

Program Information:

Title: Elevation Partners Director and Co-Founder Roger McNamee

Location: Los Angeles, CA, The Paley Center

Date: Jun 28 2011

Roger McNamee is the managing director and co founder of elevation Partners some of the elevations portfolio companies include Facebook Forbes Market Share move SDI Media and Yelp. Prior to elevation of Roger was a co founder of Silver Lake Partners a leading private equity fund focused on technology and related growth industries he was a member of Silver Lakes investment committee and was involved in all aspects of the partnership I know he has a very interesting presentation planned so please welcome Roger McNamee the I think you all are very brave to invite me so early in the morning many people find me to be an acquired taste and they normally find me best acquired after a couple stiff drinks so I wanted to slightly more background I've been investing in technology for twenty nine years but I wound up this investor by accident I've been a professional musician since I was in college I play a hundred shows a year in a band I've written books four of them uh as uh the intorduction said I'm on the board uh of Forbes and on the board of National Geographic media is really important to me and I come to you today with a very very positive message I'm here because many people say to me I wish somebody had told me when Google started what it was gonna mean it I mean have ever wished somebody was to give me a heads up about what Silicon Valley is about to do well I'm here today to tell you I believe this is one of those moments and I'm going to share with you my perception of what's going to happen now watch understand these are hypotheses but this is what I'm going to spend the next phase of my life to it and I'm telling you this before I start and the reason is because I think we need to work together I think if we do there's a huge opportunity now watch either stated or technology investors are certain things you've had the word deal with over the years and one of them is Mike are soft and I did really well today not because they're relevant to our business opportunity in the sense of having to work with them but rather because their demise creates our opportunity my exersaucer and if you will enterprise software broadly defined by far the largest area technology spending and what's happened in the last three years as the microscope share of Internet connected devices as going from ninety five percent to under fifty three years and it is done so because of products like this the US smartphones now account for half of all Internet connected devices as a result I believe the feeling that sense of the content people consume must change there is no one today who does well described as a great job of delivering media experiences on these devices and or opportunity is to create the first meetings prices the war but this notion of Bowman not lost market share falling below fifty percent is a recurring theme in technology there were certain elements of technology that are natural monopolies but they never last for long and the clean water look for is once the interested begins it always begins in about a month after the decline in strategic importance has already begun to assert couldn't grasp it doesn't actually cause a decline because the government so when it doesn't get her ankle after the fun stuff has happened but I understand the technology is not given gross a percentage of GDP but this will finance whatever we wanted

ok and the only reason it matters his hands and then hundreds of billions of dollars for that matter the system as corporations say when I give you a Windows PC you can do this on a tight head or smartphone and people would be happier that way PCs are aggravating and very expensive this is the one you guys have been waiting for I believe that Gould is strategically in a very difficult situation what I mean by that is that they had been too successful and the result of their success has been a pollution of their product and over the last four years you have watched products like Wikipedia Facebook yelp Twitter I'll link the end Max dot com realtor dot com has all the March would address such problems that were hymnal Chorley in gold any fuel and all those things up today they are now more than half of all searches the singer Michael Bolton the real dirty little secret is you have any idea what the ratio of conduct searches which is a cool surface on vs vs on this people to one percent as many index circus on a smartphone is the dual on a PC so why single rules but I'm not predicting something I'm telling you it's already got half of all Internet connected devices look like this in their product is not important it's not in the top hundred index the haters of people do once so again this is not a prediction on stating this is a factor in the question we need to apply Siegel will start going away the Ligue two the lynching me they have a lot of other products and likely will be very successful but I don't believe any of those products offers them the kind of chill point the ability to put terrified every transaction that index surged it's my duty index surged essentially allowed the will to come my nesties all forms of content and then grab eighty to ninety percent of the economics on the web related to the contact and I believe that that will continue for things and still are in the search domain but because search is falling I believe that working with Cory and I think this is incredibly important moment and understands that Google's problem didn't happen in isolation it happened because a little cup in Cupertino showed up with a different strategy in a different product think about what global really cool started in nineteen ninety eight the world wide web was an open source enviro which is to say he was inhabited by on in extreme it open sources it is a computer philosophy right where it's all about the long tail right it's almost three it's about to come on to say shit it's about the notion that I should be entitled to whatever's out there without paying for all came along with a different idea the signal this web thing it's dangerous it's complicated it sweeter work and create something called the hour mark and worry is the internet but we're going to use the web what the interesting thing about this is in the last three years if you add up the dollars spent to get access to the web the vast majority is gone because people are just randomly and hardware now instead of on site for and if you want to think back to Ken Burns is so bored ok in them the analogy here is Apple fisherman cool in the open source world wide web our joy Johnston trying to defend George it they didn't push the lead weight into the sea ok and you can see this everywhere and one of the results is that the people of the open source computer looking going on said you know something we're not going out with you what's really interesting is the goal which was the unifying so about leader of the open source his watch this fall and this is a profound thing the reason for founder's the way the world wide web this response is to our apple so the battles and distorted the last three years of it we took a lot of the station on the cool site and so on differentiation on the Apple

site right if given York Times what if you are about school or whatever you can make and how bright and Apple has supported branded supported copyright has provided security rate for things to turn out to make really good consumer products Google's top forty list the weather guys are all going well we can't be about modernization against their differentiation we get the differentiated so if you put this on to continue me and go over here out here issue all five is the new programming language of the web a Chanel is just the program putting everything on the web is built on anything called leased back for dozen years because it can cause least it's impossible for Google's cannot concentrate no all the sudden thing is going from Kansas to Opes the steam oh five allows you to treat a webpage supporting new campus with no worlds no limits no crappy flat the problem of flash historically is that costs more to do something differentiated there than you can charge for that will not be too nice to know I know this because I have done it myself you can create products that long lines for practically nothing and the reason is because of the one sheet of paper in creativity rolls again so slightly them how to use can be between apples model a little bit to differentiate with a lot of protection and the webs model of unlimited differentiation will see what happens and I'm saying that this isn't a firework all of us have a chance to be market leaders this is just starting when my band puts out its a smile five website in two weeks we will put out the first media site is pure ration all fine you can watch every one of our shows a knife or you can already do that but you will want anyone we ever get whenever you want as soon as the websites and my pointy here is I don't pay thirty percent apple I don't pay anything to anybody I don't even take your ears because I have my own style a dumpling the people who create it had to worry about middleman on the internet from the from day one that is no longer necessarily true if you're creating a brand new thing with no grand are still in a nice middle and the Hopi distribute but if you're CBS News or your the Wall Street Journal in National Geographic you don't need any body boarding you've already got cost for what you have to do is use this to change the experience what's interesting about the sum of five is again because it treats the whole page of the unified think you can build audio video animation interactivity and took one more important you need to know why everything is in out in the awful sense to think about advertise you don't need to have display ads it to him as I was advertising a sum of five they can put an instance of the store as the air so if you're on the book reviews section of the New York ICC a book you like you to buy their way on that page and you're not going to leave the page so additional five to ten if you wish to force the entire impeachment instead of people floating around it becomes a control panel where you bring everything to you so in these platforms which is typically fourteen to seventeen seconds on the syndicated story me go to fourteen to seventeen minutes because you don't really have a chance not just on the page it aside theoretically I don't think this is technically heart could say we are five sponsors today you know would you like Florida folly or I would like Amazon folly around cocoa calling you pick the brain one falling around now be the guy who ever has to you the number of new products that this will create for people to sell apricots is staggering the very nature that you can create and satisfy demand in the same place is something that only two and infomercials and it'll be true on the web so for those of you who sell ads on TV this is actually a

prep your TV business but not until half the battle to twenty years to build an entirely new business when I say to use the time to diversify what you're doing is this moment because nobody understands what's going on here no disadvantage and you guys understand both creativity new wonders in consumer this is a huge huge help how courts apple has put out the same way the other night ok those of you do not have died had turned your job today I'm not joking going get what you need to understand this I'm sick you need to understand this but this is the most important product and reduced since the original IBM PC including the eye pot it is a simple frame of reference Apple is going to sell nearly one hundred million Internet connected devices this year that's roughly two thirds the size of PC industry and their hundred million are a lot more valuable than all the PCs with God and the I can use the new UI for device so is the transitional won the pre HTML five is the training wheels you need to use a proxy to see what you have to be ok with the stairwell five year while it's real simple just do something better than the I can't talk election July nineteen eighty to get that way to work that I can and work on anything and change but there is a huge deal another thing everybody forgets is that Apple has no competitors the main wind up with market share in this that looks like their market share my pots if they do Applebee's least fifty billion dollars bigger three years it has to witness apples were all there is not a company like this since IDM in the sense of calm and I can tell you what it's going to mean I don't know what's in the mean after Steve I'm simply saying that's the end of our and you need to play with it which also need to find a way to play pool for it the architecture perspective the hardest thing to figure out he is the implications of everybody having two or three screens with them all the time how many of you carry more than one so much how many of you carry a tabloid and the phone device just a gentle MEP CFO much like you've got to three screens all the time and the problem is the personal computer model total storage inside the device which means I can't get anything on there from here not helpful so in general in general thing to expect is that what matters is access to the US right this was on my body is the most useful thing out of ten thousand times more useful than this so how do I get everything from this that's the bigger architecture shift on the web I can't say the exact details but this notion when people talk about cloud services all they're saying is the store something central help it can be on a server in your house but you have all her stuff in a place for can be gotten too for any so think about is the architect or shit that doesn't mean it's been some big security thing you know in Fort Knox it could easily be a little server in your house but the notion that everything is accessible from any screen view the simple thing to think about is that the three of the largest players in the global Microsoft and Apple have demonstrated no skeletal forgetting the end user experience of anything on this right apple me this product but a few simple look at it as a design standards it's not the highest applications the sides and it never saw so go Facebook like soft have nothing at all they have actually failed completely to get mobile things right so I know he misses the glass of wine if nothing else skills those three guys the fact that they can get on here means this is totally open to everybody else the three guys with a big snowman around other than that I can apply when they release I began one percent as many index searches on here

is on here and build up that coaching Goebbels had at least three years to get this right the guy who lacks rather than on making money on you to grant them a calamity that eventually the well but those are not blocking positions the wing in a circle Microsoft forget it Facebook Facebook is basically decided it's going to be Twitter I'm mega steroids right it's got a great business model the Slough I will allow them to do advertising will be just really compelling in the key thing is their social graph the single Facebook connect what does it gives you access to everybody social graph instantly currently it's free of any real chart that's how we'll get it what they're basically saying is we're not going to take this thing into mobile and be competitive with the best guys out there that's a huge opportunity if I'm in the content is a stage again means I can leave over all the guys who want to charge her everybody's twenty like the social I just read something we've been very fortunate you know we invested very early and Facebook and tongue don't try to make investments unsold copies social platforms exist they're gone the wave is over everything now socials now feature read products gotta have social right what is a check off like this he doesn't make it he had this wasn't a house to have a supply but having it isn't enough to win heck that's what we are now as a first approximation the last five hundred social company is funded by the venture company and worthless there groceries about this I mean you talk to a guy who could help I could sit in the meantime God wanted us to get social write ups in the daytime lot of that and he'll be waiting a resort for guys like that's right we think what the old spice neglect your bright pink in the spring campaign complaining TV driving or Facebook he released and Noble purchases above deal would earn in one month and don't hold it I this was the only I mean it's a hundred year will bring in the doubles and one one I believe this is a building everyone and ten Facebook is a total of four and the vertices haven't really figured out yet but the great thing is from your point of view that's where we stand near energy everybody wants the social costs of social buildings in focus the nation of five yet so that the bill with a simple thing is what nobody else is focused on this last going get the content let's invent some new pots I spoke a few weeks ago it nor the National Association of recording merchandise trade what people really hard life and I sat on the ice musician let's create a new product the way music videos were new product but she's a certified to be something as more than just an empty three something we have to buy the product because you want the whole experience and to look into his experiments the things they did with arcade fire and the other guys mean I mean probably sleep I mean seriously so many with creative shots not something with technical chops Islam fighters non technical prob is secreted smartphones story by Apple makes more gross margin more gross margin than most Android phones have gross revenue our life more than half of the flash the stories this in these cool flash of memory they buy more than half the flash memory in the world as consequence of the costs are lower for making phones than the guys make a flash and that's an enormous compare position the only reason it matters ok she might be tempted to sit there and do something with a name for a guy or something else all just now went I made was to lead is digital Detroit right in comparison doubtful like it's the place were dangerous stuff happens enjoy and sixty four applications for mood for stealing confidential information like credit cards that's against the seal after all their phones in history in excess of sixty four the fam because there's nobody in love so it's really where we look at the

stop to recognize that it be known for chili almost everybody to Chris's distracted from the cellular guys are distracted because they are squeezing the life what any kind and you know they have to converse there to standards into one so again these are people who hurt us but we'll have to worry about this when you do need to pay attention to ok you're in college was the last protected medium successful last one that suffered very very low and the dirty little secret is that every flat panel TV has a chance to just intermediate Comcast and DirecTV I don't see when they don't do it I really don't like they collide I mean Nielsen mean everybody knows the drill super surprised if we don't actual measurement dad reads in class right because the numbers are this good meals to make some and tell every one of those songs contract everyone knows what else of contract exactly which are wanting to know what you want to know what channel you went to before the one ego to thinking DVR everything forty automatically I know what I don't do that and I have this this is big the story that the DVR is and the set top boxes and biggest power using her house is actually huge incentive for the flat panel has to take on some functional and again this is going to take awhile to happen because of a monopoly power distributors until this but the house to watch out for this weekend in the way to do is to move fourth goal with fences around what you have now recognizes as a brand new pastor in nobody's got it's coming and whoever gets there s takes out the most attractive ground is going on that is our opportunity so I want to give you some context for what I think this can happen when own will it's okay the first thing to understand is that with the forty percent with weights for de leveraging the global economy that's probably the worst of it but it isn't all that Europe is still screwed in your clothes out that's good for us the real problem is that whirling eighty five or ten percent with the de leveraging U S households it's Lee US economy is hamstrung by it you know we've got this revival of Herbert Hoover economics I mean seriously we did not read the history of nineteen thirty seven understand how stupid this is me this you couldn't I mean I don't care what your politics are but removing government them and when the economy is beginning to melt down is just a really bad idea we know the Government's I can feel the real issues because he got election two thousand well we know one one as a consequence for me very high from our perspective we got this absolute assurance the Federal Reserve is going to do everything it can too to cause bubbles to happen the least are the two thousand full collection so we're going to have this kind of like whistling past the graveyard think we're going to pretend everything's hunky dory I told were forced by events admit that it's not actually from our twenty that's a really great environment capital be incredibly cheap it will come with very few restrictions consumers are acting as though everything scaly hunky dory so they have plenty of warning to try new things I look at the sight of the cyst on ice that means the perfect less about that so I went to the investing in sector twenty nine years I've changed a few cups of water to leak we are flying is costly successful thanks to some of the vessels to me but interchange on one another and are needed return I'm going in to see investing as part of elevation you know as elevations you know we're looking at and the other two meters in a couple whole spectrum from see right through what we do now which is from stage to us and we're going to melt I'm going to focus on the small one squad because that's where the changes in ten people don't get blown up by big companies they kept one of the start so

that's where I want to be the focus on this notion of a cloud in the multi screens and HTML five is a proxy for what I wanted to earliest a stop on to do what I call full contact and fast this is where you live develop these apps least a mile five already because I had to see how hard it was how expensive it was cancer is not really cheap and I'm using my own band as a test case in easy or simple to do shit little lamb I don't agree I had a lot of bands like an alive and we can use the band to prove all these concepts and there I think lies the real opportunity so what I want to take away from this is the use of our hypotheses and happy to provide this blog up to all of you though the deck of cards these are hypotheses they have been involved the six what are the one about screens in the web that's Brando that was not in the arrangement it's only been there for few weeks so this is constantly of all the award house to stay in touch because again it's just starting but everybody a force in ashes of ethanol will play seven of all this said the winding she calmly this in nineteen ninety four when were done me some good swung back to say ok I think this is the next one and we can all participate in tactical all invented because we don't have to follow anybody else's rules yet until somebody sets the rules it's open to anyone he could be yes but still four consider yourself warned I would love to take your questions the the the the the his team of land is used as distracted as you say which I tend to agree with attending the summit way with the assignment and you have to know only two faces during the coming of the heat I know why why has Steve jobs been so supportive I'm a big smile on it so I did great question why is the full support of the smell five initially they were right because initially tried going insane everybody pay as you do in the end sale like Amazon use old bloke from inside your Kindle app you get this thirty percent in the just back off the walls extreme version of that day because of the huge negative reaction so here is the way I see the awful situation I think Apple owns the hardware business under this no matter what in the hardware gross margins the highest part were gross margins anybody is that since IBM in the main thing that sucks so as a consequence the notion of taking your profit in hardware versus software is not in their case is not a bad idea and I believe it because of the convenience of their products they will continue to purchase pay well through the app store for Lisa while this is just so convenient but I think Apple has shown an element of strategic genius here and not fighting it to mile five it is amazing and let the one thing you should know is if you work with them cool or we'll stop on most all of the guys who make Firefox they have one with an open source Kodak for HTML five video where's Apple and Microsoft have adopted age two six for the names don't mean anything the thing to understand is the open source guys and one with the no royalty model and how one might decide to go in for his role takes at this point it was like Apple Microsoft and win this one and a walk and if they do that cos tablet having been supportive will be in our greater strategic benefit because they will basically taken due to bad everything is coated with YouTube and the codec and in the awful things are different right and so that's in the long run than it cost one of them a lot of money convert everything is in the long run than I can be to ride this is like you know already and all that so I hope that answers your question

yes sir I like movies like this the last term what you think happens when there's more aggressive cry privacy regulation to hear your view of the world some question what do I think the privacy regulations us to this I think it's too early to know one of things I would observe is that the politics of privacy odd or different than the politics of other technology issues in the past and it really speaks to the difference between Facebook and its predecessor market leaders Facebook status has always been to a sort of position that was substantially less secure than the fire privacy standards but then to immediately negotiate the member that Richard Blumenthal the head of the Attorney General's Connecticut three years ago was elected governor of Connecticut based on taking Facebook down on privacy and that story lasted for two days because Facebook's an entire team is seen seconds in there said look what he wants to build the game a shortlist was ok over that and the reasons as they get ninety percent what they'd ask for so the politics of privacy right now I think one likely to change from that as long as Facebook is the face of that negotiation because all like Microsoft like a bull on legal Facebook's whole culture is about compromise and I think in some ways that makes them a new and of more complicated technology that and certainly much more new ones im damn much less likely to get it when any trust problem the other guys simply cuz they're talking to regulators every single day in every jurisdiction which they operate some untill it lists the beds for this act the biggest privacy probably have is the theft of personal information from and secure says ideas is the base of the media's you know you tell people stuff about yourself but that's your choice and I think in areas where people choose to expose stuff this can be relatively little regulation I think the focus is going to be on the involuntary stop services the big databases in your personal information that can be purchased for twenty dollars on the internet so summing a buyer credit card here numbers your social security numbers your home address the lack of stuff I hope this a lot of regulation there I wouldn't mind some regulation in the social networking area because personally I want tighter privacy settings but I don't think that's gonna happen and we have no five years of data and you know in politics disruption to the number of trends in place and remain in place until they're forced to change and so missing but your guess is as good as mine I would not have a business plan though that was based on the assumption of green regulation privates I just I don't think I'll be good choice no one over here I gingerly or what um what are the page you'll find implications for content protection so Willy a skull five implications for content protection so I don't think from a DRM perspective there are any and all I think that way I would look at it is in the content protection be identical to that of the Mona Lisa it's hard to eat something like the Mona Lisa a simile five think about this were going from two D three D ok and soul the amount of effort necessary to imitate something worse or whatever will be very very great and is the question is on some publications probably have right now is that things are too easy to duplicate file sizes are small a shelf life sia file sizes and the large beginning complexity based on interactions the things that would be hard to duplicate so I think what you want to look for again I'm really very strongly feel that the strategy of building electronic fences around content has failed unequivocally in every category which can try the only ones that don't fail are the ones where the distribution channel in the core product itself are hard to duplicate aviation life I would be a lot harder to duplicate in fact it's been a movie for so long what TV show so I think you're gonna get it from being

creative and the fact that they give them the support if they cannot I think is that people be drawn to the new creative things and it was no matter what the topic it's just gonna go and look at the Whittington the early days the web because what Micah had never seen anything like that so in the early days worrying about protecting I think it would be incredibly productive I think in the early days in one go full speed ahead and trust recognizing the people are in today's paper looking for new forms of it in the world for new forms of information and the goal of trouble finding only find they don't switch quickly I just think the boy and building people believe the snow flies unlike anything we've seen on the web before because you Google it the only brand on in school everything else is in the same font even the aunt's house in all winning this is going to be literally the opposite you'll be all about and people have shown that's the model they want and I think you need to trust your customers are creating new products if you worry about protecting them that's energy to other was put into differentiating I'm pretty sure when you're writing a script for her you know CSI or something the guy latest did not worry about protecting the swirling about blowing months and my advice to you is where the flowing lines I think you how to howl but the house no guarantee I am insane pain that was used to paint the Mona Lisa can be bought by having one in a self righteous pain so helpful he's like that up just as good overview this it all I greeted him what I'm suggesting here he is I don't know the way only possible but I know that when possible you know when you crave France are you crazy yes I feel some meals can go and do well a sitcom around police procedural but the things were in those with the French yet it hasn't been possible in the digital world since it began I'm suggesting that for the first time will be possible to actually have an appointment is more like the world who used to my recommendation is instead of looking at this is another threat on my list of vices look at as an opportunity me when you I'm pretty sure that people create assets for the TV shows are sitting there were not protect ability will create a circular with that effort works so I would suggest that when you make something on the web the worse additional five then we about protecting but until then make something works get the revenue the opera to intimate two billion dollars from zero is out there somebody is gonna get and there's no reason it means to be assaulted on startup none at all is no peace and quiet the great contact me it nothing but JK Rowling's right we need to find the JK Rowling additional find some even BIL SIL industry one person a small skillet a common sight I mean the head of the ice on the result of the design stuff led by one bad apple and individuals can have enormous power here just as they do in your world and I really just IPC to just approach it is though this is an extension of your will run extension a month then he got the swindle in ten years ago with the protector but if you were about protecting the one having to protect rained a little tiny fence around and I don't think that's can help again the zest to do is to mentally how to make a billion dollars of cash I can't tell you how to protect it ok protecting as can be your responsibility on the creativity well not the fence world some real said yes so long in the acquisition of forms it's based on the issue no concept of the dough in the making money or the unit Irish League and that's no I don't always last for five years ago and the reason we invest in for five years ago is that they had been no call approach

to the way out the way I was suggesting people push a small fire in the built a business that was bigger than the banks improper village and if it is just unbelievable was the legacy of sin is the fourth single agree with tusks and we thought ok we can do DEL manager with friends it will be a nice ass cent decline in overtime in the wool really build on the swim baits what we didn't count once but c'mon it's a station of the house and everything on the web that premium advertising was literally goal from say thirty dollars per thousand two hundred scanned in eighteen months because of the ad networks of things like that so the force investments to this one for us it's been a huge challenge for us is shifted strategy entirely behind this stuff here and so they're holding by Labor day to start introducing some these concepts into products of theirs our focus is do I say to everybody let's just start with the mobile or ok get mobile right because in the end of this do well in everything on mobile so to get little late with a small fire first yours is way better all content and so I think they'll probably start with a combination of mobile in a few individual things within the website there's a new technology some ESB am I doing if the investor twice on the side one investment so far local people were connected the warranty and I can a website where Aunt dot com which is the definitive in English language dictionary but that's not what their businesses the company's business is to do for text when Easton off I'd just for the rest of the webpage so they make it possible to differentiate the creed of invisible second layer so you can answer search queries like what is this why is important without leaving the country not only that they have a thing like Acrobat PDF that allows you to them the file closes on the things he can protect it shifting around the web but we are protecting there is the look and feel your preventing people from stripping or advertising outstripping under fives but those who cannot remember what those are really the evil things that what could only get to create desktop publishing so if you look at the world today I believe that the schools are coming member for fifteen years every tolls designed to come on I'm switching to now all the sudden the best missiles opportunism but was beaten about what I mean millions to toss my own money into word and pecans I think this was when he asked for people publish who have Texas part of Iraq and if I can find some ego in the nation of fun to be over like white on rice setting as I reflect that intercourse it I don't know whoever will sell my car and the lovely we had to write off most of the UN's us ok um like we are to make plays them here we had to accept the fact that we pay too much the world changed and so were were playing to win from here and if I'm right source will see is engaged to rise by a factor and hand over two or three years which will completely change the economics of apricots and their two biggest comparison the web the Wall Street Journal New York Times poll behind pay walls so for Maliki's twenty force his way up traffic is not as big a surprise was compared with a journal is you know that's a very attractive place to be looking for this new wave style and we'll see I don't know will make money on investor right there's nothing guaranteed to my world and fours least of all but I'm really excited about it now and I'm excited about an hour because we got everybody a line behind this vision and everyone within the times to spend forty million bucks building a wall to protect something was about to change completely not need a pay wall so I mean if they spent forty million baht summation all five I'd have to wait on hold for us but

since a span of pay while the Guinean alive and I say this with full knowledge that Martin is simple to endure for New York Times probably watching us we met last week to talk with so I gave him the slide I want him to be successful but I will this work the patient loving and patient chance my line of work is not guaranteed it's not the oldest of ten what the difference is I haven't really grey record over thirty years because more often than not this work of time for snow but maybe some in National Geographic I think his work so we'll see any other question is yes Roger done strong thank you you will be a real Maktoum copy are you familiar with the Mentalist green eggs and honey I know the concept was ok it states that is a space between let's see I call you and you can set up your dream dream dream no not right yet write some other people might not understand what got so this will be tightening is the most valuable series music instead of yet so we have a patent on that in no mood to eat on United States year I wanna get your thoughts on that is is what you think of that space was everywhere in the world it's Valentine's yet so I don't know the answers I don't honestly know ok I had a really ugly experience to this gentleman's point earlier in Palm last year where we try to revolutionize the cell phone business and it was one of those things reminded me why I never wanted deal of carriers again you know there's this one of the guys that Tom had a great line said you know what that job interview is the horizon they eschew when your child to pull the wings off flies if the answer is yes you get the job um you know so I get when I really am trying not to pay to secure things that sounds like a great business I'm sure it is um I'm totally focused on the suffering now and I apologize for not knowing the answer that but I don't want to pretend like you things what where's the money in the music industry which has been decimated by peer to peer where's the money in the music industry which has been decimated by peer to peer I don't think there is any money in the music industry's carcass so I believe that the opportunity is to use the new technology to create new products are more compel so my own experiences a musician have recorded of dozen albums on the clean one that was part of T bone Burnett package for Grammy for his nominee for prayers for the year so I've done a lot of things in the distance of one thing and it's very clear to me as the music industry in its own death like Mike Tyson its product fundamentally what licensing everything that moves I can hear exactly the same songs in the grocery store in the train station you know in the middle of the street and they just mean that they made the MP three about what's my deal is ok fine move on from that he'll music video has some value there must be something we can do is musicians on this thing that changes the valuable quit but I will say this until sixty years ago music was a Troubadour business it was an industry there was no industry and told fifties and maybe there will be one again I just don't tell me there's nobody with industry today right there's no course carriage Christmas maybe there isn't a music business I don't know I'd begin not everything gets better ok and what is said to the guy said no I think we have a platform to create a new pot but the notion that you know we just we open for you to two weeks ago and the Oakland Coliseum and you know you look at that stage couple hundred feet wide hundred feet deep toy and sixty trucks to move that's when the music industry is today it's in the spectacle the stats and I'll see reason why

that goes away but I don't see that it's a growth business and how you have to lay people can take or sixty trucks and wrong and that's where the music industry's focusing his energy latest is moving up the pyramid and folksy more energy flows into one or dance and now dunno which one I solved that problem I love bottom of the pure guy and I think all the money music that last one years been made selling to the guys who create it so there were eight million cans on YouTube everyone who had to buy equipment for use at music that's where the economics of the summer creative side so I think the whole thing is moving from house of consumption the act of creation and if you build a business based on that you know when but how the music doesn't I don't know how the music guys do that from here I mean I've mostly been trying for one time if you wanna show you my you know what what we're doing in our van because the old elite may give you an idea but I don't often work mix of this man's point lead we do these things and some of them don't happen but I'm telling you what I'm actually doing actually the truth as I know it including the parts I can't be certain which is most likely these hypotheses right this is not a prediction but these hypotheses based on a lot of experience and on facts like who was too much Microsoft was a market share those are just facts I'm just looking in the mail in a way that other people are looking at so to me this is a moment where people can create something new from whole cloth ok I don't know what is to be in you guys a far more likely to come up with them you're very creative people and union had to do a full time just it'll be just that the Guineas in the ideas that effectively given to him but it in the best part is this if you start really doesn't cost anything we are banned as I won the Bay like a real blessing us we had to do in order to make our mascot was fire the manager five doubles as a fire the label the amount of money when we don't do those three things allowed me to spend a hundred thousand dollars to create a hijab satellite television network that broadcast every show why it was simple swap I switched my objects from people who had no idea what was going on to technology that allows to explain what was going on cash impact zero identical out the lights and I just wished for people to capital expenditure and owning a little TV network but that's what's so weird right I mean you seen these guys run around Iraq or Afghanistan you know though the reporters like him he's got the end of the I phone please take a picture of himself right team in the price guide but the whole thing salt content but the days of sailing cruise and ten guys to a news thing not going to happen not necessary but yet she still says the individual can do everything now the pots to the wall they all say in music I just saw this new thing called the GM how unbelievable so I went back to studio Yeltsin nine musicians be all what can we all use headphones and have ten of them in one row the sky he's can be read truly truly great Monday the Tamil actor been apart because the jolly just needs an additional half right makes almost no noise so I don't know I mean there's a lot of stuff out there which is so in the future be different than impressed if you start from that that'll be a huge help just about to be rejected segmentation so the invention of the subscription TV video business thirty is someone years ago is probably the greatest wealth creation the creation of an over last hundred years and entertainment however second disruptive anything like the dots I quit is why our bikes because it so the US

government has basically seated policy control to six or seven industries in their own categories of which Telecom and television are one of the industries of the slots on its own policy my doubts the defense has its own policy the banking industry sets it on policy that's right now we look alot like I said Germany in the third is right or alien third Friday of the big industries are active collaborators in government I don't see any way to disrupt that I can play the technologies that have disrupted that can slide shows you how to do a lot of things can happen well I think that controlled distribution TV is the single greatest business advantage anyway in entertainment house and I honestly mean I used to think ten years ago right that eventually the web was going to send me the old stuff I don't think it does until people for other kinds of content more than TV and the actual internet was really small I mean is when they come here because she doesn't like TV is less protected space cuz usually chose wisely on your distribution strategies which is why it's so funny when you don't get into these huge guessing that it's over ESPN or whatever it's like the guide kidding me it's like don't mess with a good thing but somebody might notice when my son Legoland why really nice guy Sharjah hundred and ten dollars a month but I think you're fine and I mean I think even if you're in TV and hear distribution TV you're probably aware that your career but anyway I'm calling the cut which is not surprise am acquired taste right at the end of my acquisition face I was a blow to everybody out there anyone else TV doesn't know you're all watching and I just wanna thank all of you for your very polite attention for a fair question to me and him I would be delighted to send the deck to anybody who would like it and just give me a business card and I will take care that a leader today but thank you all very much and good luck and again I hopped on to slide your innovation by commas you want to reach me in and talk about the sceptical that the uh uh uh the it