



Stanford eCorner

No More Broad Growth for Technology

Tom Siebel, *First Virtual Group*

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Most of the promise of post-industrial society has been realized, says Tom Siebel, Chairman of First Virtual Group, and all of the great technological advances and development of great companies are behind us. The tech sector is hovering around a mere three percent annual growth rate, says Siebel; keeping it just on par with the rate of current economic growth.



Transcript

And I would suggest to you there's still a lot to do. But I would suggest to you that much of the promise of the post-industrial society has been realized. We in fact have changed the way people communicate, the way that they do business. The way that they entertain themselves, the way that business processes are conducted have been indelibly changed. We have achieved enormous increases in productivity across all of these areas. But it slowed. Let's look at the investment. The adventure investment rate in information technology, which grew very, very rapidly going into the year 2000. And it's declined by an average of 1% per year since then. Now I've looked at a lot of these business plans that my colleagues from these companies, my friends, the people I went to graduate school with.

The people I worked at these companies with, other companies I had been working on. And I would suggest to you that most of what's going on today is not very exciting. In information technology, it is not exciting. Most of these things are bells and whistles and features on these previous generations of technology. It might be fun and it might be entertaining but that is not the stuff of which great companies are made. And that is not the stuff - these sorts of growth rates are not the raw material from which great opportunities arise in my opinion. I think we've done it. I think this is a mature industry. It was a great accomplishment. I believe this industry will grow at about the rate of growth of the economy.