

TECHONOMY

TECHONOMY DETROIT • SEPTEMBER 12, 2012 • DETROIT, MI

Jack Dorsey on Twitter, Square, and the City as Inspiration

Speakers:

Jack Dorsey, Chairman, Twitter, and CEO, Square
Dan Gilbert, Chairman, Rock Ventures, Quicken Loans

Moderator:

David Kirkpatrick, Techonomy

Kirkpatrick: I don't know if Jack Dorsey is within earshot. But if he's ready to come out, I'd like to get him out here. Yeah, there he is. Come on out, Jack. So what we're going to do is the Jay Leno thing.

Kirkpatrick: Jack, thank you. I am holding it against you, Jack, you did not put a T-shirt on, but that's all right.

Gilbert: So this is like Jay Leno, I just move over and sort of once in a while I say something?

Dorsey: You can take my seat if you want.

Kirkpatrick: I hope you guys say a lot to each other, because frankly you have a lot more to say than I'm ever going to think up. Thanks so much for being here. Let me just start by saying that.

Dorsey: Thanks for having me.

Kirkpatrick: I will say Jack's commitment to be at this event and be at this event on September 12th was the reason we were able to make it happen. His commitment allowed us to build a lot of stuff around that. He understands what I think we're trying to do here, I think.

So what do you think we are trying to do here and why were you so enthusiastic about this idea from the first time I mentioned it to you back in January?

Dorsey: Well, we've had a lot of conversations about the American city, and I come from St. Louis, Missouri, and my parents are here somewhere. They are right over there.

Kirkpatrick: We love that your parents are here. Definitely that's good.

Gilbert: Do your parents tweet?

Dorsey: They do. They were some of the first.

Gilbert: Just curious.

Kirkpatrick: They really do. Yeah.

Dorsey: So I think St. Louis has a lot of parallels with Detroit, and especially around how the city has developed over the past 40 years, and been developed.

And I think what's exciting about this time for both cities is there's a renewed sense of entrepreneurship, there's a renewed sense of creation, and I think both cities have been seen as infrastructure hubs and have lost a lot of that and people have fled because of that. But they are seeing a resurgence of that recently. So anything I can do to help support that for both cities, I want to do.

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Kirkpatrick: But it's also more than that for you, as I happen to know, because we have talked quite a bit in the past. You have kind of an obsession with cities?

Dorsey: Yes.

Kirkpatrick: Talk about that a little.

Dorsey: So my parents grew up in St. Louis, Missouri, and they love the city, they stood by the city. And I naturally grew a love for the city as well.

And I became obsessed with maps and had them all over the place and taught myself how to program so I could draw maps on my computer. And eventually got into the dispatch industry so I could actually see life in the city: Couriers, taxis, 911. Moved to New York and got to work on dispatch in New York City, which was amazing, because you could actually see the city living and breathing. At every intersection, you could see what was happening.

Kirkpatrick: Dispatch being the systems that communicate with taxis and police cars and ambulances?

Dorsey: Yes, route them around. Twitter was just an extension of that idea, but given -- giving those tools to citizens, to normal people, and that was the one key missing part of that picture was where were the people in the cities, what were they doing, where were they going, what do they care about.

Now with Twitter, I can see the entire world, what the entire world is doing and also what the entire world is caring about in realtime.

Kirkpatrick: It's been caring a lot about this conference today, by the way. We've been one of the top-trending topics all day.

Dorsey: Congratulations.

Kirkpatrick: We were very pleased about that. I want to just tell the audience, because you wouldn't say it. But the way he got this job at the dispatch software company in New York, do you want to tell that story or shall I tell it?

Dorsey: Oh, you should tell it.

Kirkpatrick: No, you tell it. If you're willing, I want you to tell it.

Dorsey: So I found this website.

Kirkpatrick: He was in college. Right?

Dorsey: I was in college. I really wanted to go into the dispatch industry, because I wanted to work on these systems. I found the largest firm in the world. It happened to be DMS in New York City, and -- Dispatch Management Services, and I found their website. They had no contact information whatsoever, so I had no idea how to talk to them.

But I found a hole in their web server and I was clever, and I managed to get into that hole. I found their corporate e-mail list, and I found the e-mail for the CEO and the chairman. And I said, I found a security hole in your web server, here is how to fix it, and I write dispatch software. And then a week later, I was flown out and I took a job there.

Kirkpatrick: I do like that story.

Gilbert: What do you mean a hole?

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Dorsey: If you imagine a fence, a very secure fence and there is a tiny little hole in that fence that you could actually burrow underneath and get into the property, that's effectively what it is.

Gilbert: That's a metaphor.

Dorsey: That's a metaphor, yeah. There's not a physical fence.

Gilbert: We're in Detroit. We're always thinking things are physical. I got it.

Kirkpatrick: But I think a lot of people, it helps them understand Twitter too, when they think it's an effort to give individuals that same ability to broadcast their location and whereabouts and their ideas. The taxi driver has always sent back to the base kind of thing, well the base is now the whole world.

Dorsey: Yes.

Kirkpatrick: We are not going to talk at great length about Twitter or Square. You are running two companies. You are kind of co-running Twitter and you're running Square. Talk a little bit about how you think of Square in relationship to cities. First of all, tell people if they don't know what Square is. I think people are pretty much starting to know that.

Dorsey: Square is a credit card reader. It's this little tiny device that you plug into your phone, and it allows you to swipe anyone's credit card, and that money goes into your bank account the next day. This is important because the world has moved away from cash and moved away from checks, and it's paying with plast everywhere.

Normally the small merchant, the independent contractor was locked out of accepting credit cards by the banks and all these entities. It's just way too hard to get in.

So we made it as simple as you download a free application, we send you a free card reader, and you can start accepting credit cards and you get that money in your bank account the next day and actually use it.

So if you have a garage sale or if you are a personal trainer, golf instructor, tutor, mowing grass, you can accept credit cards for those services. But you can always grow a business around that as well.

We think this is important because a critical aspect of improving the U.S. economy is actually improving the small business economy and making it easier to start a business and to grow small businesses.

Small businesses don't have any of the tools that big businesses do, because they're too expensive. Too hard to get into, they are way too complex. But everyone has a phone and everyone has access to potentially a bank account as well. And they can start something that they want to see in the world immediately and actually get payments for them.

Kirkpatrick: Good. I mean, I love that you said that, because this idea of entrepreneurship being a central key to economic growth and U.S. competitiveness has been woven throughout this whole day.

It's been reinforced, I think, in what many, many people have said. And clearly, you both are big believers in that and both of you are amazingly effective entrepreneurs. Something like that as simple as letting anybody take a payment by the most convenient method is actually kind of revolutionary.

Gilbert: Can I see that?

Dorsey: Yeah.

Kirkpatrick: By the way, this came up on a panel earlier. I gotta ask you, where are those things made?

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Dorsey: These are made in China and Mexico, and we design them in California.

Kirkpatrick: Just like Apple. Somebody said they were probably made in China, so that's why. It was on the DIY Economy panel, and it was actually the TechShop guy said that, probably made in China. But he did say that they were invented originally in TechShop.

Dorsey: We actually prototyped them in TechShop in San Jose. So we do have a goal to make them entirely in the United States. That is a goal of the company. It's going to take some time, but we're going to do it.

Kirkpatrick: How many of them have you made so far?

Dorsey: We've given out over 2 million across the United States.

Kirkpatrick: Wow, wow. I want to talk about mayors. Jack told me when I wrote this profile of him in Vanity Fair a year ago or so that he wanted to be mayor of New York some day. And you still mean that, right? Still a goal?

Dorsey: I still have to move to New York first. But it is a goal.

Kirkpatrick: But you did live in New York earlier. He has lived in New York several times, actually. But you're still interested in that in theory at least, right?

Dorsey: Absolutely. I think the mayors are the ones to watch in the U.S., in terms of where the government goes and government innovation.

Kirkpatrick: I think it's fun. Because in many articles, people say how come Dan Gilbert doesn't run for mayor of Detroit. I would be curious to know if that's something that does interest you. Here you have two tech guys, entrepreneurs, who are so engaged that it's a reasonable question. So what do you think about that and what do you think about the fact that he wants to do it?

Gilbert: I think if he wants to do it, that's fantastic, great. He has my support in every possible way. But I think our investment in Detroit and all the pieces of property that we're engaged with and the employees and our businesses, it would be hard for me or even one of our key people to also be mayor and that perceived conflict -- not that we wouldn't behave ethically and morally, because we believe we would. There would always be, no matter what you did, if you have such an investment and so much business here and became mayor -- I know Bloomberg did that in New York.

Kirkpatrick: He's the richest man in New York and also the mayor.

Gilbert: He did pull it off, and I haven't investigated what the exact circumstances are of his holdings there versus him becoming mayor --

Kirkpatrick: Well, he did sort of put a blind wall.

Gilbert: I'm not going to do that. That wouldn't be that much fun to do that.

Kirkpatrick: You're a hands-on guy?

Gilbert: I was thinking about being mayor of St. Louis. That's something that -- if Jack would come to Detroit.

Kirkpatrick: It's in keeping with the theme of being a mayor of the city you don't even live in. That's cool.

Another thing I wanted to talk to you both about. Jack gave a speech on Monday in San Francisco at TechCrunch, which was quite an eloquent speech. And you kind of got into some stuff that I don't think you've talked about that much in public before, in your view of what you're doing and what founders and entrepreneurs are doing, and you talked it being a revolutionary.

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Talk about that a little bit. And then I want to ask you, Dan, if you think of it in those terms, because it's an aggressive way to think about what business people are engaged in.

Dorsey: Just for some context, it was a technology conference in San Francisco called TechCrunch Disrupt. And the key word is disrupt. And I questioned this word in particular, because disruption to me is actually just moving things around. It's like an earthquake. It doesn't really have order, it doesn't have purpose. It doesn't have values. It doesn't have direction, doesn't have any leadership. It actually causes a lot of confusion. And that's not what I want to create. I don't want to disrupt things.

What does have purpose, what does have value, what does have strong beliefs and leadership and usually comes out or recognizes a disruption happening or a disruption about to happen are revolutions. And they don't always work. They are not always loud. They are not always wars, they are not always violent. Sometimes they are still and they're silent. But they have a significant direction and they have thoughtfulness.

And my plea to the audience was to really rethink the concept of disruption and really be more thoughtful about how we approach technology and what we're trying to do in the world. And also to cooperate a little bit more.

We don't all need to start our own companies to do this. In fact, entrepreneurs, you don't have to start a company to be an entrepreneur. Just an attitude. The definition is someone who operates or organizes a business who takes significant financial risk to do so. But the key word there is risk. And that's really the attitude that one takes on as an entrepreneur. You're going to take big risk and move things forward.

And the same thing is true for founders. We place so much emphasis on the founding moment of an organization like our nation or a company, but it ignores reality completely. There's multiple founding moments in a company. Multiple founding moments in this nation and in this city.

And it's a long-term view. So -- and to prove this, you can look at the founding of our nation. We had some good ideas, and the best idea was that we got behind this phrase of a more perfect nation, which meant that this was not finished. It will evolve. There will be other people who add impact to it and change it and evolve it, and the door is open.

And then you had presidents like Lincoln come in and JFK and really make their mark and have an impact. And also the people who created revolutions and changes within the government, within the structure.

So my other plea was that don't consider entrepreneurship to be a job or founders to be a job or just a title, but more of an attitude. It's taking on a big risk, it's doing everything it takes to see an idea in the world and make it happen. And that can happen at any stage. We don't all have to compete with each other to do that.

Kirkpatrick: You're getting more eloquent, by the way.

What do you think of that?

Gilbert: I think Jack makes some great points, because I don't think you've heard until maybe the last seven, eight, nine, maybe ten years the term "entrepreneurial company." You used to hear of entrepreneurs, but if you think about it, it's sort of an oxymoron. You theoretically don't have, if you went by the strict definition of an entrepreneur, an entrepreneurial company, because the definition itself sort of begets a person, an individual or a couple individuals taking on risk.

But I think he's absolutely right. I think that philosophically and culturally, the companies that take on this entrepreneurial attitude -- and it doesn't have to be companies by the way.

I happen to be on the board of the Cleveland Clinic. This is a hospital, non-profit, and I would consider them very entrepreneurial. And we've seen schools that consider themselves very entrepreneurial. You see it all the time.

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As long as people's -- you spoke about regulation earlier. It's not just government regulation, but it's bureaucracy and corporate regulation and the silliness and craziness that goes on inside institutions, big and small. If you remove that and allow people to create and innovate, whether they're inside of a company or inside of a non-profit or inside of government itself even, you're going to see great things happen. Because smart people, when you take the shackles off and you take the handcuffs off, they can get a lot of things done. It's almost like a whole new day for them when that happens.

A lot of people come from other companies -- maybe you've experienced this. We get people from other institutions who are smart, hard-working people, and once they get in our shop, first it takes them a while to realize that they can tap their shoes like Dorothy and they had the power all along when they get here.

But once they get through that and realize it's okay, they come up with stuff that they've been sort of harboring inside for years and even decades, and we benefit by it by just removing that crazy kind of constraints that a lot of places put on people.

Kirkpatrick: Jack, you went back to Twitter like two years ago or so. Have you tried in the course of -- you know, with Dick Costolo as the CEO, to instill more of that spirit in the company, which is a big growing company that people, despite how big the company is now, can have a big impact individually and don't have to like ask too much permission to get stuff done, just like Dan was saying?

Dorsey: Absolutely. The first thing I said when I came back to the company was an idea that can change the course of the company can happen anywhere in the company. And we're looking to all of you to help us change the course of the company. And you need to speak up and act like an owner of this business, instead of just an employee.

And that's a very, very different attitude. And it just recognizes reality. I mean, if you base everything on one founding moment, if you base everything on one founder, then you're limiting the company or the organization by a lifetime of a human, instead of building something that's truly timeless and that lasts. And we want to build something that's timeless and that lasts and have impact over generations, rather than just one.

Kirkpatrick: I think this whole set of attitudes that you both are so clearly believers in is part of what we talk about in a techonomic thinking. I think because of the pace of change and because of the pace of technology's evolution, even going back to the basics of Moore's Law, it really gives companies little choice but to view things that way, because the landscape shifts so quickly if you don't empower your people, as you were saying before, it's going to be a killer moment in the negative sense. So I just love that that's a theme that we've hit on so hard here.

Gilbert: You know, David, I would even take it further. I think that thought thinking in innovation and creativity is literally the currency that companies will trade in and build wealth on in the future.

If you look to manufacturing here in Detroit, we all know about that for decades when it was good. Everything was homogeneous. You couldn't have individuals on a line come up with individual ways to do things and change things. But that's all gone today.

So if you have that kind of thinking and you bring it into a 2.0, if you will, for lack of a better overused term, but a 2.0 type of economy, and you have those kind of constraints, the very currency that will grow your organization and create jobs and create wealth is squashed right at the cultural foundation of it. So it's almost -- I think Jack has expressed it too -- it's almost like everything.

To miss that moment, like there could be a brand-new person that starts tomorrow that has no college degree and could be the receptionist. If it's about the what and not the who, you are much further off, my view.

Kirkpatrick: We want to hear from you guys. Start lining up at the mics, I assume people here have questions for these guys or comments.

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But before we get to that -- and this is actually something that either one of you can answer, although it was intended for Jack. Radio station WXYZ ran a contest in preparation for this session using Twitter to find out what would be the best question to ask you here in Detroit. And the top question that emerged, they had some kind of way of rating them, I don't know how it happened, was you invented Twitter out of the conviction that cities can work more efficiently, so how can Detroit work more efficiently?

Dorsey: Well, I think the -- I think the first thing to do is just -- what I find compelling about cities and government in general is just a question of velocity. Change happens so slowly. So how can we actually speed up the change?

And one way to speed up the change is to overcommunicate and to make more available and more transparent the data of how the government is running, what needs to change, why it needs to change and really focus on the answer to the question why. That's the hardest question to answer, but it's the most compelling and it gets everyone on the same page.

So simply talking about the issues in a very public way, in a very fast way but an actionable way that people can actually see an end point on is, I think, the broadest thing. That has been the true success of Twitter.

If I just look internally in the company, the entire company is on the same page, because we have a lot of transparency within the company. And we make our decisions known and we make the why of the decision known, and we share all the information with the company.

And the same is true of Square. We actually get up in front of the company and run through our entire board deck, so the company knows everything we're telling the board and what the board feedback was.

So that cannot be undervalued. The amount of information that is out there that people can actually use and have their own ideas around and then actually take action on is a really good start.

Kirkpatrick: Where does that need to emanate from? Does it need to emanate from the center of the government or can it emerge sort of organically? Seems like it has to have some top-down endorsement to really work properly the way you're talking about.

Dorsey: I think it has to be an attitude change in city government first, an attitude to share the information, an attitude to show people what actually -- what is actually working and what's not working, and where they can actually help and build.

And I think Bloomberg has done a fantastic job of this in New York. Comes from a technology, an information technology background, so he just knows it through and through.

But it's a good model for other cities to follow, I believe.

Kirkpatrick: Yeah, I was talking to a guy from OnStar the other day. He was showing me the Android app that works if you have a new OnStar vehicle for the last two model years. Basically you can start your car, you can find out what the tire inflation pressure is, you can find out how many more miles you have to go before an oil change and how much gas you have in your tank, from anywhere in the world over -- and I was thinking, wow, what if you could do that for your neighborhood services in Detroit or any city. That's exactly the kind of thing you're talking about.

Dorsey: Exactly, yeah.

Gilbert: On that point, there's two words that we used that transformed our entire company about seven or eight years ago. For the benefit of everybody for about ten seconds, mortgage processing in the world is pretty much subjective. So there's paper -- still to this day, in 99.9 percent of the companies in the world, banks, there's people who sit at a desk, gather all this paper together, all the various things you need for a mortgage. And somebody in their mind, maybe typically, would think, well, I think this one may be about ready to look at today or this one may be ready and that one may be ready, and there was

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absolutely zero way we call visibility into anything. They were maybe using some computers to store some stuff, but there was no visibility. If you don't have visibility, you can't prioritize.

So two words drove us to create an objective processing system which changed the entire strategy and face of our organization and pushed us to where we are today. And that was if we could build a system that -- you know, think about processing thousands and thousands of loans and how complex each loan is individually. If we could have incredible visibility into everything that's going on in all loans at all times, then we can prioritize tasks accordingly, not necessarily by file, but by tasks through all of our people being told this is the next task because this is the hottest thing, based on all these assumptions.

Well, the city is the same way, or any business is the same way. It's impossible to grow your business past what I call the 24-hour point. Where you're muscling things out. You can muscle out to a degree, and then you all run into time, called 24 hours. Then you can't muscle anymore. You are out of time.

Unless you have visibility, which I think is what Jack is talking about here, and you imagine a city where there's all kinds of screens, and in realtime they are seeing every single thing that is going on from crime to neighborhoods to educational metrics to this, to that, then they can start allocating resources and capital towards things that make the most impact. But without it, you're flying blind. These mayors are -- I agree with you. They're flying blind. How do you really know when you don't know.

Kirkpatrick: This ties back to the morning, because Carlo Ratti, who is an Italian guy who teaches at MIT, showed a slide of the Ferrari racing team's control room, which was like 30 guys and women in front of monitors. And he said 25 years ago, a race team just needed a really good driver and some hot engines. But today, they need all these analytics in order to be competitive.

A Formula 1 car, there is like this huge back end of data management. He was saying this is what we need in cities, because he's a city expert. That's exactly what you're talking about.

Gilbert: And the gut, the instinct part, can then come on the prioritization versus what visibility -- in other words, today, if you have no visibility into anything, your gut and what you're going to maybe make decisions on is not just on the decision as to what to prioritize, but also your gut is going to be on what metrics are behind something you don't even know is there or not there.

So you're flying on gut on two components instead of the most crucial one, which is your judgment. I think if there's anything, I can't stress it enough, and I'm glad you brought it up. There's so many metrics associated with cities and running a city or municipality or a state that, man, you've got to get it. Get it and get it visible, and then the whole world changes for you.

Kirkpatrick: And Detroit could really move fast if that started to happen here in a big way.

A lot of people. Go over here, that's where the light is. Ask your question.

Mehreban: Derek Mehraban, from Michigan State University.

First of all, thank all of you for your ideas. It's really nice to see all three of you up on stage. My question is for Jack. When I think of Twitter and I think about Square, there are two very profound ideas, two of the greatest ideas that I think are out there in the digital space.

Gilbert: He's over 140 characters already.

[LAUGHTER]

Dorsey: Next question, please.

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Mehreban: I don't know where Twitter is going, because I think that's just going to keep growing and expanding like you said, timeless. But I'm really curious about Square. I'm curious about the future of Square and the whole seamless payment experience. I think that Square is a leader in online payments. I'm wondering, where is Square going to be in five years, in ten years? Where do you see it going?

Dorsey: It's a great question, thank you. The interesting thing about what we're doing at Square is we're going after something pretty fundamental that no one has really looked at for quite sometime. It's this concept of currency and money. It's a concept that's been with us over 5,000 years, and it touches every single person on the planet at one point in their day, every single day.

At one point in people's lives, they feel bad about it. It feels like a burden. Money feels like a burden. There's various reasons for that. But we think we can use technology to help lift that burden a bit and take the mechanical aspects away so that people can really focus on what is meaningful.

Back to the data point. One of the big directions we're going to for small businesses, if you go into any mom and pop coffee shop around town here and you ask how many cappuccinos did you sell today, they don't have any idea. They will if they're counting the number of cappuccino cups coming in and out of the dishwasher. But that's the only analytics.

Meanwhile, a company like Starbucks knows exactly what is being bought and sold, they know what percentage of people are buying biscotti, they know what the weather does to their day. They know what their busiest hour is, their busiest day. And if you give them this very simple data that they can actually make decisions around, then they can choose whether they want to stay a small business or they want to grow.

This is something that we take for granted in the web world, is web analytics. We can tell when people are visiting our sites and what they're clicking on most and if they're bouncing away or really deeply engaging. Small businesses can't. They have no idea, and they're going off gut.

Sometimes that instincts and gut is right, and then they will get to a point where they can invest in the analytics. But why not just make the analytics free for everyone immediately, so that everyone can get to that point and make a choice for themselves?

So we want to make sure that people have access to data in real time so they can make our own decisions. Certainly that's on the business side, on the merchant side. But it's also on the payer side.

The other thing we want to do is remove move the burden from unhealthy behavior around your finances. The credit card industry has created a lot of unhealthy behaviors. And it's purely because of a lack of data. It's based around ignorance, and it's criminal. And they are encouraging people to do bad behavior to reap more fees. It needs to stop, and we're going to stop it by giving people more data.

Kirkpatrick: You mean to take on more debt than they can handle, for example?

Dorsey: Absolutely. It's very simple controls. If you have a sense of what your means are, then you can have a healthy relationship with how you spend within those means, and you can make choices on whether to get loans or not and whether to take money you don't have.

Kirkpatrick: You guys can do some deals here.

Gilbert: Actually, there is a little exciting company based in Detroit here called Quizzle that addresses a lot of what you're talking about and gives the consumer the power because of the analytics. It shows them on the liability and debt side -- not so much on the asset side. Because consumers can get a lot of information on the asset side. They are always getting their bank statements or their stocks or their bonds and that's mark-to-market. And they can see there's a lot of programs.

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But on the liability debt side is where they sort of fly blind. There is a company, we've got to hook up and figure that out.

Dorsey: Okay. Absolutely.

Kirkpatrick: Okay. I guess we've got to move. Ooh, there's a lot of people on both sides. Go ahead.

Koper: I have a question for Jack. I'm Andrew Koper. I am a cyber-entrepreneur and social-entrepreneur here in Detroit. I've got a business plan to buy a vacant building and convert it into a technology incubator, make live-work lofts, rent them out to cyber-entrepreneurs and entrepreneurial programmers in return for cheap rent. And, if I get this business plan to you shortly, will you look at it and seriously consider --

Kirkpatrick: That's not the kind of question you're supposed to ask. You're going to try to answer that?

Dorsey: I will consider everything. But I don't know if this is a question for me.

Kirkpatrick: He said it was a question for you. Okay. That's a legitimate question that we can deal with later, or you can if you choose to.

Over here.

Norman: How are you doing? My name is James Norman. I'm with UB Video, a startup here in Detroit. This question is targeted at Dan Gilbert. We talked about a lot of things around tech today, startups, raising money. You even touched on the grocery store drought, things like that. But one key component that he mentioned, and I didn't think I heard anybody else mention, around education.

I'm curious to hear a little bit more about how you plan to get involved with development on that side of things. Because I see a great short-term growth going on. And the fire that's already lit by some of your efforts and some of the people around you has fueled what's here today.

But getting everybody downtown, having shopping for them and then having a job, but then having nowhere for their kids to go to school still becomes a huge problem. I'm wondering how you plan to address that, as well.

Gilbert: There's a little bit of an echo. Just so I understand, how are we or me going to engage with education?

Norman: Right. You're engaging on the retail level, the living level, the occupational level. But the educational level remains.

Gilbert: Right. So we have several things going on in that regard in our family of companies. One of them isn't primary education, but our non-profit, Bizdom, which educates entrepreneurs. And if they open up in the city of Detroit, then we can fund a piece of their business and become partners with them and hopefully launch their business and can help them grow.

But the other piece, engaging the primary side, we've got in our community development area several initiatives and several things going on. I couldn't up here list them from my head, but we have people that are engaged and they're volunteering their time and education in the public schools of Detroit, as well as on certain programs. And also engaging the way people are looking at things in a different way.

There's several programs going on that the state is pushing, you know, taking certain schools that are failing and putting them in a new sort of process and system that we're highly engaged with and interested in. But you know, Detroit Public Schools is going to have to fix themselves. All these things that I'm talking about are incremental. But the school system itself, which I know is under a manager at this point, it's going to have to fix itself. It has to. And I think if anything, whoever the mayor is -- well, Mayor Bing now and whoever it may be after next year, whether it's him or somebody else, hopefully the city's financials are dealt with and are behind them and it should be their number one, absolutely number one initiative, by far.

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Nothing could even be close to that. Crime is always a thing, too, but education is everything. If we can get a generation way more educated than they ever have been, I think through a lot of technology it can even increase the velocity of that, that process. We could be a much different place in as short as eight, ten years. So we agree with you.

Kirkpatrick: That's exciting. I hope maybe some of that measurement can be applied there, too.

Wohl: Ken Wohl from Financial Media and data company Benzinga.com.

Yesterday was September 11th. I was watching some stuff and right after the attacks, one of the largest push-backs that people are having, or fears was safety, right?

This question is for Dan. Fear was safety. So the first thing that Mayor Giuliani did was he got on the subway and proved he can feel safe riding subs to work.

So my question is, how do you answer questions regarding why don't you live in Detroit if you're such advocate for people to move down here and live here?

Gilbert: Why don't I live in Detroit? Safety has nothing to do with it. It's what the gentleman before me brought up, and that is education. I have five kids. The oldest is 16 years old. If there were incredibly good public schools or even incredibly good close-by public school, private school options, that may be a consideration.

But that would be it. Crime -- especially in the area that we're in, and even if you look at the CB, the Central Business District, crime statistics, Detroit is in that sense, in the Central Business District, a safe place. It's up there in one of the safer downtowns, believe it or not, around, and compared --

Wohl: I believe it's safe, as well. I'm just saying Giuliani did it to prove the point. I'm not saying you have to move to prove the point. But it's just something that I feel like people bring up and it's something that, you know, it's like you walk the walk.

Kirkpatrick: Thanks a lot. Over here?

Olandera: Hi. My name is Moses Olandera (phonetic). I'm a founder with (inaudible). This question is to Jack. With Twitter, if somebody tweets in English, a language today, at the very moment, do you simultaneously have it done in multiple languages, Portuguese, Spanish, whatever?

Dorsey: What is the question?

Kirkpatrick: Do you do any simultaneous translation of tweets?

Dorsey: We don't do the translation, but there are a lot of tools out there to do them instantly. Google Translate is a good one that immediately translates the 140 characters to whatever language. So, given that it's so short, it's pretty easy to translate.

Kirkpatrick: That's interesting. I didn't know that. I guess I should have guessed that. But go ahead.

Buchanan: Hello, Jack. My name is Andrew Buchanan. I am an advertising marketing management major from Northwood University, and I have a question about Square.

I actually use Square in my small wine making business, and I think it's a great tool. But what I'm curious about is how did you take your dream and turn it into a physical reality? Did you have to reach out to an investor, or how were you able to --

Dorsey: This is what I love about entrepreneurs. If you have an idea, you do whatever it takes to make it work. So I knew nothing about the financial industry, and I knew nothing about building hardware. I knew a lot about building software. But we

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learned very quickly with the help of TechShop and just reaching out to people and asking them what mistakes they've made and what we need to look at on how to build hardware.

And then we -- with the financial industry, we took kind of a different approach because we're getting a lot of no's, you shouldn't do this and no, you can't do this. So we took on the approach of well, we're going to ignore all that and just engineer what we want to see in the world and build it and prove that other people want to use it, and therefore build a company around that. And that tended to work out.

So we sought out a bunch of folks to talk to on the hardware side, and we build what we wanted to see in the world on the financial side. And yes, we needed to get investment to do that. So we talked to venture capitalists in the silicon valley after giving them a demo. You have to show something tangible and something real.

So we learned enough in a month to build hardware and to build software on the client and to build software to process it on the back end to actually show someone and give demos. And I could go around and say, Do you want to see my new product? They would say, Yes. I would say, Give me your credit card. And they would say, No. And I would say, Well, you're not going to see my new product, then. And they would give to me and I would charge them \$50.

So it worked out for me, wonderfully. Amazing.

Gilbert: Can I ask Jack two quick questions?

Did you think of Twitter -- was it just in a moment thing, or was it something that evolved in your mind? And why did you name it Twitter? Where did that come from?

Dorsey: It was definitely an evolution over many, many years. The real conception of the idea was in 2001, but the technology just was not there. So in 2006 SMS got really big. That was our moment. That's when we built it. Text messages. Text messages.

And then the word, we wanted something that was tangible, and you could actually feel. So when you got a tweet, the phone would actually vibrate. So it would kind of twitch. The original name was "twitch."

Gilbert: Twitcher or twitch?

Dorsey: Twitch.

Gilbert: So you would tweetch?

Dorsey: This is why we did not name the company Twitch.

[LAUGHTER]

We looked in the dictionary under the TW words and found the word "twitter." Twitter means a short and consequential burst of information, chirps from birds. So it was perfect.

Gilbert: Great. Interesting.

Kirkpatrick: We're on this side, right?

Evans: Walter Evans. I'm the COO of the Barthwell Group. We are a management consulting firm based here in Detroit, but with about 25 percent of our employees in the Bay area. So I have kind of two related questions.

Jack, your new Twitter headquarters is in probably the part of San Francisco that most resembles downtown Detroit or kind of what downtown Detroit is starting in. How did you decide to move to that area?

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And Dan, I would say what are your recommendations, given that I would guess that some of your employees have safety concerns and other concerns about where they're going to get their lunch and things like that. What advice would you give to Jack as they open this new headquarters?

Dorsey: So we -- both Square and Twitter are in the same neighborhood, which was a pretty rough neighborhood, a lot of homelessness, a lot of drugs around the neighborhood, a lot of violence based on those drugs. And you know, it's not the safest place to walk around in broad daylight. So our employees are in some threatening situations often, and we decided that we wanted to change that. And we wanted to show that we wanted to change that.

So we made sure that we were stationed there. That it was a neighborhood at the same time. So that we were good neighbors, and we tried to improve the neighborhood at the same time.

So with Square the neighborhood is definitely coming up, and one of the recent developments is every Wednesday and Friday we have these food trucks that go into the alley, and it just takes over the neighborhood, and people just come from all around to visit these food trucks. And it really has done amazing things for the neighborhood.

And with Twitter, just the investment of a 1400-person company in this beautiful art deco building built in 1937 and reclaiming that is amazing. And the neighborhood is quite amazing. City Hall is right across the street. The War Memorial Opera House is nearby. And we believe that just being there will encourage others to invest in the area as well, which will bring the whole area up and hopefully change some of the policies that the board of supervisors have been ignoring for quite some time.

Kirkpatrick: And you probably got a pretty good rent, too.

Dorsey: We got some good rent.

Kirkpatrick: You guys have more in common than I thought. That's cool. Good question. Over here. Are we out of time? Theoretically. We're going to go a little longer.

Jim: Feels like a spelling bee up here. So hopefully I get this right. I'm Jim, a Seattle entrepreneur that hitchhiked his way up to Detroit. The reason I'm up here to ask a question is that I really like your T-shirt. It really reminds me of Knights Templars. So in a way you guys are like the tech templars. So my question is on startup religion and how to keep the faith. I think a lot of times you start losing that.

People walk out of here with a lot of momentum, but in times of hardship you lose that. So my question for you guys is what is the one question I can ask my team to know that they still believe in the cause and that they're willing to crusade, that they're willing to stick it out for the long run? What is the one question I can ask my team?

Dorsey: Well, for me it's the one question that I ask every single candidate coming into the office, coming to work is, Why are you here?

If they show immediate passion, if they show a common sense of purpose and that is ever green, then we can work together and we can build amazing things together. So that's a question that often is somewhat off-putting because it's really a hard question to answer. It's back to that -- answering the why.

But it really shows if there's -- it will show you through the company if there's a shared purpose and a shared set of values. And if you have a strong purpose felt throughout the company, then everything else takes care of itself.

Gilbert: So I have a similar question. Not only do we ask new people but people who have been here for long periods of time, and that question is, Who are you? Who are you? Not What do you do?

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And that also goes for the company. Who are we as a company? In fact, you know, our own philosophy, again, which we expressed in these 18 "isms" that we put in this booklet that we talk about, that is the principles of our company. You have to have belief and agreement on that. That's the foundation. You can all argue about tactics and strategy up here. But if you philosophically have conflicts, everything crumbles.

I say let's look and make sure everything is philosophically aligned, which is expressed in a different way of, Do we have the same values, the same ethics, and all that. We go a little deeper, because we have these 18 cutesy little sayings, but they mean a lot to us.

Who are you? Are you a believer in this? If not, we won't make it together. Again, let's argue about everything else, but not who we are. So in times of stress and in times of conflict or in times when things seem like they're not going to make it all the way or you're questioning it, as long as you're not questioning the "who" part, the values part, I think you'll be fine. You have a lot of smart people who will figure out the right moves eventually to make.

Kirkpatrick: Okay. This is going to have to be the last question, unfortunately. I hope it's a good one. We're going to have to wrap and we have a nice party going after that.

Attendee: What's going on guys? My question is about 3D printing. I hear it's big emerging technology. I wanted to know your guys' thoughts on that, if you think it's going to be an exploding industry in the next ten years.

Yeah, that's it. Thanks, guys.

Kirkpatrick: 3D printing, yeah. We're interested in that. What do you guys have to say about that?

Gilbert: Our 2D printers keep breaking every day, so I'm not sure we're ready for 3D.

[LAUGHTER]

It's something that I've seen little bits of. I don't personally have a lot of knowledge or experience in that area. Certainly when you watch someone of the YouTube videos on 3D printing which I've seen, it looks very cool. Maybe, Jack, you're out there and you know more about that.

Dorsey: I don't know much about it, but I definitely want to see more of it. It goes back to the concept of changing the velocity. Hardware is hard to develop, because there's such a lead time. If you make a mistake, it's another six months before you can correct it. The more we can do to prototype and test on a faster basis, the faster all the developments are going to move.

So we would certainly want to invest a lot more into that and make sure that's a massive tool that we can use to develop things. But it's really just a question of velocity and allowing us to really test some concepts and ideas.

Kirkpatrick: Yeah, we wanted to have more 3D printing stuff on this program, but it was just one of those things that didn't quite gel the way we wanted it to. I believe and Techonomy believes, and we've written about it a lot and done videos on our side. We think it's really, really big deal. It came up a little bit on the DIY Economy session earlier.

Unfortunately, that is great but we've got to wrap it. I thank you both so much for your support and being here. Because you two guys are really the ones that supported this more than anybody, so I really want to thank you. And you, Jack.