



Stanford eCorner

Launching From the Dorm Room

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Video URL: <http://ecorner.stanford.edu/videos/2608/Launching-From-the-Dorm-Room>

Aaron Levie, Box.net CEO and co-founder, describes the decision to leave college to follow through on developing his company. Levie started Box.net after seeing his fellow students' need for cost-effective, online storage. After launching Box from his dorm room, and finding initial success, Levie realized he would not only need greater funding, but would also have to leave school to fully capitalize on this once-in-a-lifetime opportunity.



Transcript

So, we launched the product from our dorm room. We got a beta up and we launched the beta. We emailed everybody we knew. This was a pay-only service at the time. It was \$2.99 for a gigabyte of free space. Go to archive.org and you can look at the initial versions of our website and the product. We had just launched the site and it worked, right? We emailed all the bloggers, all of the press, all of our friends, everybody we could get our hands on. It turned out people signed up and people wanted to use really cheap, cost-effective space on the Internet. We had built a product that made sense. And it just took us a couple of months.

We launched it from our dorm room. And it started picking up. And we decided, well, maybe now we should go through the process that a lot of companies that we had heard of went through, which is we need to finance more growth in the organization. We need to get more users and we need to be able to enable more people to find out about us. And often, that takes money. Now, keep in mind at this time we were 19 and were 20 years old. And so, it's a little bit difficult to raise venture capital when your co-founder looks like this. So, that's my CFO and co-founder, Dylan Smith. He was our CFO, right? So, you had to trust this your guy with your money. It's sort of hard to trust somebody who looks like they're going to run off to Disneyland with the proceeds.

But there was one guy where this did fit in really well for. His name is Mark Cuban. We emailed Mark Cuban. We just sent a cold email. We said, "Hey, we got this really cool product. Maybe you'd like it. Maybe you could write about it on your blog." And it turned out he was really interested. He, too, believed that you should be able to share your data online, that you should be able to share and manage your information in the cloud. And so, he wrote a check for us. And that was it.

He invested on us while we were still in college. And we decided to really grow Box. The problem is we couldn't focus on school and work. It's really not great customer support when you're answering customers in accounting class. And so, that was the challenge that we were facing. We really wanted to grow. We wanted to be the best sort of customer-driven company that was out there. A lot of the companies that came prior started to have really weak products. They started not listening to customers. They started not supporting customers.

And we had to be different. And we couldn't do this while also in school. So, we looked at three main factors about maybe why should we leave school? How does one make the decision to take that leap? The first was there was this less upside. So, if we looked at what it's going to take for us to stay in class and pay attention when we felt like we had this really cool thing, the upside in doing it and going on our own was way higher. We just felt that if this worked out in both situations, we would be way better off if we just went for it. The second was we thought we had a once-in-a-lifetime opportunity. We realized that everything

was going to move to the Web. We had a computing opportunity that had never really happened. It never came fully to a fruition. And we thought that this was a once-in-a-lifetime opportunity.

Someone is going to do it. We could either be a part of that or not. And we decided to go for it. And we had a lot of conviction. And frankly realistically, no one else would hire me, right? I just knew that it was going to be way harder in the job market if I just didn't go off and start my own thing.