OpenAI was a research lab — now it’s just another tech company



Here’s the thing about asking investors for money: they want to see returns.

OpenAI launched with a famously altruistic mission: to help humanity by developing artificial general intelligence. But along the way, it became one of the best-funded companies in Silicon Valley. Now, the tension between those two facts is coming to a head.

Weeks after releasing a new model it claims can “reason,” OpenAI is barreling toward dropping its nonprofit status, some of its most senior employees are leaving, and CEO Sam Altman — who was once briefly ousted over apparent trust concerns — is solidifying his position as one of the most powerful people in tech.

On Wednesday, OpenAI’s longtime chief technology officer, Mira Murati, announced she’s leaving “to create the time and space

to do my own exploration.” The same day, chief research officer Bob McGrew and VP of post training Barret Zoph said they would depart as well. Altman called the leadership changes “a natural part of companies” in an X post following Murati’s announcement.

a:hover]:shadow-highlight-franklin dark:[&>a:hover]:shadow-highlight-franklin [&>a]:shadow-underline-black dark:[&>a]:shadow-underline-white”>No longer just a “donation”
OpenAI started as a nonprofit lab and later grew a for-profit subsidiary, OpenAI LP. The for-profit arm can raise funds to build artificial general intelligence (AGI), but the nonprofit’s mission is to ensure AGI benefits humanity.

In a bright pink box on a webpage about OpenAI’s board structure, the company emphasizes that “it would be wise” to view any investment in OpenAI “in the spirit of a donation” and that investors could “not see any return.”

Investor profits are capped at 100x, with excess returns supporting the nonprofit to prioritize societal benefits over financial gain. And if the for-profit side strays from that mission, the nonprofit side can intervene.

We’re way past the “spirit of a donation” here

Reports claim OpenAI is now approaching a $150 billion valuation — about 37.5 times its reported revenue — with no path toward profitability in sight. It’s looking to raise funds from the likes of Thrive, Apple, and an investment firm backed by the United Arab Emirates, with a minimum investment of a quarter-billion dollars.

OpenAI doesn’t have deep pockets or existing established businesses like Google or Meta, which are both building competing models (though it’s worth noting that these are public companies with their own responsibilities to Wall Street.) Fellow AI startup Anthropic, which was founded by former OpenAI researchers, is nipping at OpenAI’s heels while

looking to raise new funds at a $40 billion valuation. We're way past the "spirit of a donation" here.

OpenAI's "for-profit managed by a non-profit" structure puts it at a moneygrubbing disadvantage. So it made perfect sense that Altman told employees earlier this month that OpenAI would restructure as a for-profit company next year. This week, *Bloomberg* reported that the company is considering becoming a public benefit corporation (like Anthropic) and that investors are planning to give Altman a 7 percent stake. (Altman almost immediately denied this in a staff meeting, calling it "ludicrous.")

And crucially, in the course of these changes, OpenAI's nonprofit parent would reportedly lose control. Only a few weeks after this news was reported, Murati and company were out.

Both Altman and Murati claim that the timing is only coincidental and that the CTO is just looking to leave while the company is on the "upswing." Murati (through representatives) declined to speak to *The Verge* about the sudden move. Wojciech Zaremba, one of the last remaining OpenAI cofounders, compared the departures to "the hardships parents faced in the Middle Ages when 6 out of 8 children would die."

Whatever the reason, this marks an almost total turnover of OpenAI leadership since last year. Besides Altman himself, the last remaining member seen on a September 2023 *Wired* cover is president and cofounder Greg Brockman, who backed Altman during the coup. But even he's been on a personal leave of absence since August and isn't expected to return until next year. The same month he took leave, another cofounder and key leader, John Schulman, left to work for Anthropic.

When reached for comment, OpenAI spokesperson Lindsay McCallum Rémy pointed *The Verge* to previous comments made to CNBC.