MAGGIE: And so, I think for cities and towns, understanding what their core strengths are, whether it's natural resources, or tech, talent, and leveraging that first off and then building around that is important.

CHRIS: Welcome to *No Turning Back,* a podcast hosted by General Stan McChrystal, and myself, Chris Fussell. Our goal here is simple: to have serious conversations with serious leaders, so we can learn from the best, and navigate these complex times together. Thanks for joining us.

ANNA: As we embark on this "Future Focused" series that looks to the future of work and our world at large, we were really interested in exploring how cities and businesses will grow together. Meet Maggie Hsu, the former Chief of Staff to the CEO of Zappos, Tony Hseih, who was heavily involved in the Downtown Project. The Downtown Project aimed to build and revitalize the community of Las Vegas.

Maggie has spent her career thinking ahead about ways to make our future world better. She has been a McKinsey consultant, and has she has shifted her focus to blockchain, leading business development for Amazon's blockchain service (called Amazon Managed Blockchain). Currently, Maggie works for Andreessen Horowitz, a leading venture capital firm. Maggie is a Partner in the crypto fund, focused on business development and go-to-market initiatives.

In this episode, Maggie explains the intent and legacy of the Downtown Project, dives into holacracy and its connections to blockchain, how cities can be cryptofriendly, and how she thinks work, life, and play have fundamentally changed after the pandemic. It's one of our more thought-provoking discussions as we look ahead to 2022.

Thank you to Maggie for making the time - we hope you enjoy. Now, over to Chris.

CHRIS: I'll kick it off here. You know, you, you've got this pretty phenomenal background. We'd love you to describe, a bit for listeners: from consulting experience at McKinsey, off to other parts of industry, worked closely as chief of staff to Tony Hsieh, for, for, for a while. We'd love to dive into that a bit with you. And now working in Amazon's blockchain service, Amazon Managed Blockchain, for awhile and then over at a16z.

So ,a lot of things we can dive into. But we'd like to start… we're doing this series on the future of work. So, we'd love to start with your observations about the Downtown Project that Tony Hsieh was driving when he was at Zappos. I was in a conference in Boston with a, probably a mutual friend, Tony Chan, who was close with Tony Hsieh.

And I saw Tony, I'd never met him before talk on stage there as a keynote about the vision for, the Downtown Project outside of Vegas. And there were all these other sort of amazing and interesting folks, but Tony certainly stood out, to the, to the group and it was sort of whatever he was talking about afterwards at dinner and, and whatnot.

In large part, I think because it was so, so non-intuitive, right. This incredibly successful entrepreneur, who found this niche that nobody had really captured yet and was pivoting so much of his energy and time and focus towards, really trying to find a future of, how people could live and work and interact with one another, and took this huge risk, doing it outside of a Vegas.

And you know, and it's had its ups and downs. But would love to hear your, your thoughts on that, that, that project, whether that specifically, or lessons from that around sort of future of how people might interact between professional life, where they live, the communities that evolve around that.

MAGGIE: Well, first off, thanks so much for having me. As a bit of context for the Downtown Project, it was founded by Tony Hsieh in 2012 with an initial personal investment of $350 million. And the goal was really to help revitalize downtown Las Vegas, which had been hit pretty hard in the 2008 recession. Tony, as you know, was the CEO of the e-commerce company, Zappos, which had sold to Amazon in 2009.

And the initial idea was to relocate the Zappos headquarters to the heart of downtown Vegas in the old Las Vegas city hall building. But instead of building an insular corporate campus, he really wanted to have multiple connections with the surrounding community. And I connected with Tony through cold email. He had come to my school on tour for his book, *Delivering Happiness*, and after his talk I'd emailed him and just really admired his business philosophy around customer service. And so, I wanted to learn from him in any way I could, I ended up going out to Vegas for supposed to be, you know, two weeks, then it was three months. It ended up being four years and I served as his Chief of Staff at the Downtown Project.

STAN: Can you talk more about it? Describe the Downtown Project? Because a lot of people who don't know it.

MAGGIE: The idea was to really invest in a number of different areas, including real estate, small businesses, tech investments, arts and culture, all across the board. And, we didn't really know what would work. So, the thought was that we would essentially seed a lot of these different investments. So, everything from mom and pop restaurants, to tech startups, to an elementary school and other things, and, and really build and invest in these entrepreneurs that were doing innovative things.

I think it was potentially ahead of its time. I think economically it was the right time to do it, but in many ways, some of the ideas in that framework of investing, were, were surprising to many folks in Las Vegas and beyond.

CHRIS: Do you think that, whether Downtown Projects specifically, or just that idea more broadly, where do you think that maps into the future of how wwe're going to evolve as a society and how we'll view work? The last two years has been a dramatic shift. It's interesting to think about like, what would during a pandemic, like we've been going through connected

communities like that, that have some sort of different heart and feel, how would they have reacted if we had that at scale?

Do you, did you walk away from that, with, with hope that there's a glimmer there of what the future will look like?

MAGGIE: We saw the city as this facilitator of what we called "serendipitous interactions." I think of them as serendipitous, transformative interactions. So, these are really chance encounters that you might run into someone who's exploring something different from what you're studying, and that will affect how you think about your work. I think, unfortunately, during the pandemic, we lost that, as folks went to remote work, they weren't able to just run into each other casually around the water cooler or in the fabric of the city. And I think that what we're starting to see is how can you get back to that in some ways and get back to that serendipity.

That was something we were always optimizing for was a bit of sometimes redundancy because we wanted that serendipity, and we wanted that idea share and idea flow.

STAN: Yeah, it's really interesting, Maggie, when I was young, because I'm much older than you and Chris, both. I remember the War on Poverty and we decided to take on many problems in cities. And one of the ways they did that was to take disadvantaged people and build these big high rises, where you could bring all of them together and you could provide social services and all these kinds of things. And of course, they became an absolute disaster because all of the problems got together, and in many cases of problems reinforced each other.

And then later when I was in Afghanistan, we were using counterinsurgency doctrine, which is based upon the idea that you are going to have to strengthen society to get the outcome you want so that the people will support it. And in particular, around the city of Kandahar, for example, we were trying to provide security and economic development and support for the government, better government, but it was always the "chicken or the egg" question because we needed more electricity to provide opportunity for business and support for the government.

To do that we needed more security, because the Taliban were cutting the power lines in. We needed more governance, but to me… and so the point is it's always incredibly complex. And so that one of our staff officers actually did a computer model of a counterinsurgency doctrine that we used, and it had all these feedback loops in it. People used to joke about it as the "spaghetti slide." And they laughed at it, but the point was, it really is this complex. Everything is interconnected in some way, some way in many cases, not things that are obvious. So, when you think about the future, transforming the future of work, or in the case of the Downtown Project, how do you think about that complexity?

MAGGIE: Absolutely. You know, Tony didn't have a formal urban planning background, but he instinctively, like you, understood the importance of how important mixed use environments were and how having a diversity of people positively impacted the fabric of a thriving city, for example, New York or others. We thought a lot about complex adaptive systems, which I know

you've written about in Team of Teams and this notion of an organization or a city, and thinking about it with a sense and response strategy instead of a plan and control strategy.

So, we actually prioritize resilience as an organizational strategy, even over stability and productivity. And we were inspired by the research of a gentleman named Martin Reeves who was at the Boston Consulting Group. He actually studied the intersection between biological and business ecosystems, and the notion of these complex adaptive systems as a model.

So, his research said that you have these local events and interactions among heterogeneous actors in the business context, or the city context, they might be employees or citizens, and they cascade and reshape the entire system and a process called emergence. And then the actors then respond to the system's new structure.

And so, the system is continually evolving these hard to predict ways in this ongoing cycle of really feedback and emergence, and I think that maps point nicely to the spaghetti slide. I mean, it's not a linear problem. At Zappos, the challenge was selling more shoes and more clothing and, and growing revenue and profits, but in a city, you're trying to really approach all of the problems at the same time and, and, and multiple angles and it's not really a linear process. And that was something that I think a lot of folks didn't expect or didn't think about.

CHRIS: Say more about that last comment. Like didn't think about that…. how hard it would be to build that, or how… verse, where it grows, just happens organically.

There's another book, *Scale,* I'll think of the author, that makes similar sorts of arguments that we've looked at a lot. Is your takeaway that it's, that that is still a doable thing? Like we can create this or are there just, are there too many challenges to try to do it from the ground up? And it has to happen at the city level, just as a, as a more organic process?

MAGGIE: We had to invest in the infrastructure. We had to build out businesses. Then we had to invest in housing stock for residents who could support those businesses. Then, you know, music and entertainment and programming for them to go, you know, between day and night, then workspaces of coworking spaces. And so, it felt like you needed to invest in many different areas at once.

And there was some organic evolution, interaction, but if you over-invested in one, I mean, building a, an apartment building takes a number of years and we saw that then you actually need a short-term solution or else the restaurants are now open and you don't have that residential traffic. So, for us, it was this constant experimentation, iteration. And we ended up, I think being most successful in investing in not just the infrastructure, but really in people and ideas. And that's where I see our approach differ from a number of other cities. It's obviously important to have infrastructure that's probably table stakes, but we were also investing in entrepreneurs.

CHRIS: What, what lessons were you applying across to any range of, of cities from, from small, maybe rural environment, all the way up to the Chicagos and New Yorks and Londons based on that experience?

MAGGIE: I think if you think about the success rates of startups or restaurants, it's often quoted that 1 in 10 will succeed, right? So, 9 in 10 will fail and as we invested in all 10 of them, I think where we fell short and potentially one big regret I have was making sure that for the nine that didn't, we still were able to provide mentorship and training and skill building for the entrepreneurs, even if we didn't continue to provide funding. And I think that's an area where, at a certain point, you know, these are, these are bets and experiments on different businesses and ideas and not all of them will succeed.

STATN: Maggie this morning, I had a conversation with a gentleman named Bob Johansen who's a futurist and Chris and I have had him on the podcast already, and he really is exploring how work is going to change. And I'm going to expand our conversation about the Downtown Project, because work is obviously a critical part of that.

But how is life going to change independent of the Downtown Project? How has, how has technology like blockchain and just the things we've gotten better at over the last two years, how's that going to change the way we live and the way we get our jobs done and make our living?

MAGGIE: Tony was fascinated by self-organization and he began implementing something called holacracy, both at the Downtown Project and at Zappos. And under Holacracy, there are no managers or bosses, and rather than, or organizing people, you are organizing work into circles of purpose. And so, if you look at the flow of ideas in a hierarchy, if someone in the front lines has an idea, even if they can get up to their manager, that likely will go nowhere, but in a Holacracy, these ideas can be surfaced much more easily.

And this was a version of what's known in blockchain as a decentralized autonomous organization or a DAO, and a DAO is a way of coordinating work in a decentralized manner. So, you run it on decentralized infrastructure. It's organized non-hierarchically, and you have distributed governance, enabled by what are called "tokens," which are basically like membership and voting rights.

And I vividly remember being in a meeting where Tony was thinking about rebalancing everyone's pay on a week-to-week basis because he thought that it could rebalance based on whatever roles they were holding in the Holacratic circle and the HR representative sitting there, was not that happy because she was talking about things like FMLA and exempt and non-exempt statuses. And what I think is great about today is that there are a number of blockchain projects exploring this very topic.

So, our general counsel at a16z Crypto just came out with a 30 page white paper on the legal structure of these decentralized autonomous organizations. And I think that a number of these systems are really formalizing some of the thinking that Tony had.

CHRIS: Going back… so, I lived in DC for years when we first met. And, about a year ago, my wife and I, our family moved, moved up to the mountains, a few hours west of, of Washington.

So I've lived in dense, urban area, and now in a very small mountain community of, you know, 3,500 people. So, if you… applying lessons from, and you've been looking at this for awhile, like in a community of, of this size, 3,500 people, it wants to continue growing or pick a big, any sort of rural environment, which I think has rightfully gotten some more attention of last two years, where we've shown some fragility in our ability to access those communities, both digitally and then supply chain issues. It, so they want to shore those up and they say, we gotta, we gotta grow a little bit and stabilize ourselves, but as Stan described a moment ago, um, there's all the interconnected problems. What do we start with school so we can train, attract more people to stay here and they don't, they don't flee once, once they're a high school? Do we start with better healthcare? Do we start with better infrastructure?

Because they don't have a lot of money to spend on 10 different problems all at once. Like, do you have a standardized or a mental checklist? The number one, two or three priorities are X? Or is it always going to vary based on the community?

MAGGIE: I do think it varies. One of the things that struck me when we were first launching the Downtown Project was at the time Silicon Valley was very successful and all these other cities were saying, you know, we're the Silicon Valley of the East, or we're the Silicon valley of the South.

And what we realized was that Silicon Valley was successful because they had that unique mix of talent and tech and, and all those different factors. But other cities had other value propositions. And I think in Las Vegas, the natural value proposition, you know, thriving hospitality industry, the gaming industry, and there was actually some really interesting innovation in technology around solar, self-driving cars, things like that, battery technology. And so, I think for cities and towns, understanding what their core strengths are, whether it's natural resources, or tech talent, and leveraging for stuff and then building around that is important.

CHRIS: So start with… what's what's the thing that makes this place different? And then what do we need, what do we need to build to grow there first?

MAGGIE: And, and for us in downtown Vegas, we could barely get people to come and visit. So they would be on the strip for a conference and even to say, Hey, I'd like you to come downtown.

And so, what Tony actually did was he set up a number of apartment units, furnished apartments, that were offered as free hotel rooms. And basically was, you know, tricking folks into, to coming for a week or two, hoping that they would just take the time to discover what was there and see what was going on, and really talk to folks who were building these things.

And it actually worked. So, we hosted a number of… essentially salons and mini conferences. So, every week of the month had a different theme. We brought in entrepreneurs from around the world and they came and they hung out and they shared ideas and for every, you know, the ones that went back, a number of them actually stayed and, and told their friends and brought their friends. And so, for us, it was exactly building on the natural strengths of downtown Vegas, but

also getting folks to come and see for themselves. And I think you're seeing a lot of this in Austin and other cities, and I know Tony was building something similar in Park City before he passed.

CHRIS: Do you…I'm assuming there wasn't like a moat that went up after people got tricked into …

MAGGIE: But I mean, it happened to me. I showed up with a suitcase that then never left for a number of years and ended up bringing more clothes. There was a gentleman who showed up and then actually didn't even go home. He had his stuff mailed to him because he was just so excited about what was going on. I remember he had to go buy new clothes because he hadn't run out of clothing.

CHRIS: It's interesting. I don't know how closely you've looked at the economics of it, but… and one of the reasons why, you know, the one time I met Tony, I think people are so enthralled was, this is a lot of personal investment, just as sort of, as an experiment about the future of how we should be doing stuff.

Which is enticing. But do the economics… will these be privately funded or a bunch of wealth coming together saying, Hey… there's a, there's a moneymaking project here, or is it worth governments really thinking through how do we redesign the city? Like, is there an economic return that we should be thinking about at a much larger scale?

MAGGIE: We're seeing a number of different models. Definitely the public-private partnership model works really well around the world and in other cities like Copenhagen and Mexico City, Singapore. I think it's more about the general mindset and framework and not being tied to what will work economically.

So, one example is that we ended up opening a bar and coworking space called the Gold Spike. It was a 24/7 operation. It had been a casino and that ended up being an extremely successful operation that was, you know, near-term successful, able to really drive a lot of economics into some of the other areas that took more time. And so, I think by just having a balanced portfolio of innovation and investment, that was pretty important, both on the real estate side, as well as the business side.

I think in terms of different cities, we actually had a number of people come and see what was going on downtown Vegas, and then go back to their hometowns and build out similar projects. So, the Container Park is this amazing family friendly retail and restaurant play area and dining area that's in the heart of downtown Vegas. And I remember a gentleman named Barney Santos came, saw what was going on and then went back to his hometown in California and built out something similar and essentially was using traditional financing where he was raising money and, you know, sharing the word, pointing to the Vegas about, you know, what we had done, and sharing that here was a model that was successful. And today it's a thriving ecosystem and that was mainly done on the private side.

We also spoke with a number of other cities and mayors and organizations working on the public side. And I think there are ways in which the government can help facilitate this, in terms of incentives and tax credits and, and other things like that. We actually were working Vegas pre-opportunity zone. I know that that was a funding mechanism that others explored as well.

STAN: Maggie, I spent my life, as did Chris, the first part is life in the military, moving to where the job was. And of course, I think that was pretty traditional in, in all society. You, you went to where you needed to go to a town, to factories, or mines or whatever, and that's where you lived. And you and Chris talked about geographic locations like Silicon Valley, all of the factors are there in a certain geographic area, the investment capability, the talent, all these things. But we, at the same time, in recent years, we've had this idea that you can work from anywhere.

And so, you can virtually participate. So, I guess the question is, are we going in the future to move to a place like Las Vegas to live? And then work elsewhere? Or will we be going there because that's a work environment or, you know, nothing will be absolute. What do you think will be the dominant factors?

MAGGIE: During the pandemic, I personally had a number of friends leaving the cities where the cost of living was just on sustainable and moving to other cities because they were able to do their jobs remotely.

And I think that this notion and Tony actually had downsized tremendously and was living in a community of tiny homes and airstreams. So, this notion of minimalist living, really just needing a place to stay and an internet connection in order to function. I think it's interesting to see the, the rise of blockchain and Web 3.0, because you're starting to see things like the metaverse, where people are looking at virtual land and participating in these virtual economies.

And I think that could be one potential way of the future, but I really do think that the notion of work and live and play and where we're going has dramatically changed. And I don't think it will really change back to what we saw before the pandemic.

CHRIS: Can, can you say a little bit more going back, a point or two ago, that you made on the, the prioritization question? And I'm curious if you've had these discussions with other cities or been involved in any sort of planning cycles where… you mentioned Copenhagen, like I'm sure there, there would be leaders in Copenhagen saying, well, the thing that makes us different is… it's a tourism destination. So, we just start there. Others would say, no, it's our ports and supply chain, others would say, it's the financial side, you know, how, how, how does there's no easy answer there, but like, do cities need to solve that for themselves or is it better to create sort of a sense of, maybe healthy competition between different parts of a location to figure out which one emerges? Because you know, everyone's going to have a different view potentially on what the, what the core thing is that makes it special.

MAGGIE: I believe, and I believe Tony believed this as well, that competition and, and more of the capital market approach made sense. Because again, it's so hard to predict what will be the

driving factor that allowing these different units and economic entities to have those investments and ideas and press around what they're doing and see what they can attract.

And then from there, starting to see what really is successful. And I don't think we could have predicted at the beginning of the Downtown Project that the entertainment and the dining, the retail, we also launched a, a music festival called Life is Beautiful that had as over a hundred thousand folks coming and hopefully will this year.

And these were things that we could not have planned. They were things that we had to allow to organically grow. And, and, and I think that was one of the successes about the approach that we took.

STAN: Yeah, Maggie, it really brings us to what we're fascinated by is leadership because I've done a lot of work in New York City and I spent a couple of years on a board of one of the big banks. And of course, when COVID hit, 93% of that bank's employees were able to work from other locations. And that was, an absolute shock to the bank that they could make that work with that percentage. And so of course, they're now looking at how much should be there in that high-cost area.

So now we talk about the leadership of a city, like New York, which has enjoyed this magnetic appeal for big business. You, to a degree, you had to be there to make big money, which of course brought other people there, which threw up real estate prices, all these kinds of things. How does the leadership deal with the fact that as Chris hinted at earlier, if they've got to make a different value proposition, your business doesn't have to be here in pay here and pay huge rents, but it's really good to be here. How do they, how do they deal with that?

MAGGIE: It's interesting. Miami has been very friendly towards blockchain and they're working on a number of government interactions around cryptocurrency. And they've been quite vocal about attracting entrepreneurs in this space.

I think that's one interesting approach is essentially being extremely positive about a technology and allowing individuals that want to experiment with that technology come and live in the city and be able to test and innovate.

We do need to start with basic infrastructure requirements: such as access to food, clean water, safe housing, and reliable transportation. But after that, people are choosing to live in places due to a combination of economic factors and happiness factors. On the economic side, it's cost of living and having job availability. And job availability was historically solved through large single employers, but in order to provide a more resilient system, we want multiple employers. And in today's remote work world, that may not even be necessary.

But after that, it's about the intangibles of place: that could be good weather, or access to outdoor environments. But we believe you can draw a great mix of people to really anywhere if there was room for experimentation. From a town of city perspective, that's looking at assets you already

have in place: whether its natural resources, or a talent pipeline from a university, or prevalence of a certain sector, and enacting policies that build on those assets to attract more people.

CHRIS: Maggie… can you go a bit deeper and air that you're well, much better versed in the 99.9% of the world in the blockchain and cryptocurrency space. Most of us would understand that the city is friendly to manufacturing, or to the financial markets, or to pick your sort of traditional industry.

When you say a place like Miami is, is friendly to crypto and that, that more progressive part of the market, what does that mean? Like, literally, like, what are they doing to attract that in?

MAGGIE: There are several ways in which cities can become more cryptofriendly, including allowing employees to be paid in cryptocurrency, or to pay taxes in cryptocurrency. And having appropriate cross-agency legal or regulatory systems that allow crypto companies to flourish. In the case of Miami, they are doing a few things: they have created a MiamiCoin, which helps fund municipal projects, and will also be providing dividend to all residents for profits they make….

And I know other cities like New York are also aiming to be crypto friendly. So, it could be something as straightforward as accepting crypto payments. So, allowing government employees or others to accept payment in cryptocurrency or their compensation cryptocurrency. It could be facilitating legal and regulatory, positive legal regulatory environments for cryptocurrency and Web 3.0 businesses. It could be essentially like taking municipal debt and other waves of financing, but allowing residents of the city to have ownership into the city, both from a governance perspective, as well as from an ownership, actual investment ownership perspective.

CHRIS: You're just convincing me I need to read more about cryptocurrency. It's fascinating. Yeah, just a super interesting discussion. I, I would… I have one last question for you. Stan may have more, but I'd love to, just at a high level, like your… you've been staring at multiple parts of the space from like on the ground, working with Tony in the project in Vegas to all the tech that and cryptocurrency stuff that's going to surround perhaps the, the future of how we live and work and exchange.

What, what gives you hope in that, in that space right now? I mean, you've seen ups and downs there. Do you think we're generally headed in the right direction?

MAGGIE: There's an incredible wave of innovation. A lot of smart people are thinking about this. I think in the context of what I've been calling Web 3.0, Web 1.0 was really the beginning of the internet, where you had a read system, you could read and access data that was posted. Then you had Web 2.0, which was essentially the internet up until now, where you could read and interact with the different providers. And oftentimes it was free, but ultimately at the expense of your data. And your data is being monetized by these large organizations.

And what we're really excited about is the emergence of what we're calling Web 3.0, which is a read, write and own system where you have now access and ability to interact, but also to own

and participate in the governance of data and specifically your own data and to take control over your own information and actions on the internet. And I'm really excited about that. We're seeing use cases there in finance and decentralized finance, in art, media ownership, property rights. And there's so much innovation that I really think that this is the future of how we interact and how we own.

CHRIS: I don't, I don't know a good analogy on this, but do you think there's gonna be a time in the future 50 years out or whatever, where we look at this window from, call it early 2000s until this conversation, we say, oh my gosh, they were… they were so off base in the amount of just personal data that was pushed out there. Is there going to be, this is a time capsule of this, this crazy window that we went through and it will actually get more stable and sustainable over the long-term?

MAGGIE: I hope so. I think that general individuals and users of these systems are realizing that their data is out there and not under their control. And so, this notion of, of taking that back and taking back ownership, whether it's medical records, financial transactions, really anything, and I think it'll be exciting to see where that takes us.

There's a number of projects and research around this concept of decentralized identity and self-sovereign identity. And so, think about owning your own credentials and certifications. So when you graduated from university, you have your credentials. When you rise up the ranks and you know, the military system, you have those credentials and you're able to have those and carry those from location to location. They're not being held by a centralized institution. They're really held by you.

STAN: Maggie. I'm going to finish first by thanking you, but second with a softball question. And all you've got to do is solve the question of governance in America, particularly. Because, you know, we talked about Holacracy and I was horrified when I read about it a decade or so ago.

But, but when I think of… when you're dealing with a big bureaucracy, as you are right now… there's this sense that you can't change it. It's like the government of your hometown and your city. It's just this very difficult thing to try to, to have an impact on. And I sense that with technology and speed in society and the need for rapid change and this appetite for a greater change by people, particularly in our country, how's that going to change governance? How's that going to change how we do elections? How often maybe we elect leaders, how we influence them, how they interact? What's that going to do?

MAGGIE: We're starting to see a lot of innovation around decentralized autonomous organizations, and I think it's still early days, but there are systems that are allowing for constant voting and governance changes and they're not clean. So, for example, if something happens and there's an obvious solution, you might not necessarily be able to deploy that solution because you have to go and vote on it and go through this whole governance process because you need to stay true to that process.

But I do think it's important and it's really taking ownership and bringing it back to, to the people who are participating. I, I don't know if there will ever be a truly decentralized future. I do think that the notion of some centralization and decentralization will probably be here to stay. Human nature and organizations, and again, this is research that you've thought about and a lot around how we organize and how we govern. There will always be some type of hierarchy. I believe that, but at a certain point when hierarchy is really stifling innovation, then there's kind of this return to a more organic bottom-up evolutionary system.

And so, I don't have the answer in terms of the … but I'm really excited to see where it goes.

STAN: Yeah, I, if you don't have the answer, now I'm really depressed because, you know, I, I remember things like the referendum governance by referendum in California when they asked everybody, do you want lower taxes?

Yeah. We'd love that. Do you want more services? Yes, we'd love that too. And of course the Tocqueville wrote, warned us about this, you know, at a certain point, if you've got people who aren't completely informed and responsible, you're going to have a very difficult time making a democracy work. But I do think that you are… the direction and the things you're describing about decentralized entities, more responsibility on the part of the participants.

I think all those things are, are absolutely correct. We're seeing them in some businesses, we're seeing them in smaller areas. I'll be very interested to see where it takes us. When we get into how we govern our lives, we determine, you know, what we want for ourselves.

MAGGIE: Absolutely.

STAN: So let me start Maggie. Thanks for what you're doing. Thanks for what you've done in the past for thanks what you're doing for the nation. And it really makes a difference. And thanks for your time today.

MAGGIE: Thanks for having me.

CHRIS: Maggie, thanks so much. Great discussion.

I'll just dive right in. Yes, super interesting exposure she's had in her career over the last decade or so. And you know, some folks wouldn't have been on military basis for this to make sense. Maybe we could describe it a little bit. There are some aspects, not that it's repeatable or that, but there's some lessons… especially big Army base. Navy is not like this generally. But a place like Fort Bragg, North Carolina, it's big, it's this self-contained ecosystem by design and there's pros and cons to that. But a lot of what you hear about like these urban projects, like what Tony Hseih was trying to do, kind of exists there, right?

There's an order and a structure to it. You pay for it as citizens, because you want that military to be able to do things for you, but do you see any parallels, or do you think that's totally off?

STAN: Yeah, no, absolutely. I see the parallels and all of us have had the thirst at one point to either create a city or take one and run it better. And the best Army bases, now they have some advantages. Everybody on the base has a job. There is a certain governing set of rules and then chain of command. So, you can, you can do things, you can make things happen, but there's order, there's a certain level of discipline, but it's not onerous. If you live on them, it's actually a very comfortable environment.

So I think all of us would like to create, what is it that celebration down outside Disney World, the planned community that we're trying to create something that was like the good old days. I think we all have that thirst.

CHRIS: Yeah. Really interesting. I think the… you know, that, that owning your, your data idea. I do. I do hope it's right around the corner, for my kids' sake, you know. I think we're, we're going to be this generation that's like, you know, smoking in the car with your kid in the backseat, right. Just crazy how we're approaching this. And we'll be sort of laughed at, by future generations, but it's understandable.

Nobody knew what was going, but I think the, again, the military is gonna be a great example and there's probably other sectors like this, maybe, maybe healthcare. So, it was sort of closed systems where there's an entry point and then you're in there until you get out, where it always drove me crazy even as a, as a junior mid-grade officer that you had to like look through spreadsheets and bios to find like who has this skill on the team.

I mean, there's no way in today's world, especially close, very closed loop, like special operations community, that you can't just describe a problem and hit a button and you get, okay, here's your 50 options. Right. And here's where they are in the world. And here's how long it would take them to get them together. I mean, I'm over dramatizing it, but I think there will be… and there's probably things like that are already in the works, but we're going to be much better at being able to pull teams together, military industry, et cetera.

Would you… I'm curious if you agree with that, because you probably look at some of the downside risks is a more senior leader of being that data driven.

STAN: No, I, I absolutely think we need it. I remember even at the time when we were together in JSOC, you couldn't go back through the services and find a person with certain skills. They just didn't have that capability. So, we were looking for you'll remember Nightstalker helicopter pilots, who'd done certain things.

And I went back to the Army and they said we can't do that. We just have to start making phone calls and I, that was horrifying, but it was true. So, I think that's sort of, as, as Maggie described it, that will be table stakes for being a good organization. But if you get a step past that, as you described, you can put in a problem and you say, what kind of structure might I need for this? What kind of talent might, I need to amass for this? And have the system at least give you a first draft, a first shot at it. And I think that would be extraordinarily powerful.

CHRIS: Yeah. It seems like it's, it's all, it's all there. Right? It's a matter of how much access do you want to give to some sort of AI structure that can look at every email that you and I have ever written back and forth to each other. Cause it's all there somewhere and say, oh yeah, you're, you're, you're working on X. It's like this thing you guys did five years ago. And here's all the relevant email traffic. And here's the After-Action Report. I mean, I wouldn't know where to start on that, but it seems like all of that is, is right at our fingertips.

And it's only a matter of time before we figured out how to connect the dots.

STAN: Yeah. The other thing she referred to about the constantly changing nature of an organization. You know, changing how much money somebody makes. Of course, the free market sort of does that if you're dealing with independent contractors because they bid on each thing as they go.

But if we get to the point where that becomes more the norm, and then suddenly you have, self-organizing constantly changing entities like we did in JSOC and the fight. And you take that to the next level on pay and relative stature in the organization, professional development, all of that stuff could become really, really efficient.

And we, we don't normally use that word. It would be effective, but it also could be very, very efficient because it would start to figure out the one best way to solve the problem.

CHRIS: Yeah. It's… I can't remember. I saw this quote recently about any emerging technology in some futurist said, you know, before you think about how it'll solve problems, think about its worst case use.

Right. Or something like that, I'm beating it up. But, the, I mean the internet is a great example, right? It's going to save the world, maybe not quite, right? So, something like that, there's this ideal state where it makes total sense, but, but I can't, there's also a part of me thinks there's sort of like the Pareto Principle, right?

There's going to be that five or less percent that figures how really wire that to their advantage. And what's the downside risk to people that get excluded from, from systems like this? Or like that? I don't know, but there's part of that that makes me sort of a uncomfortable to think if it's, if it's that self-ordered, who are the very aggressive type of personalities, smart enough, enough money, enough powered, etc. such as they're going to figure out how to wire it to their advantage, which isn't inevitable. It happens in any, in any system that could get to a crazy scale. I would imagine.

STAN: The last point that I am struggling with it is this idea that there's a tension between we want to work and live wherever we want. At the same time, we're trying to create these locusts, these places, the Austin, the Boston, the New York City, that want to bring you to live there.

And to me, that seems in tension. That, that seems to be a little bit of, maybe we'll be able to do some version of both, bbut, but I'm not sure which trend really becomes more powerful.

CHRIS: Yeah, I dunno. I mean, it'll be interesting in 10 years to look back at this three-to-five-year window and think about how much it rewired us. You know, this has gone on long enough now where my kids, who are 13 and 10, will be just different people for the rest of their lives because of this, these formative experiences. And I don't, I don't know what their impression will be around living in Austin, working in Austin, or living in a van and working anywhere.

Right. It could be any number of outcomes, but it's going to be radically different than what we experienced.

STAN: Yeah. I wonder how long it'll take things like our governance to catch up because those are systems created more than 200 years ago in the case of the United States. And some of them with very good reason and pretty good track record.

And yet, they're at real tension with the current state.

CHRIS: Well, at least there's some, some examples out there with the work that Maggie's doing and Tony was trying to accomplish. So, great discussion. We appreciate her joining us here and, thanks for tuning in.

ANNA: This concludes the Future Focused series of *No Turning Back.* We will see you in 2022