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## Emad Mostaque: Why He Stepped Down as CEO (Part 1)

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# The Tech Blog

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*Presented By*



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## **Emad Mostaque: Why He Stepped Down as CEO (Part 1)**

Famed Stability AI CEO, Emad Mostaque, stepped down as CEO the day after speaking at the [2024 Abundance Summit](#).

What happened? Why did he decide to leave? What does this mean for Stability and the broader open-source AI movement?

Last week I recorded a 2-hour, detailed *Moonshots* podcast with Emad to answer these questions, and to understand his vision for decentralized and democratized AI versus closed AI.

***There are a lot of important lessons in this conversation for Moonshot entrepreneurs.***

In today's blog, the first of a two-part series about Emad, I'll cover why he left Stability, lessons from this experience for other entrepreneurs and leaders, and the implications for open source and decentralized AI.

***Let's dive in...***

## **Why Emad Left Stability AI**

I asked Emad the obvious question: what happened and why did he decide to step down now as CEO of Stability?

Emad explained it as such: "I'm particularly great at taking creatives, developers, researchers, others and achieving their full potential and designing systems. But I should not be dealing with HR and operations and business development and other elements. There are far better people than me to do that."

Emad recounted Elon Musk's quote about what it's like being CEO: **"Staring into the abyss and chewing glass."** Because as CEO you are looking at a very uncertain future, having to make decisions, and the "chewing glass" refers to all the problems that come to you all the time as you steer the ship through uncharted waters.

I asked Emad how he was feeling, having made this momentous decision to step down from the company he founded.

He said it was a big feeling of relief: "It was tying me down. There's a lot of legacy, technical, organizational, and other debt, especially when you grow so fast...I felt tired, relieved. I felt that now there's a million options." (We'll cover Emad's exact plans following his departure in the next blog in this series.)

It's worth pointing out that while Emad is no longer CEO, he is still currently the majority shareholder of Stability, although he expects that to change as new money comes into the company.

His advice to the Stability team was to focus on the huge opportunity in AI-generated media: "I gave very basic advice. I didn't want any conflicts or anything because I'll be setting up lots of new companies and being a founder and shareholder [of Stability]...I've suggested to the Stability team that they focus on the media [side of the business] and take that forward."

## **Lessons for Moonshot Entrepreneurs & Leaders**

As a serial entrepreneur myself, I always look for valuable insights and lessons from other entrepreneurs' experiences. Emad's journey

as the CEO of Stability AI offers some powerful takeaways, especially for those of us operating in the fast-moving world of exponential tech.

A key lesson that jumped out to me was the importance of self-awareness and playing to your unique strengths. As mentioned above, Emad was brutally honest about what he's good at (research, strategy, creative work) and what he's not (operations, HR, etc.).

Knowing when to step back and bring in people who complement your skills can be critical for the success of your company and your own well-being as a leader. It's a lesson I personally have learned the hard way!

Emad's experience also highlights the immense opportunities and existential risks that we as entrepreneurs must grapple with as we build these incredibly powerful technologies. As Emad puts it, "There's a small window but also...we must do this now."

We have a responsibility to consider not just what our technology can do, but what it *should* do to create a better future for everyone. That's the mindset and the urgency we need from founders pioneering the future. Major respect to Emad for exemplifying those values.

## **The Need for Better AI Governance**

In addition to Emad's personal reasons for leaving, he also stepped down because he felt an urgency and **a responsibility to address broader issues around AI governance and consolidation** that very few people are focused on.

As he put it: "If you look at the world right now... there's clearly no governance of OpenAI. I mean I respect the people on the board greatly. I think there's some great individuals, but who should manage the technology that drives humanity and teaches every child and manages our government—who's really leading on that, that can build these models and do those things?"

Emad believes there is a small window of only a year or two to establish proper governance and standards before highly capable AI systems become too consolidated and centralized under the control of a few companies. He worries about a future "1984 panopticon" scenario if we don't act quickly.

He contrasted this dystopian vision with a more positive future of "citizen assemblies, consultative democracy, the ability to take any of the bills in Congress and completely deconstruct them and find what the motivations are. You can check laws against the Constitution in seconds. This is an incredibly powerful empowering technology from a democratic perspective."

**But Emad warned that AI also has the potential to end democracy as we know it if the technology enables perfectly persuasive and emotionally manipulative speech targeted to each individual.**

As he described it: "I can take anyone's speech and make it far more persuasive. I think my voice is a bit whiny. I can remove the whine, I can go in a very polished British accent and other things like that, right?...People are already using this technology...everyone should have a passcode with their loved ones because people are getting

calls from their mother saying, 'Help in an emergency. I need you to send money right now' and you cannot tell [that it's fake]. It pulls at the emotional strings."

**So, what exactly does Emad mean by "decentralized AI" and how can it address these risks? He broke it down into three key components:**

**#1. Accessibility:** Everyone should be able to access AI technology.

**#2. Governance:** There needs to be decentralized, democratic governance over the data that trains AI systems, not centralized control by a few companies.

**#3. Modular infrastructure:** AI systems should be built in a modular way that people can build on top of, rather than monolithic centralized systems.

Emad envisions a future "intelligent internet"—AI as a segment of global and national infrastructure (e.g. roads, electric grid, schools) where "each person, country, and company has their own AI models, and they're all interacting with each other in an optimal way for humanity."

He believes the continued exponential advancement of AI will actually help enable this decentralized future. Models that previously required massive, centralized compute will soon be able to run on consumer devices.

As Emad described it: "We see Stable Diffusion now at 300 images a second on a consumer graphics card. Our video model was like five gigabytes. This really changes the equation because in Web 2, all the intelligence was centralized on these giant servers and big data. Now you have big supercomputers...training these graduates that can go out and customize to each country."

### **Emad's MTP: An Urgent Opportunity**

While Emad's decision to leave Stability was driven by serious concerns about AI governance and consolidation, he also sees stepping down as CEO as an opportunity to have an even greater positive impact. As he poignantly stated:

***"My massive transformative purpose (MTP) here is I want every kid to achieve their potential and give them the tools to do that."***

AI offers us the ability to make high-quality healthcare and education accessible to everyone on the planet within the next few years. In Emad's view, we have a moral imperative to do this as quickly as possible, which is why he felt such urgency to leave Stability and focus on the bigger picture:

***"We have the technology that enables every child to have a superior education, literally in a couple of years. The enabling technology is finally here and it's finally good enough, fast enough, and cheap enough."***

I love and respect Emad because of his relentless focus on this mission—his MTP. He is one of the rare individuals who has the talent and drive to help bring about an amazing future where AI uplifts humanity. I can't wait to see what he does next.

In the next blog, we'll dive into Emad's thoughts on digital super intelligence and get the scoop on his specific plans now that he has stepped down from Stability. Stay tuned!

**P.S.** I just launched my first (and likely only) program on raising money called "**Fund Your Purpose**." Over the years, I've raised funding to start >20 companies, 2 universities, and >20 XPRIZES... billions of dollars in total. In this program I share the strategies and secrets I've used—my goal is to help you find and fund YOUR Purpose Driven venture. Enjoy!

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**What I'm Excited About Lately...**





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I discuss the latest developments in AI on my podcast. Here's a conversation with Emad Mostaque I recently enjoyed:



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### A Statement From Peter:

My goal with this newsletter is to inspire leaders to play BIG. If that's you, thank you for being here. If you know someone who can use this, please [share it](#). Together, we can uplift humanity.

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