Brian Gracely (00:02.149)
Three, two, one. Good morning, good evening, wherever you are. Welcome back to the Cloudcast. We are coming to you live from the massive Cloudcast studios here in Raleigh, North Carolina. Hope everybody is doing well. Hope everybody is enjoying December. We are now in December, the last month of 2024. Hard to believe the year has gone by so quickly. We've got just 31 days left in the year.

Hope everybody is having a good weekend. everybody that enjoyed the Thanksgiving weekend here in the States and around had a chance to enjoy some time with friends and family, relax, enjoy some good food and think about what you've been thankful for. Hopefully you were thankful for the Detroit Lions winning, which is probably the most important thing to come out of Thanksgiving day weekend. First time in seven years on Thanksgiving. But beyond that, for those of you outside the States, hope you enjoyed not having to put up with this, know, folks from the States for the last couple of days. Those of you in Europe, Asia, other parts of the world.

Anyways, another Weekend Perspective and want to dive into a topic that popped up on my thread from a gentleman named Forrest Brazil, for those of that listen to the show, Forrest was a guest about a month or so ago along with Emily Freeman. They had started a new company called Freeman and Forrest focused on influencer marketing. But anyways, Forrest is kind of a friend of the show, somebody who's been, we've been keeping an eye on for a while. He's very...

well known within the industry had been with a cloud guru who we did a lot of work with and was at Google for a while and again starting his own company. But recently sent out a newsletter about a tweet or a skeet, wherever it came from, that sort of caught his eye and kind of got him riled up about this feedback that was basically, know, if you don't live in the Bay Area right now, you're not ambitious. If you're in tech and you're not living in the Bay Area, that's where the most ambitious people are right now.

And I read his newsletter and I kind of thought about it because Forest is younger than I am. And so maybe he has not necessarily seen as much in terms of stuff. But it got him a little bit riled up. And then he made a really kind of compelling argument. And I put a link in the show notes as to for him why that didn't matter. In fact, why it sort of bothered him that there was this mindset that if you want to be ambitious in technology, you need to live in Silicon Valley.

Brian Gracely (02:14.796)
I thought about it for a little while and it's an interesting thing. I think it's an interesting conversation to have, especially now, or really anytime there's a new sort of boom in terms of technology, there seems to be a new trend or a new era. And I think if you made the argument, for example, 20 years ago when sort of the internet was starting to take off, maybe it's been more than that, it's been 25 years now, the argument that you needed to be in Silicon Valley was a pretty relevant one.

I think looking back historically, the people that started some of the companies or kind of drove the growth of what really became the public internet, so much of that happened out in Silicon Valley. Again, whether it was around networking technologies or database technologies or the search engines and all sorts of other things, things that have become really foundational elements of

of the internet, most of that, I don't want say all of it, but the vast majority of that that you would sort of look at really did sort of happen in Silicon Valley. And again, whether it e-commerce or other startups things. Now, as we start to move into, let's say, the next big trend, which could have been around mobile computing, most of that happened more or less around Silicon Valley, although Apple was a big play in that. Google with Android was a big play in that. But you had things like Qualcomm happening down

You know south in San Diego you had arm which was really kind of based out of the UK and became more of a of an open standard So you did you know you did sort of have that that other trend happening there But then but once we get start getting past that we start getting into you know other trends so cloud computing so cloud computing for example Really didn't happen in Silicon Valley right didn't really happen it happened more in in Seattle right there was a lot of sort of talk that Seattle was cloud city whether it was between Amazon, know Amazon Web Services

And Azure created, know, Google's come along since then. But for the most part, cloud computing didn't necessarily happen. At least the biggest companies, the biggest sort of evolutions didn't necessarily happen there, right? And we can kind of go through a whole bunch of different things. But we're now at an age, you know, with AI being sort of top of mind for everybody and us all trying to figure out, you know, is the AI era going to be, you know, as big as some of these other major trends? And obviously, we've talked about this a million times in the show.

Brian Gracely (04:37.328)
There are certain expectations that it will be as big, maybe bigger. We'll see. And so I think the speculation from the original sort of bravado tweet or whatever was look at the things that are happening in Silicon Valley, whether it's people spinning out of formerly Google Brain and Google DeepMind, or whether it's OpenAI or Anthropic or some other stuff. You could

kind of point to the amount of things that are happening out of Silicon Valley. And the argument can be made, well, that's again, once again, sort of the Mecca of this new sort of technology trend that's happening. And if you really want to be heavily involved with it, that's where you need to be. And so this was the same sort of argument that we made back in the cloud computing days. And to Forrest's point, he sort of counters this by saying, if I don't want that life,

If I don't want the life that is sort of driven by the Silicon Valley mindset, which is take a bunch of VC money, make big proclamations you're going to change the world, gather as many people as possible into one location, and again, try and go accomplish what you're trying to accomplish. If

that's not the life that you want, then the argument doesn't necessarily make sense. And I think what Forrest ultimately highlights, and I think Aaron and I would very much co-sign this having

sort of started this 15 years ago when we started doing the podcast, is I think the first question you have to ask yourself is, you want to try and be in the center of that? That's sort of the first question you want to ask yourself. And I think the second question you kind of have to ask yourself is, what are my goals? What am I hoping to be in the center of? What do I think the benefits are going to be from being in the center of it? And really where the kind of conversation goes to is,

You know is is the the risk the choice, you know worth the worth the output right and I think there's there's one side of the coin and again I think for us is a very good job of highlighting this, you know, there is a there is a certain I don't want to call it a bubble but there is a very there's very much a mindset around that area and I think I Think it's between like 880 and 880. I think is the big roads that are out there

Brian Gracely (07:00.224)
Rodrigo Flores, was on a while ago and was a friend of the show and has been a startup founder multiple times, sort of said, you don't really understand it until you live out there, what the gravitational pull of Silicon Valley is and the sort of the mindset and in some cases, monoculture mindset that happens when you live in that space. Because every waking moment, whether you are at work, whether you're in your community, if you have to go to the office, whether you are at a backyard barbecue,

whether you are driving past companies, whether you're comparing yourself to your neighbors, whatever it might be, the mindset of Silicon Valley is amongst you all the time. You live it, you breathe it, the media covers it. There's an entire Silicon Valley media apparatus that covers Silicon Valley and the wonders that they're doing out there. And you really start to believe that that's the world. And I think that's the...

The thing that's always sort of interesting is if you live in the valley and you want to be in the middle of that, you've consciously chosen to be in the middle of that, the perspective that it is the sort of center of the universe is something that you kind of argue, you you would kind of argue like, yeah, this is absolutely correct. And what's interesting, you know, and Forrest sort of takes this perspective, and I think probably 80 % of our audience would sort of take this perspective. Well, what happens if you don't live there?

Right, whether you chose not to live there or you just happened to not be there within the last two years when sort of the gen AI revolution or bubble or boom has taken off, can you survive? Right, are you going to be challenged? you going to be sort of at the, can you be part of the sort of leading edge? And I think the reality is the first thing that you have to do if you choose not to go out there is to have a mindset of like what

What do I now expect to get out of not necessarily being in Silicon Valley? And for the most part, what I find from talking to people, and I know Aaron and I both went through this, and it sounds like Forrest is now going through this, is the first thing that you kind of have to ask yourself is, what type of life do I want? Do I want to be part of the technology thing that's going on, but do I want other things beyond that? Am I 100 % committed to this, or I want more than that? And I think for Aaron and I, and this is

Brian Gracely (09:24.65)
We've told this story many times in the podcast. You know, the reason for us was we had a whole bunch of job offers to move out to California and be part of Silicon Valley or Santa Clara or, you know, wherever it might've been out in that space, Palo Alto and others. And for us, the first thing that sort of came to mind was not so much that we were missing out on being in the middle of the Silicon Valley kind of thing, but it was what were we missing out on from the perspective of life?

Right. So the first thing we sort of asked ourselves was, could we even afford to live there? Right. So, you you look at sort of cost of living things, I put a few links in the show notes. You know, the cost of living was going to be four or five, six X to live in a home that was maybe comparable to where you live outside of Silicon Valley. And again, it differs if you lived in New York City or if you lived in some other sort of high cost of living place. for us, you know, being here in Raleigh, North Carolina, you know, that was the first sort of thing. So the first

question for us became, well, we're going to be living in the middle of the sort of technical center of the universe, but we really can't afford to live in the center, the technical center of the universe, right? Without making significant, significant changes to our lifestyle or coming up with a whole bunch of money, right? So that was the first thing. The second thing became, what will we do with ourselves when we're not sitting in a cubicle or commuting? Like when we're not doing work stuff. And again, this was all before the, you know, be able to work anywhere you want.

This was when he went into the office. And this is where we started getting into things like, if you lived in certain areas, how close were you to parks? How close were you going to be to places where you could go and run and hike and be out on the water or do other types of things? So for us, the first thing was, there a type of life that matched anything that we were either doing today or wanted to do?

you know, kind of very much a red flag or a check in the negative box, if you will. So we knew that was going to be part of it. Then the second part of it became, OK, let's suppose we did want to go down that path and we did want to sort of live that life. The second part of it became, are we motivated by sort of the idea of like, intellectually, we're going to go out and create something, we're going to go build something, or we're motivated by the idea of like, what's the reward for kind of living this life?

Brian Gracely (11:51.86)

Right? it was, are we going to be the people that invent the next, whatever the next big thing was, or were we just going be part of a team that was doing something, that was kind of building something that was a next? Right? And if that was the case, given that we were going to be starting in the negative in terms of cost of living and sort of life cycle, what were the odds that the system was going to somehow make us whole in terms of from a financial perspective?

And the thing that you start to realize is, unless you're out there starting the company and you get a ton of equity, or at least some amount of equity that can become very big, and you live in a world in which the ability for, say, startups, for example, to sell, the ability to do a lot of venture capital &A type of things are there. And at the time, there was probably more of that than there is right now.

But if you weren't part of the founding team, the amount of equity and hence, of upside, potential upside, wasn't necessarily life changing. It might be one extra year, but again, you were putting in basically like two years at a time. So anyways, we went through sort of this sort of financial justification of like, what's the thing we're hoping to get out of this? Can we get back to even? Or hopefully beyond that, you get to far beyond even.

So that was always sort of an interesting conversation. And then the third piece of it became, you know, if you weren't sort of one of the founding team, you weren't part of the founding team, if you weren't somebody that was known and trusted, could you make an impact outside of being in Silicon Valley? Right? And this is, you know, this is where you get into sort of an, Forest hits on this to a certain extent. Like you get into what's the actual business and does the business do things in which geography matters?

Right. And this was very much the mindset that went on for a long time. We're starting to see it again with Amazon with their sort of return to office policy. You know, it used to be, and we'll see if this evolves back to it, it used to be you couldn't work for Amazon unless you worked in only one of a very, very few number of places. And for example, if you wanted to work in Amazon Web Services, you could only pretty much work in Seattle. So we knew a lot of people who went through the interview process and, you know,

Brian Gracely (14:16.022)
were like, I don't really want to live in Seattle, or don't want to deal with that. And in some cases, they commuted all the time. That typically sort of had to end. had to move there. And in some cases, that worked out great. In other cases, they were really good people, and they just said, that's not the place I want to work. And that same sort of perspective happened for a lot of companies. know for myself, like when I worked at Cisco headquarters was out in San Jose, you were at a very, very distinct disadvantage from not being in headquarters. Even if you went into the local office, you were at a very distinct

disadvantage. And so you had to sort of consider that as well as, are there things you could do somewhat remote from the center of the universe, the quote unquote center of the universe, and think through that process. And actually that process was very interesting. And I think that

process to a certain extent sort of led Forrest to write what he wrote, because if we look at this, again, 15, 20 years ago, the ability for people to be

influencers, the ability for people to, to create things that were visible and potentially impactful at large levels. Wasn't easy to do 10 years ago, 15 years ago. Nowadays, you know, depending on what's being asked of you again, you could be in software development, but it could be in content creation. could be in sales and marketing. could be in all sorts of things. you know, the ability to do those types of things remotely to help organize people, to have people that are used to.

having distributed teams and so forth, has really changed over the last 10, 15 years, right? So that sort of starts to take away from the idea that the only place you can be is in this sort of center of the universe. Now, there are lots of pros and cons, right? We can walk through this. know Aaron and I, for example, when we were starting the podcast, one of the reasons we distinctly did this was because we were watching things on social media, we were talking to our friends, and we were seeing all sorts of things in which they were getting together in a meetup.

Right? They're, there's a meetup on Tuesday night. There's a meetup on Wednesday night. There's a meetup on Thursday night with these topics that we thought were really interesting. And so part of the reason we created the Cloudcast in the first place was to kind of replicate to a certain extent, as best we could, kind of meetups and being completely selfish about it. Aaron and I were like, well, we'd like to be the first ones asking the questions in the meetup. We'd like to be the people who, you know, once they got done talking, we got to ask all the questions. And that was

Brian Gracely (16:41.42)
kind of the reason why we started the podcast was we wanted a mechanism to talk to really smart people. There wasn't really a way to do that remotely. It wasn't like these things were like, hey, we'll just have a Zoom link. You can watch what's going on. And so we created the mechanism that, again, became the podcast that allowed us to be like, how do we keep up with what's going on? How do we ask smart people what are going on? And that's just a small example. But I think a lot of people are able to figure out, how do I?

How do I create some mechanism in which I feel like I'm participating in what's going on? And again, so much of what's happening has changed so much, right? The influence of things like GitHub and distributed publicly available code, Hugging Face, and all these other types of things, right? Those things didn't exist, at least in relative normalcy. They weren't part of the everyday toolbox back a decade ago, 15 years ago. And so...

You know, I think there's a lot there, you know, for anybody listening and going, man, I don't really care about the vendors, you know, working for the vendors or working for, you know, being directly in the technology industry. Like I work at this awesome company. I do a technology job for this awesome company. You know, should I consider this stuff? And I think the same thought process goes on, right? Like, do you enjoy the place where you live? Do you

enjoy the people that you work with? And to the extent of being like, well, I feel like I'm missing out on

some aspect of the financial upside that could come with being part of these high visibility types of things. I mean, the reality is, you have access to things like capital markets where you can invest in those kind of companies. So if you went out and took a job at Google or something, that's probably a bad example because Google tends to give away decent amounts of money in terms of equity. you can invest in these companies. can make money participating in the highest end technology companies.

you know, just through your normal sort of investing mechanisms, right? So you don't have to necessarily be like, I'm going to, I, only way I can participate financially is through working at these companies and getting equity and all those sorts of things. Because the reality is again, if you're not part of the, you know, kind of the founding companies, you're not there early enough. You know, the amount of money that you're going to get, working there and getting the normal sort of equity packages and all those sorts of things is, is going to be.

Brian Gracely (19:06.284)
10 % of your salary, 15%, 20 % of your salary max, unless you really, really have some unusual situation happen. You get to some vice president above level, which is very small number of people, or your company happens to get acquired, and maybe you're asked to stick around or something along those lines. So again, all these things kind of boil back to, I think what Forrest does a really good job of kind of highlighting, which is once you get past the hype that

that there's only one place where big ideas happen and there's one place where there's a concentration of people with big ambitions. Once you get past that hype and you start to think about it and you go, no, no, no, no. mean, yes, there are some companies that are there, but there's also companies in other places all around the world. And then you ask yourself, is this the lifestyle I want? Am I going to be financially compensated in the way that I want? Can I still participate if I'm a smart person in this thing in ways that...

you know, satisfy whatever sort of intellectual curiosity you have, you start to realize that, you know, the mindset that went into sort of Silicon Valley is the only place you can be, if you want to be participating in technology and be rewarded for being a significant part of it, right? You know, a lot of those things start to strip away and the world has sort of changed enough to where, yes, there will always be that mindset from the folks in Silicon Valley. And part of it is justifying, you know, them

kind of putting up with the hours and the numbers and the sort of craziness that goes on there. But part of it is, the world has figured out while Silicon Valley has been a tremendous creator of wealth and tremendous creator of quote unquote value, they figured out ways to sort of disintermediate pieces of it. And again, this is where you have to figure out like, can I take advantage of those disintermediations? Can I take advantage of how people communicate? Can I take advantage of where knowledge is being shared? Can I take advantage of

open and community types of tools and platforms and other stuff. Can I create something as know, as Forrest talked about that is within the value chain of the industry, but doesn't necessarily have to be centered in Silicon Valley, right? Can I, you know, is the thing that I'm interested in most, you know, is it dependent on physical location? Is it dependent upon distributed physical location, right? Like maybe you want to be in, you know, helping to do

Brian Gracely (21:27.496)
integration types of services for some thing, right? AI or something. Well, the reality is like, you're not going to be able to do that centrally from Silicon Valley. Like you're going to have to likely go out and interact with companies that want these services done, right? So there's, there's all sorts of secondary questions that I think once you start to think about them, and I put some in the show notes, Forrest does a very good job in his, that gets you thinking like, okay, if that's what I want to do, if I want to be in Silicon Valley, great, right? Like they're,

There's ways you can go about doing it. Understand the pros and cons, understand what the cost of living is gonna look like, what your lifestyle is gonna look like, what your intellectual curiosity is gonna look like, what you think your financial upside is gonna look like. But also realize that if, you know, that equation doesn't work out for you, that while the mindset is still the same, the reality around all of it has been somewhat disintermediated in a lot of different ways. And there are people who are tremendously successful

in the middle of, know, technology is the center of their life, their day-to-day work and all the things they do, but they have a different set of circumstances. They don't necessarily live there. They're able to make a very good living for themselves, for their family. They're able to accomplish the things they want outside of work. And they're able to find a way to be part of the community without having to be at the epicenter of the community. And I think understanding all of that, you know, helps you of

feel like, avoid the, I'm missing out on something. I'm missing out on the new trend. And again, we'll see if AI happens to be centered in Silicon Valley again. My guess is that we're going to see, we will see some amount of it there, right? Because there was still a ton of sort of centralized, brainy people that were in some of those core companies.

But I think what we've seen is so much has changed, whether it's how it's going to apply to industries and businesses, whether it's the tools that allow people to work on it has been distributed. Everything has sort of changed, right? So my gut is I don't think we'll see that you have to be in Silicon Valley or even maybe just the West Coast of the United States to have significant impact in this next generation of technology. And again, you might not even care about this next generation of it. You might say, hey,

Brian Gracely (23:51.892)
AI is not for me. There are 50 other things that are technologically curious to me and interesting to me. And you can go off and make a very, interesting life from those things as well. So

anyways, I just wanted to throw our two cents out there. Again, I don't really want to be part of the argument about this. think we've made it very clear. We think there's possibilities outside of Silicon Valley. think the fact that most of our audience isn't necessarily listening from Silicon Valley, I think sort of validates that to a certain extent. But yeah, don't.

even though we are at the beginning of yet another what feels like industry trend, which we'll see if it's as big as it's expected to be, don't feel like the only path that you can go down has to be dictated by somebody else, right? Like have an active role in what that looks like. So anyways, with that, I wrap it up. Hope everybody's doing well. Hope everybody's having a good weekend. Get ready for December. For those of you flying out to reinvent, we will be covering that probably.

Well, you end of next week or right after that, kind of doing a kind of a reaction to how the new CEO is, the new keynote address, where they're focused, all those types of things. We'll be getting into that as well. anyways, have a great December. Hope you had a great Thanksgiving. Thanks for helping us grow the show. Thanks for telling us, telling a friend about the podcast. Thanks for liking and subscribing and all the places we are now out on YouTube. We're out on Blue Sky and a bunch of other places. Links are in the show notes. So with that, I'll wrap it up. Talk to you next week.