

Opinion: Making sense of the Sam Altman news circus



22 Nov 2023

Microsoft has, once again, emerged as the early winners in the publicly accessible AI race. A mere five days ago the company share price fell by almost 4% on the back of missing its quarterly revenue guidance, a trend driven by its investments in AI tools. Today the company counts OpenAI co-founder and former CEO Sam Altman as an employee. But how did we get here?



SamAltman on his way to closing talks with the OpenAl board. Source: x.com

The exact reasons behind Sam Altman's departure from OpenAI are not publicly available. However, some reports suggest that it may have been related to issues of safety and profit from ChatGPT. It's important to note that these are speculations, and the actual reasons might be different.

Altman was a significant figure at OpenAI and his departure has certainly had an impact on the organisation.

How it happened

According to the board of directors that governs OpenAI's nonprofit holding company, Altman's departure followed a review process that "concluded that he was not consistently candid in his communications with the board."

Chairman Greg Brockman said in a social media post that he had resigned from the company in solidarity with Altman. Although later on he acknowledged in a separate post that "Greg was told that he was being removed from the board".

This sparked outrage from investors, including Microsoft who own 49% of OpenAl after a \$13bn investment in the company in January.

A group of investors were agitating for Altman to be reinstated, until news broke that Microsoft had come to the rescue.

Microsoft hires Sam Altman to lead Advanced Al Research

We remain committed to our partnership with OpenAI and have confidence in our product roadmap, our ability to continue to innovate with everything we announced at Microsoft Ignite, and in continuing to support our customers and partners. We look forward to getting to knowEmmett...

— Satya Nadella (@satyanadella) November 20, 2023

The <u>Altman to Microsoft news</u> came on Monday morning as market trading resumed. Altman will be leading Advanced Al Research for the company as the Chat GPT-powered Copilot makes its way into more Microsoft services.

Microsoft CEO Satya Nadella <u>expressed his excitement</u> about the new addition to the team. "Our job number one is to build the best system, so that you can build the best models and then make that all available to developers," Nadella told Altman.

Altman's move to Microsoft is expected to bring a wealth of expertise and innovation to the company's Al division. His previous work at OpenAl, including his advocacy for Al regulation and warnings about potential risks, has made him a prominent figure in the Al field.

It is also expected that many of Altman's colleagues from OpenAl will join him at Microsoft, further strengthening the company's Al team.

Where does consumer Al go now?

OpenAI scored big with the hype surrounding its GPT-3 large language model reaching a crescendo in November 2022. The roll out of the GPT-4 model, however, has not hit the same lofty heights with researchers from Stanford and UC Berkeley reporting that GPT-4 <u>declined in quality</u>, finding that its accuracy rate in identifying prime numbers slid from 84% in March to 51% in June.

International governments are also readying legislation that will curtail the current freedoms in the consumer AI market to help kerb misinformation and other harmful practices.AI has been heralded as a future force that will become more important than the internet, but the same was said about Web3 and the crypto boom which followed those early prophecies.

As the AI industry continues to evolve, the addition of Altman to Microsoft's team signifies the company's commitment to staying at the forefront of AI technology – no matter which way it goes. Importantly, the other tech giants (Google, Amazon and Meta) are still trying to close Microsoft's lead it took when it invested in OpenAI. And given Sam Altman's murmurings about building out consumer AI pricing models and features at OpenAI's developer day two weeks ago, we can only expect more opportunities for the general public to interact with AI.

[update: 21.11.2023 12h00]

As it turns out, Sam Altman still has ambitions to return to OpenAl with pressure now coming on the company's board to resign.

we have more unity and commitment and focus than ever before.

we are all going to work together some way or other, and i'm so excited.

one team, one mission.— Sam Altman (@sama) November 20, 2023

Altman also reiterated his commitment to the partnership with Microsoft in another post saying that "Satya and my top priority remains to ensure OpenAI continues to thrive. We are committed to fully providing continuity of operations to our partners and customers. The OpenAl/Microsoft partnership makes this very doable."

The circus continues...

[update: 22.11.2023 08h15]

It has now emerged that Sam Altman has been reinstated as CEO of OpenAl with a new initial board.

We have reached an agreement in principle for Sam Altman to return to OpenAl as CEO with a newinitial board of Bret Taylor (Chair), Larry Summers, and Adam D'Angelo.

We are collaborating to figure out the details. Thank you so much for your patience through this.— OpenAI (@OpenAI) November 22, 2023

Details will follow as the story unfolds.

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