

Taking a stand as tech industry shifts to The City

Goldman Sachs executive Greg Smith raised eyebrows around the country March 14 when he published an opinion piece in *The New York Times* titled “Why I Am Leaving Goldman Sachs.”

Smith declared that the investment firm had lost its way, and the company’s internal culture had degenerated from one dedicated to growing its clients’ assets into one that regarded clients as nothing but suckers to be ripped off.

“The firm has veered so far from the place I joined right out of college that I can no longer in good conscience say that I identify with what it stands for,” he wrote.

Smith’s piece provoked a firestorm, even reportedly prompting Goldman Sachs Chief Executive Officer Lloyd Blankfein to search all the company’s internal email for use of the word “muppets,” which refers to clients who don’t realize they are being manipulated into buying assets Goldman Sachs wants to dump.

Smith’s parting shot made a lot of people sit up and take notice. But just one day earlier, another major executive wrote an essay about why he left his company — an essay that raised just as many eyebrows, albeit in a slightly more focused industry.

That executive is James Whittaker. The company he left is Google. But the drift in the firm’s internal culture may ring a bell.

Whittaker claimed Google started as a clever, customer-focused search engine. Advertisers may be the source of Google’s money, but the priority was always to provide the most effective, useful service. That’s what drew people to the site, and that’s what ultimately made advertisers — and Google — their cash.

But with the rise of Facebook, Whittaker claimed, Google’s focus shifted. Keeping advertisers selling with Google — and keeping them away from Facebook — became the overwhelming priority. Google started frantically experimenting

with social media. Orkut. Google Wave. Google Buzz.

None of them worked. And the new priorities forced Google into trying to become what it wasn’t: a social media platform.

And so, Whittaker claimed, he had to leave. It’s odd that he left to join Microsoft, the least adaptive tech firm on the Nasdaq. But there he his.

Meanwhile, the new focus of the tech world is shifting. Its epicenter is no longer Woodside, where the tech titans reside, although Silicon Valley will remain the heart of the country’s tech world for years.

No, the new center of tech is San Francisco. Social media industries need a social environment, a place where young, hip geeks can gather, swill microbrews and network over artisan coffee.

That networking was the key to Silicon Valley’s rise in the first place, but new times require new connectedness. And in the new world, where the future is social media, that connectedness can only happen in a city just up the street from Silicon Valley.

Everywhere you look, you see new startups sprouting in The City. In the late 1990s, that proved to be a bust, as companies such as Pets.com thought it was just a matter of slapping up a website, throwing a commercial in between Super Bowl plays and watching the cash roll in. Today’s tech ecosystem is a little more sophisticated. And San Francisco is the place where it’s happening.

TODAY’S CARTOON By Mike Luckovich/*The Atlanta Journal-Constitution*



FROM READERS

Eastern Neighborhood amnesty’s real facts

Your recent article (“Offices are outlaws in zoning turf war,” March 12) and the editorial (“Give businesses a break while city fixes land policies,” Editorial, March 16) include serious misinformation about the Eastern Neighborhoods plan and amnesty program.

They suggest that there are “possibly 1,000” or “hundreds” of illegally operating businesses in the area, but provide no supporting evidence. According to the 2011 Dun & Bradstreet real estate report, there are a total of only 500 offices within the PDR (production, distribution and repair) areas of the Eastern Neighborhoods. To date, despite heavy incentives, only 31 amnesty applications have been filed. Based on those and other facts, we believe the actual number is a small fraction of what was stated.

The amnesty program offers a path to legalize eligible office properties. The amnesty fees are the same as those required prior to the Eastern Neighborhoods. In fact, larger projects receive approximately a 50 percent discount. During the coming months, we will continue to work with eligible property owners to take advantage of this program.

For information about the “amnesty” program, visit the Planning Department’s website, amnestyprogram.sfplanning.org.

John Rahaim
Planning director,
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the slowness is just a function of the density of our city and lack of size to justify extensive underground transit. But your decree of a “bar-gain” doesn’t jibe with what I see as a system that wastes people’s time by taking forever to go even short distances.

Marc Schoenfeld
San Francisco

Newsom started Cup mess

In response to Aaron Peskin’s op-ed (“City narrowly escaped bad America’s Cup deal,” Monday), I certainly hope that California voters will remember Lt. Gov. Gavin Newsom’s push to approve this boondoggle — one of many while he was mayor — the next time he runs for higher office.

Sherrie Matza
San Francisco

Independent, brave choice

California Assemblyman Nathan Fletcher’s decision to renounce partisan politics (Fletcher announced Wednesday he is leaving the Republican Party) and deal honestly and responsibly with our state’s problems as an independent can only be seen in the best possible light.

How many other Nathan Fletchers throughout California and throughout our country have the same sense of courage and commitment, and are willing to step forward as real leaders?

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