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WEEKLY NUGGET

This week's nugget —

[Gov2radio.com](http://gov2radio.com)

Gov 2.0 Radio "exposes the inner workings of government through social media in an expressway to democratic reform," according to Adriel Hampton, co-founder.

Gov 2.0 Radio is a collaborative podcast for government and Web 2.0 innovators to share best practices. More than 3,200 people have listened to the Internet radio show since its launch in March.

To schedule an appearance on Gov 2.0 Radio, email Meghan at allenandmeghanharvey@comcast.net.

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WEB 2.0 SPECIAL UPDATE 05.11.09

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This special update features a report by **David Bunnell, West Coast Editor, Web 2.0 The Magazine**. Bunnell's article, entitled "**The Problem or the Solution: Can the Web be both?**" was written in the excitement of the 3rd edition of Web 2.0 Expo San Francisco, the premier event co-produced by O'Reilly Media and TechWeb on March 31 to April 3, 2009.

The event took place as the country was just beginning to understand the depth of the economic problems facing it. Yet, more than 8,000 people attended this event and, according to Bunnell, "the energy at the show was very upbeat – a good sign of things to come."

On the Web 2.0 Expo SF "wrap" web site, in a commentary entitled the "Power of Less," "We do some of our best work when we're constrained: by budgets, by headcount, by technology, by the economy. These are the times when bureaucracy and waste die by necessity. What's left are ideas, and the muscle to make them real."

"2009 will be a tough year in many ways, but now more than ever, the core concepts of Web 2.0 provide an advantage. Lightweight tools, user interfaces, and development models will help streamline productivity and focus resources; new business models will emerge out of the environment of change. Transparency and openness will help avoid disasters and extend our influence, as we learn to trust users as co-developers. Marketers can't afford to ignore the value of social media, communities, and a new set of analytics. On an individual, team, company, and global level, this is the year we will choose to work on what matters."

<http://www.web2expo.com/webexsf2009>

Web 2.0 Summit is being held in San Francisco on October 20 – 22, 2009.

Web 2.0 Expo NY is being held November 16 to 19, 2009 at the Javits Center in NYC.

Web 2.0 The Magazine will see you all there!

I know you will enjoy David Bunnell's article. Your comments are appreciated.

Barbara

editorinchief@web2themag.com

SPECIAL FEATURE

THE PROBLEM OR THE SOLUTION: CAN THE WEB BE BOTH?

A Special Report from Web 2.0 Expo

by David Bunnell

West Coast Editor

San Francisco--Forget the exhibits, the demos, the workshops, and the free beer, what everyone at the recent Web 2.0 Expo was talking about was Douglas Rushkoff's head-scratching keynote talk which he titled, "How the Web Ate the Economy and Why."

Starting with the proposition that "the current global crises is the web's fault and this is a good thing," Rushkoff, best-selling author and former cyberpunk, fervently sees a gigantic silver lining to our current state of economic malaise. We have before us, he claims, nothing less than an unprecedented opportunity to "seize the day," take power away from the corporate conglomerates and create a new system of value based on the fruits of our labor.



"The Global Crisis is the Web's Fault"

– Douglas Rushkoff

Photo by James Duncan Davidson

<http://photos.duncandavidson.com/web2expof09>

If we do this, "we can make pretty much every thing great," and if we don't, "they will recover and make us miserable for another few centuries."

True, Rushkoff and his many fans have a tendency to exaggerate their position in the universe. Yet, I still think he is on to something. As he says, too many companies have become simple "generic businesses" because all the real skills related to useful products and services have been outsourced. Whether we're talking about a conglomerate in the Insurance industry or the International trade arena, the reality is both are just a bunch of MBA suits with spreadsheets.

While I think his observation that "most companies became holding companies" is a bit of an exaggeration, I still had to laugh when he said, "the thing we do best is incompetence, because our companies do not do the things that they do."

Hail the Chieftains

The corporate chieftains who run these types of companies have no real idea what their businesses are about and worse, they have a perverse sense of value, focused on speculative investments rather than real commerce. The object of their game is to "dress up the company so you can keep re-selling it at greater and greater evaluation." Thus, if laying off the workers in your R&D division provides an immediate boost to your balance sheet, then for heaven's sake, lay them off!

To illustrate this point, Ruskoff cited the case of former The Gap, Inc, CEO, Paul Pressler, who upon first getting the job bragged to a reporter on CNBC that he was "proud of having never worked in the garment industry." Pressler knew a lot about business operations and he was well connected to Hollywood. Thus, while he was able to use his personal connections to get Sarah Jessica Parker to appear in Gap commercials, he basically ran the company into the ground.

The implication, I guess, is the Web has been the facilitator or codependent, if you will. Much like the sympathetic husband who runs down to the liquor store when his alcoholic wife runs out of vodka, the

Internet made all things possible. Without it, Enron could never have risen so high and fallen so fast.

And then there was the little matter of the "dot com bust." All the money that was going into Internet startups "had to go somewhere and much of it ended up in real estate." I had another laugh when Rushkoff characterized bankers, "they were so stupid they bought shares in their own Ponzi scheme."

What it Takes to be Transparent

The successful companies of tomorrow will have to use Web 2.0 tools to become more "transparent" because people now want to feel a close connection to the companies that they do business with. And you can't be transparent if you don't have people inside your company who actually "work in the industry you are a part of." All you really need is to develop a culture that's dedicated to your industry or service, and then open up to the outside world.

Furthermore, Rushkoff says, "It is not a distraction from competence to become a transparent company because it forces you to be competent."

Building community, however, is only one way Web 2.0 represents the solution to our current angst. The other, more important way, has nothing to do with corporations. It has to do with "allowing people to create value on the peripheral again."

Rushkoff urges people to start building companies "to make a living" and not cash out. "Once you sell you are working for a bank." VC's are apparently just as bad. "You don't need a lot of money to start a business. You only need VC's if you plant to go Ponzi."

Gee, is this really true? What about a company like Google? They certainly have plenty of transparency and as memory recalls they were funded by VC's, went public, got very rich on the "false value" of their stock. Yet their founders are still there and the company continues to innovate and be very much a part of the Industry it serves.

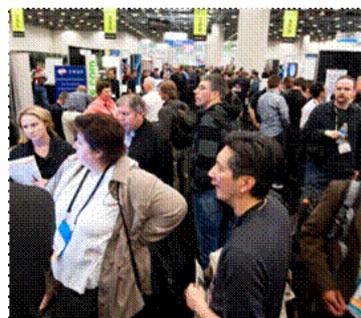
Unfortunately Rushkoff's talk was limited to 18 minutes and so how his concept of building companies post worldwide recession is suppose to work wasn't completely clear. But it's all in his new book, "Life Inc.," which will be released by Random House this coming June.

Tim O'Reilly, whose company, O'Reilly Media, sponsors Web 2.0, has apparently read an advance copy. He calls the book, "a profound and important call to action." I guess I'll have to read it.

You can see Douglas Rushkoff's speech for yourself on [YouTube](#).

Down to the Exhibit Hall

Following the keynote, I charged down to the exhibit hall to find the new companies that will lead us to the Rushkoff's promised land, a world free from spreadsheet fascism where we all get along, make a living doing the things we love, and never even think about cashing out.



There were Hordes of Attendees and Plenty of Vendors at Web 2.0

Photo by James Duncan Davidson
<http://photos.duncandavidson.com/web2exp09>

Financial collapse or not, there were 8,000 attendees at this year's show and plenty of start-ups and early stage companies exhibiting alongside a fine collection of old dogs like EBay, Microsoft and Adobe. Among the approximately 100 exhibitors, about 90% could be categorized as the former.

After cruising up and down the aisles, I made my first stop at the booth of a just launched, Dallas based company called [Nomee](#), which has an Adobe Air based application designed to control the chaos created by users belonging to multiple social networks. Basically, it aggregates and sorts your social network contacts and unlike similar software, delivers the results to other people's desktop.



What's on Your Nomee Card

Photo courtesy of Nomee

Instead of first logging into Facebook, Twitter, followed by Linked-in, which I often do, you log into Nomee where can more easily follow the friends and associates who matter to you. A nifty, user-modifiable "Nomee news string" aggregates one-sentence updates from up to 100 social networks all in one nice neat column of type.

The coolest part, though, is something called "Nomee cards," which you can share with whoever you want, or imbed into your website or blog. For example, you might have one Nomee card that includes your Linked-in and Plaxo network which you send to business contacts. Another card might include Facebook and MySpace. This card you could send to friends and family.

Power-users can publish all their public links to create a more robust network of followers. If your cards are designated to be "public" they can be freely forwarded so that your "fans" can share them with others or so that they can be plucked from one of your blogs.

Predictably, there will be "public nomees" for famous people and things like sports teams.

Nomee makes a lot of sense to me because I think it solves a real world problem. I asked CEO Kevin Mokarow, who was standing behind the booth with a big grin on his face if the Nomee product reflected the idea he had when he started the company. Or has the concept evolved. He replied, "Well, it is exactly what we wanted to do, only better."

I learned the company was launched less than a year ago with backing from Todd Wagner, who is one of Mark Cuban's main associates and cofounder of Broadcast.com. Mokarow, who is also an investor, has

a long track record as an entrepreneur. "I'm an old cowboy," he said.

I didn't bother asking him if he was building Nomee to make a living as it was obvious to me he doesn't really need this. He, and Mr. Wagner, are building this company to sell it to another company for a 10X or even much bigger return. They will then ride off into the sunset and probably not really give a damn what happens next.

Gosh, I thought, while very interesting, Nomee doesn't fit Douglas Rushkoff's concept at all.

A Vertical Search Engine for What?

Next, I checked in at **Cazoodle**, a vertical search engine far enough under the radar to have not yet been sued for trademark infringement by the slightly larger search engine they wish to compete with.

Cazoodle's CTO, Govind Kabra, was kind enough to demonstrate the company's first vertical search website—an apartment searching tool for the San Francisco area which at any one time has over 30,000 listings. He repeatedly explained to me that Cazoodle "understands the semantics of data better than Google."

After putting in the criteria, "I want an apartment in the Mission District of San Francisco that rents for under \$2500 a month," you get a listing of apartments gathered by "intelligent crawling software" from "thousands" of landlord or rental agency websites. Ironically, the nifty part is provided by Cazoodle's integration with Google's street view images so you can actually take a virtual tour of the neighborhood.



**"Better than Google" – Govind Kabra,
Cazoodle CTO**

Photo by David Bunnell

Kabra is proud of the fact Cazoodle comes out of research from the University of Illinois, Mark Andreessen's former stomping grounds. The underlying technology is a proprietary "deep Web" semantic search technology developed by science professor, Dr. Kevin Chang. You have to think they have many more applications in mind for this than searching apartments, as it seems to me Craigslist already provides a more than adequate solution.

I mentioned this to Kabra. He readily agreed and showed me the beta of an events application and hinted many more, "much powerful apps" are in the works. I wonder what they could be.

Checking in with Socialtext



**Adam Lepofsky of Socialtext Lives
in Boston and Toronto**

Photo by David Bunnell

The next company that caught my eye is hardly new, but **Socialtext** is rapidly evolving. Founded in 2002 to provide a collaborative Wiki for people inside companies, it now includes blogging, social networking, a "social spreadsheet," shared photos, shared video and "Socialtext Signals"—a Twitter-style social messaging interface. Better yet the company has released a public beta version of its Socialtext Desktop, an Adobe Air application which nicely ties everything together.

With these additions, Socialtext becomes *the* tool for creating the transparency Douglas Rushkoff dreams about, primarily inside corporations but also between collaborating companies and even between specified corporate components, like marketing, and designated groups of customers. The system is extremely flexible and can be easily managed by users so they can define exactly what they want to see on their desktops, who they want to collaborate with, what groups they want to monitor, what to share and what to protect, etc. It's amazing really.

Alan Lepofsky, Socialtext's Director of Marketing, who "commutes between Boston and Toronto," even though the company is headquartered in Palo Alto, told me they now have over 4,000 customers, including companies and non-profits with as few as five employees up to many thousands.

Sadly though, this is another company whose underlying goal is to make money (sorry Douglas). Funded by well-heeled investors including Draper Fisher Jurvetson, the Omidyar Network and SAP, my guess is the founders and investors are anxiously waiting for the moment when the IPO market shows renewed vigor.

[WEB 2.0 SPECIAL UPDATE 05.07.09 \(continued\)](#)