

Trump-Xi Summit, Benioff: "Not My First SaaSpocalypse," OpenAI vs Apple, Multi-Sensory AI, El Niño

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SUMMARY

Mark Benioff, CEO of Salesforce, discusses the evolving dynamics of U.S.-China relations, particularly in the context of trade and technology, during a conversation with the All-In Podcast hosts. The episode highlights the strategic importance of economic cooperation between the two nations, especially as tensions rise over Taiwan and trade agreements.

- The U.S. and China are attempting to establish a cooperative relationship, focusing on trade and avoiding conflict.*
- Benioff emphasizes the importance of economic entanglement to prevent conflict, suggesting that cooperation can lead to mutual benefits.*
- The podcast discusses the implications of AI and automation on the software industry, with Salesforce experiencing significant market fluctuations.*
- Benioff mentions the necessity of adapting to market changes and the importance of focusing on customer success rather than stock prices.*
- The hosts explore the potential consequences of the upcoming El Niño event, predicting significant global weather impacts and food supply issues.*
- The conversation touches on OpenAI's strained relationship with Apple and the challenges of integrating AI into existing platforms.*
- The discussion concludes with reflections on philanthropy and the legacy of Susan Waki, emphasizing the importance of giving back and supporting community initiatives.*

All right, everybody. Welcome back to the number one podcast in the world, the allin podcast. Episode 273.

It's a huge week. Saxe is our show. We got to get Mark Benioff, CEO of Salesforce.

>> I'm the only one left here. You're the only one left. That's why that's how I made it on.

>> No software CEOs, right, to China.

>> There's no software uh CEOs in China.

>> Interesting. But did you get the invite?
What's your what's your status with this administration because you were obviously very famous for, you know, being a Democrat on the left? Um, and

>> I'm not a Democrat on the left. I never have been.

>> What are you talking about? You donated to all these folks and now you're kind of in Trump's camp. What is it?

>> Listen, um, uh, the number one thing is, hey, I'm here to support the country.

>> That's what I do.

>> Okay.

>> Yeah.

>> So, you're right in the middle. You have uh an allegiance to America.

>> I hope so.

>> Yeah.

>> I'm not a Democrat or Republican.

>> You're an independent.

>> I'm an American.

>> Okay. I like it. Ben off got the invite to the two hottest tickets. He got the invite to Windsor Castle in Tales and then he got the invite uh when Prince Charles came here too. I saw he was in Tales then too.

>> And also we were at that Saudi dinner too. Weren't you there?

>> I did not go to that one. All right. Well, we have a big docket here. The Trumpi summit has begun. That is the number one story right now after a two-month delay because of the war in Iran. This is the first visit to China since 2017.

Seventh face-to-face meeting for Trump and President Xi. There are 12 hours, 15 hours ahead of us. Today, Thursday was officially day one. Here's what happened. China agreed that the straight

of Hormuz should remain open with no military commitment and that Iran should not have a nuclear weapon. So, we're in sync on that. On Taiwan, this is a little spicy. She warned that quote if handled poorly the two countries will collide or even clash putting the entire USChina relationship in an extremely dangerous situation. Poly market says Taiwan is safe for 2026 only 6% chance China invades this year on 23 million in volume which is a lot of volume 17% chance roughly triple that something happens by the end of 2027. There's been a lot of debate. Uh some people say it will happen after Trump is out of office. Some people think it's going to happen while he's in office on trade. She committed to buy more soybeans, US oil, LNG, and 200 Boeing jets. She said the talks laid out a vision for constructive, strategic, and stable ties. Uh Trump was effusive in his praise uh for his friendship, giving the disclaimer that people don't like it when he praises she. Let's stop here and have a bit of a discussion. Freedberg, you uh have been a bit obsessed with this relationship and the bipolar nature of it. What are your thoughts here? And what is the goal for Trump? What is winning for Trump coming out of this? What is winning for she? I mean, she made comments in his uh opening remarks that it would be ideal if the United States and China could avoid the Thucydides trap, which as you'll recall, we talked about with Graeme Allison and we've talked about several times over the last few years that as a rising power meets a kind of

declining power, there's always some moment where you end up in this kind of state of conflict. And the question is, can the US and China avoid conflict and find a path to cooperation, which has happened a few times in history when we found ourselves in this moment, but doesn't often happen. And I think the way to kind of think about the opportunity is if you're in a resource expansive world where you are increasing productivity and increasing production globally at an accelerating pace, perhaps there's less of a reason to have conflict. Perhaps there's a way that uh both societies, both countries can increase the quality of life for their people without taking it away from the other side. And in a world where you're more resource constrained or resource static, that becomes less possible. You have to fight and grab land and grab territory and grab resources from the other side.

And it seems like in this moment when we are seeing these extraordinary technology shifts unlocked by AI and automation and biotech and all of these kind of moments of which could be true abundance ahead of us. It seems like the perfect moment to say hey maybe the world can be more multipolar. It doesn't need to be unipolar. It doesn't need to be bipolar but everyone can participate in the expansion of the pie. And I think that that's kind of the idealistic way to look at the opportunity in front of the administration and Chinese leadership right now. Is there a way to kind of look at the next 30 years and ask the question, how do we all share proportionally in growing the pie and

not find ourselves in a moment of conflict where we assume the pie is static? That's I think hopefully the message that comes out of this from an administration political perspective. It just seems like this is going to be a major coup for the president if he can walk away with a series of trade deals with China that increase job security, increase prosperity, increase income levels, increase investment in America and American jobs. It would be a huge win. And I think that's the tactical stuff that people will be truly looking for. And I think the big strategic question which I care most about which is avoiding conflict. Is there a way we can chart an economic and cooperative path that doesn't involve eating each other and involves sharing in a bigger pie?

>> Chimoth, why is Trump bringing all of these CEOs with him and what does success look like uh coming out of this meeting?

>> I think that you find a resolution and a path forward with China through economic cooperation. It's the largest consumer economy in the world.

It's still largely closed off. And so I think what this is was about bringing some amount of financial firepower with them so that they could start to penetrate that market. Planes, cars, chips, you know, very much hard equipment type stuff. I've said this before, but I think the Chinese are very much a top- down confusion societal philosophy, whereas Americans are much more bottoms up kind of an individualist construction.

The fact that we're so different actually gives us a lot of room to find cooperation and not find conflict. And I think at the center of that is economic cooperation. I had a friend call me this morning, very prominent Democrat. And you know, he was the one that called out the media, which I was surprised by, and he said, you know, the media gets it all wrong because they're talking about why is he bringing these CEOs? And instead the reality is that the simplest and shest path to a no conflict dant with China is economic entanglement and it has to be birectional because really for so many years it's been one way where they're sending us the cheap goods that they've wanted.

So I think strategically it's good and I think you know I'll just take a slightly different take on what Freick said. I think behind closed doors they're probably just figuring out how to divide the pie.

>> Uh unpack that for a second. divide which pie the the globe the economy the the western hemisphere versus

>> look China China still needs a lot of energy they also need a lot of critical technologies that America provides and so I think that there's a trade there and the quit proquo is there are certain regions of the world where we want them to deescalate their participation in central South America being probably the most important and then the second is probably in the Middle East and then maybe the third is just to find some reasonable view of the Asia pack region together and I think there's a trade there to be done and in that you kind of start to carve up the world into a

pretty easily identifiable bipolar construction.

They also uh Mark need customers uh to buy their goods and we've had a bit of a uh mixed signals there. Tariffs obviously last year sticking it to China in a pretty hard way. the decoupling after COVID. Hey, we need to be independent energy, PPE, drugs, chips from China. Now, we're kind of saying, hey, let's come to the table and build connective tissue. So, sort that out for us on a business level. Should the two countries be deeply entwined? And then how do we manage having too much dependency on China?

Well, you heard it today from President Xi when he said he wants a wider door. And that means that he wants the door of business to open even wider between the two countries. We have our absolute best salespeople there. Not just our president, who has to be one of the best salespeople I've ever met, but also we've got Elon, we've got Jensen selling chips,

>> Kelly Ortberg selling planes,

>> Kelly selling planes. He's already sold 200. He wants to sell financial services.

>> Brian is selling soybeans. Brian Sykes, the CEO of Cargle. You know, Cargle is the world's largest private company based in Minneapolis and he is going to come away selling a lot of soybeans. So, we have a you go through the list of the CEOs. Each one is our best salesperson in this category and they're going to come back with orders and it's going to be amazing. And by the way, I think you said it very well. you know, this idea of business is this kind of greatest

platform for change. Um, they are working together like never before. Don't forget, this isn't Trump's and she's first meeting. These guys really like each other. They are very connected together. You can see they're smiling with each other. They're very they have a sales orientation. So, I expect a lot of order books to come back.

>> I have a question for you. Are you allowed to sell software in China? We uh well with the right the Chinese have a lot of data residency laws. So uh you know we we do it is we don't have any offices or employees in China. We never have. The only time we end up with any residue in China is when we buy a company and they have a presence over there and then we have to divest from it. We have an exclusive partnership with Alibaba. Everything just goes through them and we we don't do anything in China.

>> Is it significant growing? Is it what percentage of your revenue is it?

>> Yeah, it's it's great. You know, we have it's a great partnership. Key customers of Salesforce like Louis Vuitton, you know, or Laura Piana, I know Chimoth loves Laura Piana.

>> Yeah.

>> And you know, Laura Piana sells a lot of sweaters in China and then, you know, in all other stores all over the world, they use Salesforce, but in China, it's Salesforce on Alibaba.

>> It's still your code, but then it resides in their servers for data residency stuff. their data residency, their their partnership. It's a totally unique relationship. It's the only place in the world that we do such a thing.

>> Yeah. And it has to be all the data has to be kept in China. All the data has to be accessible by the CCP.

>> That's why it's so extraordinary. By the way, what Elon has, you know, Elon has Tesla in China, no partnership. He's the only one. He has a phenomenal relationship with Shei. When you look at she and um Elon together, notice how differential and respectful they are of each other. And here is these AI cars with all these cameras, Americanmade, you know, um Chinese factories driving around China. That is pretty incredible.

>> How do you think he pulled that off? Is that just a one-off exception?

>> I think Elon's the greatest salesman in the world. That's how

>> I mean the cynical take on a chim would be they wanted him there and they wanted to study the company and the innovation and they have now become the biggest competitor uh with their EVs and so it is a pretty coepetition I guess it would be the cynical way to do

>> I want one of those new BYD golf you know uh uh what do you call those with the doors that flip flip up

>> Gwing

>> Gwing I want one of those Gwing BYDs they have some cool cars have you seen those.

>> They're cool, but they're not safe.

>> They're incredible.

>> They're talking in this in this they they said they're talking about bringing some of those cars to the US. That would be incredible.

>> Uh would hollow out the entire automotive industry here if we had \$20,000, \$30,000 cars from China. It would be the end of the US automotive

industry overnight. And uh Tim Cook's there. He has to store all his data there. That's been a pretty controversial issue for him because Freedberg, if anybody has private information or is a dissident, Tim Cook has to give that data over to the Chinese Communist Party. How do you think this plays in America visav the midterms? Freedberg, Americans feel ignored, inflation over 3% and they look at the Iran war as a betrayal by President Trump and they look at China as not material to their well-being. So when you look at Trump being on a six-month timeline for the midterms and he's only got two more years in office after that, you got she who's working off of a hundredyear playbook. How does that dynamic play out with Trump and the midterms and his core constituency, MAGA, which is now evolving into America first, America only? And this kind of is is rubbing that group of people the wrong way.

>> I think the second and third order effects of anything that comes out of China is what's going to be most consequential to the average voter, which is job security and income security and income growth. And then cost of living impact. The cost of living impact would be if there can be some deflationary effect from a trade deal that makes access to goods lower price for Americans. And then anything that America is exporting, there's increased demand. Like there's a follow-on effect to the soybean export market.

There's a follow-on effect obviously to the oil export market. There's a

follow-on effect to for example technology and software being exported. So that increases economic productivity in the US and increases job security income. And then the other side of the trade deal is can we get stuff that Americans really care about and make it cheaper. Can people now buy stuff at the store that drops in price by 30 40% where we've kind of tariffed and reduce trade that increases the price of things. So if those deals kind of get worked out, people will see things get cheaper at the store and they'll feel good about kind of their income security. And I think that could be positive. I think that's what's ultimately going to make people make the blue red decision when they go to the polls in November.

>> That's the schizophrenic nature of this chimoth. We have Americans who very much want cheap goods from China and then we have last year all these tariffs being put on and we have this great decoupling. So, how do you handicap the midterms, Trump's timeline and she's timeline and what their goals are and then I guess we'll get to Taiwan after that.

>> I don't know. No, it's I think it's a little bit above my pay grade. But what I will say is that the midterms I think are probably going to swing more based on these recent jerrymandering rulings from the Supreme Court and what happened in the Virginia Supreme Court and what's going to happen in the state legislatures of these red states and some of these blue states more than what's going to come out of this summit with with President Xi. So let me just

put that over here. And I think that money is getting organized. There was an article in the New York Times this week which really surprised me, but the largest donor in the in this election cycle is Andre and Horowitz.

>> Yeah. What is that about? Yeah.

>> I think it's because they're they're trying to establish themselves as part of the financial firmament of America, which I think strategically as a business makes a lot of sense. Like they're in the AUM business, right? So they can't stop at 100 billion of AUM. They're marching towards a trillion. they're going to be the next Blackstone, which I think is an incredible feat and they're building a juggernaut of a business. But I think they also realize that politics is now a permanent part of that if they're going to be investing in higher quantum more geopolitically influenced parts of the capital cycle and parts of the economy. So I think the midterms are largely that the money that's going to be raised plus the gerrymandering that will get done and undone over the next few months. Again I think I think the the Chinese and the and the Americans have a very strong incentive to kind of divide up the world. Like I think the future at this point you have these critical resource inputs. China has a strangle hold. You have energy and intelligence AI where America has a strangle hold on one and an effective strangle hold on the other which is energy and I think there's a trade there to be done and as long as you can negotiate what a reasonable give and take is I think they're just going to

find common ground like does China really need to be in Chile and Venezuela and Panama? Probably not. Does America have to have an incredibly strong point of view about the straight of Malaa? Probably not. And so there's probably a trade to be done so that we can get their rare earths, they can get some more oil, everybody can be happy, and we can all find abundance.

>> Yeah. The the key issue here is China is and most people are, you know, chinophobic, but China has serious systematic issues with population, with their real estate, with their GDP. All of this is in decline.

And I think she most of all is concerned about another Tianaan Square if he doesn't get more people working. They've had the largest growth of any middle class

you know in history. They have the largest middle class in the world. I think uh you were sort of referencing that Mark with luxury goods and luxury goods providers are going there but it's tenuous uh

>> and that's the number one by the way that is the number one point of focus of President Xi. President Xi's focus has been getting 500 million people from poverty into the middle class.

>> It's not exactly how we think about the world in the United States. That's the main focus of the political leader and and he's achieved that. That that has been an incredible accomplishment

>> and and but it's at risk right now because their GDP is falling. They need their factories to operate. They're being undercut by other regions. And then of course Taiwan is what they want

uh most of all and supremacy in you know their part of the world.

>> I'm not convinced of that actually.

>> I think what they want Oh, I mean I think we just kind of said it and to summarize they they want to have you know economic success. They want to continue to grow their middle class. They want to continue to have a healthy economy. They want more trade. I thought it was interesting that they're talking about Trump is talking about not only having the board of peace now he wants a board of trade. That was a discussion we've never heard before today. Then uh we have she saying I want the wider door. Then we have all these folks there are selling their products. Two people we didn't mention the co Visa and the CEO of Mastercard are on the trip. Now why is that? Because if you look at you know commerce in China it is dominated by companies like Alibaba and and these organization who use these super apps. It's not really all the way open for a Visa and a Mastercard. That would be incredible for those executives. So in the same way that we want to sell airplanes, we want to sell chips, Nvidia, the Qualcomm coristiano is also there, we want to sell soybeans, we want to sell payment services, we want to sell everything. The more economic collaboration and cooperation you can get between the two countries, the more peace you're going to have. I think 100% I agree.

>> Three, three hard questions, Mark. Uh, should we be selling them the latest chips? Yes or no? In your mind,

>> I think it's irrelevant at this point. I think that the Chinese models are as

competitive as these US models and they've learned to make these models without having the highest end chips. I think the highest end chips is kind of more of a ego gratification for us. We have Blackwell, we have this, we have that. But when you look at their models, their models are excellent. They fast follow us. You know, the best models we had ago, they have now.

>> Should they should we just sell it to them since they're figuring it out anyway, Mark?

>> We probably should just sell whatever we can at this point. Got it.

>> And uh I think that as I said, I think the more economic cooperation and collaboration is better. And if you want peace, I think that this

>> I think Taiwan, it's kind of a circle back to that. Yeah.

>> Freeberg, uh, your take on chips. Should we sell them latest chips? And then Chimat, I want to get the answer to that question from each of you.

>> I think it's inevitable that they get there. I, by the way, I do think this is one of the key aspects of this deal.

I've said this before, but maybe Taiwan becomes less relevant to the US and to China as both China and the US um, mainland FAB. So, as we build out our own

>> manufacturing capacity here in the US, and I know we've struggled and there are fits and starts and issues with it and whatnot, but the the TSMC facility in Arizona is running, they're printing, and if it works and they figure out how to scale it. There'll be other facilities in the US and then China's mainlanding with Huawei standing up a

lot of facilities. They've got a multi-
I think I talked about this on one of
the shows, a multi-deion
government investment in ensuring
competitiveness not just with fabs but
also with semiconductor manufacturing
equipment so that they don't get cut off
on the supply chain with companies like
ASML blocking sales into mainland. So as
they build out their own semiconductor
capital equipment systems and their own
fabs, does Taiwan really matter? Is
there really that much of a security
risk to the United States and to China
in that sense? And perhaps what
everyone's focused on, which is this
pivot point around Taiwan. Maybe it's
not that the US is selling Taiwan down
the river, but it's just that no one
gives a anymore. So, you know,
there may be this kind of cultural
moment for China where they want to at
some point say, "Hey, by 2040," which I
think is what I've heard, they want to
be able to kind of, you know, bring
Taiwan fully into the sphere. maybe the
US shouldn't care that much at that
point from a economic and security
perspective. So I think that's that's
one of the things that's happening that
>> so you're in the camp of sell the chips
to them and it will demotivate the TSMC
or the capture of those fast.
>> Put it this way. I think the more the
global productivity index can climb, the
better off all humans will be. So the
question is, do you really want the west
to see their productivity index climb
and then you're effectively forcing
conflict and forcing issues with the
east? Or if we all grow our productivity
index, we all make more stuff, everyone

benefits, everyone has better jobs, everyone makes more money, everyone has access to more stuff, the cost of goods comes down for everyone, doesn't that make the world a safer and more secure place?

>> Sure. So I think this idea that like technology should be held to one uh side of the world and not given to the other side of the world is inevitably going to lead to conflict or increase the probability of conflict. Whereas if you let technology diffuse and proliferate, everyone benefits and conflict indices go down.

>> It's commoditized, you know, and everybody has access to it. So then it it becomes

>> you give everyone a higher standard of living and you give everyone's economy a boost and you give everyone less reason to fight with each other. Since you went there with Taiwan, should we take our arm sales off of the table, Freedberg? And should we ask China to not sell arms to Iran?

>> Yes, we should ask China to not sell arms to Iran.

>> Yeah.

>> Okay.

>> I don't know what there is. What is there to talk about there? Because I think what she wants is for us to not sell arms to Taiwan. So, would you make that trade, I guess, is what I'm saying.

>> Oh, yeah. I mean, that's a good question. And I think in that context that's that's a nuance one. I don't

>> that's why I bring it up because that seems to be

>> generally you're right. Yeah. I mean generally that's probably a a trade that

you know that should be kind of trade do the deal.

>> So you say make the trade

>> chimath. I mean I kind of know

>> we're 18 months from Taiwan not being an important moment of conversation the way it is today. Why 18 months? because we are at a point where we're probably 1 to 2 nanometers away from being able to do what we need Taiwan to strategically do for us. And so as we scale up our chip fabs, as we get more capacity and interestingly there are these orthogonal technologies being developed. I don't know if you guys saw but neuralink was showcasing now a machine that is literally operating at the almost nanometer scale to do the brain operations for the implantation all automatically. So when when you when you have the dexterity and the capability mechanically to make these things, the real reason then is a very different one than what it is today. Today it's economic and if you take that off the table, I think we'll have a very different attitude to Taiwan. That's number one. Number two, sell the chips.

>> And the reason we should sell the chips is we want Nvidia to win. We do not want to give enough oxygen for Huawei to then all of a sudden emerge and have a version of a chip that works. And what Mark said is totally right. These models are catching up. They're almost at the same pace. So the more important thing, Jason, is probably we should all agree is just like let's have a reasonable KYC for how the models get used so that you know somebody in a basement doesn't cook up some boweapon. Meanwhile, sell the chips. Proliferate. Let Jensen win. I'd

rather he win than Huawei win.

>> Mark, I'm going to give you the last word, but I'm going to force you to answer a hard question. China sets up a blockade around Taiwan and they decide they're taking it. Should the US defend it? Yes or no? I I've said this for

years. I I don't agree with Neil Ferguson on that point. I think that this is a nonsense issue. I think China and Taiwan will reconcile. I think that uh Well, first of all, I do want to schedule though Chimath for that neural link. Um next Tuesday 5:00 we can drill your brain. Chimoth, can I get you in?

>> What are you trying to do? Put some empathy into Chimoth. I talked to Elon. He said it doesn't. You just drill right in. There's a and boom. And then well, you can get hooked up. It is the craziest thing.

>> I know. I got you scheduled at 5:00 on Tuesday tomorrow. Hold your hand if you're too nervous.

>> And by the way, finally had a hard literally like for a even better show.

>> Abs. It would be incredible. Yes. And uh I would laugh and I would giggle. We could get into show tunes here. Free break. I know you're um Yeah. not big on on the show too.

>> If I only had a heart.

>> If I only had a brain.

>> A heart. A brain. And what's the third one?

>> If I only had a neural link.

>> You got to give you courage. REEDBERG.

>> OKAY, move on.

>> All right, let's move on here.

>> Your By the way, I took kids.

>> Tim stayed home. I took his kids to the

Wizard of Oz at the sphere. It was incredible. If you haven't seen it,

>> yeah. do something enriching with my kids or hit the crafts table.

>> No, I'll be honest with you. I get a little freaked out in large

>> like groups of people.

>> Yeah, I get I get a No, just just like when there's a lot of people, I get very nervous.

>> Really?

>> Is this because of your newfound celebrity? Is this is that the issue or just always like No, I don't even want to go there. I just have these bad thoughts of like, oh my god, what if something happens? How do we get out and like

>> terrorist attack?

panic disorder. I don't know. Yeah, exactly. You have panic disorder.

>> Panic disorder.

>> I don't I don't like these large spaces with lots of people. I get a little winded up.

>> Anyway, your kids had a great time. Great show.

>> Tony Robbins lives very near you, Shimoth. Don't you think we can get that to happen?

>> Yeah. Let's get Tony Robbins in there to clear that blockage. You're a Tony Robbins guy, Mark. Why are you so into Tony Robbins?

>> I love Tony Robbins. I had him at my conference this week. It was incredible. Actually, he did an incredible presentation.

>> Did he unlock for you your success? He claims to that he has you on the roster of \$50,000 a year CEOs?

>> I am the number one fan of Tony Robbins.

So I mean

>> what percentage of your success is attributed to Tony's mentorship?

>> Hey, if it wasn't for Tony Robbins, I don't think there would be a sales force. So there you go.

>> Can you actually no jokes aside, can you tell us like what like what like what were those big kind of blockages and how did you how did he help you or how did you work through it?

>> Just focusing on hey the questions you know the quality of your questions is the quality of your life. It's that insight and just are you asking yourself the right questions. What do you want? What's important to you? How are you getting it? What is preventing you from having it? How will you know that you have it? Just no one had ever said that to me. And then it was just like clear to me, wait, I need to write that down. Like what do I really want right now? What is my point of focus?

>> And that is what gave me motivation as soon as I got that clarity. I mean, a lot of us do it automatically, but that's not where I was when I was a kid. That's for sure.

>> Did you run across the coals? Did you do any of that kind of stuff?

>> Oh, I've many times.

>> Really?

>> Yeah, of course.

>> Okay, there it is, folks.

>> Hey, we can go together.

>> Uh, absolutely. We had Tony on the show.

I tried to get in there and understand his psychology, but he just had us do breathing exercises. All right. The uh All-In Summit is happening again. Fifth year in a row. Wow. We've been doing

this for a while. Allin.com/events
September 13th, 14th, and 15th. We'll
have you back, Mark, in year six. But
when you score so highly on a keynote,
we give you two years off so that we can
build up the anticipation. So coming in
2027, our guy Mark Benning off. But for
this year, uh, allin.com/events.

Okay. Topic two, AI's impact.

>> By the way, real quick, can I just
do a quick PSA?

>> A public service announcement coming.

>> Public service announcement.

>> Yes.

>> Nick, just pull up this link. This dog
named Scooter needs a home.

>> Okay.

>> Promise my wife I do this. Don't get
Don't get mad at me. This dog named
Scooter needs a home. He's in Baldwin
Park. Dog's about to die. Lives in
Baldwin Park at the Animal Care and
Control. They're overwhelmed in LA.
There are so many homeless street dogs
that are being collected. They're all
being put to sleep.

>> Wow.

>> Someone give this dog a home.

>> Gorgeous dog.

>> Scooter.

>> Good dog.

>> Link. Link will be on the YouTube
channel. Thank you very much.

>> Are you getting a little emotional,
Freeberg, about this dog being put down?

>> I just don't like these, you know, all
these street dogs. Like they they didn't
choose that situation they were in and
then they all end up kind of getting
pulled in by animal care and control and
then they all get put to sleep. Kind of
sucks. You're a dog guy. Come on. You

got to have a heart.

>> No, I have a big heart. Chimath, it's \$10,000 to keep these dogs alive for another week. Can we count on you for that donation?

>> Any purebred white golden retrievers in that bunch?

>> No, they're just mutts. Just mutts.

>> We have a cat that we got at the shelter actually.

>> Kind of a story. walked into the shelter looking for a cat. All of a sudden, we're in the shelter. This cat's like coming at, you know, my kids and all of a sudden they're, "Okay, we'll take this cat." What is this cat's name?

>> This cat's name is Cloud.

>> Cloud.

>> That's our cat.

>> Wow.

>> Absolutely.

>> Yeah. We have Cloud the cat.

>> All right. I like it. That's awesome.

>> All right. AI's impact on software rippling through the market. Mark, you're on the front lines here.

>> Thank you for reminding me.

>> Yeah. Well, I mean in pain and suffering are lessons, right? I think the Buddha and Tony Robbins both taught us that and the only way to the other side is through as you know, Mark. So, Salesforce down a whopping 37% 90 billion in losses for you. service now 42% workday 45% 180 billion in market cap's been lost and the assumption mark is that AI is going to make it unnecessary for you to use Slack or Salesforce or HubSpot whatever it happens to be that you'll just ask your AI to solve this for you and we'll all look at a piece of glass

and have no actual software the AI will just tell us what to do what's your response to the fear the criticism and how are you managing this massive change internally?

>> You're right. It's the SAS apocalypse.

Um, I mean, it's not my first SAS apocalypse, honestly, but it's the current SAS apocalypse. So, we are all now drinking at Salesforce Esprillas.

And, uh, we actually have a pet Sasquatch as well. Yeah, we're all a little more sassy. That's what I would say. That's number one.

>> You bring the sass to sass.

>> We got to bring sass to sassy, you know. And then,

>> well, you've always been a sassy guy.

>> Yeah. And then number two is look the market is rerated. It's not a mystery.

Everybody knows you know you guys have been talking about it for a while. I've been living it. So the market software market's rerated. It happens every now and then. There are cycles. You know I've been doing Salesforce for 27 years enterprise software for 40 and the market's rerated. So you mentioned HubSpot. They're trading at two times sales. I've never seen that before. They just had a great quarter. We saw a lot of great quarters. I looked at the top 10 major enterprise software companies.

They all had great quarters and they're all trading in two time sales. So why?

Because of everything you just said.

There's like, you know, a hypnosis around AI and, you know, we haven't seen it show up in the numbers yet. If it shows up in the numbers, maybe people will be right. Right now, all we know is there's still a lot of enterprise

software being sold in the world.

>> So you've been through this. It's not your first time.

>> This is not my first apocalypse. I mean, I remember the cases apocalypse of 2020 when COVID happened and all of it, you know, everything collapsed. There was the great cases apocalypse in 2016.

What's that?

>> In all sincerity, what's your strategy and how do you deal with,

>> you know, your internal team? Obviously, they are compensated through, you know, stock and this is headwind and you have competition for employees from OpenAI, Anthropic, and SpaceX. So, how do you deal with uh rallying the troops and then how do you develop a strategy?

>> Well, you're right. I mean, it's a lot easier to be a private company right now where you don't have to be rationalized by the public markets. If you're in the public markets and you get rerated, that's the reality of being in the public markets. And I think that for what I tell my employees, what I just told my employees is look, you can't get drunk on the stock price. If you are like focused on today all the time and that is how you're getting, you know, your emotional state, it it's not going to work for you. You have to find a different anchor. So I try not to pay really a lot of attention to it. I'm focused on my customer success. How is our revenue? Look, we'll do over 46 billion this year, more than 16 billion in cash flow. We have more than 83,000 employees. These are the things that I'm focused on. What is the level of customer success that we're delivering? That's a really important I can't

control the stock price. There's nothing I can do. And for our employees, they can't control it either. That they need to believe in the company and the quality of the success they're delivering to customers in the long term. And then you look at the market, you look at these other companies, not just us. They're doing great. And I mean, I saw some great numbers, but it doesn't really matter. The market's rerated.

>> Well, you've got all that free cash flow. You've been great at acquisition. So, I'm sure you're uh

>> I've bought some great companies, by the way. Everything's a little cheaper. I like that.

>> Yeah. Chimoth, what's your take on this? You've been pretty critical of the SAS space in previous episodes, pointing out, hey, how durable are these revenues? So, what's your take?

>> I think the low end of the market is basically finished. I think there there is no safe space. I think the high end of the market where Mark operates, where the large monoliths operate is quite safe and the tell was this week.

The the deployment company deal basically shows you what OpenAI is running into. So, you know, you have to put in \$4 billion. You get all of these folks. You gave them a 17.5% preferred guaranteed return for what? essentially to stand up a competitor to Ernst Young, Anderson, Deote, PWC, Cognizant, etc. If you just look at that, that doesn't actually mathematically make that much sense if you look at what those companies are actually trading at. But why is OpenAI doing this? I think

why is because at the high end of the market where all the action is, what people are finding is, hey, hold on a second. This is a lot harder than we thought. It's not like boop boop boop put in a put in a prompt and beep boop it all works. It's not how it works.

>> And so I think I think we're

>> I think we're a little oversold.

>> And I now I think this consolidation and the rerating can happen in the opposite direction. So what is the opposite trade?

>> The opposite trade is who has constructive net dollar retention, who has negative churn that's been really predictable, which is a way of saying who has the best relationships. meaning they're inside the CXOs and the seauite. They have relationships with the CEOs and they're trusted and they've been around for 20 years. Those guys, I think, are positioned to crush because eventually, Jason, the next trade that has to happen is when the public markets become a little bit less breathless about AI and they ask one simple question. Okay, guys, you've spent \$3 trillion in the last four years. What is the ROI of these tokens?

And what's going to happen is they're going to have to go to guys like Mark and other people and say, "Please sell my tokens." And that's the next shoe to drop. If you if you had to ask me. So I think you're going to see these revenues which are like way out of whack like the multiples on revenue, multiples on assets, multiples of they're not even multiples of those will come way back down and I think these go back up and you'll find a balance.

>> Yeah. And you've uh initiated what could only be described as an unprecedented massive stock buyback mark 50 billion.

>> I think it's the one of the largest in history. Yeah, we we're you know we we want to buy back as much as we can and I would just say that you know look at a high level look there's awesome new capabilities like these coding agents are awesome. Anthropic is awesome. like I am going to probably use \$300 million of Anthropic this year at Salesforce coding. Everything's going to be cheaper to make. It's more efficient. I can do things that I just could not do before. I can go faster than ever before. I can implement my software and sell it at the same time. I've never been able to do that before. I can break through obstacles that I've had, you know, just by focusing because I have coding agents and humans together working together. Today I have humans, agents and headless platforms all interoperating never before. So the opportunity for my own company and the efficiency that I have in my own company in service and support in distribution in marketing across the board is unprecedented. What I can do for our customers unprecedented and you know to that point my gosh have you seen Anthropic? I mean it is a rocket ship that will not stop because you can use this product to do these incredible amazing things and then complement it with platforms like ours. It's you know it's it's it's it's impossible to describe what we're going to be able to do for customers. It's going to be awesome

>> and never waste a crisis. You've been super focused on the efficiency of the

company, a headcount, share buybacks, and I'm guessing you're looking at M&A. So, it's not your finished up one of our biggest deals ever, Informatica. I think it was eight or nine billion dollars. It's been in it's been awesome because none of this stuff works if you don't have context. You know, the AI is very probabilistic. that is it can kind of kind of figure things out but it needs to be grounded in real data and it needs to have that semantic layer. That means it needs to be locked down into the truth into a single source of truth or it just cannot work well. And so our customers want more harmonized data, federated data, integrated data. So we bought Informatica. Our customers want our apps to use those large language models to be able to provide not just automation to their employees but also to their agents just like we just said. So like if you call 1800 no software right now for the first time in 27 years you talk to agent force hey agent force what's happening but then after it authenticates you and you get in the system and it doesn't know who you are then boom it'll autoescalate you to a human being who says oh I can see everything you've been doing oh yeah you just need to resolve this this and that and so that trinity of the phone the web and the human being are all together it's all made possible by this AI. We just could never do that before. That is awesome.

>> Was it controversial, Mark, to make Slack headless? Was that a big decision or was that a was everybody kind of mostly on board with that?

>> Well, we were the first to, you know,

the way that our platform is architected and Chimoth, you know it so well cuz you're coding your coding agents and the company you're building can run right on top of it and build awesome stuff also.

So, you know, number one is we were the first with an XML API, a SOAP API, a REST API, now a CLA API, MCP API. We always wanted to have a platform that had every API possible. And our apps are not hardcoded where we had to cut the top off of them. They've always be embedded inside our platform. So now we can stream our apps out through a new API called AXL and I can manifest it into any large language model or device or anything and it just works better actually.

>> I think that you know when Jack Dorsey wrote that memo Jal and part of what he said is

>> he he's going to try to run his company by building a world model. Yes. My initial thought was, well, where is the context, Mark? What you said before, where's the semantic understanding to create a world model? And a lot of it for a lot of companies is actually in Slack.

>> It's in Slack and email. Yeah, those two places.

>> I showed you that Slackbot, Jason. I mean, the thing is all because you run your company on Slack, all your DMs, all your channels, we're reading that now through the AI and we can tell you more about your business than you know

>> because Slackbot is reading stuff that

>> you know, nobody knew what was happening and like I'm using that myself, but I can then connect it into other things.

So, I have the ability to go into

Salesforce and Google and everything.
And so, when I'm on Slackbot, I can ask it any question about my company. What are my top five deals? What am I doing? What are my employees upset about? What are the top three things I need to focus on? And then boom, I get the information because it has the data.

>> I think you should really look at SL making Slack more open and cheaper and getting more of that context because there are limitations in terms of getting your data out based on like which plan you're on. It's just too convoluted. But once I upgraded to a higher plan and you know it's whatever 6 12 18k for our small company I was able to get more and more context to my openclaw plexity computer and claude we and we're testing all of those and today I wrote literally before I got on the show a new prompt that is every two hours in our Slack tell me what decisions are being made who's making those decisions um and what you would handicap those decisions. If you were my chief of staff, if you were a CEO or if you were a board member and I created personas to now evaluate decision-making going on just

>> I have to show you the new version of Slack. You're going to love it, Jason. And you know that open AI and Anthropic and every AI company is standardized on Slack. Yes.

>> And by the way, and our core sales cloud and service clouds as well.

>> So I got to show you what we're doing. Yeah.

So fun.

>> What's your advice to let's say you were running a software company that was like

before the AI wave and you're private, right? There's a bunch of these companies that were supposed to go public, didn't go public. What should they do? Like what do those boards do? What

>> they here's some Kleenex for them for all their tears

>> because they're I mean I talked to these CEOs. They're crying. What my market cap? I'm not getting paid for my work.

Guys, grow up. You know, that's what I love about the public markets. They rationalize everything all the time. So

>> great, be in the public markets. You want to be in a private market. Your valuation is fantasy land until somebody's actually going to pay you. So I just tell them, hey, you got to focus on your revenue, focus on your customers, focus on your cash flow, focus on your profitability, focus on your innovation. How are you going to add value to your customers? That's what's really truly important.

>> Freeberg, any thoughts from you? We're doing a big Salesforce implementation at O'Hollow and I I would say that one of my observations over the last six months because we've talked a lot about using these generative tools is we've kind of dropped all the vertical software but we're doubling down our investment in horizontal tools. So like we're investing heavily in these platform capabilities that then we're able to build apps and workflows on top of them that are specific to our business rather than try and buy an offtheshelf app or workflow tool. So I think that there's kind of a really interesting moment right now where we talked about this

last time you could kind of discern between founder and non-founder enterprise software. I also think that there's this kind of vertical horizontal shift where they're kind of trading the same right now but you could probably break them. You could break that trade. So, I think there's probably a good arbitrage there.

>> I think everyone who wants to sell those potato seeds, you know, is going to need >> some tools to sell them. But the thing that's kind of cool is, you know, we have 15,000 salespeople now. So, they're out there selling these products like Slack and selling to David and so forth. But here's the thing that's interesting. In the last 27 years, we calculated somewhere between 20 to 30 million people, we didn't call back. We did not call them back

>> because we didn't have the people to do it. So just this week I called back 50,000 people, you know, just through agents so I can qualify. I just bought a company called qualified so I can qualify the agents, call people back the BDR, the SDR function. I can go outbound. I can do things I could never do before. That is made possible by this AI automation linking it then to the apps. You can go to another level. Yeah. Okay. Breaking news. I want to get everybody's take on this. Open AAI in a breaking news story is considering suing Apple over their Chat GPT partnership. As we all know, two years ago, Apple and Open AAI announced Chat GPT would integrate into Siri, iOS, MacOSS. But according to Bloomberg, the deal has gone so poorly for OpenAI that they might sue Apple for breach of contract.

Here are OpenAI's gripes. Apple chat GPT integration within Siri requires users to specifically say chat GPT to get results. We probably all experienced this if we haven't given up on Siri, which is the worst personal assistant ever created. Uh Apple hasn't it's discretionad to the highest level. Just discretad with this product. How do you get there first and you remain worst? Apple hasn't promoted the integration at all and users are still overwhelmingly going to the standalone chat GPT app or others. OpenAI expected billions of subscription revenue from the deal and it hasn't come to fruition. According to Bloomberg, Apple's side of the story is, hey, they have concerns about Open AI's privacy practices. Maybe they don't trust the guy in charge over there, which was a reoccurring theme in the lawsuit. And they're annoyed that OpenAI, and here is the palace entry, they're upset that OpenAI is building hardware to compete with Apple and that they recruited their design guru, Johnny IV. Mark Beni off, you know, the players. What is going on here? Yeah, >> you got to trust Sam Alman and Open AI. I love him. But let's just upscale this conversation just one second. Listen, what has happened? What happened is we have these LLMs. They starting to come out come out. Every company's kind of chosen a slightly different path. You had Elon, he went out, he had Grock and he kind of started building these companions and sex bots and all this kind of stuff going on. And that was a huge focus of his, the sexbot focus. Then you kind of had OpenAI and they

were doing the Sora video thing and they're also doing ad networks and crazy stuff like that. Then you had Gemini and they had the Nano Banana and then finally you've got Enthropic and they go we don't know about those sex bots and we don't know about Nano Banana but we're going to do coding agents. And it turned out Enthropic was right. And all of a sudden the rocket ship took off and now everybody's like, "Whoa, where did Enthropic go?" Oh, whoa, they're way up there. And then they're all like, "Where are all they going to do coding agents to?" And now they're all resetting and kind of hitting their buttons and going, "Coding agents. Everybody focus, focus. Kill Sarah, kill this. Get rid of that. Sex bots off." You know, cursor on. Yeah. And that's where we are right now. And so everybody, look, this is what's cool about right now is that everybody, it's such a dynamic moment in our industry. It's so exciting that people have to pivot and you have to be ready to focus and refocus and constantly ask the question like, "What do you want right now?" And everyone is changing what they really want. And if you looked at where everybody was a year ago and where they are now, they're in a totally different place cuz we all know that when Enthropic 46 hit, boom, everyone could code in their companies. And before that, they really couldn't. It was a little bit of a productivity improvement, but not as much as we wanted. Now everybody sees this and goes, "Wow, this is unbelievable." We're even working on technology inside Slack to make it easier for everybody to code. So I think it's going to be really

>> breaking news. Breaking news there.
>> You're going to see some cool stuff with Slack and Code. I'm not ready to talk about it yet, but there's no question that uh we are in a new moment in coding. I mean Chamas got a whole company around it. A lot of people have companies around it. There's going to be before coding was all about humans and like that's where I started. I was 15 years old, Berlin game high school on hands-on keyboard writing video games, you know, basic 68,000 6502, you know. No, no, now it's like everyone.

>> How's that changed your org? Is it the product manager, the developer, or the UX designer?

>> The creator, or did it all blend into one blended? And who wins? Who wins? It's all blended together. And by the way, to to Mark's point, the hands-on keyboard thing, you know, most of our engineers just speak. They So it's like And so, you know, one of our guys just has a foot button operated thing and it just like that,

>> too. Yeah. Whisper. That's all they do. Flow plus.

>> It's all talking. Pedal plus whisper flow and talking. There is no cans on keyboard anymore.

>> All right. So, let's get back to this story here.

>> We're going for dolphin flow at Salesforce.

>> Dolphins on keyboards. Mahalo for you. Aalo. Um, Freeberg, two questions. One, now that Sam has shut down the sex spots, how are you filling that void? And then number two,

thank you, Jama.

And number two, what's your take on the strained relationship here between OpenAI and the world and specifically the Apple world?

>> I don't know what to tell you. This that there doesn't seem to be a lot of long-term partnerships with Open AI. That's a very uh generous way to say it. What should Apple do? Should they just go back to the loving arms of Google where they made a hundred billion dollars being partners with them on the search default your alma

>> I don't know what to tell I mean look at the end of the day I think Google has a real opportunity to integrate a Gemini assistant into all of your personal information and Gemini and calendar

>> your Google drive your Google photos where all of your personal information sits it can become your your point of calendaring your point of asking it questions about your personal Hey, when did I email this person, etc. And in the enterprise context, I think that's also up for grabs with G Suite. And so, Google has a real chance to kind of own that assistant interface. Maybe Salesforce does too, Mark. Apple obviously has an embedded install piece.

How many people are using Apple services for doing all of their mail, for calendaring, for storing their information? I think a good number.

>> Yeah. So that may end up becoming kind of the way that the world silos out is like you'll have an assistant, but the assistant for it to be truly useful to you individually, it has to have access to all of your information. Whether it's

in an enterprise context or a personal context, Apple is probably going to need to either build their own or white label with a partner, could be anthropic, could be someone else

>> to get this to really work. But but they're going to be up against a formidable competitor is my point because I think Google Assistant is going to end up being kind of a real kick-ass product once they get this flywheel going. Apple has the clearest path to becoming, you know, a top two or three player in AI simply by buying something like Perplexity or Mistral or or or some AI lab and then using their hardware footprint, which is extraordinary. I just got this MacBook with 48 gigs of RAM on it with an M5. It is unbelievable. And the new ones with the Studio coming out are going to have a terabyte of RAM. they are going to have a clear path to maintaining your privacy running local models and that's going to solve people's problems. It's going to be very easy to index all your images without giving the data to OpenAI which nobody trusts or giving it to Gemini. And that's I think a big part of why they picked the current CEO is because he's an engineer and hardwarebased. I think the future of this is going to be local models running on extraordinary desktop hardware. And if you have employees on this level of hardware running these models local like I have started to do, they become 10 times more valuable than the employees not running it. I think Apple's my choice for the next year.

>> I'm not a huge believer in these local models. And the only reason why is I

think you want persistence. You have multiple devices. You have multiple persona. You're using a web browser in one instance. You're using a different computer at home in the other. And the idea that you don't have persistence that follows you around in 2026, I think is a breaking feature. So, I think you're not going to lug around a 5B MacBook Pro everywhere you go so that you can get knowledge. Oh, wait. You're asking, "Oh, wait. I got a diagnosis from my doctor. Hold on a second."

>> I don't think that's the game on the field. The game on the field though is

>> you will uh be able to use iCloud for this as well. So, it's going to be, you know, effortlessly.

>> So, well, look, give me your opinion on this. I think the thing that you're assuming is that these form factors don't need to change. And I just wonder like, don't we have an iPhone moment that we're just all going to be surprised by where somebody shows up and they're like this thing and you're like, "Oh my god, that's the thing." Do do you know what I mean? like yeah that that's I

>> there's enough ingredients here where somebody's going to cook something up and then you have to think about Jason the sunk cost of like you know look Apple is incredible but there that's the product of 40 years 30 years of meticulous process optimization what do you do if the form factor is totally different and the nature of the device is different how do you pivot that organization

>> you're hitting on something very important and it dovetails with another story on the docket mirror Mrage released thinking machines new real time world

>> that was impressive

>> and this is super impressive and Apple at the same time has patented putting cameras into your AirPods so you're right and then I use this plug pin I've talked about it before

>> these persistent hardware devices the watch the earpieces are going to know your entire reality they're going to monitor your entire desktop and this is going to lead to a use of tokens that would be a thousand times what user business users are currently using because the way mirror's and we should have her on the pod or at one of our events. The way her model works Freedberg is it's watching your desktop. It's listening to all the voices and then it's watching your webcam all at the same time and every 200 milliseconds it's uploading it to two different models. One is deep thinking and looking backwards, you know, at a maybe a 30-second clip and the other one's in real time. that will 1,000x the need for tokens if people are doing this for 8 hours a day cuz it's not the turnbased here's my latest prompt here's my question I got a response it's in real time always querying an LLM which is going to require a hardware upgrade to the average desktop Mark Beni off what are your thoughts on this brave new world

>> it's one small step for man one giant leap towards AGI I think that you said really well. I mean the we are in the

we've been so kind of think that LLM is the beall end all. We're going to go to AGI. I don't really understand how large language models which are only about language and words and we know how it works. It's one word one word therefore the next word is this is going to get us to where we want to go to which is minority report or um

>> agreed

>> all the science fiction movies that we've seen. But what we saw and and I think Jason you'd really articulated that super well by the way multiensory models and multiensory models. Well, here's a good one. Oh yeah, me. I'm a multiensory model in a biological computer. I'm a multiensory model. I've got these eyes, ears, mouth, you know, work. Sometimes some brain, heart, whatever. And some other things going on too that I don't even understand. And it's all running in this biological computer. I'm not exactly a large language model, though I do have one. sometimes. So I would say that multi-ensory models are the next big wave for AI and then but we're still not at AGI at that point. But those demos like the demo of that model that was pretty everyone should see like that was pretty awesome. And then I think we can kind of say hm where are we now on this on the path? But I think every model company is kind of go hold on pivot you know again pivot like saying pivot everybody's pivoting and you're going to have to pick your poison and where where are you going next you know and you can't do everything you can't

>> you said you were spending 300 million on tokens with anthropic. Now imagine

what this would do to an average, you know, employee if they needed a thousand times the tokens they have now. So instead of spending 150k in tokens, you got to spend, you know, a hundred million. But you have

>> I don't think that's true. I I don't think that that I think we're getting brainwashed on that.

>> Okay. So explain.

>> I think that's a mistake to think that way. See, I think we are wasting a lot of these tokens. So my coding here's my I think I convince you this. So here's a here we're using \$300 million of entropic this year and we're coding we're coding we're coding right the vast majority of those tokens don't need to go to entropic there needs to be some intermediary layer layer that's saying oh oh that one has to go to entropic but these ones can handle by smaller models that can route it to the most affordable for the job it's such an early moment you know it's an early moment and you're and I want to connect back to what you said before which was brilliant Jason which because the importance of the edge because the edge and the cloud are going to come together. Okay. And yes, you're going to have more distributed intelligence. It's going to work together. That's going to makes a ton of sense what you said. What Chama said was also completely right. You were both right. Then you combine it to this idea. Let's put it together where we're going. Yes, we're going to have more distributed intelligence. We're going to have intelligence on the edge. We're going to have multiensory models. And

yes, you're going to do coding. And it's going to be more efficient though. So to think that it's going to be always so expensive, that is just the moment of time that we're at right now. And I think there's going to be a hot new company that's going to come along and say this. I'm going to sit between you and Anthropic and Open AAI and I'm going to make sure that they you only need their tokens when you actually need them.

>> And that is not really where we are right now.

>> Does that make sense what I'm saying? Like you're like%

>> it's like oh I need a shower and Okay, great. All the water. No, no, no. I just need some water. I don't need all the water.

>> Yeah.

>> Okay.

>> All right. Listen, we uh have two final topics here. We could talk about anthropic unrolling the dark SPVS and the impact that has on the market. Or we can go to everybody's favorite science corner.

>> Well, do both. Just do a quick uh around the around the neighborhood.

>> Yeah. Okay. Lightning round on uh we'll do SPVS last. Freeberg, what do you got in Science Corner? Everybody, all the all the Freedberg fans are just destroyed when we skip it. So, let's give

>> a good one. Mark, do you like Science Corner? No, you do.

>> I do.

>> Come on. Yeah.

>> Only the oceans.

>> Mark is the greatest salesman in Silicon

Valley. He loves it all and he wants to hear more.

>> Mark, how did you learn sales? How do we become half as good as you?

>> I'm not a good sal. I'm like a I'm a a geek.

>> You are, but you know how to

>> call it a Tony Robbins seminar. Let's go. Walk over the coals together. Let's roll.

>> We're all going to Tony. Put out the coals. We're walking across them.

>> Nick, let's pull up the first chart.

This science corner is about the dreaded El Nino season that is coming up. And so this is a forecast for sea surface

temperature anomalies. And basically

what this means is that the ocean at this point has heated up so much that

there's now a forecast on ocean

temperatures that are going to exceed

anything we have seen in recent history.

So we're kind of looking at temperatures

that might be 4° above normal. That

doesn't sound like a lot, but let's just

look at this image. That top image is

the sea surface temperature anomaly.

That means how different the sea surface

or the the ocean temperatures are. Why

does that matter? And this is compared

to 1877 when we had the biggest El Nino

year ever. And I'll explain what that

means in a moment. But why does this all

matter? The reason is the oceans are the

battery of weather. What happens at one

part of the year is that the oceans

absorb heat energy and absorb absorb

absorb gets hotter and hotter and hotter

and then that heat energy is released

into the atmosphere and then the

atmosphere drives the weather events

that happen all over the world and it

becomes somewhat predictable that you can estimate what the weather over the next year is going to be like based on how the temperatures are sitting in the ocean today. And at this point there is so much excess energy stored up in the oceans. I'll give you guys a statistic. It's about 11 million terowatt hours. The whole planet Earth uses 25,000 terowatt hours in a year. So 11 million extra terowatt hours of energy is currently stored up. That's 500 years worth of human energy in this ocean. And over the next few months, that energy is going to be released into the atmosphere. And that will absolutely 99% confidence that will make the upcoming year the hottest year on record by far that humans have ever experienced or at least that we've experienced in recent history where we didn't have data going going back a long time. It changes the trade winds which changes how a lot of the weather evolves from a normal season. It changes the moisture in the atmosphere in certain parts of the world. And I'll just give you some highlights of what this means. Over the coming year, there will be major atmospheric river events where you just get water dumped on you in the southwest in California and the Gulf Coast. You'll have very low snowfall and very high heat waves in the northern part of the US going up to Canada. You guys remember all those fires a couple years ago in Canada. Interior regions of the US like in Phoenix and and so on. They're already seeing temperatures at 106 degrees in May. A super El Nino like is forecasted for this year could extend that duration of these heat domes which

could create temperatures that we've never seen in those areas. Southern Argentina, Chile, Brazil could see record shattering heat waves. And this is where things start to get a little nasty because when that happens, the crops start to fail. And in many parts of the world, Brazil, India, Australia, these are critical uh local consumption for large populations, but also major export markets. So if Brazil's crop fails, if Australia's wheat crop fails, Australia's wheat crop goes to places like Indonesia and the Philippines. Hundreds of millions of people depend on that that wheat crop. Hundreds of millions of people depend on the exports out of Brazil. Brazil is the world's largest exporter. And the scariest one of all is if the monsoons fail, which is now a very high probability event in India. 150 million farmers in India that depend on their agricultural output or they don't make any money, they can't survive. and one and a half billion people that depend on that food. So the importance of this El Nino event goes beyond just like an interesting weather anecdote. But if you think about the second and third effects of this over the next year, you could see energy prices spiking and electricity spiking and the grid failing in parts of the southwest, commodity prices spiking all over the world. And then you would see places like uh India, the Philippines, Vietnam starting to face some sort of unrest if there isn't enough food supply that's coming into those markets. And then the question in India is a really nasty one because there isn't a really good solution. India and markets like it

that are significantly dependent uh on having their monsoon event but also are currently facing a shortage of nitrogen based fertilizer because of the crisis with Iran and the straight of Hormuz which we've talked about as a double whammy. So over the next year in South Asia you could see a calorie deficit and a major kind of economic crisis that starts to emerge. So, this El Nino event, I just wanted to kind of bring it up as an interesting science corner because the data now seems pretty confirmed that over the next few months, we're going to have this record-breaking El Nino and these are the sorts of consequences that will play out over the next year.

>> This is scary. God damn. What do you do about the the food problem? That's a big problem.

>> That's a big problem. And this is the commodity markets are going wild for this right now.

>> Did this did this happen the last time we had an El Nino?

>> Yes. So when we have El Ninos, there's a severity of these sorts of events happening.

>> No, I mean, did we have a food shortage problem in the last El Nino?

>> Oh, yeah. When we have El Ninos, there's food shortages that come out of Australia, Brazil. You see these events. That's a regular part of the the thing. The problem this year is the index is so off the charts. It is so far beyond anything we've seen and it's correlated obviously with the severity that it triggers a crisis that may be, you know, really difficult to manage in a lot of places. So the US is a net a exporter.

So from a US perspective, our big issues to worry about are the fire season. By the way, this does decrease Atlantic hurricanes. You're going to have fewer hurricanes this year in the uh in the south, but you know, you have these kind of major storm events that happen in California, the heat waves, electricity prices. We're probably more stable than other parts of the world. But think about the Brazil, the a export market is such a significant part of the economy and Brazil has a debt problem that this could end up becoming an economic problem in some parts of the world including Brazil. So the the commodity markets are trading this El Nino event pretty actively right now. It's become kind of a focal area for a lot of folks in in commodity markets. Can your super seeds help or no?

>> That's a longer term solution. But I mean look, we're like at the end of the day having um this actually a good point, but having genetics a crop genetics that can adapt to a more rapidly changing climate is going to be critical over the next couple of decades. Uh that's a big kind of macro for

>> another part of this Freedberg that as certain places heat up they actually become viable places to put crops i.e. Canada or the northern part of the United States. So we're seeing the actual places you can grow certain crops independent of gen genetic modification is expanding. In other words, farmlands expanding because of global warming.

>> Right? So we increasingly grow soybeans in Canada. That was not the case. uh two decades ago through both plant breeding

where we've made the genetics adapt but also the warmer temperature the shorter winters and whatnot they've been able to grow that that crop further north but if you guys go back a couple of years there were major heat waves and droughts in Australia

>> huge fires yeah

>> huge fires but remember that wheat goes to Indonesia it goes to Vietnam it goes to these countries with hundreds of millions of people dependent on it and then they got to go scramble and find it elsewhere now on a global basis there's always a a bit of a give and a take but in a year like this when you have this much energy pumped into the atmosphere, you may not have the given the take and that's where things start to buckle.

>> All right. So, yeah, it's just like an early warning sign. I know I've given food warnings, food crisis warnings twice before on the show. He gave a really good one for Ukraine four years ago and it turned out that that warning resulted in a negotiation to allow wheat to flow out of Ukraine that Russia Ukraine and other folks made a specific carveout in their war to make sure that famine didn't spread. So

>> and the fertilizer export was negotiated at the start of the war as well which was critical.

>> Yeah.

>> Uh for sure.

>> I think you played a role in raising awareness for that. So I give you credit to Freeberg Mark. Uh thanks for coming on the program. Sorry that uh at the end of the program we all want to commit sapuku here but you know we have Dr. Doom and he uh he always loves to end

the show. There he is
with an upbeat you want to rap with an
upbeat anthropic
doomsday starring David Friedberg
coming to the Marvel franchise in
December. Yes. So you thought Robert
Downey Jr. was playing him. It's
actually Freedberg. Here's your meme.
It's not Mark Beni off's first time uh
here in the SAS apocalypse.
>> There it is. First time.
>> He's like, I've been doing this before,
boys. I'm buying my stock back.
>> Somebody cut that rope.
>> Yeah, absolutely.
>> All right, listen. Uh I'll I'll just
lightning round this one. Philanthropic
has had enough of the shenanigans of the
multi-tiered, multi-layered SPVS being
sold to dentists for 10% loadin fees. I
think we all knew this day was coming
since it's becoming the wild west. They
called out specific platforms and they
said we're going to negate them. Chimoth
Tempest in a teapot or long overdue
punishment for bad actors.
>> Love Mark said it right. All these
companies should go public and get
evaluation and and focus on the higher
order bit. And all of these tickytacky
mechanisms that people can use to stay
private longer need to get a bullet put
in its head. And these SPVS are the
worst. The layered SPVS on SPVS on SPVS.
>> By the way, I and I will guarantee you
this. Once SpaceX goes public, once
Anthropic goes public, once OpenAI goes
public, you're going to see a litany of
these lawsuits back and forth between
the purveyors of these SPVS, they should
not be allowed.
>> They should be all negated if possible.

You can't now you can't unbreak the eggs. So, I guess you just have to call it what it is. I hope every company adopts this and I hope as a result these companies go public sooner and they rationalize their equity structure faster. I think it's the right thing to do. So, I like the fact that anthropic is

>> just say it. Descartiad.

>> Well, it's not discretziad. I just I I just think that you are going to have a lot.

>> No. Well, you're going to have a lot of people that are going to be very upset once this SpaceX thing comes out because inevitably, because it happened in Uber, somebody gets screwed in a layered SPV somewhere that they didn't know and they're going to be like, "What happened?"

>> Read the fine print. You're getting double carry and you paid 10% on the loadin fee and you paid a price 10% over what the last round was. So, it's a recipe for disaster. The fine print. for disaster.

>> Recipe for disaster. Hey Mark, great job. Thanks so much for coming back with you guys. Yeah, come back any time. You were great. Hey, your

>> there's a we have a fan question here. This is a fan question that came in written by your PR department. They want to know when you do your charity work uh or your innovation as a founder, are you more,

>> you know, at this stage in your career, you're known for both of these things. Are you more Steve Jobs or more Lorraine Pal right now? What your PR department worked very very deep question they f

the best decision I ever made the best
when I started Salesforce we put 1% of
our equity 1% of our profit and 1% of
all of our employees time into a
foundation. Today we've done more than
10 million hours of volunteerism. We've
given away more than a billion dollars
in grants

>> and we run over 50,000 nonprofits for
free on our platform. That's just
Salesforce.

Every I every company should do this.

It's amazing. Pledge11%.org.

That's my advertisement for the show.

>> Everybody should jump on the 111
platform. Best decision I ever made 27
years ago. Irrespective I've obviously
done a huge amount of personal
philanthropy to five hospital.

>> You did one that was really I think
personal. Uh Susan Wjeki tragically died
of cancer and major.

>> You're going to get me crying. Let's not
go there. This is not your time.

My best friend. Bestie. My bestie.

>> She was a special person, huh?

>> She's a star.

>> The best. She was the best.

>> Just I mean,

>> I'm not kidding. You're I'm not kidding.

>> Tell the audience what was so unique
about Susan. Tell tell them what you're
It's a good time to do a remembrance.

>> She This was one of the great people on
the planet. Incredible woman. Mother of
five amazing children. Um, and uh, two
amazing sisters, great family. Uh,
everybody knows Ann, her sister, her
sister Janet at UCSF. Um, sorry, my eyes
are tearing up, but I'll just tell you
that, you know, she contracted a very
rare form of cancer, passed away too

young a couple years ago now. Um, and she was on our board. She was one of the great people of all time. I'm so grateful that her family is focusing on building a new foundation to go after this rare cancer. Uh we're backing it. I think everybody should. Um look, everyone should try to be a Susan. She was one of the absolute greats and uh I have an altar in my office. When you come to see me, you'll see with the photos of her and me and I think of her every single day. And uh my heart just stays with her, her husband Dennis, all the children, the sisters, the wholeiki family. Amazing. And one of the great institutions in Silicon Valley. We're lucky to have the whole family.

>> Yeah, she was fantastic.

>> Well said.

>> All right. Well said. Rest in peace, Susan Waki.

>> Thank you.

>> All right. We'll see you all next time on the podcast. Love you boys.

>> See you guys. Aloha. Thanks for Bye-bye.