



## Stanford eCorner

### Sharing a Measure of Success (Entire Talk)

Rashmi Sinha, *SlideShare*; Jonathan Boutelle, *SlideShare*

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Jonathan Boutelle and Rashmi Sinha, founders of the presentation-sharing site SlideShare, describe the entrepreneurial process as a series of pivots. Boutelle explains it's not just a jump, but an evolving growth of stages that leads to an idea that can start a business. From there, Sinha says that focused execution keeps the vision moving forward. By continually measuring the activity, they both believe that entrepreneurs can better recognize the growth stages of their company.



#### Transcript

So, the first question, Rashmi and Jon, for the two people out there who don't know what SlideShare does, maybe you could just give us a brief description of the product and the service and website. Sure. So, the core idea of SlideShare was that it would be the YouTube of PowerPoint. And that was the three-word description that we wrote when we were making up the PowerPoint of the product. And we shied away from using that description when we were pitching it to Michael Harrington and to journalists and people like that. But it turned out that actually being able to describe what you do in a very short, crisp way - even though if you refer to other sites that already exists - is perfectly fine, healthy, good way to communicate. So, the YouTube of PowerPoint pretty much sums up what we are. Now, obviously we handle way more documents than PowerPoint. Now, we handle .pdfs. We handle videos integrated within PowerPoint.

We handle audio. And we have a lot of business features as well. But the sharing of presentations online is what SlideShare is all about. Got it. So, today it's the sharing of presentations online. What was your original idea? Was that it? Or was there something else and you ended up there? What was the impetus for the idea? So, the original idea was to share presentations online. And it started off in a more narrow sense where we had the realization, actually, Jon had the realization at a conference that there were sites for sharing pictures, Flickr, etc., and there were sites for sharing videos. And he basically watched people pass around presentations on a USB keychain. And he said, "OK, let me find the Flickr for PowerPoint," and realized there wasn't any. Yeah.

I wasn't just even watching them. They kept on coming up to me and asking me how they were supposed to put a PowerPoint file into a wiki. And I was sure there would be four or five sites like SlideShare out there already. It seemed like a very natural idea. But we googled and googled and there was nothing like it. So, we knew that we had to try. So, was this a technical hack by an engineer? Or was this a business from the day you had that observation? What were you thinking? Which one of you was the coder? Were you both coders? Jon? Yeah. So, when you coded it up, were you thinking you were coding a business or solving an individual problem for you? We were definitely thinking of it as business. We just didn't know that much about media businesses, which is what it turned out we were building. So, we were actually running another company at the time.

And we had a consulting business based around the software. The company was called Uzanto and the software was called MindCanvas. It was for doing game-like surveys. And in the process, we built up a product team. We'd been itching to do something larger and brainstorming ideas. And basically we have a third co-founder. And the three of us would discuss ideas all the time. And Jon used to keep on pitching us ideas. So, he would come up with ideas and pick something like, "Not that

one, not that one, not that one." This was the first idea that we three immediately agreed that this made sense. And we looked back at our lives and thought of the many times that it would have made sense instead of sending someone a 40-meg file to actually email them a link.

So, the use case seemed very simple. And that's where we started from. We were profitable at the time with this other business. So, we didn't need revenues immediately. But we believed right from the beginning that there would be a business here because of the nature of what we were doing. But first when we launched it, we were focused on users and gaining traction. So, Rashmi, you had then existing company. And it was making money. And you had this idea and you just shifted from the existing stuff to here overnight? Or did it take a while? Or did somebody say, "Well, let's do this as a science experiment"? How did that work? So, we launched and it immediately took off. I distinctly remember that it was October 4, 2006.

We were supposed to launch at 6:00 a.m. PST. But we didn't realize that when we hear people talk about time, they're always talking about EST. So, it launched at 3:00 a.m. PST. And we suddenly woke up and the site was live and we weren't quite ready yet. If we had had that extra three hours. It would have been completely different. But the funniest and most interesting thing about it, we had to invite only five because we were concerned about how much traffic we would get. There was this story that the site was getting taken down.

So, the first thing we did was that we had these thousands of people trying to join. And we were accepting each of them individually. So, everybody in the team, the five of us, were sitting there and saying, "Yes, yes, yes. Accept this person." And the first thing we wrote after lunch was a "Check All" button so that we could check the whole screen of people and check all, let them into the site. We had an incredible ROI. And you just mentioned something I've never realized. When I heard you talking about the company, I assumed you had like a hundred people. So, there was five of you as a company. Yeah. But it was profitable.

Yes, it was profitable. We were doing well. That's why we had enough bandwidth to say, "Let's try this thing." And so, how long did it take before you realized that maybe this new thing is actually the company versus your existing business? So, SlideShare, the site launched in October 2006. And we incorporated as a business in May of 2007. So, eight months? Yeah. And we were doing well. We were really growing. But at the same time, we had enough revenues to keep up. We were very scrappy. We were a lean company.

Yeah, we didn't want to pay the money for the lawyers. And so, when you became SlideShare, from five to how many? Well, that took a while. We became the incorporated SlideShare. And then, we suddenly realized by that time we needed to do some funding because we were growing faster than we could keep up. And it still took us a while to actually close down the other company. And it was a very emotional decision. We talk about pivots but it's not so simple. I realized when we spoke to our lawyer, we said, "OK, we are incorporating SlideShare." And then, he took a look at our situation, which was we had this great, growing site and we had this other business, which were all kind of into as well. And he said, "You will have to close that down in order to really give this a chance." And when we came back, we were so depressed. It was really depressing.

Yeah, we had to kill MindCanvas, it was very sad. But when you started SlideShare, unlike your existing business, did you have a revenue model or a business model on how to make money? Or was it just, "We're going after users. Our users are grabbing this out of our hands. We'll figure it out later"? What were you thinking? We just knew that there was this big social media explosion, that there was all of the sharing. There are all these examples of these other sites. And we were imitating. So, we didn't really think very hard about business at all. We thought only about traction. But how do we make this site really big? In retrospect, I think that was exactly the right thing to do. I didn't have the model to think it through while we were doing it.

But media businesses don't make sense at the very low scale because you have to go out and sell advertising to somebody. And nobody wants to buy 10,000 impressions of random stuff or even 10,000 impressions about something really specific like a really valuable topic like virtualization. That's just not enough to be worth the conversations that you have to have to sell the advertising. So, you need to get up to a fairly big scale before you can start making money off of running something that's certainly analogous to a radio station or a TV station. So, you now mention media business a couple of times. And so, in your head you now have a model of what a media business looks like. Maybe you could expand on that a bit and help us understand what that business model is? Sure. So, there are big brands out there that are trying to get their message across. And what they're trying to do is reach particular audiences. And you can either describe the audience by using tools that measure the age and the demographics and the interest.

Or you can say, "It's this type of media and obviously this type of person is interested in this type of media." And if you can build up enough traffic and you can build up enough content around those topics, then you can actually afford to take the time to make phone calls out and have phone calls come in to the kind of people that make the deals for doing large-scale brand advertising happen. And so, is this large-scale brand advertising your current business model? One leg of the revenue. I would say it's a more complex equation than that. That's one of the things, the first thing that we really got going. So, was that the first

business model you had? Yes. Well, the first one was AdSense. AdSense? OK. But AdSense doesn't really pay the bills. OK. Yeah.

I mean, it doesn't, but I have to say that it's a very good idea to put it there for a few reasons. A, your users understand the pact that you're making with them, which is that they will be advertising on the site and for that you will have access to their service for free. And we watched when Flickr tried to start advertising maybe in year two or three, and then they had this huge negative reaction. So, users from day one? Yes. Flickr was never able to do advertising because they didn't get their users used to it. Got it. So, your goal was to train your users that this was an ad-supported site from day one. Correct, yeah. And now we're rolling out a bunch of services which are business services for the kind of audience that we have put together. And in my mind, what's a media business? It's some way of getting the content.

And for us, we don't produce content like a TV show or a radio station. Instead, we motivate, we build a service which is so simple to use that users come in there and share their content and we give away that platform for sharing for free and help them get their content across. So, in a way, the way that we think about SlideShare is that we always focus on our users. As long as we make them happy and we make them want to come back to SlideShare again and again, we are doing our job and it will go. And so, when you started, did you have to do much active acquisition of users? Or was this just a viral takeoff like Twitter and Facebook? Or did you actively go out and acquire users? It was viral. But as far as we know, Twitter and Facebook have become much bigger in the past year and a half, I would say. We started 3-1/2 years ago almost. So, at that point, it was the blogs of people. There were phases. The first phase was that right from the beginning we were a utility.

And we were a very strong utility. There was no other way of getting your presentations on the Web at that point. So, you came to SlideShare. You uploaded your presentation. Within a minute, you could take the embed code back, while the embed was like advertising for SlideShare all across the Web. So, then people would click on the link, the only thing we ask you is there is a small button at the bottom right of every presentation, which has the SlideShare brand and the link back. So, we got people to that. So, that embed code actually was a non-obvious invention. I mean, whose idea was that? One of you two need to take credit for that. I don't know.

Jon. I don't remember, actually. So, one of the things that happens in Silicon Valley is that you have all of these experts in various domains that are right here and are willing to participate in exchange for equity rather than for cash. And that is obviously huge when you don't have any cash to pay people with, right? And so, among the other expertises that we bring into our team this way, there is an SEO guy that we worked with who in conversations with him we came up with the idea. Because that changed the nature of acquisition. All of a sudden, instead of just using the site as a place to store presentations, you now could actually display those stored presentations on your own blog and generate traffic from that blog users' site by having them click on the SlideShare logo. Yeah. We had that working from day one. So, that was the basic nature of the service. It was that you would come in, you would upload, you would take it back to your site and then we would get a link back.

And there would be word of mouth. Basically, you have users in waves. So, the first phase of users is the content creators who come in and who get from word of mouth they find out about the service and they upload their content. And these were people from all over the world, predominantly outside of Silicon Valley. Really? So, this wasn't like a Twitter or Flickr, tight-jeans-wearing, early 30s demographic. All those wearing tight jeans, raise your hand. This was much more like, I don't know, very Web-oriented people from very different walks of life. I remember there were a lot of preachers uploading their PowerPoint to SlideShare. From day one. On the first day.

And I didn't even know that people gave sermons using PowerPoint. That was a mind-boggling thing to me. But apparently, that's the way it's done now. The Sermon on the Mountain with 12 free slides, does that happen? Yeah, interesting. With ten bullet points, that would be too many. It's actually a pretty popular category. So, eventually you guys got large enough to attract not only angel money but venture capital money. How did that happen and what was the mutual interest between you and the VCs? Well, as Jon says, we went in stages. So, at an advanced stage we decided, "OK, this is going to be much bigger than we can make it in an organic manner the way we've been growing and we need to get some outside funding in." And then, we brought in advisers and then a bunch of angel investors. And pretty soon, after that, we did a Series A.

Yeah. Well, just drilling down on that a little deeper, the weird thing about Silicon Valley is that your first investors are possibly your lawyer, which is not true anywhere else but it's definitely true here. If you have an idea and you're building a product, you're going to have to start a company. And the smart thing to do and what most people seem to do is they go to one of the top ten firms that do the startup legal stuff in Silicon Valley. And it's very easy to figure out who those firms are. And you say, "This is the company that we're starting. This is the demo of the product." And this is really like pitching an investor. You need them to have faith in you because what you're asking them to do is to essentially give you services that you will pay for when you raise your Series A, which is and isn't a high level of confidence. I mean, on the one hand, it's \$25,000 of services that they're set up to crank through relatively quickly. A lot of it is being done by temps and legal secretaries.

But on the other hand, it is stuff that they usually sell. And so, convincing the lawyer is the first step towards having social

proof. And social proof is important because as hairless monkeys, we're not really good at making rational decisions. And so, the way that we have adapted to make decisions is by paying attention to what the other hairless monkeys are doing, assuming that there's some wisdom in the crowd. So, is this hairless monkey fundraising or social proof fundraising? Same thing. So, social proof fundraising? Yeah. Social proof fundraising is probably better than hairless monkeys as a brand. And is that a term you use to describe what you guys do? Yeah. I mean, basically at the top are the venture capitalists. And they all just are very insular.

And they all hang out with each other. And it's hard to jump directly in there as somebody who doesn't have a lot of connections. So, what you need to do is work your way from the outside to the inside, just like layers of the onion. And the lawyers and the advisers who are getting stock in exchange for a little bit of their personal brand and some advice from time to time are the first layer. And those are people who are not actually putting money into your idea. They're just putting their own efforts into your idea and associating themselves with you. Just to put what he's saying into context, it's that even though we were located in Silicon Valley, we did not have a huge network of investors and the kind of people who build a company. So, we were coming from the outside. So, for us, the big thing we had was SlideShare. I mean, you could look at the numbers and you could see that the site was taking off.

In fact, our first angel investors like Mark Cuban, Jonathan Abrams, Dave McClure, all of them we met on SlideShare. So, basically at one point when we decided we were going to raise money, we emailed some of our users who we knew were angel investors. And they were the first people to invest in SlideShare. Did you go by the most popular number of visitors on their slides? No. Did you actually look at the content of their slides and decided they were the most interesting? Some of them had popular content. And so, when you met your VCs, I assume you went through a couple of VC firms before you found the ones, who were your investors? Venrock invested enough. Venrock? And so, what did they see? Did they see the same thing you thought you saw? Did they see something different? I would say yes. We think they saw the same thing. And there was instant recognition. In fact, we didn't really articulate it as a media business at the time.

And when we described what we had and where we were going with it and what the larger vision was, what we were building forward, then they recognized the signs. And they immediately were able to say, "This is what you're doing." There was instant connection there. So, it went from just the two of you and three founders and two employees, a five-person company that pivoted. And then, you got funding and now you're growing. But I'm interested in you guys. Who are you? Where did you come from? And you've mentioned now a couple of times that while in Silicon Valley, you were Silicon Valley outsiders. And so, tell me something about each one of you. How did you become entrepreneurs? So, I have a very random path towards entrepreneurship. I actually got a PhD on my way to becoming an entrepreneur. I was at Brown University and then, I was at Berkeley doing some research.

And while I was doing research, I was doing research in cognitive psychology. So, while I loved what I did. I was studying Alzheimer's disease, understanding the brain, fascinating stuff. I absolutely loved it. But at some point, I realized that the problems of the Web were interesting me more. So, I started consulting. Left UC Berkeley, started consulting. I did that for a year and a half. UC Berkeley - isn't that a small college up north? Yes. Not Stanford, sorry.

At that point, Jon was working at Commerce One. And you can maybe describe your path to it. And then, we started working together. So, we didn't begin working together. We just started collaborating on a project. And then, that project turned into our first... She landed the gig. At eBay. It was ridiculous. It was redesigning the entire information architecture of eBay.

It was this huge project that she managed to land. And so, I just started helping out with that because it was there. And so, it was very clear to me that there was a software product in the approaches that she was using to solve the problems of the customer. I'm just interested, you have a non-traditional background. What is traditional for entrepreneurs? Didn't go to Stanford. No, I'm actually interested... Didn't get a business degree. In the Brown background, you didn't have Andy van Dam, did you? I did. Andy van Dam is a very well-known graphics professor. But I was not in that department.

So, we have a funny story, so we met at Brown. I was in the cognitive psychology department and doing my PhD and just took a class in computer science or two just for the heck of it, just kind of to learn a little bit. And that was Andy van Dam's class that we met. And I was taking the class, too, and she was definitely the hottest woman in the class. You know, we're filming this. I know I had to meet her somehow. And this was in the old days before everybody had a cell phone. So, it was the only reason that this approach worked. It was cheesy but it worked. I actually took off my watch and hid it in my pocket.

Then, I went up and ask her what time it was. And she told me what time it was. I won't go there. I'm going to get to you in a second, Jon. Having a PhD, do you think it helped or hurt being an entrepreneur? I never really thought of it that way. I've done different things at different points in my life and loved whatever what I was doing at that point. In some ways, having a PhD did help. I kind of have the scientific temperament. I like numbers. I really enjoy numbers.

I like experimentation. And I think a lot of the ways that modern Web products are built is through a process of

experimentation, hypotheses, testing. I mean, you talk a lot about that. That's what I did in my PhD; hypotheses testing and then figuring out what the data shows and then moving step-by-step. I learned a lot about people, how to understand people. I still think that's what we are building. The primary problem is understanding what our users want and making them happy. I don't know what I'm going to do next and I'm very comfortable with that. I have no idea what I'll be doing in five years. Does the speed of a startup differ slightly from your PhD research? Absolutely.

I think that's the reason I left academia because I did not like the speed. It's too slow for me. And your end product is writing. I can write a blog or two, but I can't write academic papers. I suck at it. That's the technical description for less than optimal. So, this was definitely much more my speed. I like it. I'm an impatient person. I'm always looking to the next thing to go on.

And this is your first CEO? Yes. And so, what didn't you know when you became CEO? And you could keep the list to about 20. What were the top three things that you now know or are learning? I think I would say a lot of things. I knew how to build a product. I didn't necessarily know how to run a company, the entire thing and watch it grow. And for every day it's a learning experience. I mean, I would say the list of what I don't know is much larger than what I do know. But the only thing I really know is how to learn, how to figure out what the situation in front of me is and try to get better at it. I can see there are VCs in the audience. I didn't know how to run, do the board meetings and stuff.

There were a lot of things I didn't know. So, this is a typical example of founding CEO, entrepreneurs, technical team. Is there a book? How did you do this? Is it friends or network? How does an entrepreneur anywhere learn how to run a company? I would say everyone around you; the advisers, people on your board, you just ask a lot of questions. And I think what they are able to give you, which I find very valuable, is that they're able to spot the signals and see the pattern. So, people who are good, they're able to tell you what stage you're at and these are the issues you are seeing and this is one way to deal with them. I think it also gets down to the whole Silicon Valley magic again, which is even as sort of semi-outsiders, you can connect networks of people that have been through the stuff that you're about to go through. So, right after we launched, I was freaking out about operations. How do you keep a cluster of servers up? We never had to do that before. And I was able to find eight or ten people who had been through exactly what we were doing. They walked me through what tools they used, what worked, what didn't work, what problems you don't have to solve.

One of the key nuggets was that in that early launch phase, when traffic is growing like crazy, you don't even really need any alerting because you or somebody from the company is on the site at all times looking at it. So, if something goes down, you'll know it because you'll be experiencing it. You're so passionate about it. So, Jonathan, that brings us to you as CTO and co-founder. What was your background? I heard you were also at Brown. But were you in the CTO founding track as an entrepreneur. Sure. I was a computer graphics geek at Brown. Andy van Dam was one of the founders of computer graphics. He did a lot of the work.

And my first gig out of school was working at Advanced Visual Systems, which was a scientific visualization, 3D graphics startup in Waltham outside of Boston. And that was really cool. And that really matched with what I had done in undergrad. Then, when Rashmi got her post-doc at Berkeley, I had to move to Silicon Valley. I was like, "That's OK." But as I started interviewing and asking around what was happening, a lot of the people that I knew in computer graphics, this was 1998, were saying, "You know, there's a lot of people making a lot of money doing business stuff." And so, I thought, "Well, a lot of money is interesting." They were in advanced engineering. And I ended up getting a job at this outfit called Commerce One, which was a B2B startup. And that was just an incredible experience because it was maybe like the stereotypical sort of dotcom experience where way too much money got thrown at something that everybody was really excited about. When I joined, there were like 125 people. And we grew to 4000 people. And now, there's nobody.

There's nothing left. It's just all completely gone. But it was this very exciting curve. And in the process, I got to see a lot of people making a lot of mistakes. That was very helpful. And do you think that was your training for getting it right at SlideShare? What do you think in your background prepared you for being an entrepreneur? I think really the first entrepreneurial experience laid the ground for the second one, the initial product that we did, MindCanvas. Really, it taught us a lot about how to manage people, how to iterate, how much software to build before you release something. I think we made the mistake of building way too much software before we actually started trying to sell it. It taught us how to sell. And that being able to sell something is very important.

I mean, the great thing about that first product was that we started out with something that we knew that Rashmi could sell. And the first time that we ran the software, we made \$15,000. It was a while with SlideShare before we made \$15,000. So, very different experiences. So, yeah, the initial experience with MindCanvas definitely laid the grounds for us to make that pivot into SlideShare. Interesting. You've made enough inferences. Can I assume you two are a couple? Is that it? Yes. I thought that was in the introduction. I just wanted to check just between us, when no one is listening, because that brings up an interesting question.

Obviously, the relationship at home and the relationship at work means this is a 24/7 activity. How do you manage that? I mean, do you ever talk about anything else other than SlideShare? Not often. No, we actually took our first vacation after a long time and it was awesome. It felt really good to take a break. And I feel like the company has matured enough that we could do that. I think as they say, you have to work closely enough with co-founders that you want to like them enough to be married to them. And I think it's true, you really have to work very closely. And this makes it easier for us. We actually like each other even after working together all the time. I think getting close to your co-founder is a good description of this relationship.

But how do you settle conflicts? We do have a lot of disagreements. I mean, it's not that we agree on everything. And I think that's very healthy. You don't want a startup where everybody's in agreement. You want a healthy disagreement, for people to have different points of view. I don't know how we settle it. I mean, technical stuff I decide; business stuff, you decide, right? Pretty straightforward. No, I'm actually not sure. I think it's just issue by issue that we come to. We also have a third co-founder and we come to consensus, I think.

I think we do talk about things enough that we understand each other's perspective. There are some times when we just have one pet idea and we go ahead and do it. Yeah, it's like 20% time, right? Yeah. So, I mean, partly if Jon feels very strongly about something and I don't agree and I don't think it's a great idea, I think a lot of times he'll try it anyway and then do a first pass. And then, we will look at the numbers. And then, we'll prove to each other, "Well, look at this. This worked." I think it's interesting, working together and being married together. And for us, it wouldn't be any other way. I can imagine for a lot of couples, it doesn't work. That's an amazing story.

There is a lot of power in being able to just have a very high-bandwidth connection with the other person that you're working with. You wake up and that thing that you've been processing at night about the business, the ideas that come to you, is immediately into the other person's head. And by the time you're in the office, you've already pushed that idea forward two hours. It's pretty incredible. But it also is a tough thing. And do you think there's any downside for the company in having a couple running the CEO and CTO? I think if you get caught in emotional stuff and you're not able to make decisions that are good for the company, then yes. I don't think that's the case for us. I don't think it interferes. I think it helps us. Yeah.

And basically, you have to keep it professional. So, the way that you are in the office context and the way you are at home are different. Just to segue back to something you said earlier about strategy and your experience in that, is SlideShare about strategy or is it about execution? It's about both. I mean, it is about both but I would say that it has surprised me how important execution is. In Silicon Valley, you meet a lot of very smart people with a lot of great ideas. And very few of them have the patience and the kind of persistence, the metric-mindedness, all the things you need in order to actually make it come alive, watch it every step of the way. So, it's both and there are phases. One is more important than the other. You have this grand vision and you start laying it out. And then, for a while it's about your execution.

And then, you have another thing that you're doing. And then, it becomes about vision again. And so, what was the hardest execution? Let's take you, Jon, for engineering that you had to do with SlideShare. I think just the raw scaling of the site was incredible, a true challenge for us. We get 25 million visitors a month. It's just this huge torrent of traffic. And we run on very modern infrastructure that's based on the assumption that you have lots and lots of computer time to waste and the developer time has worked it up. Actually, DHH came here last week or maybe a couple of weeks ago. So, we heard from DHH. DHH is? David Hammerschmidt Hansson, there we go.

So, we run the Ruby on Rails. And Ruby on Rails eats up a lot of computer resources. And so, figuring out how to run operations and having to learn that very quickly when it's just three guys who know how to program but don't know how to do that kind of thing was very challenging for us. And we struggled a lot. I think we're over that hump now but it was for a solid year or something we really had to lean on it. So, for you execution was immense scale in a short period of time, not being a scaled domain expert and figuring out how to bring that expertise around you, in you and into the DNA of the company? Absolutely. But I have one other point about execution versus strategy, which is if you're doing your execution right, hopefully it should generate your strategy. I mean, all you have to do is have, if you have some smart ideas and you're executing right, you should be able to test them with enough efficiency so that the ones that are working will manifest themselves so that you'll get proof that this strategic idea that you had actually has legs and is worth investing in. And was the same execution the problem or focus on customers and users on the business side as well? I don't think it's a single particular thing. I think the scaling thing is definitely something that everybody in the company will resonate.

That was a big challenge for us, which you really don't face in the beginning and then you suddenly start facing it when you're starting to grow. I don't think it's one thing. I think it's a lot of in terms of execution. Something that is hard is getting people to stay focused, getting the entire team to stay focused on a problem. It is very exciting to build new features. Everybody loves to build new features. Yeah. And it is harder to just make that work day in and day out, be metrics-driven. That part I find it hard to drill that into the company. Not just do it myself but to get everybody in the company, that's the way we pitch.

Tell me something about metrics-driven. It's the first time I heard that. What does that mean at SlideShare? What that means for us right now, for example, is that for most of the important projects that we do, the different parts of the application, we have a daily email that comes in. And we've identified what the main things we care about for that particular part of the app. We look at it. So, it's like a dashboard? Yeah, it's like a dashboard. But you do not have to go to it. It just comes on your email to everybody who is working on it. And then, we react to it. So, we do this pretty much every day, different frequencies, depending on how fast you're moving to something.

So, you've instrumented the important parts of both your site and your business. Is that true about users and customers...? Correct. And also the technical parts as well? Absolutely. One of the key insights that we've had is that metrics are very important. And I think executive dashboards are bullshit, frankly, like the idea that there is like one executive was looking at the dashboard. And that's the technical for less than optimal. And he's going to be making the decisions. And then, there is a bunch of worker bees who get assigned tasks, one column C dot two and execute it. And then, it meets the spec. And then, the strategy guys says, "Yes, good." I think the numbers have to be pushed down into the team.

And the team has to be empowered to do things that will drive the numbers. And what you'll find about that is that the ergonomics of metrics are really bad. If you use Google analytics and you tell an engineer, "OK, this is how you go to find this funnel so you can figure out what conversions are like and whether the numbers are doing well or badly." And there are six clicks and it takes two minutes to get down there. I mean, he's already hacking 55 hours a week, 60 hours a week, building important stuff, doing incredibly complicated things. He doesn't have time. And he doesn't have the inclination to go monkeying around. So, it needs to be ambient. We have LCD screens in both offices that show the charts of the statistics that we care about so that you can just glance over them like, "What is happening to CPU? That's crazy," without having to go and log onto an application and look things up. The email serves that same function. They make it so that the numbers come to you rather than you having to go to the numbers.

I think that's really important. And do you iterate quickly on those user data? Yeah. For some of the business pieces that we are working on right now, we iterate every day. Actually, yesterday I told my engineers that the email comes in at midnight, which means that I have to wait up until midnight every day to look at the numbers before deciding what we are doing today. So, I said, "Look, can we have it coming at 9:00 p.m. so that I can go to sleep a little bit earlier after having looked at the numbers." So, we iterate daily on a lot of things. Yeah. We deploy maybe 10 or 15 times a day to the site. So, the codes constantly change and it's constantly morphing. Since you guys are the leading edge of some of this social media trend on the Web, what do you see emerging? Any future trends that are just clear to you that the rest of us should know? You don't have to tell us what your secret sauce is, but any insights about how the Web is shifting? We are definitely looking at real time very closely.

And I think everybody is talking about it. It's not any new insight I'm bringing you. But I do think that what real time means for different domains, that's what we are thinking. What does it mean for SlideShare? Without going into details about what we are thinking about, definitely I think that is different apps that become real time in different ways. It just moves faster than we move right now. And that's going to have a huge impact. Interesting. It'll be about the now. Yeah, about the now. And SlideShare now, excuse the pun, in the last month introduced channels to the public.

Yes. And you also now have a focus on business. Do you want to disclose, maybe just telling us your latest? Sure. I mean, we have been building up to this for a while. So, in the last year, the biggest thing that has happened to us is that we have a lot more businesses and organizations joining SlideShare. Earlier we had individuals; now it's a lot of businesses and organizations. And the latest feature that we have launched is called Branded Channels. And it's basically recognizing that when the company wants to be on SlideShare, they want to carry with them their branding, their look and feel and have it be an extension of their site. So, we launched that. It's doing really well.

We have a bunch of great organizations. Some companies and some people like the White House is on SlideShare. Peer Internet is on SlideShare. There's a lot of great content if you go to [slideshare.net/channels](http://slideshare.net/channels). And you'll see a lot of other things that we're going to be rolling out, which are once again about this recognition that there's a lot of business usage of SlideShare. So, can the Republican Party buy ads on the White House channel? No, they can't. We took off the ads. The part of the thing we did with the channel is there's no ads on any of your content. But they are paid channels? Yeah. They are paid.

Some of them we are giving away for free. So, it's not as if the government agency is not paying us. I think one of the important things about the channels idea is that like a lot of the other things that we've been talking about, it emerged out of our interaction with customers. So, we didn't just think, "Oh, let's build some channels. Let's devote six months of engineering work to building channels because people wanted branded space." We sold branded spaces to multiple organizations. And we realized that there was actually demand for this that we were not supplying because we were just doing one-on-one sales with this higher-end product. So, we productized it and then we released it to the public. So, it was informed by our experience trying to sell things and having success at it. And are other products going to come out of that process as well? Yes. And right now we have three business services that we've launched; there's Channel, the LeadShare which allows you to collect leads

on your presentation, and there's AdShare which allows you to promote your presentation in the contextual manner.

And we were building more and then some new things about the current ones. That's great. So, before I open it up to the audience, what questions should have I asked you guys? What would you like an entrepreneurial audience to know about either you, your company, or more importantly, the entrepreneurial adventure that you've been on? I think just an important concept to get across is that a lot of times getting into entrepreneurship isn't just a jump, it's a pivot. And a lot of times there's multiple pivots before you can get to your destination. It's very hard. Some people can work as full-time employee of somebody and do a startup on their side until they prove that it has traction. I mean, the Bloglines guy, Mark Fletcher, did that. He worked for Sun. He built Bloglines on the side. And then, once it was working, he quit Sun.

It takes a very special kind of energy to be able to do that. When you are working in a professional context in a competitive place like Silicon Valley, it tends to suck up all of your cycles. And you need to get clear of that. And if the first thing that you do isn't necessarily your dream product or isn't even a product, if you can just get in a place where you have money coming in the front door that is not from an employer-employee relationship, you are well on your way to being able to do that. So, we did multiple jumps before we got to SlideShare. There was employee to consulting, consulting to small B2B product, and then small B2B product to SlideShare. And I think that the ability to do that is important and it's not always recognized. Great observation. Anything else you want to add? I think it's interesting for an audience of people who maybe are thinking about entrepreneurship as to what motivates one. And I think partly for me it is independence.

I do things I enjoy and it's always the case. There's always a new challenge. I think one of the interesting things about the CEO job is it changes every six months as the company is going through different phases and you never quite know what's going to come your way. Enjoying that part, being comfortable with uncertainty. There is a lot of uncertainty and you definitely have to be comfortable with that. So, what we're going to do is for the next 14 minutes open it up for questions to the audience and then after the session, Jonathan and Rashmi gracefully agreed to come to our MS&E278 Spirit of Entrepreneurship class. So, for those of you who are not even in the class, who have additional questions that don't get answered, you could follow us across the campus and we'll have you join us in our classroom. So, let's open it up and questions? Won't you just pick? My question is high-level, macro-level. But the social media landscape is changing rapidly. Sites like Twitter I think made a thousand percent growth in the last year.

And new organizations and big companies are all jumping on this bandwagon that's taking off. And a lot of people are uncomfortable with it. They don't know what it is and what is it going to do for me. How would you tell somebody like my mom what is the point of all this? Where is it going and why should I not be afraid? Because I know of people who are like, "I'm kind of scared of this whole social media thing taking over everybody." For me, one of the interesting things about last year 2009 was that my mother joined Facebook, which I really hadn't thought it would ever happen. But I sat down with her and I got her onto Facebook. And I watched as she connected to one person and then Facebook would keep on recommending other people in their social circle. It was fascinating to watch. So, I think maybe we can play the role of gently introducing them to technology. It has to be a personal experience. What made it interesting for my mother was nothing to do with social media or something.

It was simply the fact that she was able to connect with her cousin and her sister, who she hadn't spoken to because she was in the US and they are back in India. So, she was just able to connect with people. So, it has to be personal. It has to be about the connections that make it interesting to you. I think it's on the larger level describing what's happening as much to abstract and each person can discover it for themselves. I don't know if that answered your question. I think it does. I was just thinking about conversation that I had recently where people are saying, "I'm on all these sites. I'm using them frequently. I kind of enjoy it but at the same time, it demands a lot of my attention.

If I don't update my Twitter for a few days, I'm out of it. If I'm not on top of everything, LinkedIn, Facebook, and just sort of, I have to be doing it." Right. Well, that's the reason that Google and Facebook are competitors. It's not that they are necessarily in the same businesses but there's a finite amount of consumer attention that can be spent on all this stuff, right? And so, each thing, each service has to individually prove its value because it's competing with every other thing that the user could possibly do, and certainly with every other thing that you could do on the Internet. I mean, that's the biggest point of competition right now. It's not competition for customers or for sales. It's a competition for the attention of the oversubscribed Web consumer. Next question. So, how are you doing with competition from Google within Presently and Microsoft launching Alpha Slide? We don't consider Google a competitor because they're about creating presentations and we are about sharing them. And in fact, we allow you to import directly from Google Presently to SlideShare and display your SlideShare.

So, we think that they can be complementary. As regard to Microsoft, once again I think we are not going to enter the creation space. We are going to be all about sharing. So, we will simply allow you to import from the next version of Microsoft. Microsoft finds SlideShare interesting. They have a channel on SlideShare. If you go to [slideshare.net/microsoftoffice](http://slideshare.net/microsoftoffice), you will see a lot of content shared by Microsoft there. So, do you think you can get them to use SlideShare if they use Google and Microsoft services. It's about distribution, right? SlideShare is a place to share your things. It's a way to put it out there so that

other people will find it.

It's a very different thing from an offering experience, whether it's an online offering experience or a desktop offering experience. They're fundamentally not very related. And we did get a lot of questions. Particularly before Google Presently launched, we got lots and lots of questions about what the relationship would be, was Google going to be a big threat. We don't get those kinds of questions anymore. In fact, we sell advertising to some companies that make Web-based presentation offering tools. So, this is back again to your first observation about being the YouTube for PowerPoint... Yeah. That is, you're a broadcaster, not a content creator. Is that the way to think about them? Exactly.

Absolutely. We are focused on the sharing. And we really don't go into the offering. We want to be neutral. So, where anybody who creates presentations, we want to be able to take that content into SlideShare. And there's like a very conservative slide version. And one of them seemed like something like your site. The other one should show up in Scribd. So, now how would I go about being able to efficiently pushing these things out, given that I don't have a copy of both? Given that you don't have the copyright control. Right, because I signed those things and you know rights and all that, copies or something.

So, in general, what we ask of our users is that you share what you either have the copyright for or you have permission from the copyright owner. So, we suggest that you share if you have or own the copyright or have permission. So, I would change a few words and then you'll change the title. And all of a sudden, 2010, the reason was that is it's the same paper. I'm not the expert on copyright. I was trying to figure out because you described that you are YouTube for documents. Yeah, they are for documents, yeah. I'd like to see SlideShare for the arguments and the reason. Yeah. So, I think the services are different in a sense that they're focused on writing, on authors, on books.

We are not; we're about presentations. Presentations are used by companies or for putting across visual as well as words together. You watch presentations. You read books. So, although we are similar in a bunch of the formats we allow you to import, the nature of the sites are very different. Different audiences. It depends on which audience you want to appeal to. That's another question. Are they complementary? Some people do use them as complementary. Great.

Next? So, you talked a little bit before about distribution, marketing and how the embed really helped. Can you talk in terms of before the actual launch in terms of prepping up to launching what kind of steps did you do specifically? Was it just telling your friends? Did you had a PR plan set up? Got it. So, as Rashmi said, we had an invite-only system. So, we started just by inviting our circle of friends and seeing what kind of stuff is available. And in retrospect, we should have seen what was going to come when we put the site open the public. My idea with SlideShare was going to be stuff from conferences mostly. The second SlideShare that was popular was this weird piece of PowerPoint art with photographs of flames and water and poetry. I didn't know that we could use PowerPoint for this kind of thing. So, we did have a closed alpha or whatever you want to call it where the site was up, semi-functional, being used just by a lot of people who knew about it. And that was for a couple of months.

And that was the point where we were almost ready to launch, almost ready to launch. Now in detail it always takes a lot more time than you think it will to really finish particular parts of the experience. It doesn't have to be a whole product. But a partial product that exists should actually do what it's supposed to do. And thinking of doing that consumed most of that summer of '06. I mean, we had something that semi-worked with that needed work. Next question. I saw some hands up in the corner. Yeah, talking about sharing, could you share with us what percentage of revenues are from ad versus affiliate marketing versus business services? Sorry, we don't share those numbers. Not the numbers but just at a very high level.

Right now, most of our revenues are from advertising This is more of an engineering-type question. So, when you started to build the site, it is interesting you chose Ruby on Rails because it is noted for its meager performance versus Python or PHP. So, can you talk about some of the decisions you made? Are you glad you did that? And if you knew what you know now, would you go back to doing anything different? That kind of product, that experiment is very dangerous because obviously if you know that something is going to be successful, you're going to do very different things than if you're in reality where you can't predict the future. I mean, I think that if you asked the Twitter team, "OK, this idea that you have, Twitter is going to be massive overnight hit, here's \$2 million and six months. Build it," I'm sure that they would have made something beautiful and totally scaleable. It would have been awesome. But that's not reality. In reality you release things and there's a 95%, 98% chance that they're going to fail. So, what Ruby on Rails really gives you is its ability to rapidly prototype and just pump your ideas out into the Internet until one of them resonates and takes off. And then, afterwards there is a lot of refactoring, branding, and cleaning and changing that to be done.

And it's true. It may be not the most suitable technology for a very large site. If you knew from the beginning that you were going to be a very large site, you might do things differently. But I don't think we would have gotten where we are today if we hadn't been able to rapidly iterate that way. So, you have to take a good look at that. Next question. All right, one more? Going, yeah? We're back. When working on SlideShare, you must have had a bunch of other great ideas. How did you pick this one to

focus on and go forward with it? That's a great question. And this is where having founders, partners who are smart and picky really pays off.

I'm the idea guy. And I was like, "Why do you ever call it with me?" So, I was coming up with all of these ideas. I mean, I'm just going to give you an idea about some of the stuff and then the spectrum. There was this thing like a BitTorrent box that you could sell to consumers who are afraid to install BitTorrent on their home computer. It was like PowerPoint authoring on social media sharing site. It's like that's going to presentation idea. Dozens of ideas, and each one of them either was shut down by Rashmi or by Amat, our third co-founder. And then, this idea I got in a conference. I was like, "Well, I've got one shot, pitch it." So, I spent a couple of days actually designing what it would be like. And I showed it and they were both like, "Yes." But not "Yes, we're going to launch the product," but "Yes, we're going to dedicate a month of engineering resources to see what we can get, and if it looks like something that's promising." So, it was pure competition in the marketplace of ideas.

And this was the idea that survived that gauntlet. Yeah. We did have at least one other prototype that we built and then worked on it for a month and gave up and said, "No, this is not going anywhere." And then, SlideShare was the second one that we actually prototyped. Well, guys, I want to thank you for coming today. I thought this was incredibly informative. And congratulations with SlideShare. And hopefully, we'll be reading about you at your IPO. So, thank you very much. Thanks for coming.