



Stanford eCorner

Career Development

Elon Musk, SpaceX

October 08, 2003

Video URL: <http://ecorner.stanford.edu/videos/377/Career-Development>

Elon Musk, co-founder, CEO, and chairman of PayPal, shares his background: He was accepted into Stanford but deferred his admission to start an internet company in 1995. His company was zip2 which helped the media industry convert their content to electronic medium. Then, he sold the company for over \$300 million and never came back to Stanford.



Transcript

I'll try to make this as interesting as possible. If you like space, you'll like this talk. My background in brief, I'll talk a little bit Zip2 and Paypal and then mostly about space and what we're doing in space. So, I originally came up California to do energy physics at Stanford, actually. And ended up putting it in '95. And ended up putting that on hold to start Zip2. I'll tell you a little about the four process of exactly what happened there. In '95, it wasn't at all clear that the internet was going to be a big commercial thing. In fact, most of the venture capitalists that I talked to hadn't even heard of the internet which sounds bizarre on Sand Hill Road. But I wanted to do something in there.

I thought it would be a pretty huge thing. I thought it was one of those things that came along once in a very long while. So, I got a deferment at Stanford. And thought I'd give it a couple of quarters. If it didn't workout, which I thought it probably wouldn't, then I'd come back at this school. Actually, I talked to my professor. I told him this and he said, "Well, I don't think you'd be coming back," And that was the last conversation I had with him. The only way to get involved in the internet in '95, that I could think of, was to start a company. Because there weren't a lot of companies to go and work for, apart from Netscape, maybe one or two others. And I don't have any money.

So I thought we got to make something that's going to return money very, very quickly. So we thought that the media industry would need help converting its content from a print media to electronic. And they clearly have money. So if we could find a way to help them root their media to the internet that would be an obvious way of generating revenue. There was no advertising revenue on the internet at the time. That was really the basis of Zip2. We ended up pulling quite a bit of software for the media industry; primarily, the print media industry. So we had these investors and customers; Hearst Corporation, Knight Ridder, most of the major US print publishers. We brought that up and then we had the opportunity to sell to Compaq in early '99. And basically, took that off for a little over \$300 million dollars in cash.

That's the currency I highly recommend.