

November 2023

STARTUP SNAPSHOT

How Open is OpenAI?
The effects of the OpenAI saga
on the innovation ecosystem

In partnership with:

intelignite


ARNON
ARNON, TADMOR-LEVY


Reichman
University

ZELL
Entrepreneurship Program





**Startup Snapshot
is on a mission to
increase industry
transparency**

Yael Benjamin, Founder

Introduction

NAVIGATING TURBULENT TIMES

The tech ecosystem moves fast and breaks new ground. Rapid market fluctuations force entrepreneurs to be even more flexible and adapt more quickly to the rapidly changing times.

However, even for the quickest and most innovative thinkers, navigating the future is tougher than ever. The reality is that when making crucial decisions, executives are often in the dark. They don't have the full picture of what is happening in the ecosystem.

VISIBILITY THROUGH DATA

We are here to change just that. Our multi-disciplinary team is on a mission to increase transparency, building the first ever data-sharing platform in the global tech ecosystem

We aim to provide a window into what is going on within the life of a technology ventures as it is experienced by the team itself.

THIS REPORT

I am proud to share our latest survey, which provides an unfiltered view into what the firing and reinstatement of Sam Altman means for the future of AI.

The survey included insights collected from the global tech ecosystem on the period of November 20th-23rd, as Altman joined the Microsoft team and up until his return as OpenAI CEO.

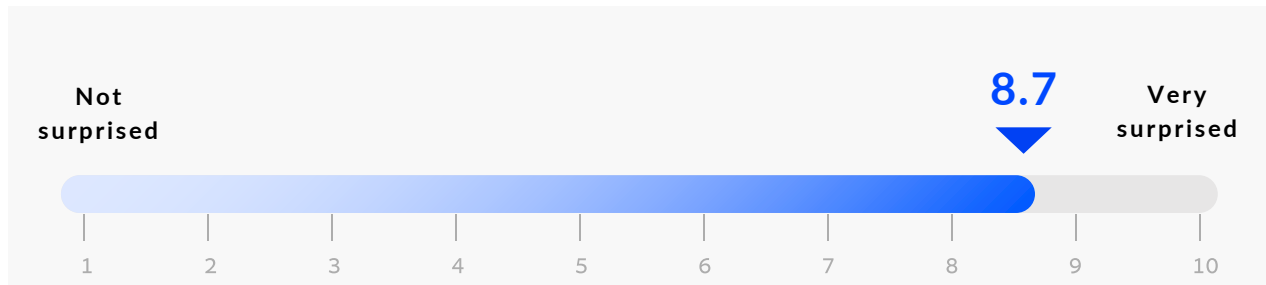
In this time of unprecedented volatility, data sharing and cooperation within the community is crucial. I hope that this information creates visibility and gives entrepreneurs insights for accelerating their ventures forward.

The firing of Sam Altman and the ensuing drama took the tech ecosystem by surprise

THE SHOCK THAT SOUNDED AROUND THE GLOBE

On November 17th, 2023, Sam Altman was fired from his position as the CEO of OpenAI, with the company stating that he was not consistently candid in his communications with the board. The extremely sudden turn of events led to shockwaves within the company and throughout the tech community, highlighting how early we are in the AI revolution and how fragile the landscape still is.

HOW SURPRISED WERE YOU BY THE FIRING OF SAM ALTMAN?



Due to OpenAI's nonprofit structure, many were unaware that Altman could be fired by the board

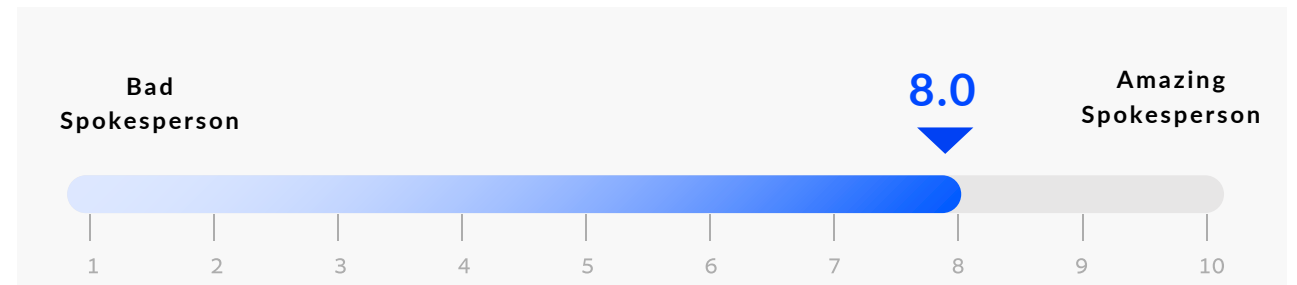
From 1-10, were you aware that Sam Altman could be fired by the OpenAI board?

**5.0
out of 10**

Altman was also well regarded for his public role as the spokesperson for AI

Beyond his role as the leading AI builder, Altman was also a prominent spokesperson for the advancement and responsible usage of artificial intelligence technology. A well-known figure in the tech ecosystem, he was responsible for the popularization of the ChatGPT family of LLMs, as well as for leading discussions around the future of the technology.

DO YOU BELIEVE ALTMAN WAS A GOOD SPOKESPERSON FOR AI?



“ It’s too risky to rely on one person to be the spokesperson for AI, especially if that person is responsible for building. It shouldn’t be self-regulated. When has that ever worked? We don’t have self-regulation in anything that is important, why would we do it here?

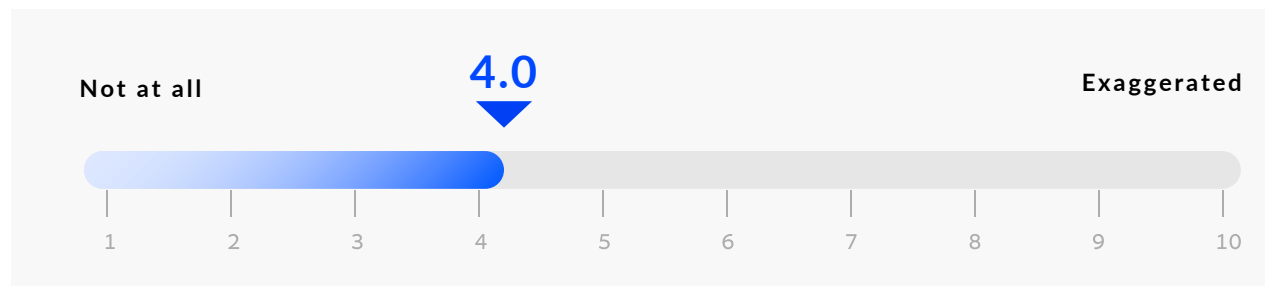
- Rayid Ghani
Professor machine learning
and public policy Carnegie
Melon University



Was Altman too outspoken about AI risks? The ecosystem doesn't seem to think so

Throughout this year, Altman was a prominent figure in US congressional hearings, urging lawmakers to regulate various aspects of developed artificial intelligence technology. His vocal position was markedly different from other tech executives, including Mark Zuckerberg and Jeff Bezos, who faced similar scenarios and worked to reduce the effects of regulation on their corporates.

DO YOU THINK SAM ALTMAN EXAGGERATED THE RISK OF AI?



”

I think if this technology goes wrong, it can go quite wrong. And we want to be vocal about that. We want to work with the government to prevent that from happening.

- Sam Altman
CEO OpenAI, on AI,
during his testimony in
front of US lawmakers

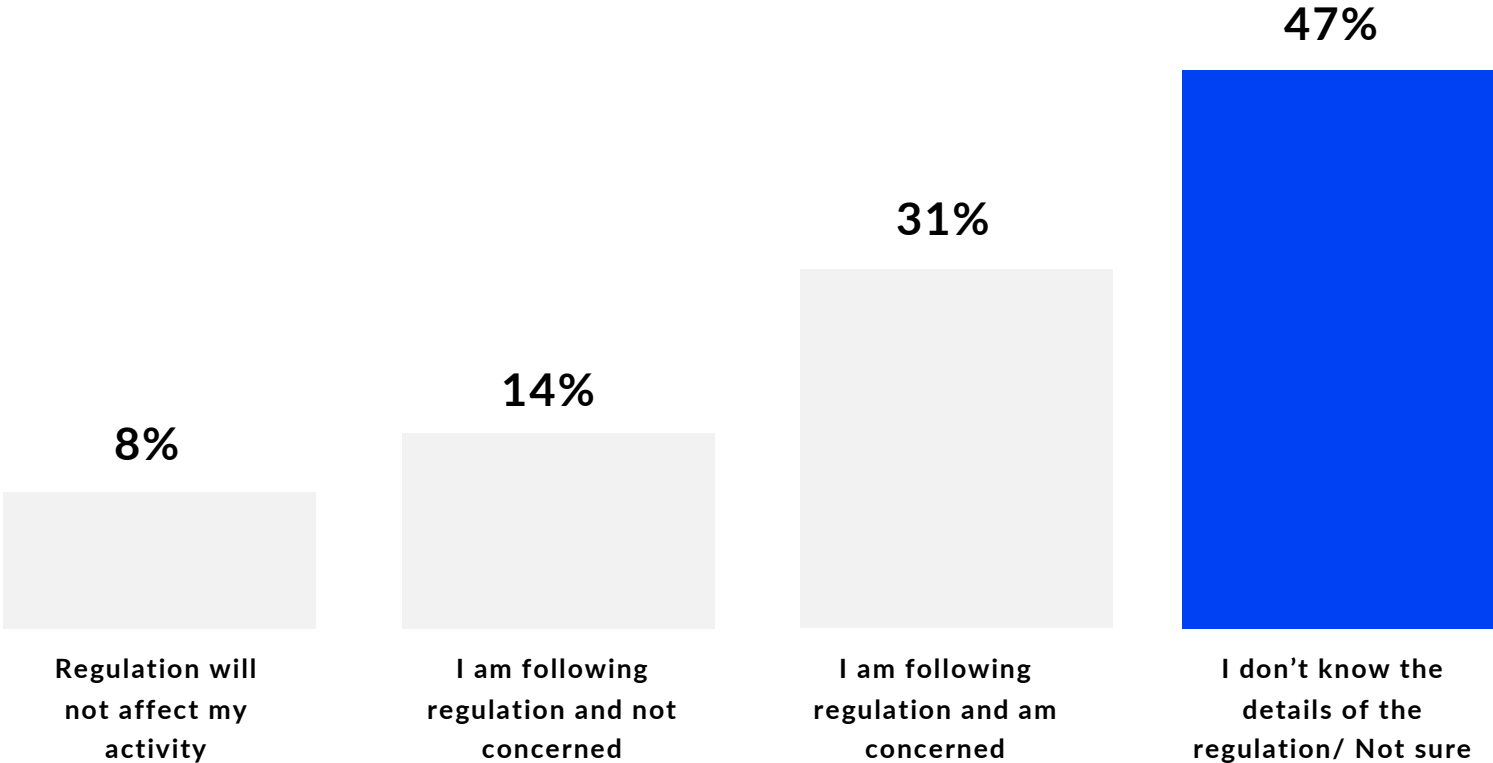


The veil of ignorance around AI regulation

IN ITS CURRENT STATE, WHAT DO YOU THINK ABOUT AI REGULATION?



(% of respondents that chose each)

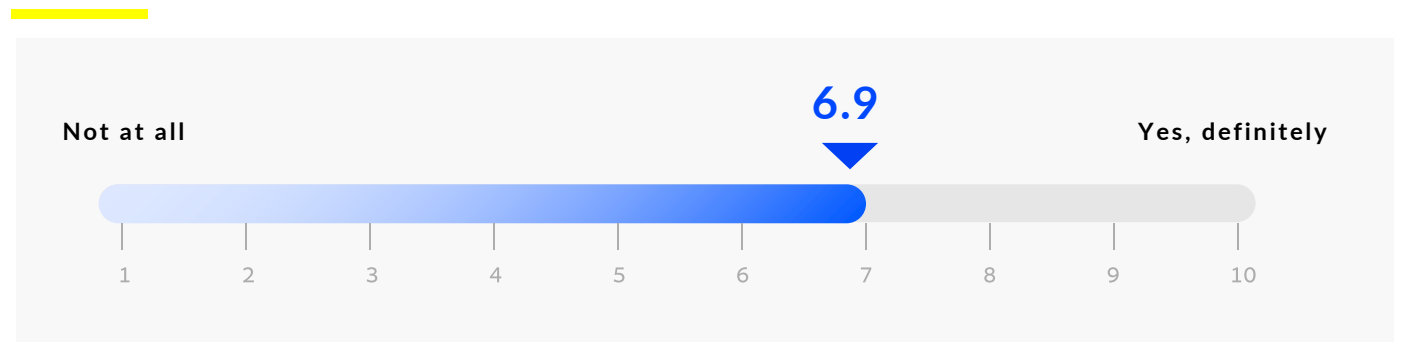


Majority
DON'T KNOW MUCH
ABOUT AI REGULATION

Despite Altman's return as CEO, tech leaders believe recent events will affect OpenAI's position in the ecosystem

It seems as though the dramatic events of the recent week have come to an end, with Altman reinstated as the CEO of OpenAI. However, the trickle down effect to the wider tech ecosystem is still largely unknown, with the impact on the trust of AI technologies, and OpenAI in particular, slowly unfolding.

DO YOU THINK THE FIRING OF SAM ALTMAN WILL HURT OPENAI'S POSITION IN THE TECH ECOSYSTEM?



“ The excitement, as well as the controversy, around anything LLM and Generative AI was just enhanced. We are still early in the AI revolution, the importance of trusted and credible companies leading the way is high.

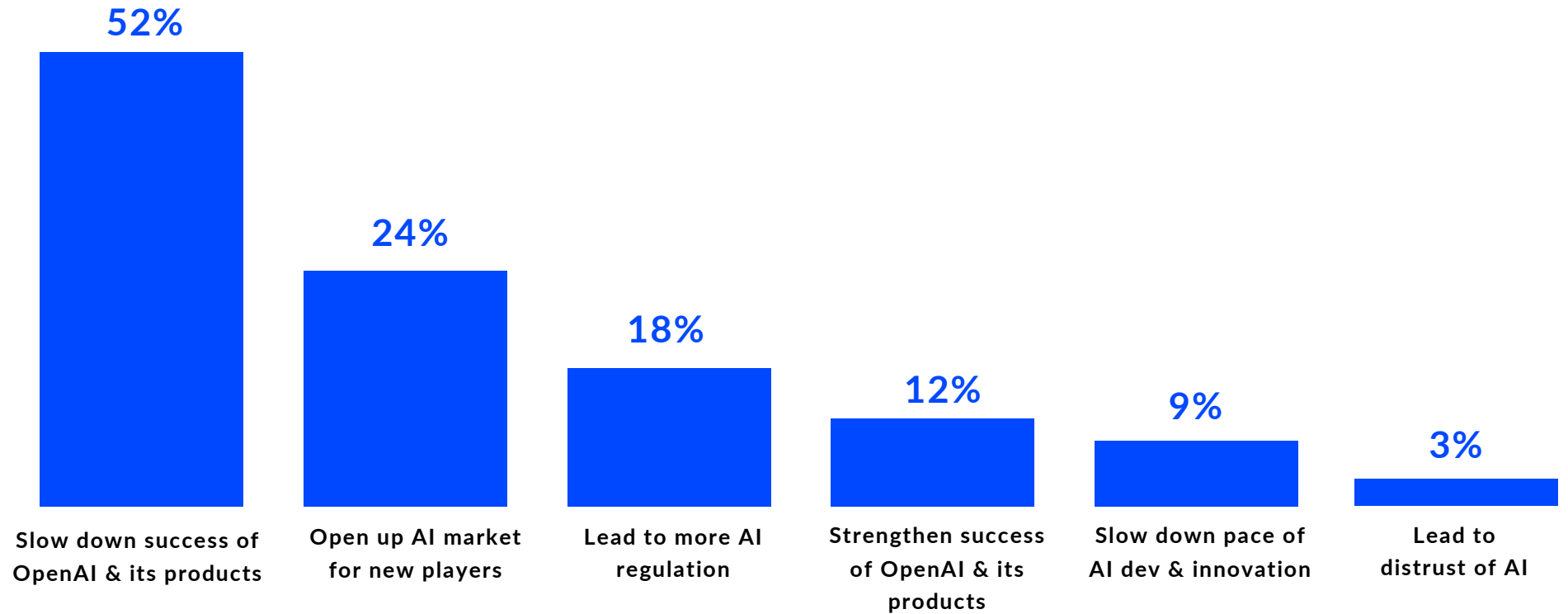
- Tzahi Weisfeld
VP & GM Intel Ignite:
Intel for Startups



What will be the trickledown effect?

WHAT DO YOU PREDICT WILL BE THE EFFECT OF THE SAM ALTMAN DRAMA?

(Data collected after reinstatement
of Altman as OpenAI CEO)



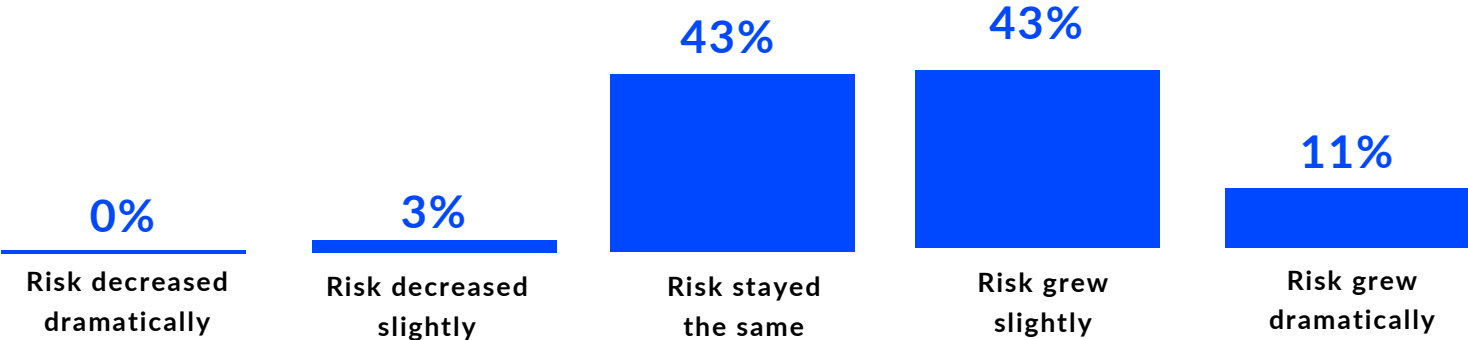
Greater perceived risk surrounding OpenAI products

Despite the return of Altman to his position as OpenAI CEO, the tech ecosystem reports that the events of November 2023 led to a change in their perceived risk level associated with OpenAI. The secrecy around the reasons for Altman's departure are leading to additional speculation, with tech stakeholders calling for increased transparency around the recent events.

54% REPORT GREATER RISKS ASSOCIATED WITH USING OPENAI PRODUCTS

HOW HAS YOUR PERCEPTION OF RISKS ASSOCIATED WITH USING OPENAI PRODUCTS CHANGED?

% of respondents that reported change in risk perception following Altman's reinstatement as CEO

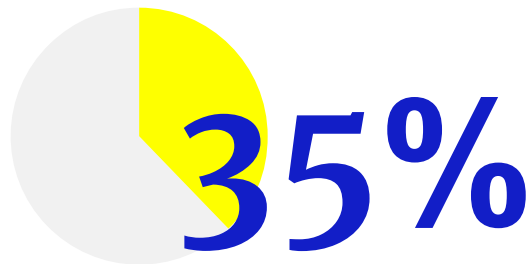
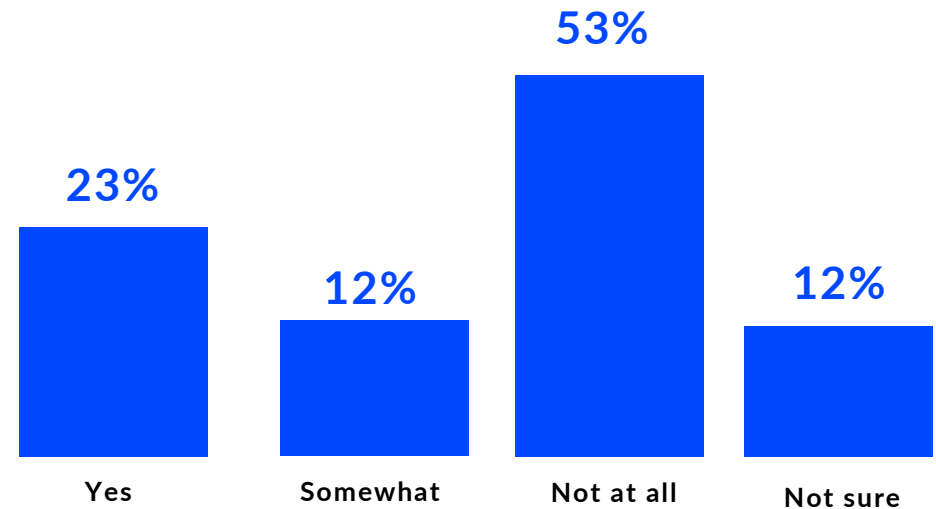


The founder perspective: Some uncertainty about relying on OpenAI tech

The past few months were characterized by widespread adoption of Generative AI tech, specifically OpenAI's GPT family of LLMs. Startups are increasingly relying on the technology for a wide range of use cases, from improving organizational efficiency to becoming a main component in their core product. However, the events of the last few days have led some founders to become uncertain about relying on OpenAI tech in their companies, worried that the unpredictable nature of the company could affect their business.

DID THE CURRENT SITUATION CREATE ANY UNCERTAINTY ABOUT USING OPENAI TECH IN YOUR COMPANY?

(% of startup founders that chose response)



35% OF FOUNDERS REPORT UNCERTAINTY ABOUT USING OPENAI TECH

Methodology

About the Respondents

NUMBER OF RESPONDENTS



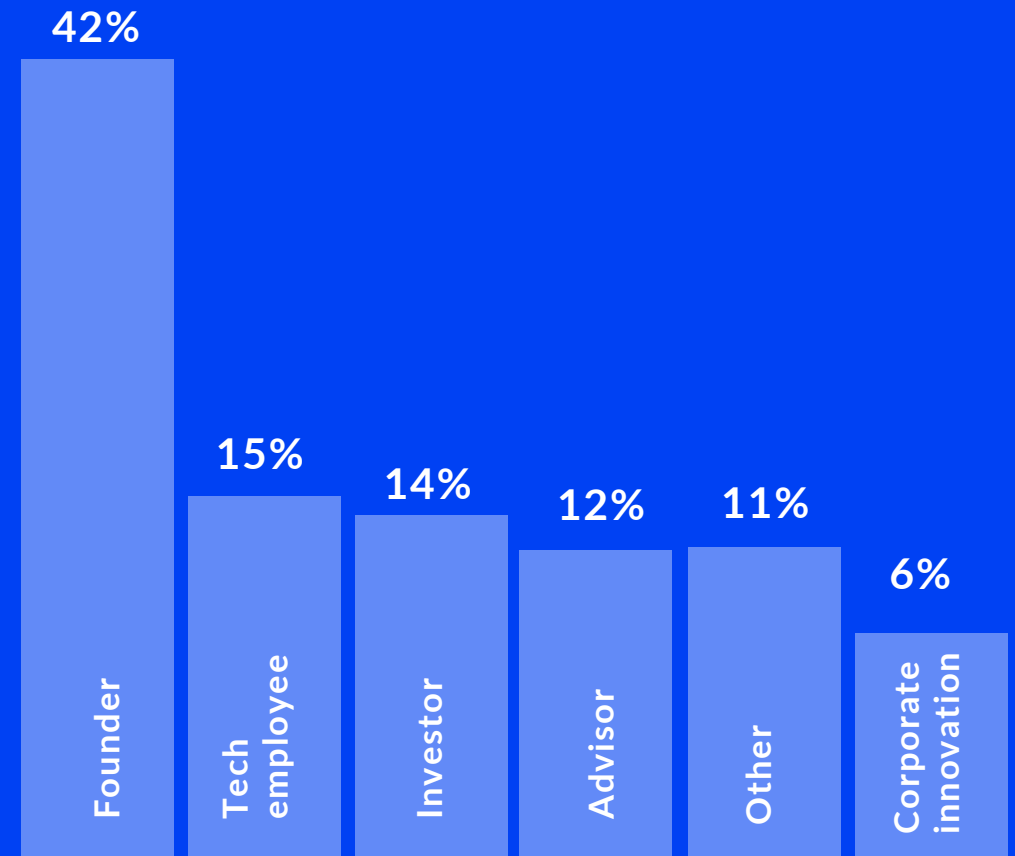
166

RESPONDENTS

DATA COLLECTION DATES (NOVEMBER)



RESPONDENT JOB TITLE



The Startup Snapshot Methodology

Startup Snapshot is on a mission to collect, analyze and share data about the start-up community and the entrepreneurs who drive it. For this research, we gathered data via a digital survey from our wide community of tech leaders around the globe. With this underlying data as our collective foundation, we had leading experts interpret the findings, bringing their own insights, perspectives, and provocative frameworks to our research.



01 SURVEY DESIGN

We worked together with leading ecosystem stakeholders to identify issues around the OpenAI saga and formulate survey questions



02 DATA COLLECTION

The survey was distributed to our wide community, comprised of global tech leaders. This includes founders, investors, advisors and corp. innovation players



03 ANALYSIS

We analyzed the data that was collected from 160+ tech ecosystem leaders from countries around the globe



04 INSIGHTS

We worked closely with our partners and market experts to analyze the data and generate valuable insights

Made possible by our partnerships with leading partners in the global tech ecosystem

RESEARCH PARTNERS

intel ignite

Reichman University

ZELL
Entrepreneurship Program

ARNON
ARNON, TADMOR-LEVY

Consiglieri
Empowering Israel's Innovation Ecosystem

ECOSYSTEM PARTNERS

NEW TECH
NORTHWEST

Virtual
Advisory Board

MAMRAM
FOR FOUNDERS

CICC
THE CALIFORNIA ISRAEL
CHAMBER OF COMMERCE

BOSTON NEW
TECHNOLOGY

barcinno
Barcelona Tech, Startups and Innovation

THANK YOU!

IF YOU WANT TO TAKE PART IN OUR
FUTURE EFFORTS TO INCREASE
ECOSYSTEM TRANSPARENCY, CONTACT
US AT INFO@YBENJAMIN.COM