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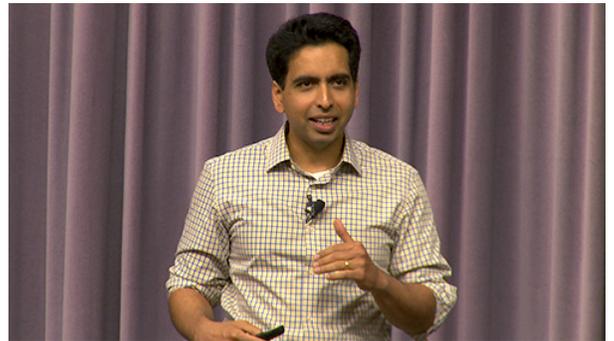
From Hobby to Organization

Sal Khan, *Khan Academy*

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Video URL: <http://ecorner.stanford.edu/videos/3316/From-Hobby-to-Organization>

Khan Academy Founder and Executive Director Sal Khan recounts how his humble homemade tutorial videos for family grew to become a global resource for anyone wanting quality educational content. He also discusses how his first major funding came from high-profile users and organizations that wanted to help him realize his dream of offering "a free world-class education for anyone anywhere."



Transcript

But you go to 2008 at that point they were probably several 10s of 1000s of people using the videos every month. At that point I still didn't think this was what I was going to do for my life. I actually liked my career, kind of being an investment manager or analyst whatever you want to call it. But I did set it up as a not for profit at that point thinking oh maybe I could get some donors and maybe we can get enough funding to hire a small team to start working on this in a more substantive way, maybe working on the software part of it. But then by 2009, at this point now we had probably about 100,000 people who were using the site every month. And I frankly had trouble focusing on anything else. This is what I was excited about; this is what every cycle I was like what's the next video I can do? How could I make this better? How could I cater to these requests that I'm getting from users? And so my wife and I, we looked at our financials and we had some savings, but it was essentially for a down payment on a house here which you all know is not a simple matter. But we said, well look this looks like there is something here and it looks like the time is right, let's give it a year essentially live off of savings and see if we can get this, this not for profit off the ground and I think all entrepreneurial beginnings whether they're not for profit or for profit, they do start with a little bit of this wildly optimistic maybe even delusion because you do get data points. A lot of people say oh, this is great, this is great stuff you're doing, you should talk to us, we might be interested in funding it, and so that gets you really excited. But then you start the meetings and you have all these great meetings, but then you start to see a pattern that wow a lot of people like this but it's not quite what they invest in.

It's not quite what they fund. This is a different thing than they do and that kept happening for the next several months. As you go into the spring of 2010, I started to get worried. We were digging, my son had just been born, we were digging into our - we had to move into a house with higher rent, we were digging into our savings about \$5,000 a month and I was getting \$5, \$10 donations on PayPal, it was amounting to about \$500 a month and if it was any of you, thank you. But as you could imagine it was kind of a fairly stressful thing and I was starting to wonder if could I even go back to my old job? What will they think, and all that. And but I did even in moments of weakness start updating my resume and - but then all of a sudden a \$10,000 donation came in. So I immediately said who - what's going on here and I see her name is Ann Doerr, she's based in Palo Alto. I immediately e-mailed her and I said thank you so much for this incredibly generous donation. If we were a physical school, you would now have a building named after you and Ann immediately e-mailed back, she said well you know I'm local and I have started using your site with my daughter, I also use it myself to understand I had all these videos on the financial crisis and economics and whatnot. I would love to learn more about what you're up to.

And so I think it was like three days later where we meet in Downtown, on University Avenue at a Indian buffet restaurant and Ann asks me so what's your goal here? And I said, well look when you fill out the paperwork with the IRS to become a not for profit, there is a line that's mission; I guess a line or line and a half and I filled out a free world-class education for anyone anywhere and Ann says well that's ambitious, but how do you see yourself doing that? And I told her this is just - this is a

mission. It's not like - I don't plan to just check it off tomorrow and then move on to healthcare or something. But I think we can make a lot of progress. I showed her screenshots of the software, I said in my mind it's not just about videos, we obviously could do a lot of videos, we could translate the videos, but it's more than that. We have to create interactive experiences, ways for students to get feedback, ways for students to connect with each other, ways for students to work on projects kind of I only dreamt about the computer science stuff at that time, ways for them to tutor each other. And Ann says, well you know somewhat surprisingly you've made a lot of progress here, I only have one question. How are you supporting yourself? And in as proud of a way as possible I said I'm not and Ann kind of processed that and we part ways and 10 minutes later I'm coming into my driveway in Mountain View and I get a text message from Ann. And it says you really need to be supporting yourself, I've just wired you \$100,000. So that was a good day. And it just - things started just getting crazier and crazier from there.

You fast forward about a month, I was this virtual teaching, video making guy, but I have never viewed that as somehow replacing a physical experience. I have always viewed this as liberating the physical experience. Hey, if people can get explanations at their own time and pace, if they can get problems and feedback at their own time and place, they can then kind of get core skills at their own time and place that frees up the human experience for more interaction for conversation for simulations. And so to kind of explore that idea I was running - this was actually the second year I was running a little summer camp with a friend Aragorn Berliham out in Portola Valley and we were in the middle - it was for middle school kids and we were in the middle of a simulation, I had six kids playing a game of Risk and while that was happening the other 20 students were training securities based on the outcome of the game of risk, very good game. And one student invented naked shorting on his own, it's not naked - you know shorting without owning the security you're selling it without actually borrowing it, but anyway it was fascinating, that was a 12 year old. I told him we could get him an internship. But the - but while that - while that thing was happening all of a sudden I start getting text messages from Ann, which you could imagine I now take very seriously. And they read along the lines and they were hard to read, they were like six or seven in a row and I couldn't tell which came before which, they read along lines of I'm at the Aspen Ideas Festival, in the main pavilion at the Aspen Ideas Festival, Walter Isaacson on stage with Bill Gates. Bill Gates last five minutes talking about Khan Academy and I didn't know what to make of this and so I immediately boot the nearest seventh grader off of a computer and I start looking for some evidence of this event that Ann is referring to. And after about 20 or 30 minutes I did find the footage of the event, it was Walter Isaacson, head of the Aspen Institute asked - sitting on stage asked Bill Gates what are you excited about these days? And Bill, I call him Bill now - Bill just starts - says there is this new site called Khan Academy, I use it with my kids, I use it myself, and he goes on and on and on and it was clear he had spent a lot of time on the site.

And you could imagine what I was feeling, I was - it was surreal, I was excited, but then I started actually getting nervous. Those videos were for Nadia, not Bill Gates. And I go home and a few friends started to catch wind of it - a few of them were actually in the audience and they immediately emailed me and whatnot I showed my wife and then I what do I do now? This thing clearly happened someplace in the universe, but what's the next step? Do I call him, do I - and I'm assuming he is not listed and they frankly left me in that limbo for the next two weeks. Two weeks later I am in our walk-in closet about to record a video and all of a sudden the cellphone rings, it's from Seattle. I answer it, hello. Hi this is Larry Cohen, I'm Bill Gates' Chief of Staff; you might have heard that Bill is a fan. Yes I heard that. If you're free in the next few weeks, we would love to fly you up to Seattle and learn more about what you're doing and see if there is ways that we could work together or possibly support you. And I was looking at my calendar for the month, completely blank. So I said yes, maybe on Wednesday I've got to cut my nails and do some laundry, but I think I could meet with Bill Gates.

And so we met and the meeting frankly was very similar to that meeting with Ann, what do I hope to do? I kind of painted the vision of I had all these slides that I had and what this could be, how much more than just videos. And they kind of processed that right around the same time, folks from Google reached out, asks the same types of questions, told them the same thing. And all of these things just they went really from famine to feast within a matter of months where all of these people, all of a sudden say we think this is a real thing, that's worth supporting. And so in October of 2010 Gates Foundation and Google gave the first initial funding and since then there's been many other great supporters to kind of build the real vision of a free world class education for anyone anywhere.