

# CHAPTER 3 INNOVATION LECTURE 3





**facebook**

**MARK ZUCKERBERG**

# EARLY LIFE

- Jewish
- Born and raised in Dobbs Ferry, NY
- Attended Ardsley High School and the Phillips Exeter Academy (boarding school)
- Recruited by Microsoft and AOL in his senior year
- But choose to go to Harvard

# HARVARD

- Harvard did not distribute a student directory
- He hacked into the school's records and put up **Facemash** which was similar to Hot or Not
- He got into a lot of trouble from the admins
- Still it was the precursor to Facebook

# ART HISTORY CLASS

- 2 days before an art history final he realized he didn't know the 500 images he was suppose to
- He set up a site and put the images online
- All of his classmates commented on the images and they all had the notes for the class

# BUSINESS STARTED

- He tried his face book concept again with **thefacebook.com** (Feb 4, 2004)
- This time it was voluntary
- Within 2 weeks half of Harvard had signed up
- Within a few months it has spread to other universities

# EARLY YEARS OF BUSINESS

- At the end of Sophomore year Mark moved out to Palo Alto into a rented apartment near Stanford
- He ran into and roomed with Napster co-founder Sean Parker who introduced him to the ways of the Valley
- Parker introduced Mark to Facebook's first major investor PayPal co-founder Peter Thiel

# GROWTH AND SUCCESS

- Mark decided to leave Harvard and work on Facebook full time
- They moved around from office to office just barely getting by
- By fall 2005, they received \$12.7 million more financing and had 5 million monthly active users



# MAKING MONEY

- Advertising
- Sponsorships
- Sometimes misguided attempts like the Facebook Beacon
- Or “social advertising” – Are being sued for using someone’s name in an ad

ok

Mark Zuckerberg

EO

ed by  
Lacy!  
s Week)



• A  
BROAD-E-R  
understanding  
of the world  
allows for  
compassion-

Mission:

To build an  
infrastructure

Putting the  
right people in the  
right  
places

# Secret to Scaling?

• Tapping into  
a universal need

The way we make  
money related to  
how users use the site.



• facebook is  
part of a larger  
trend of ↑↑  
communication

Poke!

Pol

Users need  
control over

privacy

tools

systems

People are  
fundamentally  
**GOOD...**



• Moving to a trust-based,  
incentive system allows  
people to be the good they are.

\$ We're  
rich  
but that's  
not our goal.

communication

developer  
platform

recruiting

Set  
to  
FB  
H  
B  
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at

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# SUCCESSFUL CHARACTERISTICS

- Motivated
- Has technical experience
- Determined
- Creative
- Persistent