



Stanford eCorner

There is No Exit Strategy

Phil Libin, *Evernote*

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Video URL: <http://ecorner.stanford.edu/videos/2802/There-is-No-Exit-Strategy>

Co-Founder and CEO Phil Libin says he has no exit strategy for Evernote. Libin challenges conventional startup thinking by asserting that if you want to exit there must be something wrong with your company. Evernote has structured its board in a specific way and turns down repeated offers for purchase, according to Libin, because "it's much more interesting to come into work, when you're pursuing your life's dream."



Transcript

The main goal of Evernote was to just take that mission of reducing the stupidity in the world and make it more direct, because we said, we're going to run the company using these principles. We're going to talk about these principles and we're going to have a product that if you use it, it has a chance of actually just improving your memory of making you - of making you smarter so we decided to kind of do this more directly. So this is - this is our dream. This is what we're pursuing. And I finally feel like it's a suitably epic dream that it's actually worth devoting my life to. And so that was always the plan at Evernote. There is no exit strategy at Evernote, and there never was. It's our third company and this is the one we get to keep. The first two, we didn't build for us, right. The first two, we built for somebody else.

Well, we built it to manipulate our environment so that we can have a fun place to work and to make some money, but ultimately we weren't - the products we were building weren't for us, because the first company built e-commerce products for retailers, but we weren't a retailer. Then the second company built security products for big governments, but we're not a big government yet. And we said, well the third time around, let's build something for us, let's build something that we want that we love and if you're doing that, why would you ever want to exit. And so - there is no exit, there is no - there is no acquisition strategy. We've turned down every acquisition offer. We've structured the board. We've structured our investment in such a way that we can build a 100-year company, because that's much more fun, that is much cooler. It's much more interesting to come into work every day and think I'm pursuing my life stream and I'm doing it in a way that I intend to do in all seriousness for the rest of my life and I'm not taking any shortcuts about building the company in such a way that I can flip it, that I can sell it, that I can exit, because if you want to exit, if you want to sell your company, something is wrong, right? If you want to sell it, something is not - something isn't correct, right, because you are obviously sufficiently in love with it. You're obviously valuing it less than the acquirer, so why is that? I mean maybe there's a legitimate reason, maybe you think that your dream has a much better future if you combine forces with the acquirer, that makes sense. But if you're just doing it to exit that doesn't make any sense to us.

So having exited two companies we explicitly said, no exit, at Evernote.