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Summer Playlist 2024 | Episode 8

Ted Merz, Founder, Principals Media

We close out our Summer Playlist this week with Ted Merz, Founder of Principles Media. David Greely sits down with Ted to discuss the growing imperative for business leaders to tell their story – and how technology is changing the nature of how we write our stories and what our readers value in them.

Ted Merz (00s):

In the long term, large language models to the degree which they are using training sets based off large volume. I don't think it's going to kill writing. I think there is still a tremendous opportunity for people to distinguish themselves with writing and storytelling. I think it's more like the evolution of fast food did not kill the Michelin Star restaurant and the evolution of ready to wear clothes did not kill haute couture. It's going to be like that. There is going to be a large volume of poorly written stuff and there is going to be an opportunity for people who write well to distinguish themselves.

Announcer (29s):

Welcome to SmarterMarkets, a weekly podcast featuring the icons and entrepreneurs of technology, commodities, and finance ranting on the inadequacies of our systems and riffing on ideas for how to solve them. Together we examine the questions: are we facing a crisis of information or a crisis of trust, and will building Smarter Markets be the antidote?

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David Greely (01m 18s):

Welcome back to our final episode of Summer Playlist 2024 on SmarterMarkets. I'm Dave Greely, Chief Economist at Abaxx Technologies. Our guest today is Ted Merz, founder of Principals Media. We will be discussing the growing imperative for business leaders to be able to tell their and their company's story, and how technology is changing the nature of how we write our stories and what our readers value in them. Hello Ted. Welcome back to SmarterMarkets.

Ted Merz (01m 46s):

David. It's good to be here again.

David Greely (01m 48s):

Oh, it's good to have you here. Last time you were here, we talked a lot about information and what I wanted to talk with you about this time was about one of the most important ways that we give meaning to that information, and that's through story and storytelling and I really enjoy reading the stories you write, Ted, which are very much about individuals and I don't know, maybe like small moments or interesting experiences and I would like to begin by asking you what drew you to this style of writing? Why storytelling?

Ted Merz (02m 21s):

That's a good question. I am going to tell you, when I was really little, my parents would take me to church and I would take out the pencil and the pew, the paper telling you what hymns to sing. I remember it and I would take notes and write stories about the sermon and the minister. It's just something that just comes out. I mean, I feel I just have always, since a young age felt compelled to ask a lot of questions and then want to write about people that I was talking to. I can't explain it, but it's always been a drive for me. It became my career and it became a business. But it is literally what I would do if I were retired. I would walk around, try to meet people and write about, most of the people I write about are people I meet, but I do sometimes write about famous people or historical people and try to tell a story around that. It just kind of is something that comes naturally.

David Greely (03m 13s):

There is a lot written on how to tell stories. Well, I want to get your thoughts on your approach to that, but I also wanted to ask you, how do you find the stories that are worth telling?

Ted Merz (03m 25s):

Yeah, it's a good question. I think there is two parts to that answer and one is a practical sort of tactical and the other is more deciding what to write about. So I will start with the second. I think the best stories are stories where people relate to the story in some way, but there is some new element to it. It's somewhat understandable, but it's also somewhat new. And I will give you an example of that. I wrote a story today on my newsletter about Ernest Hemingway. So everybody knows about Ernest Hemingway, very famous writer, maybe one of the most famous to this last century and he wrote a book called A Movable Feast, which was his observations of his years when he was in his 20s when he lived in Paris as an expatriate. So that's immediately relatable. Most people know the author, most people know the book.

Ted Merz (04m 17s):

What I came across in reading was a story about how the book came to be and the book came to be because Hemingway took notes in his twenties when he lived in Paris and he put them in a steamer trunk and he started at the Ritz Hotel in Paris and he left Paris and he went to Spain and he did the bull fighting and he wrote books in Spain. He went to Italy, he went to Cuba, he spent 30 years living. He went to Africa and he came back to Paris when he was in his late 50s, super famous, super accomplished and he is staying at the Ritz and the manager of the Ritz said, Mr. Hemingway, you left a steamer trunk here 30 years ago. They get the trunk out in the trunk are all his notebooks from the twenties. So he wrote the book based on the notebooks that he had.

Ted Merz (05m 05s):

And there is a couple things there that I think are interesting. The first is it's just a great story and you realize that this book, one of his more famous books would never have happened except for this quirk of fate that he happened to go back, happened to stay at the Ritz. The manager happened to bring it up and he discovered his old notebooks. So that to me, when you ask how do you find a good story, I think good stories are things which, you know, there is something new there that most people don't know that story about the notebooks and the steamer trunk, but most people know about Hemingway. So it's relatable but then also new. I think for me, those stories are most effective or impactful. The other thing I would say about the story, when I wrote it, I took a lesson away from that story and the lesson was you should write things down and you should use notebooks.

Ted Merz (05m 50s):

And so my post was a little bit about, hey, there is this great story about Hemingway, but there is also a bit of a life lesson here about taking notes and keeping track and learning from it. And that leads me to the second point when you say how do you find these stories? The first is finding it, the second is executing it. And for me, I do a lot of note-taking along the way. And so I have reams of notebooks online, Google docs where I have observations or things I have learned. Maybe you said something to me and it's really interesting and I will write it down now and that I will become a story a year from now, five years from now sometime. I don't know. But so I think it's, if you don't have a bit of a system in terms of gathering information and keeping it somewhere, it's hard to then take advantage of it later in a story. So it's a combination of knowing a good story but also having gathered a lot of the information.

David Greely (06m 40s):

I love that story and I love that answer because it's working on a number of different levels, right? Like there is the relatability of knowing Hemingway. There is also the relatability of, we all have had the experience of your cleaning out a closet or going through boxes in the attic and you find something, maybe it was from when you were in college or you know your younger days and it just brings back all these memories of a time that you had forgotten and if you hadn't written it down, you never would have remembered it and kind of relate to Hemingway having that experience of discovering this old steamer trunk with his journals from years earlier and all that coming back.

Ted Merz (07m 18s):

The other thing about that Hemingway story, I read it. So the first thing I thought when I picked up the book and this was spurred because I happened to pick up that book and I assumed he wrote it in his twenties. And when I read the preface, I was shocked that he wrote it right before he died in his late 50, like early 60 and I was like, that's insane. How did he remember all those things? So part of the, the interesting thing to me was like also that he wrote it so late, I thought that was really surprising.

David Greely (07:47):

Yeah. And he was able to put himself a little bit back more maybe into that younger version of himself.

Ted Merz (07m 52s):

Yeah, he could remember it. So I think it's important to have a practice of gathering notes and writing down observations. You try to think about stories which make you excited, but which also think of the audience and think of, will people understand this. So the Hemingway story works a little bit better because it's earnest Hemingway as opposed to a writer no one has ever heard of. Then you would be like, okay, it doesn't have the same impact.

David Greely (08m 17s):

And I guess it's a challenge because one of the things I wanted to ask you about was storytelling has really become much more popular in the business world, whereas in the past, you know, I am old enough to remember when you know, that was seen a little bit as unprofessional and a more detached style was the norm and people who are more artists writers might be more relatable in some sense. It seems like storytelling can be more challenging in the business world and I wanted to ask you like, do you agree that storytelling has become much more popular in the business world and if so, why do you think the change in the style of writing that readers want when it comes to the business world?

Ted Merz (08m 58s):

Those are really good questions. I would have to say a 100% what we are seeing more executives and businesses use storytelling to get their message out. I would also say I am really surprised by that. On one level we shouldn't be surprised because we have been as humans telling stories since Homer the Elliot and the Odyssey. It goes way back. On the other hand, I think it's shocking when I read through Twitter or X now or read LinkedIn, so much of the content are stories about business people. I just don't think, if you had said 10 years ago you are going to read Twitter and it's going to be all these long stories about how Warren Buffet built his business and how various people succeeded, I don't think you would have predicted that. But in fact you see that and I think you see more and more of it and I think it's because people realize it's effective and it's the way our brains process information.

Ted Merz (09m 49s):

If you give me a list of facts and figures, it's very hard to remember if those facts and figures are woven into a narrative with actors and villains and heroes and protagonists, then I can remember it. I can remember the action I remember that Ernest Hemingway's steamer trunk at the Ritz and then that helps me remember the lesson of oh I should take notes and keep them in notebooks and all. But if I had just written a post that says, hey, it's a great idea to write down your observations in a notebook, it doesn't go anywhere. I think on the one hand I am surprised by it, but on the other hand we shouldn't be because people are trying to drive to communicate and people are trying to get their message out and so probably people started writing things like, hey, you should take notes.

Ted Merz (10m 35s):

It's a good practice and then you realize that that doesn't just doesn't land. It's not memorable. So the stories around these, this information, so what makes it memorable and that's I think why we are seeing more and more of it. But I think we are honestly just in the first inning, I think there is so much more to come. And I think that's one of the things that's really interesting. Look, one of the things, you didn't say it explicitly, but I write online on social media. Social media is democratized the distribution of that information. So before I would have had to find a publisher and someone would have vetted what I decided to write or the fact that there is no barrier to writing, it allows a lot more people to post their stories and so people get to discovered that way and you can share information and so I think it's quite amazing that it's happening and I just think we are going to see a lot more of it honestly

David Greely (11m 29s):

It's making me think, you know when you brought up the point of so many stories about business leaders in a certain sense they have become like the aspirational figures of our time. If you went back a number of years, maybe be people one aspire to be a movie star or a celebrity or years before that, a military hero or an a great athlete and like those others, it seems like today readers want more of that direct access to their aspirational figures whether it's a movie star or a business leader, they want that direct connection. They don't want the filtering through traditional media and authenticity is valued very highly. Perhaps that's the most highly valued thing for readers these days and I was wondering how can business leaders tell their story and their company story in an authentic way?

Ted Merz (12m 19s):

It's both really easy and really hard. So the easy part is this, to be authentic, you should not try to be something, you should just be something and that's it. Now that's easier said than done, but I will explain what I mean. In an example, I think if you go back 10 years, a lot of CEOs would have said to their communications departments, their PR staff, I want to be seen as an environmentalists. I want to be seen as a tech expert. I want to be seen as this or that okay and that's where you run into trouble because when you approach the

exercise in that way, I want to be viewed this way. If you are not that thing people can sense it and feel it and it is not authentic. It's usually not authentic anyway. There is an element of kind of pre-planning or there is an element of almost strategy that people sense and they can feel.

Ted Merz (13m 17s):

So the way I explain it when I talk to customers, people will say I want to be an environmentalist. So let's write a story about how the environment's important. I say you can't do that. You can write a story about how you canoe down the Amazon and people can draw the conclusion that you are an environmentalist and that's fine if you talk about how the Amazon's important, that's not going to work. So people have a very fine meter for detecting BS. The key to writing online and being authentic is to tell stories about things you have done and tell me what you learned from it or what you thought about it. I think that's a way to think. Don't tell me you think the Amazon is important. Tell me what you did. I canoed down the Amazon and this is what I learned about the fragile ecosystem or whatever and I think if people talk about what they've done specifically, they're always in a better shape and they are always going to be perceived more authentically because they are, they are not trying to tell you what they think or who they want you to think they are. But it's very hard to do that. Most people, it goes against a lot of greens. Yet it goes against a lot of what we were taught earlier in our careers.

David Greely (14m 23s):

Yeah. And there seems to be the big piece as well, right? There is always the trap of trying to tell someone what you think they want to hear so that they will see you as you want to be seen.

Ted Merz (14m 35s):

Yes. I think this has been a huge communication shift in our lifetime. I think companies 20 years ago, the idea was we don't want to make anyone angry, we don't want to offend anyone and so we think about what do people want to hear and we try to tell them what they want to hear and I think that doesn't work today. I think what works today is to tell them who you are, what you have done, where you are, what you are thinking because it's true and let that go. You know, some people will like that and I am not talking about intentionally being antagonistic at all. You can say you are from Texas and some people aren't going to like that. I think in the old days people would say, don't tell them where you're from because some people won't like it and I think that's the part that has changed. I think people and readers in the audience are just craving for, you know, knowing who people are, like who are you actually and if you tell people what you have done and who you are going to be perceived as more authentic and it's going to just go better in general and I think the old style just is not going to work at all and you don't really get any of the benefit of it.

David Greely (15m 36s):

Yeah, and I have often wondered how much of this shift is because we have so much broader reach than we used to. It's specifically like I often think when I was much younger, the town you lived in was the town you lived in and your potential audience was your potential audience and like you either adapted to them or you didn't and much of the success was being able to adapt to the circumstance and now people can reach globally across so many like billions of individuals and there is a little bit more of I am just going to put out who I am and let my audience find me as opposed to me trying to find my audience and it's a very different way of approaching how we communicate.

Ted Merz (16m 23s):

I think that's right but I would add one other caveat to it, which is this. So I don't know where you grew up but it sounds like a small town somewhere. Whoever you were in that small town, you could go to the next town and be somebody different and nobody would know and if you went to California, forget it. You can do whatever you want. What's changed now is you are talking about the globalness, but you are wherever you are, people are going to know because they are going to look at where you used to be or who you are. It's they are going to know people who knew you. So your capability of being different people in different rooms has been eroded and the people who try to continue to be different people in different rooms get penalized tremendously and so you have to, I think in this modern global communication age be the same person.

Ted Merz (17m 15s):

And like where, where I see this in business as an example is the town hall meeting. Okay, like 10 or 15 years ago companies said we are going to do town halls and the idea was you could pull all the employees together and tell them all these things that you wouldn't tell the outside world but you wanted to build comradery and good communication and that doesn't work anymore because people record it and they post it on YouTube and they tweet about it and so you can't be one way internally and one way externally and we

have seen this, people still have not reckoned with us, they haven't fully accepted this, but this is why you are seeing companies also when they are going to do, whether it's earnings or a town hall or any kind of thing, they basically just publish a press release with everything they are going to say and then they say it.

Ted Merz (18m 06s):

You know, you can decry that as well. That's a shame, you know, but it is what it is and I think it relates to this thing we are talking about, you have to be consistent. Yeah and you can't be consistent if you are lying, you just at the end of the day yet people end up saying, okay, I am who I am, people are going to find me out. So you just sort of start to own it and we are in this incredibly interesting historical beard where people haven't adapted to that yet. I think it's changing the way we communicate and it will continue to do so.

David Greely (18m 34s):

And I want to come back to that point about addressing different audiences but still being who you are and being authentic but I want to come back to a different point first because it's really interesting when you think about communications departments in companies because they know storytelling is more important, they know authenticity is more prized. There is lots of time and effort that goes into this. I guess I have a twofold question. One is kind of what's the state of the art at doing this well for a company and then how can readers spot when maybe the communications department has learned to fake authenticity really well, if that's even possible.

Ted Merz (19m 13s):

Again, I think that a lot of communications groups or people think they can shape a narrative, but you can't invent a narrative I think is maybe the way you can shape how people think about events harder and harder to invent events or deny events or so forth. Talking about corporate landscapes and things that occurred, right. I mean, generally speaking, I think we are in the beginnings of more corporate storytelling. My perception of it is most companies don't do a great job. Most companies haven't really thought of this as, you know, significant and I think this is largely generational. If you are an older CEO and you grew up in an environment where you are thinking there is no I in team and it's all about performance, you say our results speak for ourselves, you want to get your message out. But you know, you think, hey, our results speak for ourselves.

Ted Merz (20m 03s):

That's what they say and that's just not true. Yes performance is good, but people need to understand to make it really impactful and memorable you tell a story around it that helps explain it and makes it memorable and makes it something people can share and I think we are still very early in that and certainly I think there is a generational thing where older CEOs don't do that as much. Part of the reason is that the storytelling has to have a protagonist and that protagonist for the most part has to be the CEO could be somebody else, but generally it's going to be the leader of the organization or company. Generally speaking, I am very generalizing here, but generally speaking, historically CEOs have not done that. I am going to say also on the East Coast is less so than the west coast. You see it more on the West Coast with the Steve Jobs icon and you see a lot more communication from some of the people there, particularly in tech.

Ted Merz (20m 58s):

But you see that less in other places. I think the benefits of being visible are overwhelming and I think generationally, you know, gen Z, the millennials are getting much more comfortable with being the protagonist of the story. So we are going to see that happen much more and they will come a point where it becomes more normalized. So the way I like to think of it as like right now if you went to most CEOs and you said, are you out telling your story. Most CEOs, particularly East Coast CEOs think of telling their story as going on CNBC or going on Bloomberg TV or speaking at an event and that's one way to do it. They don't necessarily think of it as much as going on podcasts, writing online, doing videos, doing Instagram or whatever. That's they look at that like that's bizarre. That's not CEO.

Ted Merz (21m 51s):

Like okay that is going to change in the next five to seven years radically and we know that because Mark Zuckerberg just did two Instagram reels about his latest product announcements. He announced his products on basically handheld iPhone video, like a three to five minute video that he just talked to the camera remote production quality and so forth. You know, I mean that's the future that looks and feels more authentic. It's much faster, it's much more directly speaking to the audience. But you know, if you are a CEO and you are not used to doing Instagram and used to doing TikTok or writing on Twitter or whatever, you know, that's a scary world, right. That's scary. I am, again, I look at what Zuckerberg did and you are like that's what's going to happen. John Gray is another good example from Blackstone. He did a video, last earnings call where he is talking about earnings.

Ted Merz (22m 39s):

They posted on YouTube, on LinkedIn, I think it was on X as well. I just think that's where we are moving. We are moving to more of a communication directly from the actor protagonist in this case the CEO directly to their stakeholders and that's going to be really interesting, right because that direct communication, you can't hide behind anything. You see the person and some people are good at it and some people are going to need some training and everything in between, but it's going to be wild to have more access. In the 90s, CEOs weren't on conference calls, like the earnings call that was delegated to the CFO, that was like beneath them. They were doing vision somewhere, you know. So I just think broadly speaking, communication is going to be a much bigger part of business and executives jobs and the communication has to come in the form of a story to be effective, memorable, and impactful. So that kind of ties it all back. I think that's why we are seeing these trends because People who create these stories and they do so particularly directly are quite memorable. I don't know, I assume you saw the Zuckerberg video of him wakeboarding with the American flag pretty powerful, right. So if you are an executive that's, I don't know, that's either terrifying or liberating but it's terrifying.

David Greely (23m 52s):

I wanted to come back to the other point you made because like people need to be authentic but they are also addressing often very different audiences, particularly if you're a CEO. So how does the approach to telling the story change based on your audience. You know, that audience might be composed of investors, it could be your customers, it could be the internal audience at a town hall meeting.

Ted Merz (24m 16s):

Again, this actually goes back to I think largely we are going to see a convergence where you telling the same stories and giving the same message and I think we have seen this both in business and politics. The danger of giving a one message behind closed doors in private, whether it's a political message or a business message, you can't run that risk anymore. So you have to really think about your messaging in your story and your communication and then you just are consistent about that everywhere. Where I do see the difference is in little bit of the vocabulary or you know, the style of presentation or so forth, right. When you see Tim Cook talk to investors, it's different than when you see Tim Cook talk to a TikTok influencer. But I think the best practices are going to be deliver the same message and the same ideas but with different vocabulary.

Ted Merz (25m 08s):

I mean he is going to dress, maybe he is going to wear a suit in one place and he is going to wear khakis in another place. So you are adapting to your audience. But the adaptation is not the message and not the basic information, it's the delivery and the format. So I write on LinkedIn a lot, but a lot of my stories could work on TikTok or Instagram, but they might be a little bit different obviously in TikTok I would make a video out of it instead of a story. I think that's the way to think about communications is like what am I trying to communicate to people and is this audience going to understand, you know, this material and you shape it that way.

David Greely (25m 45s):

And that technology point is something that I think is really important. So I wanted to dive into that a little bit, particularly to kind of get your thoughts on how technology is changing, the nature of how we write our stories and what as readers we value in them particular social media like TikTok and AI. And maybe if we start with social media, you know, there is just so much content, so much competition for our attention. There is short form video, there is writing, obviously it's a lot easier to watch a video than to read and how is this affecting the time and attention people are willing to give to reading and how must our writing respond to be effective?

Ted Merz (26m 25s):

Some of it's counterintuitive. So first of all, I think let's realize that because there is no barrier to entry, the volume of what's going to be written is going to increase exponentially and chatGPT will contribute to that. But the volume you are talking about, there is a lot to read. There is a lot of volume, yes that's going to go up massively. Just like in every other part of the economy though, you are going to have the same impact you have had in other arenas, whether it's clothing or music or other things. There is vastly more stuff and then there is a small amount that's really good and let's just say it's good because it gets attention. It's whether it's you know, high quality or not, but people consume that and it's a bit of a winner take all environment. Just like we see in salaries and business and other things, we are going to see a lot more content, but a small amount, it is going to garner the disproportionate amount of attention.

Ted Merz (27m 16s):

And that's an important thing to realize. It's like if there is a 100 pieces of content and you put in 10, you don't get 10% of the audience, you probably get 99 or zero, you know, so I think that the first thing that's happening is there is going to be a lot more content. The

second thing is that people are going to really think about competing. If you want to get attention, the content has to be good, okay. Content has to be good. The second thing I would say is that there are some general thoughts. You know, generally people's attention spans are shorter. Lex Friedman's podcast is three hours. Joe Rogan's podcast is four hours. One of the podcast recent was eight hours the acquired podcast. These are all like the best podcasts, right. The acquired podcast is three or four hours. So I think the drive to quality there are going to be these incredible winners because of the content. So I don't think it's all like you just get shorter, you get along, you produce something that no one else has and it's quite unique whether it because the voice is unique or it has information that's unique and then that's how you can win and so there will be different people in different genres. Some will be long, some will be short and so forth.

David Greely (28m 24s):

Kind of brings it back to the authenticity point as well of you know, with these podcasts I can go 3, 4, 8 hours. It's not so much about how am I getting the information most efficiently. It's more about who do I want to spend my time with, who am I hanging out with?

Ted Merz (28m 39s):

I do think though, if we are talking in general, the platforms are changing the way we are writing and pretty radically, I will give you some thoughts on that. The first is I have like a couple of rules I think about writing effectively online and I will tell you what they are. I have like five, I think five or six. The first is generally it's got to be short. I write no more than 500 words ever. Part of the reason I write 500 words is because the LinkedIn maximum is 3000 characters for a post. But also people give me feedback that they will, they will read that but they are kind of getting to the end. Like if I kept going they would be like, they would bail. That's like a lot. I don't think I can keep them for longer. So generally you are writing short. The next thing is I think you write fast.

Ted Merz (29m 25s):

And by fast I mean there is not a lot of extra words. Just every word is important. You just can kind of browse it and scheme it very fast, which is not always the way writing was. The third is it's accessible, meaning they should not have a lot of jargon. It should be like anybody can read this, not just the new audience. Then I say it's authentic. Authentic to me online means if you read me you are like, he wrote that or he contributed heavily or he was like deeply evolved or it could not have been written without him as a way to think about it could not have been written without, if you read something, if I read you and I am like, wow and if I could cut and paste it and put somebody else's name on it and no one would know, then that's bad.

Ted Merz (30m 09s):

Okay. That's not authentic and the last bit for me is educational. Like it's got to teach you something because that's what keeps you coming back. Those things are shaping our writing and it, I see it, I mean particularly online, but I think it's not just about like a platform like LinkedIn. This is about what's written on websites. It's written kind of all over, like the language is getting just faster. So another thing is in news writing, which is my background, traditionally you explain everything, right, so you will say something like Texas, country the size of France, or you will always like explain things that are insane, right you know, you will just always put in context and background. Okay, so these days you can Google that and so it's a better use of time to just mention it and not put in the background because the background really slows down a lot of readers and it makes it ponderous and so I think one thing that's really dramatically changing, it has not happened yet to most newspapers, but we are going to see a thinning out of the within journalism is called the boiler plate okay you know, the background, the context, the stuff you don't really need but they put it into make sure you know how big Texas is.

David Greely (31m 23s):

One thing you have said that really resonated with me is you have to write in a style. I think you said skimmable, you know, I often think in my own mind of like scannable, can someone just kind of like scan down the text and get the major points and then they kind of decide if they want to go in and really read for the detail. Well I love the idea of write what only you could have written. It's a great way to not fall into the trap we talked about earlier of trying to write what you think other people want to steer you say or who they want you to be.

Ted Merz (31m 52s):

I think that's the biggest thing. If you can do that, you are in good shape.

David Greely (31m 56s):

Wanted to get your thoughts on the artificial intelligence side because I think it leads into that obviously never been easier to write something than it is now with AI it will do it for you and I remember reading a post, I think it was on LinkedIn when someone asked chat GPT to write a story in the style of Ted Meyers in your style and I was curious, you know, how do you think it did? What was your reaction to that and what do you think it might have missed?

Ted Merz (32m 21s):

Yeah, so the backstory there if people don't know is just that you can take someone's writing and load it into chat GPT and create a large language model based on that person and then theoretically you can give it a command, write a post about Hemingway and it will use their style points and whatever. The output is changing very rapidly. So it's constantly changing. We did this, which was, I didn't do it so someone did it and then they told me they did it and that person tried it out. Generally it didn't work tremendously well. We had to do a lot more prompting. So I don't think it did well, but like that's an area that's just getting better and better. So we will see how that goes. I think in general it's interesting. Well here is what I would say about this is it's my belief that people know when it's written by a computer, there is some confusion about this.

Ted Merz (33m 05s):

Because sometimes they will show you a piece and you will read it and you are like, wow, this, I can't tell this is written by a computer. People will say things like that, but I mean we know that's not true and the way we know that's not true, and I did a lot of this work when I was at Bloomberg, was the clicks and the readership rates and the saves and the shares indicate that people know it's not human or authentic. So when people say, wow, this is really good, they are kind of saying, I can't believe a computer can do this but they're not really saying it's like a human story. So you know, technology people may disagree with this, but I, that's just what we see. We still see, even LinkedIn does analysis of this and in click rates and share rates and various things. You can see the engagement much greater on human written content.

Ted Merz (33m 48s):

There is usually something that's quite a little wrong about humans. Like the just they use different language. You can tell I think in the long term large language models to the degree which they are using training sets based off large volume, they are going to drive towards that medium and they are not going to be quite differentiated. I don't know what the good metaphor for this is, but I don't think it's going to kill writing. I think there is still tremendous opportunity for people to distinguish themselves with writing and storytelling. I think it's more like the evolution of fast food did not kill the Michelin star restaurant and the evolution of ready to wear clothes did not kill oat couture. It's going to be like that. There is going to be a large volume of poorly written stuff and there is going to be an opportunity for people who write well to distinguish themselves. And keep in mind distinguishing in the writing, the writing isn't just writing right, a large part of it's the story you pick. Like going back to like I picked the Hemingway story, like, so it's the story selection, it's how you put it together. It's not just literally writing the words. You know, what goes into storytelling is much more than that.

David Greely (34m 54s):

And you said there will be a proliferation of low quality writing, so to speak. Do you think it will change what we value in the writing that we read? Do you think it will make some of the things we have been talking about, like that authenticity, the personal voice, the writers, the human aspects that come through?

Ted Merz (35m 12s):

I think that's a good point. I think that's very possible. Okay, so like, like to give you a crazy example, LinkedIn has started doing these things where like if you DM me on LinkedIn, they AutoFill the thing with AI generated text and the text is the text is always ridiculous and it's always like, Hey David, it's been a long time since we last caught up. It's super hokey and so like as an example, I have friends who intentionally lowercase everything i.e., they make a grammatical error to make sure it's clear to you that they are writing that because Chat GPT or LinkedIn, the AI and LinkedIn won't let that happen, right. There is things like that that we think, yeah, like the writing is never good, like the AI stuff that they prompt you to communicate with people. I found that very interesting because I don't know if people send you connection requests on LinkedIn and sometimes they use the AI prompt to say, David, you know, I really admire your work on fill in the blank and like whatever, right?

Ted Merz (36m 14s):

And you are like, it literally makes you not want to connect with that person a hundred percent. Like you're like maybe you don't connect with them, or at least you think less of them. Don't forget that the point of writing is usually communicating. So yes, these tools can make writing, it can make it more efficient, but if that comes at the cost of the communication, then it's not good. So if you find you can send me an email, you can send a batch of a hundred emails with this AI thing and that's much more efficient than sending out a hundred manually but if all of them reject you because they are like, wow, that's not very personal. He may not, he must not really value me if that's your business, like that's a bad trade off, right and I think too many people are thinking, okay, how can this be efficient but the point efficiency is good, it's important, but that's not what you are doing here. The point is to connect with people. That's how you get business, that's how you get readers, that's how you become influential on is connecting with people and if you can't connect with people because you wrote it so efficiently, like it's just a giant waste of time, you know?

David Greely (37m 22s):

Yeah. If your approach led you to communicate that you don't really care to put in the time, that's not what you were intending to communicate.

Ted Merz (37m 29s):

People who are not chronically online don't necessarily feel that as intensely as people who are, I would say. So people who are like, oh, I have to fill out LinkedIn and I don't do LinkedIn, and I am going to use chat and write something, and they are like, look, that's awesome. I wrote something and people who are on a lot, I read a lot, they are like, wow, that was written by Chad GPT and they literally think less of the person, you try to build street cred and the opposite is happening, you know?

David Greely (37m 55s):

Well, let me bring it back to human generated content then, because I wanted to ask you, you know, as a writer, who are your favorite storytellers and who do you look to for inspiration to become a better writer?

Ted Merz (38m 08s):

In the past year and a half, I have been mainly reading, I mainly read online, I read obsessively online. There is a number of business people who are at the forefront of this, and I think they're quite interesting and I follow what they do closely. So Rich Handler from Jefferies is a very active writer on Instagram and he is like, you know, he is off the charts in authenticity, you know, like he is just, he is always interesting, always. He is just writing what's on his mind. You know, Dan Loeb a big hedge fund manager, he is active on Twitter. He tends to tweet short things. The tech people from the West Coast Sam Altman, Mark Andreessen, Paul Graham, they do, it's very interesting. They write essays, they will do these le essays. Paul Graham famously wrote an essay How to do Good Work. Mark Andreessen is most famous for his, actually it was an op-ed, but it was an op-ed that said you know, software is eating the world.

Ted Merz (39m 05s):

That was almost a decade ago, but he's more recently written manifestos about tech and so forth. I think that's very interesting. So I pay close attention to what they are doing because I think they're the future of communication. You asked me who is my favorite, it's more like, because I am interested in what they are, how they are communicating and it's not an endorsement per se of like what they say. It's that I think that's the future you know, we talk a lot about like, people want to be a thought leader, and I think what's interesting is that in the past you could try to be a thought leader without a lot of risk because you just hired somebody to put something in the Times. And this is a, like a different level, you know, Mark Andresen wearing is writing online. It's definitely him and it's definitely like he is putting some strong opinions out there.

Ted Merz (39m 52s):

We're seeing a different kind of communication. It's much more aggressive and so forth. So I find those are really interesting. And then there is just a ton of people who are not as well known, I would say they tend to not so much be in big established companies, but a little bit more on the VC front or the tech front, the founder arena who have perhaps more agency to say whatever they want. You know, there is fewer lawyers and comms people and whatever, and they, if they are a founder, they, it's their company. So there is a ton of people to read on that front. That's the kind of people I am really interested in, in how they are communicating and how that's changing.

David Greely (40m 29s):

Well thanks Ted, thanks for sharing your thoughts on who's at the leading edge and how the way we communicate is changing and the role storytelling plays in that. Before I let you go, I wanted to ask you, you know, this is the last episode in our summer playlist series and you are on it last year. It's become a tradition to ask each of our guests what's on their personal beach reading list this summer. It's Labor Day weekend here in the United States. So before I let you go, I wanted to ask you, you know, what are you reading this summer, Ted?

Ted Merz (40m 58s):

So I was on last year, so I knew this is coming. I just started book a lot of people heard of Peter Attia, Outlive and it's the Science and Art of Longevity. So it's a combination of kind of diet, exercise, and what makes us age slower and I just saw, I picked it up because I saw him on a podcast. He was talking about his writing and talking about how the book came about and so forth. It inspired me to pick it up and so it's funny, I am going from online to, you know, analog.

David Greely (41m 32s):

Well, thanks for sharing the journey with us.

Ted Merz (41m 33s):

Thanks for having me on.

David Greely (41m 35s):

Thanks again to Ted Merz, founder of Principals Media. We hope you enjoyed the episode. This concludes our series, Summer Playlist 2024. We will be back next week with our new podcast series, Markets in Transition. We hope you will join us.

Announcer (41m 53s):

This episode was brought to you in part by Abaxx Exchange, where trading in centrally cleared, physically deliverable LNG and Carbon futures contracts is now underway. Ready for smarter markets. Contact us at onboarding@abaxx.exchange.

That concludes this week's episode of SmarterMarkets by Abaxx. For episode transcripts and additional episode information, including research, editorial and video content, please visit smartermarkets.media. Please help more people discover the podcast by leaving a review on Apple Podcast, Spotify, YouTube, or your favorite podcast platform. SmarterMarkets is presented for informational and entertainment purposes only. The information presented on SmarterMarkets should not be construed as investment advice. Always consult a licensed investment professional before making investment decisions. The views and opinions expressed on SmarterMarkets are those of the participants and do not necessarily reflect those of the show's hosts or producer. SmarterMarkets, its hosts, guests, employees, and producer, Abaxx Technologies, shall not be held liable for losses resulting from investment decisions based on informational viewpoints presented on SmarterMarkets. Thank you for listening and please join us again next week.