of people who had sold their companies recently and they're like, "What am I going to do next?" They've got some great ideas for new companies they're going to start. There's some people with they already had their great idea and they're just at on deck, looking for support, looking for fundraising, looking for a co-founder. I was just basically like, yeah, I'm a podcaster. I don't know why I'm here. I don't know what I'm doing.

[00:34:47] DR: Oh, man. It feels like, the way you show up at college as a freshman. You're like, "All these people are so impressive. What am I doing here? How did I get in?"

[00:34:56] JM: Exactly. That's actually how I felt at the beginning of college. Then one night, I had come home from one – They put together all these social events during on deck. I came home from a social event. I had had a number of interesting conversations with people and I just had ideas bouncing around in my head. I got home from this event and I'm like, "I think I've got something." I just started, opened up a Word document and start typing. I was like, "Okay, this make sense." I went to sleep, woke up the next morning. I'm like, "I think, I got a little more ideas." Gradually, I'm making more and more progress.

On deck ended, I still didn't really have the idea fleshed out. I got home to San Francisco. I'm still thinking about this. Then one day, I open up Google Slides, and I start making a pitch deck. I'm like, "Okay, I got it. I know what to do." I think, there's really something to on deck. For this person who feels a little bit lost. It's like, you're not at the Y Combinator stage, where you know what you're doing. You know you want to start something. You know you want to do something entrepreneurial, but you need just some ambient reinforcement. You need to put yourself in the right environment. You need to put yourself among the right people, and there's really something to that.

[00:36:03] DR: This is so cool. Because yes, obviously. Yeah. You articulated so well, the need for something like this. Why is he tried to do it? They've tried to do it in several iterations. I remember, then the YC fellowship. Do you remember that?

[00:36:18] JM: No.

[00:36:19] DR: It was basically like on deck. The problem was, it's like, this isn't quite the Hamilton Helmer counter-positioning thing. The golden goose at YC is YC. I would imagine, I'm just projecting from the outside, it was really hard to allocate the proper amount of resources to making something like on deck great, when YC is generating billions of dollars of value for you.

[00:36:46] JM: Innovator's dilemma.

[00:36:47] DR: Yeah, innovator's dilemma, right? Exactly. It's just so cool, yeah, that on deck exists now. There are probably other folks. What are the terms of on deck? How does it work?

[00:36:56] JM: No terms. You pay 2,400 bucks. You just go.

[00:36:59] DR: Oh, cool. It's not like they get equity and whatever you start, or –

[00:37:03] JM: No. It's not a venture thing, which is cool. I mean, Erik Torenberg started it around the same time he started his venture firm, Village Global. They have a big venture firm. I'm sure if you have a great idea, you can communicate with them. They're decoupled.

[00:37:18] DR: That's cool. Then yeah, you don't have the real, or imagined like, "Oh, I think I'm going to do something great. Do I want to give up my equity to do?" It feels like a no brainer.

[00:37:28] JM: They want to be like college. They want to be the college of the Internet. They want to be the Stanford of the Internet. That's why they've launched all these programs, like on deck for podcasters, on deck for marketers, on deck for low-code people, on deck for entrepreneurs, on deck for investors. It's a compelling business. I think, they just raised from founders fund at a 250 million dollar value. I think it was 250-million-dollar valuation. I didn't get it, until I attended it. Then I was like, "Oh, my God. This is a really capital efficient, really powerful business."

[00:37:57] DR: Yeah. I know what Packy at Not Boring did it, before starting Not Boring. Obviously, great people. Okay, so you said, when you got back here, you opened up Google

Slides, you made the pitch deck. That's a different approach than you did, I know, with your previous products that you tried building.

[00:38:13] JM: Yes. Yes. I mean, this one, yeah, I'm going to take the responsible approach of bringing on investors and I'm going to try to find a co-founder, a founding engineer, and instead of just throwing a product together, with too much emphasis on my own work.

[00:38:31] DR: Yeah, it's interesting. On the one hand, we're totally lucky. I mean, amazingly fortunate and lucky, you with Software Daily and us with Acquired, that we have a business we built that can fund things. Yeah, it's a different approach. You certainly could do that again, and fund development internally, just with your Software Daily, you've got this amazing community. Yeah. I've found this in some of the things that I've been doing on my own in the last year. I'm so grateful for my partner, Ben at Acquired. When it's just you, you don't have that forced accountability.

[00:39:13] JM: That's right. Yeah. Just, I don't know, doing this business like large – I mean, I started the podcast with another guy. He left, because he wanted to become a software engineer. He was actually very motivated by doing the podcast. It worked too well. He left to become a software –

[00:39:30] DR: He took it literally.

[00:39:30] JM: He took it literally. He's like, “There's a really interesting thing we're exploring here. I think I'm just going to become an engineer.” Okay. Well, there goes that. Then, but Erica has joined me. Erica helps me with the podcast. She's invaluable. She doesn't produce content, but she runs everything behind the scenes. Yeah, for the technology products I've built, it's mostly, I've just done it myself and hired contractors. It’s just such a terrible approach. I've tried it two or three times, and it's just dumb. I'd kept making the same mistake.

[00:39:56] DR: I think, there probably are some people that are perfectly happy and capable of executing on big, ambitious things just completely on their own. Absolutely. I've learned I'm not one of those people. Sounds like maybe, not you either.

[00:40:13] JM: Yeah. The venture stuff –

[00:40:16] DR: Should we jam on venture stuff?

[00:40:17] JM: Yeah, yeah. Yeah. I mean, this is a direction that both you and I have gradually migrated to – Well, I guess you were full on venture capitalist for a while.

[00:40:28] DR: Yeah. A decade. Wow. Professional venture capitalist.

[00:40:31] JM: Yeah. What's been your maturity process? How did you come to your current strategy?

[00:40:38] DR: Yeah. Well, I mean, there's a bunch of – let's talk about that. I mean, talk and jam on the current landscape. On that, I was super, super, super fortunate. I joined Madrona, which is the largest venture fund in Seattle. I was the first investor in Amazon. We would always joke, we're still looking for that next. I don't think they're ever going to find it. That's totally fine. You can't do better than Amazon.

I joined Madrona when I was 24. I tell people, when we talk about my journey of VC, I was literally the last person in the door, on the old mentorship model in VC, the apprenticeship model. I came in as an associate. There were five partners, five or six partners. There was a CFO and a fund admin, folks and wonderful people, they're still there. To me, I was the only junior person. I showed up on day one, and all the partners were like, "Okay, great." We're on all these boards. These companies are making these investments.

"We're going to divvy you up. Here are 15 boards that you're going to join as a observer, alongside a partner. You're going to come to all these board meetings. You're going to meet the CEOs, you're going to learn the business. You're going to carry our bags," metaphorically speaking. Now it's just great. I got to do that for a bunch of years. Do that proudly. Come up, help the partners be successful, then transition to making my own investments, small ones at first, and then larger ones.

I went to business school. When I say business school, I interned at Meritech, which is still not super well known to this day, but they are the best growth investors out there. The best. I got to learn that side of the business. Yeah, I was just so lucky. All these people mentored me. Then I left and started my own – Oh, the natural thing. I'm going to go start my own firm. I just realized, A, I realized really quickly that I thought I knew how to run a venture capital firm. I realized, it’s very different running a venture capital firm, than being an investor at a venture capital firm and making investments. They are almost two wholly separate jobs.

The most important thing when you're running a venture capital firm is raising the money. If you're aiming for any traditional down the middle VC firm, we're a 55 million fund. That's a lot of capital to raise from nothing. To go convince people to give you 55 million is hard for anybody at any time, especially a new venture capital fund. It's not like you can build a product and show them a prototype. You literally can't do anything, until you get the money.

[00:43:13] JM: You started in 2014, 2015?

[00:43:15] DR: We started in 2017. It took a year and a half to raise the money. That was great experience. That was a year and a half, no salary. Just pounding the pavement. We got great LPs. Anyway, while all that was going on, Ben and I had started Acquired back when I was at Madrona. What year did you start?
[00:43:34] JM: 2015.

[00:43:35] DR: We started 2015 too. You've seen what Acquired has become. I'm sure for you, what Software Daily has become is beyond our wildest dreams. Yeah, I fell to a certain point, I checked all the boxes in professional VC. Meanwhile, this other thing that was a hobby was bigger than I ever imagined.

[00:43:55] JM: Well, and VC got ridiculously competitive.

[00:43:58] DR: Yeah. Then, this is the market. Madrona and Meritech, both have done great at navigating this. When I joined, VC was not a competitive industry. It was clubby. You could be really frankly lazy and still do great. It was metaphorically shooting fish in a barrel. There was way, way not enough capital for the opportunity of funding startups. You can be bad. Just straight up bad and make money. That's not the case anymore.

I was thinking about this before the show. I'm curious what you think participate in both sides of this world is the analogy. I think, the venture business has become like the media business. Both literally, in terms of you got to have a following. Also, in terms of the industry structure. Okay, so here's where I'm going with this. In the media business, there are two strategies that work now. You can either be essential, must consume content. You meet Disney and be like, “We own Marvel. We own Star Wars.” This is tentpole. The way we compete with Netflix is you are going to pay, especially if you're a parent, you're going to pay us, because you got to have this content. You can be Disney. I think that's Sequoia and Andreessen and the like. They're Disney.

The other way you can have a central content is to do what we're doing, is just own a niche. You are the best software engineering content on the Internet, period. You've been doing it for six years. You're unassailable. You're an indie and we're the same at Acquired. Or you can be the platform that you can be the Netflix, or you can be the YouTube, where you're just like, horizontal platform, and everybody's on the platform.

I think, it’s the same in venture. You got Sequoia, you got Andreessen, they’re the Disney, you've got the individual solo capitalists, the Elad Gils, the Lachy Grooms. I won't put you and me in the category, but we're working on it. Then you got the platforms, which is YC, and maybe on deck, too. Anything else that's not one of those strategies, good luck.

[00:46:08] JM: Well, I mean, growth, tiger.

[00:46:10] DR: Well, right. But not good, like you're a commodity. You’re a commodity. In the media business, you're pumping out commodity content. In the venture investing business, I don't mean this to denigrate Tiger at all. I think they're awesome. I think they realize what they are and they have an excellent strategy. They are paying market prices.

[00:46:28] JM: Well, they’re defining the market price.

[00:46:30] DR: They're defining the market price. I guess, maybe that's the way to do it. Maybe they're taking an Amazon approach. Yeah, that's how I think about it. All these firms that don't have the brand of a Disney and don't have the niche content of a super expert, indie content producer, the media analogy, and aren't YC, it's a tough place to be, I think.

[00:46:52] JM: There was a dinner I was at two or three years ago, with a bunch of investors and entrepreneurs. We're doing this thing. We're all just posing questions to the table and voting on the questions. I asked the question, who's going to be the more successful firm in 10 years, Sequoia or Andreessen? The only people that raised their hands, I think for Andreessen was me and one other person, at a table of 10 people. I don't say that because I dislike Sequoia or something.

[00:47:19] DR: They're great.

[00:47:20] JM: I just think they have taken the approach of we're going to be soft spoken. We're going to be behind the scenes.

[00:47:27] DR: For a long time, their slogan was the entrepreneur is behind the entrepreneurs. I think they finally ditched that.

[00:47:33] JM: Yeah. I mean, I think they're slowly building out more of a content direction. I think, the challenge is like, I think the days of winning through – I haven't seen behind the scenes as much, but winning as being the best consigliere, or I don't know. I think, the whole media approach that Andreessen took was really prescient.

[00:48:01] DR: And early. They started in 2009 with this strategy, and they've kept the strategy. They've kept doubling down on it year after year. Yeah.

[00:48:09] JM: Because it's about being top of mind. By the way, I think if Sequoia created a giant media arm, I would have no take anymore. It would be neck and neck. I just think they should invest in media.

[00:48:20] DR: It's surprising to me that they haven't.

[00:48:24] JM: Because it's anathema. They listened to the Acquired. It's anathema to their brand.

[00:48:28] DR: Well, it's anathema to what they used to be. I actually think, one of the things I respect the most about Sequoia that started with Don Valentine, who founded it, and now Doug Leone who runs it, we did an episode with him. He was pounding the table that Sequoia is about change. I think Doug's line was, his Doug Leone, way of him saying things is, “When something is working like a dream at Sequoia Capital, we throw it out the window, because you got to be constantly changing and evolving.”

They've done an amazing job of that. The scout program. The global growth fund. There's so many things they've done an added to Sequoia over the years. I bet they do do something like this. I'm sure they're thinking about it.

[00:49:12] JM: Which firm would you have raised your hand for?

[00:49:14] DR: I would raise both hands.

[00:49:16] JM: You’re such a diplomat. You’re such a diplomat.

[00:49:19] DR: Part of it is being diplomatic. I want to have friends in both places.

[00:49:22] JM: Okay, Dale Carnegie.

[00:49:23] DR: Come on. They're like the Disney and HBO. There's room for it. They each have must-view content. They each put immense amount of resources into building and maintaining that. Andreessen, literally with content. I mean, God, nobody works harder than those guys. They have managed to get into just about every single company that matters. That is what at the end of the day, what matters. Yeah, I think both.

Although, you're right. Andreessen perpetually surprises people on the upside and how much they've been able to do. God, just look at crypto. Other VCs were laughing their heads off at them when they were raising a crypto fund. Yeah, who's laughing now?

[00:50:11] JM: Yeah, that's for sure. Yeah.

[00:50:14] DR: Okay, so let's talk about our part of the world.

[00:50:17] JM: Sure.

[00:50:19] DR: The other dynamic that I have found, I didn't even anticipate, but it's been so refreshing to me, being a indie angel investor now, versus being a professional VC. A professional VC, it is a blood sport. There's only one lead in each round and you are fighting to the death with other VCs for any hot company to be the lead. As an angel, nobody's going to turn down our 10K check. People might, but we're not trying to box anybody out. It's just such a different dynamic.

[00:50:57] JM: It is. Yeah, you can squeak in.

[00:50:58] DR: You can squeak in, can get into seed rounds, A rounds, B rounds, D rounds. For me, it's been so liberating, A, not to be a professional money manager with a strategy that I need to stick to, because I told LPs what the strategy was going – it’s like, when I see something great that I want to do, I can do it.

[00:51:20] JM: You're sector agnostic.

[00:51:21] DR: Sector agnostic, stage agnostic, geography agnostic.

[00:51:24] JM: Stage agnostic.

[00:51:25] DR: Yeah, absolutely.

[00:51:26] JM: You put money into a Series B?

[00:51:28] DR: Totally. Or a D, or whatever. I don't see anything different than that, versus – it's all just a spectrum to me from seed to public market.

[00:51:34] JM: That's true. That's true, actually. Yeah.

[00:51:36] DR: Through what we do, the people we have on our shows, the people we meet through our communities, we meet great series C companies. Why would I not want to invest in that? Because I don't have to go – If I were trying to go raise a professional venture fund and an LP evaluating me doing that, I'd have to say, "Well, okay, David. Yeah, I get it. You worked at Meritech, but are you really going to go be able to lead series C's? You're going to be able to beat out tiger? Are you going to be able to go beat out Sequoia's global growth fund and Andeessen and to win?" You and me, we don't have to beat anybody.

[00:52:08] JM: Now, it used to be that the – and maybe it still is, that the infrastructure for being a small VC was pricey, or complicated, pricey, you got lawyer. I actually don't know. I haven't raised my own fund. I mean, I've just signed some papers when I've gotten into some deals. I don't read them very much. They told me to wire the money. I wire the money. I'm very unsophisticated at this.

[00:52:39] DR: They're like, often a Visa.

[00:52:43] JM: Yeah. I mean, I'm sure there's people listening to this right now who have thought about becoming –

[00:52:48] DR: An angel.

[00:52:49] JM: An angel, angel investor. Is the infrastructure there for it to be cheap? Do you use angel list or something? What do you do?

[00:52:57] DR: Well, until now and through currently, I'm just personally angel investing. Yeah, just like you, there is no infrastructure. It's just, I get the docu signs and I get the carta share certificates. It's great. I don't have to do anything and glanced over the docs, make sure everything's – That's just because I've beaten into me as an associate for so many years in VC of actually putting those docs together.

Yeah, as an angel, there's no infrastructure. There's so many ways to actually have small funds, small non-professional funds now through angel list that – I haven't done it personally, but you and I both probably have plenty of friends who have. I've considered and I'm considering it. Yeah, it can make it really easy. When I was running a professional fund, that was the other piece of it was, we had to manage the back office. We had a outsourced fund administrator. There a few firms who are great that do most of the small venture funds, but it was like, yeah.

It was like, a CFO, and keeping track of everything, doing the accounting, managing the firm. Angel list will just take care of all of that for small investors. I would say, for people who are thinking about angel investing, again, not professional, financial advice, but do it with money that you're very comfortable losing all of it, if you've never done this before. View it like going to a casino.

The thing that I think is different now, versus 10 years ago, is access. The best super angels of 10 years ago, people who ended up becoming fund managers, Mike Maples, that whole crew, Steve Anderson and Baseline, they had access, or Chris Sacca. They had access, because they have worked at Google, or they've worked somewhere and they knew people who were starting companies in a specific network. They pounded the pavement here on the streets in San Francisco to meet people. Now, roughly how many folks, how many subscribers do you have to Software Daily?

[00:54:51] JM: I would guess, 250,000?

[00:54:53] DR: Right. Some large percentage of those folks are starting companies, right?

[00:54:58] JM: Yeah.

[00:54:59] DR: Yeah. We're same order of magnitude at Acquired. I don't work at Google, but we can have that access. I think, anybody who's thinking about doing this, like ask yourself that question, do I have access? If I don't, but I really want to do this, what can I do to get access?

Maybe that means go work at Stripe, or maybe that means do something else. There's so many more avenues now.

[00:55:22] JM: Is Stripe the next to Amazon?

[00:55:23] DR: Oh, that's a good question. Okay. I want your thoughts on this. I think you're going to be closer to it than me. I thought for many months, years, I was like, "Oh, gosh. If there were one private company, I could get into over you. I wish it was Stripe." Just seems so inevitable to me. Then, I feel something happened in the last few months, where literally every single person in tech, every venture investor, every angel investor, everybody buying secondaries was like, "I will buy Stripe at any price." That made me pause for a minute. I would never bet against Stripe. I see people buying to these crazy valuations. Braintree is still as bigger, bigger. I don't know. What do you think?

[00:56:03] JM: I felt this way. I did an interview with Patrick McKenzie. You know who Patrick McKenzie is?

[00:56:09] DR: I know the name, but I don't know.

[00:56:10] JM: He's been writing about small Internet businesses for many years. He got an email from Patrick Collison one day, who was like, "Come work at Stripe." He's like, "I'm an entrepreneur. I don't go to work for somebody." Patrick Collison was able to convince him to come to Stripe.

[00:56:21] DR: The Courtland Allen story.

[00:56:23] JM: Well, I mean, the Courtland Allen story was an acquisition. Courtland didn't have a way to make money from Indie Hackers. Courtland was calling me saying, "How do I sell podcasts?" I was like, "Oh, okay. Here's what you do."

[00:56:35] DR: We had him on – for a special inquiry. He brought you up as exactly that. He was calling you to say –

[00:56:41] JM: Yeah. I was like, “Sell podcast ads.” He started selling podcast ads. He’s like, “This sucks.” I was like, “Yeah, it does suck, but you get to make money.” Then, he went a much better direction, just getting an email from Patrick Collison to get acquired.

[00:56:53] DR: Patrick actually went to work at Stripe.

[00:56:55] JM: Patrick McKenzie. Yes, actually went to work at Stripe. Because he had started and sold, I believe, two different internet businesses. One was a bingo card creator company. One was an appointment reminder company. It was like –

[00:57:06] DR: Indie Hackers.

[00:57:07] JM: Indie Hackers before there was Indie Hackers. He wrote about it a ton. He's a perfect person to go work at Stripe. He went to work at Stripe. I think, his first project, or very quickly after he joined was Stripe Atlas. I did a show about Stripe Atlas. That was what convinced me that Stripe was the next Amazon. When I saw stripe Atlas, I was like, “Okay, there's their AWS.”

[00:57:29] DR: Yeah. It's going to drive so much more company creation.

[00:57:34] JM: Right. A 100%. They are unimpeachable in so many ways. They have the best culture, as far as a company of their size. They have the most charismatic founders.

[00:57:47] DR: Far and away the best brand.

[00:57:48] JM: Far and away, the best brand. Fewest syllables of a brand.

[00:57:52] DR: Stuff matters.

[00:57:53] JM: I mean, I guess Lyft. Lyft has one syllable.

[00:57:55] DR: You did a rebrand here.

[00:57:56] JM: I did rebrand. Yes, yes. You want to cut as many syllables away as possible. Yeah. I mean, I didn't know Braintree was bigger still.

[00:58:05] DR: Now, the counter argument of Braintree is still as big or bigger, I don't know exactly. The counter argument is the growth rates are completely mismatched. Braintree is growing, but it's all older legacy. All the new companies are on Stripe. If you believe the Internet's going to grow, and traditional payments on the Internet are going to grow, you should be long Stripe. I believe all that. The only thing that gives me pause is just that, I feel there is not a single Stripe bear left on the planet. I'm not a Stripe bear. I'm just like, "Okay, what's going on here?"

[00:58:35] JM: Well, I mean, people have gotten better at valuing technology companies, right?

[00:58:39] DR: That's true. That's true. What's the current value in rumored valuation on Stripe?

[00:58:44] JM: 95 billion now?

[00:58:45] DR: 95 billion. I think, secondaries are happening above that. Could it get an order of magnitude bigger than that still? Sure.

[00:58:51] JM: Yeah, sure.

[00:58:52] DR: Sure. For sure. Yeah. Okay. Maybe I should just try and buy some secondaries.

[00:58:59] JM: Have you bought secondaries before?

[00:59:01] DR: I have as part of venture firms, but not personally.

[00:59:05] JM: Okay. Yeah, me neither. That's something I'd like to be able to do. I think CartaX is going to do that.

[00:59:10] DR: Yeah. Yeah. There's so many platforms. There's equity. There's lots out there. They always just seem a little sketchy to me. The biggest reason being that it's going behind the backs of the companies. The companies find out, if they don't like what's going on, they could just cancel the equity that's within their rights to do so. They're not going to do so, because could you imagine the PR crisis of Stripe cancels employee's equity.

[00:59:38] JM: Is it employees who are ready to sell, they go to – what was – Equidate?

[00:59:41] DR: There's Equidate. There's Shares Posts. There have been a bunch of them over eight years. By and large, so there's two ways to do secondaries right now. I think, CartaX wants to make this better. Until now, there have been two ways. One is the aboveboard company sponsored way. This is what SpaceX does. You do regular secondary tender offers, essentially, to shareholders, either the employee base, or existing investors. That could either be part of a round that the company is raising, or it could be I think, SpaceX, just as regularly scheduled tender offers.

That's great. To participate in those though, you need to be invited by the company into the tender offer process. I guess, I could email Patrick at stripe.com and be like, "Hey, I'd like to participate in your next tender offer," but I don't think he's going to get back to me. Then there's been the Equidates, the Share Posts and whatnot. That's the sketchy. Still use it. It was "sketchy," but that's employees, mostly employees, who decided they want to get liquidity going around the company's back and saying.

There are all sorts of different ways you can structure it, by creating legal agreements such that like, "Hey, you're not going to get custody of these shares right now. When there is an IPO or liquidity, whatever happens that I can trade these shares, you're going to get them at X price, and we'll change money now and you can collateralize this with debt, or else." That just seem like, not worth playing into me. If there are going to be more open markets in the future that are company sanctioned, well then, yeah, that sounds very interesting. That sounds like crypto to me.

[01:01:20] JM: Yeah. I mean, it should be, right? Why wouldn't that happen?

[01:01:23] DR: Yeah. I mean, the argument against it, in the past has been companies don't want their shares, private company trading around in lots of people's hands. They don't know their shareholders. Retention for employees. You don't want people to – people join to hit their first best in class, and then they sell. I just think, a lot of that's either been blown up, or going to get blown up by crypto now.

If you're trying to attract employees to go work at a traditional company, and you're going to pay them in equity and that's going to be the upside. They're evaluating going to work there for you, or going and joining a DeFi project. The DeFi project, they're going to get paid in tokens, and that's going to be fully liquid from the instant it hits their wallet. I just think you're going to have to attract employees, too, if you're going to compete with that market.

I don't know, I'm curious in what you're seeing on the pod, or your friends, or people you angel invest. All that talent, especially the young talent, number one destination I see these days is going into crypto and DeFi.

[01:02:28] JM: Oh, yeah. It's almost like a filter. It's a filter for how ambitious the people are.

[01:02:34] DR: People are.

[01:02:35] JM: The weirdest, most ambitious people are pursuing crypto. I mean, there's some people doing infrastructure projects, or they have some cool idea for consumer Internet. I would say, yeah, by and large. If they don't know what to do, they certainly gravitate towards crypto.

[01:02:51] DR: Yep, totally. We could jam about venture stuff all day. What's going on in software these days? What should I be paying attention to?

[01:03:01] JM: You got a few things going on. Crypto, obviously. Data engineering. Do you know anything about data engineering?

[01:03:05] DR: Well, I know it exists.

[01:03:07] JM: Yeah. Data engineering, when I started the podcast, the predominant thing you had going on was a lot of companies were figuring out how to deploy Hadoop. Hadoop was this thing that came out of MapReduce paper from Google.

[01:03:22] DR: The Cloudera.

[01:03:23] JM: Cloudera. Hortonworks, MapR all started from the Hadoop revolution. The Hadoop revolution really consists of two things. It consists of Hadoop MapReduce, and the Hadoop Distributed File System, which today has matured. If you think about those two areas of storage and compute, have matured into, you have a very big set of companies doing interesting stuff with compute, and a bunch of companies doing interesting stuff on storage. Then everything in between.

You can think of Snowflake is a very – is a downstream result of –

[01:03:55] DR: Of HDFS.

[01:03:57] JM: I mean, Snowflake is a data warehouse company. When I was trying to podcast, the predominant view, I think, was that the way that things were going to go is that people were going to store all their data in in HDFS, what is now known as a data lake. It's this really cheap storage. Then you do interesting stuff with all your data that's stored in the cheap storage.

You either run Hadoop jobs, or you have these stream processing systems, like you have Spark, you have Flink, you have Apache Beam. These processing sys. Basically, you had your low-cost storage and you have your processing system. What's happened, which is interesting is that those things did happen. Spark is a huge business, obviously, with data bricks. Spark was the winner in the next generation data processing framework space.

You had the rise of the data warehouse, which was unexpected. What's interesting about data warehouses is you basically, throw all your data in the data warehouse. I mean, I think what Snowflake does, I've never used Snowflake, but I think, what Snowflake does, I think what Google BigQuery does, is it puts it into a tiered storage system. Some of it is it's slower access speed. Some of it at faster access speed. Then you can tier it into memory, so it's much faster. Everybody is just using data warehouses, because data warehouses take advantage of – they basically take care of all the lower-level plumbing that you would want out of your data infrastructure.

Instead of having to run an HDFS and having to run all this data infrastructure, you basically put everything into Snowflake. This is what made Snowflake such a popular company, I think. People were originally doing this with Amazon Redshift, when it was –

[01:05:30] DR: Yeah. I was going to ask. This sounds like Redshift to me. Yeah.

[01:05:34] JM: Yeah. I mean, Redshift did that, but then Snowflake, presaging a whole generation of companies that are not Amazon Web Services, but provide you great infrastructure, said, "We're going to build entire company around what Amazon tried to build a single service around." That's what they've done. There's going to be a whole generation of companies that use Snowflake as a platform, I believe. Whether it's you explicitly plug into your Snowflake, or you use – or they just use Snowflake under the hood, because it's such a powerful system.

[01:06:02] DR: That's awesome.

[01:06:04] JM: Yeah. I mean, not financial advice, but Snowflake is not a bad bet, I don't think.

[01:06:08] DR: Berkshire Hathaway agreed.

[01:06:10] JM: Did they put them in Snowflake?

[01:06:11] DR: Yeah. I think it was Todd bought into the IPO, in a pre-IPO round to 500 million dollars into the Snowflake's pre-IPO. Yeah.

[01:06:19] JM: Seems like a safe bet. Could be the next Oracle.

[01:06:21] DR: Yeah. Okay, I've got a question. Bring it back. Everything comes back to crypto, at least on this episode. My very, very rough, not fully yet adequately informed thesis on things like Solana, in the crypto world, is the analogy I'm thinking about is AWS and Snowflake. Ethereum is AWS for crypto, basically. There's going to be all sorts of specific use cases, where different protocols are going to do better. Projects we'll use both Ethereum and those – Anybody who's using Snowflake is probably also using AWS for various workloads and storage and stuff.

[01:07:00] JM: Sure.

[01:07:01] DR: I don't understand why crypto wouldn't be the same with protocols.

[01:07:05] JM: Yeah. That's what I've heard. You have this fundamental trade off of security and cost. The more secure it's going to be, the more expensive it's going to be. By secure, well, okay, I don't know if security is the word, but decentralized. The more decentralized it is, the more expensive it's going to be.

[01:07:22] DR: The more, I don’t know, canonical. I don't know, whatever you want. Yeah.

[01:07:25] JM: Yeah, exactly. I mean, I'm not the best person to ask about this. I think, that's right. I think, that's why there's so many chains. I mean, I always used to ask the question to the Ethereum people, why can't you do this with Bitcoin side chains? Because Bitcoin has this low-level language. I was always just like, well, shouldn't you be able to take the low-level Bitcoin language? I think it's Turing complete. You don't need much to have a Turing complete language. Why can't you just take the Turing complete language and then build, I think, a side chain is what it's called, and make basically, a version – You just build your Turing complete programming stuff on top of Bitcoin.

I would always get, the answer is just like, Bitcoin is not built for that. You just could do that, but why would you? Ethereum is made for that. I think, that extends into as you're saying, basically, you have domain specific blockchains. You want that.

[01:08:22] DR: Yup. I think so. We'll see. It's also early.

[01:08:26] JM: It's really early.

[01:08:28] DR: It's so early. What engineering techniques and programming languages are being used in crypto mostly?

[01:08:35] JM: Ethereum uses solidity, which is like JavaScript. I've heard it's pretty easy to learn.

[01:08:41] DR: Would you be a solidity developer outside of crypto? Is that a big language, or a big skill set that people have?

[01:08:49] JM: Solidity was invented for Ethereum.

[01:08:51] DR: Okay.

[01:08:52] JM: Yeah. I think that most of the other blockchains are actually – I'm not a 100% sure about this, but I think they use solidity, or they use, I'm probably going to get this wrong. And/or they use an EVM compatible solution. The Ethereum virtual machine. It's like, you're running on Ethereum, but the way that consensus works under the hood is different.

[01:09:20] DR: Yeah, interesting. I think, I heard that some projects and teams are using Rust, maybe Solana is.

[01:09:26] JM: That one surprised me.

[01:09:28] DR: The part of the appeal there is like, "Hey, you don't have to learn solidity. We can access a whole big pool of developers." It's so easy for me to forget, as thinking about business models and the investing layer the stack. When you come back to crypto, it is something an area of technology that's still so new. The technical decisions matter a lot.

[01:09:50] JM: Oh, yeah. By the way, so speaking of the whole fractal nature of what we're doing, for roughly the first three to four years of Software Engineering Daily, I felt it could basically cover everything important in the world of software engineering. I mean, I am skin deep understanding in all of these areas, but I have a skin-deep understanding. You asked me about JavaScript, I'll give you a skin-deep understanding. You ask me about crypto, I'll give you a skin-deep understanding. You ask me about data infrastructure, I'll give you a skin-deep understanding.

Crypto has become so complicated, I can't even give you really a skin-deep understanding. I see the projects. I always go to the websites of the crypto firms, and I look at what they're investing in. Then I look at the –

[01:10:36] DR: The white papers.

[01:10:38] JM: White paper, or even just the website. I'm like, "What is this? What the hell is this?"

[01:10:44] DR: Well, the challenge is 80% of it, it's nothing.

[01:10:49] JM: That may, or may not be true actually.

[01:10:51] DR: Right. It's hard to distinguish.

[01:10:53] JM: If you talk to crypto investors, they will give you justification. They'll be like, "Oh, yeah. It's a DK snark thing." Like, "What?" I'm not fluent in anything. There are podcasters that are definitely doing a better job, like The Bankless – Have you heard The Bankless Podcast?

[01:11:10] DR: Yeah, Bankless. That's a great podcast.

[01:11:11] JM: Yeah. Bankless is, I think, they're acquired for crypto, basically.

[01:11:15] DR: What a compliment.

[01:11:17] JM: Yeah.

[01:11:17] DR: The other one I like is Uncommon Core.

[01:11:19] JM: Haven't listened to that.

[01:11:20] DR: Also, really good.

[01:11:21] JM: Is that the Three Arrows Capital guy?
[01:11:24] DR: It might be. One of the two co-hosts is an investor.

[01:11:27] JM: Su?

[01:11:28] DR: Yes.

[01:11:28] JM: Okay. Yeah.

[01:11:29] DR: They do a good job. Yeah, it's also new. It's crazy. When are you going to start maintain an FTs of episodes?

[01:11:38] JM: I have an idea about that offline.

[01:11:40] DR: Ooh, cool.

[01:11:42] JM: In all seriousness, I don't know. I thought about it. Have you tried to do it?

[01:11:45] DR: We have not tried. Of course, it's crossed our minds. We have friends and collaborators who have done stuff like that. I don't know. It feels weird. You know what it is? I wonder if it's an innovators dilemma type thing, where we're probably not going to do it, because we've got an established revenue model with sponsorships. If we were starting from scratch and we had no sponsorships, but we had an audience, why not? Why wouldn't we try it?

[01:12:12] JM: I mean, the question is like, what's difference between that and subscription? I mean, are you going to hang the episode on your wall? I get it. I get it with the gifts, or with the JPEGs, but the audio thing is weird. You welcome somebody into your match and you say, "Okay, and before we sit down to dinner, I'd like you to walk into the soundproof room, and we're going to listen to the Acquired episode that I have the rights to."

[01:12:41] DR: Amazing.

[01:12:42] JM: This is my listening room. This is where you listen to my NFTs.

[01:12:45] DR: Well, okay. The one thing I have been thinking about that, and we're not going to do anytime soon, but I think would be something we would do, is if you take the rights aspect of it seriously, are there people, or organizations out there who might want to say, either commission, an episode of Software Daily or Acquired, or buy one, but then to have the rights to publish it wherever they want?

We were imagining for Acquired. Say, you're a company, that for whatever reason, you would like to have an Acquired episode on your company. You might use that for recruiting. You might use it for fundraising. You might use it for whatever you want. You might want to publish it on your website. You might want to keep parts of it internal. You might want to use it for employee morale. Who knows? If they were a marketplace to be able to do that, there's certainly some price at which Ben and I would go do a private Acquired episode for somebody. Then, if we did that, we are sure, we'd be happy to give them the rights and have them use it wherever they want. Wouldn't an NFT make something like that possible?

[01:13:49] JM: I mean, it's possible with that an NFT, right?

[01:13:51] DR: Right. That's what we came back to, which was – as we were talking about.

[01:13:55] JM: They're never going to resell that, right? They're never going to go to Christie's.

[01:14:02] DR: I don't know. People do things. Maybe they would.

[01:14:04] JM: Yeah, maybe.

[01:14:05] DR: That is what we came back to. We were like, as we're talking about it, wait a minute, wouldn't that just be a regular commissioned episode?

[01:14:11] JM: Unless, you think it's going to be like, you're the Andy Warhol of business podcasts, and even your advertising is going to get sold for millions of dollars in the future, then –

[01:14:22] DR: Oh, my God. That would be amazing.

[01:14:24] JM: - it’s probably not worth it.

[01:14:25] DR: Or he goes, haven't hit that point yet?

[01:14:28] JM: I mean, I think Joe Rogan NFTs would make sense, right?

[01:14:32] DR: Yeah.

[01:14:34] JM: Or Dan Carlin.

[01:14:35] DR: Yeah. Or also, I think it could make sense too, for there's so many niches and creators out there that are not in obviously, monetizable niches. We are in excellently monetizable niches. If you're a, I don't know, make-up something like, even let's take True Crime is a really popular – I think it's the most popular podcast category.

[01:14:59] JM: I bet.

[01:15:00] DR: True Crime Podcast. The only way I can think of that you're going to monetize that is just through Casper ads. You're just going to do mass market type stuff, but they probably have really passionate audiences. This is the whole theory behind Patreon and the like, is monetized directly. Maybe an NFT is a way to monetize directly, but just monetize the whales, what that subsidize everybody else.

[01:15:27] JM: Instead of Patreon.

[01:15:28] DR: Or do both, right? Anybody who wants to pay 5 bucks a month, great. Pay 5 bucks a month. If somebody is really rich, and really loves us, and wants to pay us a million dollars, okay, there's going to be a vehicle for that.

[01:15:43] JM: Yeah. I mean, it is ultimately patronage.

[01:15:45] DR: Yeah, it is. Or at least NFTs as they've blown up so far.

[01:15:51] JM: Yeah. I wonder what's going to become of all this young wealth, the young wealth of crypto.

[01:15:56] DR: Like the FTX guy.

[01:15:58] JM: The FTX guy, or I heard an interview with Metakoven, the guy who bought the Beeple, the guy who bought the 72 million-dollar Beeple. He's younger than us. He's 31 or something.

[01:16:10] DR: Wow. We're the old guard now. I love it.

[01:16:12] JM: We're definitely the old guard. Yeah. I mean, he's just an art connoisseur. He's Beeple's first 100, 1,000 days or whatever it is. That is an iconic piece. I needed to be a part of it. I'm a total true believer. I was just thinking, this is such a sign of there is a nouveau riche. There is a nouveau riche in the world. I was hearing about this in Miami, too. My friend was telling me. He's like, "Yeah, I went to this party with a bunch of crypto millionaires. It made me feel so stupid and so poor."

[01:16:44] DR: It is interesting, though. There is all of this wealth being created. Yeah, there's definitely going to be new culture that's going to emerge around it. This has always happened in history. It used to be the founding of nations. America becomes a thing and then people get rich in America, because there's opportunity and then the whole world looks down on this nouveau riche Americans. Then people were doing this with China after dung shopping opened and people were getting rich in China. Oh, my God. Chinese people are buying the – what was the thing? They buy a wine at auction and then blend it together. Can you believe that they're doing that?

[01:17:23] JM: I didn't know of that.

[01:17:24] DR: Of course, that was not all Chinese people. It was just, there were news reports about that. Anyway. Yeah, so it feels like now, we're the guys on the porch being like, “Can you believe that they're buying NFTs with all this money?”

[01:17:37] JM: Yeah. Yeah. You just feel like a sucker, like making an honest living.
[01:17:42] DR: Selling sponsorships on the pods.

[01:17:43] JM: Yeah, exactly.

[01:17:45] DR: It is great, though. I really like our business model. I don’t know about you.

[01:17:48] JM: Yeah. I mean –

[01:17:49] DR: It’s so aligned.

[01:17:50] JM: Yeah, it works. It's a hard-earned platform. I think, we were we were lucky to start before it got really crowded. I mean, I don't know about – Did you know it was going to get – It's so weird, because it's one of those things – It looks so obvious in retrospect. Obviously, there's –

[01:18:06] DR: No freaking idea.

[01:18:06] JM: This is too easy. It's too easy to do.

[01:18:09] DR: Yeah. No clue. Complete dumb luck that we ended up doing this. It was more like, Ben and I enjoyed chatting. We thought it'd be fun to do this. We were like, “Oh, podcast. Cool. Let's do a podcast.” No strategy. No play. We didn't see it becoming this big. How about you?

[01:18:25] JM: The reason I left my job at Amazon to do it, is because I – There's another podcast called Software Engineer Radio. It actually has a bigger listenership in the podcast. They started 10 years before I started.

[01:18:36] DR: They're the Braintree and you're the Stripe.

[01:18:37] JM: I wouldn't say that. I don't know about that. Was Braintree around when Stripe started?

[01:18:43] DR: Yeah. Braintree. It's part of PayPal now. Braintree was a startup that I believe, was started before Stripe. Although, Stripe was started in 2009. Long time ago. I think Braintree was started before. Yeah, they were like, 07 maybe, I want to say. Then Braintree acquired Venmo. This is the craziest crank of history.

[01:19:01] JM: Oh, that's right. Braintree acquired Venmo. It wasn't PayPal.

[01:19:05] DR: Then PayPal acquired Braintree. Yeah. What happened was, the story, as I understand it. We had Andrew Kortina, one of the co-founders of Venmo on for a live show. Unfortunately, the audio got messed up, so it wasn't one of our best stories. If you want the whole story, and you're willing to listen to bad audio, go back and listen to that from a few years ago.

I think, the story is Excel was the main VC and both Venmo and Braintree. Venmo was taken off, getting all this usage, but they had no business model. They were just bleeding cash, because there was no revenue, and they're getting hit with ACH fees from the banks. As it grew, this is like, they lost more and more money and they needed a save. They needed something. Obviously, there was value there, but they needed something to do with it, because the company was running out of money. They called up Braintree, their other portfolio company and like, "You guys are financial on the Internet. Can you keep bail us out?" Then PayPal ended up acquiring the whole thing a few months later.

[01:20:02] JM: Yeah. I remember going to a Venmo party in – when I was in college. It was in 2012, or 2011. It was just downtown Austin, probably during South by Southwest.

[01:20:13] DR: Probably. Yeah.

[01:20:14] JM: It's just like, "Hey, there's this company called Venmo that's hosting free drinks and food. Let's go. All you have to do is download Venmo." I remember downloading it, I was like, "What is this?"

[01:20:25] DR: Remember those days? We were also illicit? It must have been awesome being at UT, during south by.

[01:20:34] JM: Actually, I barely went to South by. I mean, I'm the worst austinite ever. I'm the worst representative of Austin, because I never went – I went to very few live music. I've been to one ACL. I'd never went to South by Southwest events. I was not a big attendee.

[01:20:50] DR: Now though, you can go back.

[01:20:52] JM: Now I go back and I mean, I don't know. Austin is still an extrapolation of what it was in college.

[01:20:58] DR: it's always going to be that moment in your life for you.

[01:21:01] JM: Well, okay. No. As far as a tech scene, the thing that I always used to say about Austin, and I don't think this is true anymore, but maybe it was never true to an extent. I do not want to offend any austinites out there, because I absolutely love Austin. Relative to San Francisco, or in terms of a tech scene, I always used to say, Austin is where young people go to retire. It's really offensive.

[01:21:27] DR: No, no, no, no. I get it.

[01:21:28] JM: I don't think I mean it.

[01:21:29] DR: I get it anymore.

[01:21:30] JM: Just the work culture there was laid back. If you want a laid back work culture, Austin's a fantastic place. Again, I don't think this is even true anymore.

[01:21:37] DR: Yeah. Now Seattle had this reputation for a long time, too. It absolutely did. Especially after – not during the Microsoft's heyday, but after the DOJ handicap Microsoft and they went through their decade-long fallow period. Yeah, this was absolutely like, you see people move from San Francisco to Seattle. It's like, okay, yeah. They made a bunch of money. They want to get the no state income tax. They're there to chill. Definitely not the case anymore, but that was a knock for a long time. Yeah, I get it. I get it. The lifestyle is great in both places.

[01:22:08] JM: It is. It is.
[01:22:10] DR: Okay, do you think it's going to be – Well, we'll get to the question in a second. Do you think it's going to be different after COVID? I think, there absolutely – one of the reasons that I moved here in 2017 was, if you really wanted to be the best, and you really wanted to hustle and you worked in our industry, you had to come to San Francisco.

[01:22:28] JM: Exactly.

[01:22:29] DR: You could justify being other, but you were just justifying. This is where it all was. What do you think now? What do you think going forward?

[01:22:38] JM: Yeah. Moving target for me. I mean, COVID was a mesmerizing experience. When you're in COVID, it feels like it's never going to end. Now, it's starting to feel things are actually – it is actually ending. You can go to dinner and –

[01:22:52] DR: We can do stuff like this, which is amazing.

[01:22:53] JM: We can do stuff like this, which is amazing. Only possibly, because we're in person. We're still here. I like that. Not everybody's left San Francisco. Maybe the loudest people on the Internet, if you go on Twitter, it feels like everybody's left San Francisco. I'm not sure if everybody's left San Francisco.

[01:23:11] DR: Yeah, I don't think so. I know a lot of people who are still here.

[01:23:15] JM: Question is, a lot of what was cool about San Francisco for me, used to be everybody comes to town, even the people that live in the South Bay. Periodically, once a week, at least, everybody from South Bay is coming to the city. If you want to schedule a meeting with somebody from the South Bay, you can just wait and they'll come to the city, or you'll be going to South Bay and you can meet them in South Bay.

My big worry with COVID was nobody's going to move around anymore. Everyone's going to be sitting in their home. At the same time, San Francisco still feels like a dilapidated ghost town right now. It's like, you’re walking –

[01:23:45] DR: Lord knows there are huge problems here.
[01:23:47] JM: Really big problems.

[01:23:48] DR: Really big problems.

[01:23:49] JM: I don't know. It's like, COVID really unveiled them in a – I don't know, way that wasn't as resonant. I mean, you're a runner, or did you used to run around San Francisco? Or do you still run around San Francisco?

[01:24:01] DR: Yeah, yeah. Used to and still do, although I'm not in as great shape and good as I was pre-COVID. I love running around all the Bay Area. That's one of the best parts about the Bay area to me is in the city, in the South Bay, in Marine, in the East Bay, you could go for runs that are just world class.

[01:24:19] JM: It's not a bummer at this point? You still feel –

[01:24:21] DR: I mean, I miss doing it with people, but no.

[01:24:24] JM: Okay. Well, I used to run around downtown. I would run down Market Street. That's become really gnarly. I mean, it was always gnarly, but it's become more gnarly. I guess, I just have to change my routes.

[01:24:34] DR: Oh, no. I do like Bernal and Glen Park, Glen Canyon.

[01:24:38] JM: Okay. All right. I guess, that stuff hasn't changed.

[01:24:40] DR: Yeah. No, those parts of the city, we live in Novi and it hasn't really changed. It hasn't changed at all. Yeah. I think, part of the appeal of Novi is that, and Glen Park and Bernal is it feels like you're living in Palo Alto, but you're living in San Francisco. Maybe this is what you're saying to no, I'm living in Downtown San Francisco. I'm like, "Yeah." Is that still not –

[01:25:04] JM: I mean, that's where I've lived. It used to feel safer than it feels now. It used to feel – Yeah.

[01:25:12] DR: I'm probably used to feel like, yeah, I'm in the middle of the universe. This is amazing.

[01:25:16] JM: Yeah. It was hustling and bustling. Now, Van Ness is under construction forever. It's under construction.

[01:25:26] DR: I think, it'll depend on what are the big companies? What does Stripe do?

[01:25:30] JM: Aren't they leaving their headquarters that they just built?

[01:25:32] DR: Yeah. They built that new headquarters. They now have space in South San Francisco, I think. Yeah.

[01:25:39] JM: I think, it's impossible to predict at this point. I've heard mixed reviews. I was just talking to a CEO who said, that he was pulling his office. They pulled the office at the beginning of the pandemic and said like, "Do you want a physical office to go back to?" It used to be 70% said yes. Now, it's only 30%, or 20%.

[01:25:55] DR: Interesting.

[01:25:57] JM: We'll see what actually happens. You have Amazon saying people have to go back to work at the office. I think, Google's saying the same thing. Or they backpedaled a little bit. I'm sure, the management of these companies, the executive management would love to have people still coming back to HQ to work, because you get so much more out of your employees if you can enforce that. We may have gone through a one-way door –

[01:26:24] DR: A one-way door. Yeah. Yeah, I don't know how it's going to play out. It's going to be –

[01:26:30] JM: I would never go back to an office. I can never work in an office.

[01:26:32] DR: Yeah. Totally.

[01:26:34] JM: You used to drive at the office in Madrona, right?
[01:26:37] DR: Oh, yeah. Well, also just like our careers and what we do is just so not – I sound like a broken record, I'm sure, but just our careers are on the Internet. You know what my dream is, I would love to realize in the next few years. The question we're wrestling with on this is do we stay – how long do we stay in the city, or do we move to the suburbs? My wife's family is from Marine. Her family's on Marine and Marine is such great place. We'll probably do that at some point. My dream is I would love to have a house. Then in the backyard, a studio. Actually, my very specific role model is Michael Lewis and his family. It’s just amazing. They live in Berkeley. They've got a compound with, I think, I think four properties on the compound. There's the main house, then he and his wife each have a cottage studio.

[01:27:24] JM: Oh, wow.

[01:27:24] DR: His wife's Tabitha Soren, who was the MTV VJ, and now she's an artist. She is a studio artist and he has his writing. Then they have a guest cottage. That sounds amazing to me.

[01:27:34] JM: That sounds pretty cool.

[01:27:35] DR: Yeah, you get the separate physical spaces, like you have your office.

[01:27:39] JM: Does he do his podcast out of there? Or just did his writing there?

[01:27:43] DR: Well, I know he does writing. I don't know where he records the pod. That just seems the dream to me.

[01:27:46] JM: For sure.

[01:27:48] DR: The commute is I walk across the yard. Then I'm in a separate space, which is set up for the work I do. Then at the end of the day, I walk back into my house. That sounds amazing.

[01:27:58] JM: I mean, the question there is you don't want to be living the COVID life for the rest of your life, right? You want socialization. I assume, you don't want to be relegated to conferences, or you go into synagogue. What are you doing? I was thinking about this during COVID. I was like, "Am I going to have to start going to synagogue? Because I can't live this way."

[01:28:20] DR: Amazing, amazing. COVID was great for Judaism. This is why I think Michael Lewis has it figured out. He talks about this. They moved to Berkeley. I don't know where Tabitha is from. He's from New Orleans. They moved to Berkeley, because they went through a press and they were like, "Where can we live in the lifestyle we want, but also have access within driving distance to the best stories that he could write about in the world?" They're like, "Berkeley is great." You can have that lifestyle. You're in the Bay Area, you can go to the crossbridge San Francisco, you can go to the South Bay. I think, I think that's –

[01:28:50] JM: He meets with people.

[01:28:51] DR: Yeah, yeah. I think, if you live in the Bay Area, my hope is you can still get the best of all worlds here.

[01:28:57] JM: If you're Michael Lewis, you get invited to dinner parties and stuff and that's your socialization.

[01:29:01] DR: Well, and also, I don't think it's hard from Berkeley. I've got plenty of friends who live in the East Bay. I don't think it's hard to drive across the bridge. Hang out. Do whatever.

[01:29:09] JM: Yeah. I mean, I guess this is what I'm – During COVID, I started to feel I didn't have any friends. I was like, I don't have any friends. I'm not hanging out with anybody. It’s like, my brain didn't realize it was because it's a pandemic. That's why I'm not hanging out with anybody. Some lower level part of my brain felt I was being ostracized, and I didn’t have friends, and like, this was how it was going to be for the rest of my life. We're trying to come out of it. Now, I'm starting to realize like, we're hanging out. Hung out with few other people. Last couple weeks I'm like, “I have friends. I can socialize.”

[01:29:42] DR: Yeah. Totally. Did you profanity on?

[01:29:45] JM: I know what you're going to say. Go ahead and say it. It's fine.
[01:29:47] DR: What a mind fuck, man. I always asked, we try to not do profanity on Acquired. If we have a guest, who does for fun. Yeah, what a mind fuck.

[01:29:57] JM: I think, it's well-deserved. Even children listening to this should know, should know that that was what COVID was.

[01:30:03] DR: You know what's going to be crazy is all the kids – My wife and I are expecting a daughter in October.

[01:30:10] JM: Oh, congrats.

[01:30:10] DR: We’re very excited. She's going to have no idea. She was conceived. Jenny has been pregnant during this thing. She's going to have no idea. I mean, that's great. I'm so happy for her.

[01:30:25] JM: This is a great depression level event, right. for our lives.

[01:30:29] DR: I think so. Hopefully, not with this – Well, different types of suffering. I think so.

[01:30:36] JM: Is there an equivalent, like the whole people who lived through the depression can't – they can't spend money.

[01:30:44] DR: What our neuroses is going to be?

[01:30:45] JM: Is there some neurosis?

[01:30:47] DR: I mean, it definitely feels to me – I don't know about you, but I used to think 9/11 was this in our lives. The pandemic feels infinitely bigger than 9/11. Yeah, what are we going to be worried about? I wonder, if maybe we'll worry that something like this is going to happen again. Even though, yeah, may or may not, but we're probably going to be better equipped to deal with it when it does. I don't know. What do you think?

[01:31:17] JM: I think, I'll be more cautious. I mean, it's like black swan. Even 9/11 for me was basically, in the distance. It didn't really affect me at a visceral level. Yeah. Black swan.
[01:31:26] DR: Yeah, I mean, no doubt it affected everybody. This has been a blast.

[01:31:30] JM: Yeah, it's been really, really fun.

[01:31:31] DR: So fun.

[01:31:33] JM: I'm glad we are back.

[01:31:34] DR: Congrats on this studio setup you've got. This is great.

[01:31:37] JM: Yeah. I mean, thanks to **[inaudible 01:31:39]**. That's where we're recording. Hopefully, someday I'll have my own thing.

[01:31:44] DR: Your backyard studio.

[01:31:44] JM: Yeah. I would like to have the same thing.

[01:31:47] DR: If you ever did go back to Austin, you could have a pretty sick setup there.

[01:31:50] JM: Definitely. I'll never go back to Austin though.

[01:31:52] DR: Too hot, the culture, or –

[01:31:56] JM: I spent 23 years of my life there. I don't know. I mean, unless it changes enough. Maybe I'll mature and I'll change my mind. I think, I'm a big city guy.

[01:32:10] DR: That makes sense. It's hard to yeah. I would never. I can't imagine myself going back to where I grew up.

[01:32:16] JM: Why is that? Psychological issues?

[01:32:18] DR: I grew up in a fairly small town in Pennsylvania. Not super small, but it's just very different than San Francisco. I think, also just psychologically. Every time I go back there, I'm just flooded with all this like, who I was in middle school and high school.
[01:32:31] JM: Exactly. If I'm being honest, that's what it is. I need to escape that for good. I'm done with that person.

[01:32:37] DR: Yeah. You don't want to be that person anymore. Yeah.

[01:32:40] JM: Cool. Okay. Well, let's wrap it.

[01:32:42] DR: Great spot to end on.

[01:32:43] JM: Yup.

[01:32:43] DR: It was a blast.

[01:32:44] JM: It was a blast.

[END]