

Episode 154: Ana De Sousa on Crypto Startups and Impacting Adoption

- Kelley Weaver:** Welcome to Crypto Token Talk, a crypto 101 podcast exploring how blockchain applications like Bitcoin, Ethereum and other crypto assets could change the world. Learn from blockchain experts, thought leaders and founders of some of the most innovative companies and world changing ideas of our time. I'm your host, Kelly Weaver, CEO of Melrose PR, a leading blockchain communications agency. Thanks for joining us today.
- Nikki Brown:** I'm Nikki Brown, senior content strategist at Melrose PR, and I'll be your guest host for this episode of Crypto Token Talk. Today, I'll be speaking with Ana De Sousa, head of operations at Falcon X. Welcome, Ana.
- Ana De Sousa:** Thank you, Nikki.
- Nikki Brown:** All right. Well, let's dive right in and start with, perhaps you can give us a brief introduction to who you are and what you do at Falcon X.
- Ana De Sousa:** Sure. So, I lead operations at Falcon X, which is a crypto [inaudible 00:00:48] company. We're still in still, so there's not a whole bunch that I can share yet, except that we're really proud of the product and the network that we're building. Prior to Falcon X, I had been a management consultant, then a technical program manager at LinkedIn, and led biz ops for a little while for a startup in LA.
- Nikki Brown:** Very cool. Interesting. So, I checked out, you do have a website, but everything else is in still, that's kind of where you guys are at?
- Ana De Sousa:** That's right. We have our website, which we're going to be revamping probably in the next or so, and sharing a little bit more information about ourselves. But for now, yeah, you can see that we have a strong roster of VC backers. We're backed by Axel, by Lightspeed Ventures, by Flybridge, and a strong team that I'm very luck to be a part of.
- Nikki Brown:** Excellent. And so, I don't know how much you can tell us about what you're doing at Falcon X, but just generally speaking, because I know you're building this network and working with different projects, how do you kind of decide

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what projects to get behind, and what separates the good projects from the great ones?

Ana De Sousa:

That's a great question. So, we have what I think is a pretty robust process for deciding which founders we're going to back really, because so much of the interesting is still nascent, and it's I think what's going to differentiate the projects that succeed from the ones that don't, is really execution. So, that starts with reading what we can, all the publicly available materials for the projects we're interested in, finding a way to get in touch with the founders. Ideally, sort of face to face meeting if they're in the bay area, although we have folks around the country and around the world, as well. And talking through the vision for the product, or the crypto network that they're building, and what their challenges are, and deciding from then on does it fit with our thesis that we know crypto's going to need a lot of infrastructure, and picks and shovels, and longterm thinking. Are these projects the ones we're going to be able to execute on what we think the industry needs?

So, it's a lot of meetings, a lot of diligence. And in the end, it's a unanimous decision here with the team. Do we want to work with this founding team or not?

Nikki Brown:

Great. So, when it comes to determining what projects to work with, is it the team that you look at, or the idea, or a combination of both of those elements?

Ana De Sousa:

That's a great question, and I'm going to say it's really, at this stage, 80-85% team. And I think that's not just the case in crypto. Even beyond crypto, I think the projects, the companies that really capture the public imagination are the ones with the very strong founders, the very strong teams that are just able to execute.

If you take a company like Tesla, you'll recognize a lot of people, decades before Tesla came along, were talking about electric vehicles, and the need to reduce our consumption of fossil fuels. But it was Elon Musk who went in there, and presented this vision of luxury electric vehicles that are these fleets across the country and across the world, and he introduced this very, very tight production schedule, and was able to deliver on it, and I think that's the thing that people got really excited about. Not only Tesla, but the ability to eventually replace gas consuming cars.

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With crypto, I mean this is critical. That ability to execute is really what's going to make or break projects going forward. And personally, there're not a lot of projects out there that I think are building on a truly novel idea that wasn't thought of before, but there are a lot of projects where I look at the team, and I think, okay, these guys are going to be the ones that are going to overcome the very many distractions in the industry, and are here for the longterm, and they're going to build something amazing.

Nikki Brown: Definitely. And you mentioned this kind of idea of, perhaps the projects that go into producing picks and shovels might be the most successful, eventually. I wonder if you wouldn't mind expanding upon what you mean by that, and also just thinking about there's some projects that are creating solutions for the crypto industry, and others that are creating blockchain based solutions for an existing industry, whether that's healthcare or advertising, or something like. I'm wondering what your thoughts are on both of those.

Ana De Sousa: To start out, I'm hopeful for both, right. But I think what I'm truly excited about at this point in time are those projects that are just enabling mainstream adoption of cryptocurrencies. And one of the reasons why I say that is because cryptocurrency feels like a more familiar, and more comfortable entry point for the average person, right, into the world of crypto. I think that they get that, Bitcoin for example, is supposed to function like money. And what I'd like to see are better tools for onboarding people onto crypto. And there're already fantastic tools, but for example, you can't argue with what Coinbase has been able to establish in terms of getting people to kind of come in, buy their first Bitcoin, or Ether, or whatever other token they might've bought on Coinbase, and just get familiar with the space.

But I'm really excited about some of the products and the technologies coming out that's making transactions faster, cheaper and more private. I think that that's going to be the thing that helps crypto realize its vision. With respect to the companies that are sort of introducing blockchain into their business processes, I'm hopeful there, but I'm also aware that that's ... a lot of the time, they're not just solving a technological problem, right. So, I'm very excited by the potential, the uses cases for an open access immutable ledger that's maintained by a large network. If you could get things like public records, like deeds or business registrations recording on that type of blockchain, you could lower administrative costs for government and for businesses. You could reduce the frequency and cost of litigation, but that doesn't require nearly the

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technological solutions, and often a lot of requires political or internal resolve for the team that's driving it. So, I'm a little bit more cautious with those implementations.

Nikki Brown: No, that makes sense. So, Ana, I'm curious if you'd be willing to share with us some of the projects that you're particularly excited about, whether at Falcon X, or beyond projects that are here to stay?

Ana De Sousa: That's a great question. So, I'm very excited about projects that are focused on privacy, and I'm particularly keen to follow what's coming out of Oasis Labs. So, they're working on making sensitive data available for analysis without compromising privacy, and what I'm hoping for is that, that's going to mean a larger volume of critical data. Is it become available to medical researchers, to policy makers, and to businesses who want to, I don't know, de-risk a capital intensive investment?

When I think about those possibilities I get really excited. Not because they're inherently sort of revolutionary in themselves, just because it represents such a leap forward in the way that talented people collaborate and make good decisions. So, I'm very excited about those types of projects that are tackling this issue of privacy.

Nikki Brown: Excellent. Now, thinking about privacy, I know a lot of people have been talking about data privacy recently, especially in the wake of the Facebook–Cambridge Analytica data scandal, and what that means as far as impacts on politics, et cetera. Is that something that's of interest to you, as well?

Ana De Sousa: Absolutely. I think it should be of interest to everyone, and I think what it's going to mean, going back to an earlier question where we talked on the convergence of technology in politics, I think it's going to mean that we're going to have to build tooling that protects privacy, and in parallel, sort of sync through an update or collective definitions of privacy, right. Because some people might think privacy just means anonymity, but it's pretty clear that, for example, even in anonymous data sets, it's possible to derive the identity of the people included in those data sets. So, anonymity is an incomplete definition of privacy.

And now that there's been more tension paid to this issue of privacy, right, unfortunately because of the breaches and the lapses that we've seen in the last two years with sort of companies like Facebook and Equifax, I think it's going to

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lead to a lot of political and technological change that I'm hopeful is going to turn out for the better.

Nikki Brown: I'm hoping for the same thing. This is sort of a related matter, but people tend to discuss Bitcoin in the context of the transactions using Bitcoin are not completely private. It's pseudonymous. And so, in this context of our conversation about privacy, do you think that, that will be an issue for Bitcoin down the road, and impact its usability, or do you think there's still a place for Bitcoin?

Ana De Sousa: That's a great question, and I really think it depends on the values of the people who use Bitcoin, and the way that they're using it, right, and what potential adversaries who have access to, and the means to derive identities from Bitcoin transactions, it depends on what they do. So, I think if Bitcoin users ... first of all, if it goes more mainstream, I think that the focus on the privacy of transactions is actually going to decrease, because I'm not sure that the average person is that ware, or at least for now, that concerned about the privacy of transactions. We use credit cards all the time, and we know that, that information is being kept, and some way, shape or form being shared with third parties through the credit card companies.

So, with mainstream adoption, I think, at least as things stand, there will be less of a focus on the privacy of transactions. But now if we see things like sort of state led persecution of certain individuals, or certain groups based on their transaction history, people are certainly going to take a step back, and think through, okay, now this information's all exposed the history of all my transactions, and that could be tracked down, and sort of bad things can happen to me. Should I really be thinking about this differently?

So, it's hard to predict sort of the many paths that, that could take, and I think it's going to be a constant push and pull over sort of how that information's being used.

Nikki Brown: That's fascinating stuff to think about. The other fact that you mentioned earlier as kind of a hurdle to mainstream adoption is this challenge of speed in transactions. Are there any projects you think are addressing that?

Ana De Sousa: Yeah. I feel like every other project I come across is focused on blockchain's scalability. Last week, I came across one that was promising some speed of light breaking level of TPS. There are a ton, right. Scalability is this sort of in vogue

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trend. Whether or not these are actually going to be sort of getting some traction is a different matter. I think speed is important, but we shouldn't focus exclusively, or even primarily on speed.

I mean, there are use cases right now for which the current transaction time is perfectly fine. I mean, I have a sister who lives in London, and sometimes we'll send sort of money back and forth for various things, you know, gifts, paying each other back, and so forth, and I use TransferWise, and I think TransferWise is a great product. The money does get there the next day, and if I could just send it to her in 10 minutes, I'd be perfectly fine with that.

So, yeah, I think that there are talented teams working on the issue of speed, but I don't want to sort of over index on how important that might be.

Nikki Brown: Do you think that it's inevitable we'll sort that out, and especially since there's so many projects working on it we're bound to kind of land on a solution eventually?

Ana De Sousa: I do, yeah. I feel very hopeful about that, and I hope I'm not being naive, but I do see like, just a spectrum of teams working on it, and there's enough people on the talented side where I'm certain sooner or later we're going to be able to get transaction speeds where everyone feels very comfortable with what we're able to do with them.

Nikki Brown: That's very reassuring to hear. Another thing that people talk about a lot is a hindrance to making sure the adoption is this ambiguity [inaudible 00:13:36] regulations, and you mentioned it earlier as maybe it's not something that we should be hyper focused on, but how big of an issue do you think regulations are right now?

Ana De Sousa: I like the way that you put it, because I don't think that regulation is an issue for mainstream adoption. When I think about what happened with Uber, when they went from being sort of a black car service to what was called ride share at the time, it was really just drivers getting in, and faring passengers around. I didn't see a lot of people, let's put it that way, stopping to think, is it legal for me to hail a random person through this app and jump into their car? People are certainly concerned about safety, but they weren't concerned about a regulatory crackdown.

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So, to say that regulations are the thing that's keeping people from buying and spending cryptocurrency, I think it's sort of a poor crutch for people who don't want to make like, a big investment in the space. I think sort of the development of financial markets in crypto, like that obviously needs regulatory scrutiny, and obviously the people who are building products for it, investing products for it, and sort of making big decisions based on what's going to be available in that space, need to be aware of regulations. But for every day of adoption of, for example, just tokenized networks, I don't think that regulations' really the thing that's stopping mainstream adoption.

Nikki Brown: Got it. So, maybe not quite to the extent of move fast and break things, but just don't worry about it too much.

Ana De Sousa: Well, I wouldn't want to say that. Definitely be compliant to whatever extent possible, but I wouldn't go out saying, you know, like, the reason why my decentralized app can't get users is because of regulations, they're just really sort of concerned about regulation. I'm really not seeing that.

Nikki Brown: Got it. So, a lot of people kind of like to make predictions about the future of cryptocurrency and blockchain technology, but of course we all know it's nearly impossible to predict what will ultimately happen. So, what do you hope for in the next 5 or 10 years?

Ana De Sousa: I hope that the crypto industry can bring more folks into the fold, and folks who are not necessarily technologists, or not necessarily sort of politically aligned with the prevailing ideology of the crypto industry, which I would call more libertarian. We need people in government, and in law, and in the financial markets to bring their expertise, right, to help us develop this kind of set of technologies that we're calling an industry, but truly will only become an industry when there's support for it along several different dimensions.

So, what I'd like to see is, yeah, just creating a bigger tent for people to come in, and having a community that's a little bit more open than what I think the crypto community has been in the past.

Nikki Brown: Definitely. I know this is something that's easier said than done, but any strategies or ideas that come to mind for how we might do that to expand the tent?

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Ana De Sousa: You know what, actually, I think we're doing a good job as a collective. The sort of frequency and scope, and just distribution of meetups, and people who are willing to go out there and share their knowledge through blogs, through podcasts like these, and just really go off air without a lot of pretense, or without a lot of like, what I would call like hostile energy sometimes against things that a lot of people hold dear, like sort of, I don't know, government oversight and the protection of the state.

I think we're on the right track, we just need to keep doing these things more and more often to make sure that people who are curious about Bitcoin don't get turned away because they feel like, okay, this is, not only is the technology like, too confusing and exotic, but also the community seems really insular and hard to break into, and I as a professional in either healthcare, or law, or government, or whatever industry, like, I don't see a place for myself in it. I think that we're taking the steps in the right direction to make that happen.

Nikki Brown: On that note, how do you recommend that people get started? How did you get into this space, and are there certain resources that you'd recommend that people read, or listen to, or how should people kind of get their foot in the door here?

Ana De Sousa: I think first you need to pick an entry point that you're excited about, and it could be privacy, it could be cryptography, it could be financial markets, it could be economic history, could be a lot of things. Whatever it is, just make sure that you're picking a domain where you feel comfortable and curious, because you're going to need to use that as a lantern, so to speak, as you explore crypto. I think that this might resonate with you too, Nicki. I know it resonates with a lot of people, but getting your start in this world can be really confusing, and if you don't have a lens, you'll likely end up stuck on details that are challenging, but aren't pivotal to your understanding.

For example, what a Merkle Tree is, or what the optimal rate of inflation is considered to be. Like, those are things that are kind of like, sort of need to understand, but your holistic understanding of how cryptocurrencies work, and why they work great, and the whole place like, won't breakdown if you don't get those points right away.

Second, I would definitely recommend to try to suspend your cynicism as much as possible. It's really easy to look at something like Bitcoin, and say, "That'll never work out, because it's not backed by anything," and if you don't take the

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extra step and ask yourself, why are so many people excited about currency even though it's not backed by the assets that usually back a currency? You're probably going to miss out on some important insights. Some people think that it's backed by something that's more powerful than a precious metal, or the credibility of a sovereign government. Some people can't easily access the currencies that you and I can access, and some people don't even think of Bitcoin as a currency, right. They focus on the store of value feature.

So, if you sort of let yourself wallow in cynicism, you won't let yourself be led to these insights, and being led to these insights is what makes the whole exploration fun.

Nikki Brown: I like the way you articulated that. Is there anything else you'd like to add to our conversation here about blockchain, or cryptocurrency in general?

Ana De Sousa: No, except to say that even though we're in stealth mode with Falcon X, we've started publishing some proprietary research that, yeah, I'm excited about, my colleagues are really excited about. So, if I can give a shout out to our team who I think is doing fantastic work, you can go find that proprietary research through our Twitter profile, which is @FalconXnetwork.

Nikki Brown: Great. We will share that in the notes of the podcast, and is Twitter the best way to stay up to date on what Falcon X and you are up to, or are there any other ways to stay in the loop that people should know about?

Ana De Sousa: Right now, Twitter's the best way, and for me, you can find me @APTSOUSA.

Nikki Brown: Okay. Great. Well, thank you so much for taking the time to speak with us today, Ana.

Ana De Sousa: You got it. It was a pleasure speaking with you, Nikki.

Kelley Weaver: That's all for today's episode of Crypto Token Talk. To learn more about blockchain and keep up to date with this fast paced industry, subscribe at [CryptoTokenTalk.io](https://cryptotokentalk.io) where you can also find today's show notes. If you have suggestions for topics or guests, please drop me a line on Twitter @CryptoKelly, or you can follow the show on Twitter @CryptoTokenTalk. If you enjoy the show, please rate and review it on iTunes, and share it with family, friends and colleagues who want to stay up to date on how blockchain technology is changing the world. Thanks for listening.

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