

WHAT AND WHY

@TEJDHAWAN

DELL VS ME

A STARTUP

- IS A MASSIVE COMPANY THAT JUST DOESN'T KNOW IT YET
- IS FIGURING OUT ITS PRODUCT-MARKET FIT
- SOCIALIZES ITS VALUE PROPOSITION
- HAS THE ABILITY TO SCALE WITH SMALL # OF EMPLOYEES
- SOLVES A PROBLEM AND POSITIONS FOR AN EXIT
- LOW FIXED OVERHEAD — LIMITED RUNWAY
- HAS A WIDE NETWORK OF CUSTOMERS AND EVANGELISTS
- IS A GAME CHANGER

A SMALL BUSINESS

- DESIGNED TO CREATE AN INCOME STREAM FROM DAY 1
- SUPPORTS A LIFESTYLE FOR ENTREPRENEUR AND EMPLOYEES
- REVENUE SCALES LINEARLY
- RISK OF FAILURE GENTLY REDUCES OVER TIME
- WANTS TO CONTINUE SOLVING PROBLEMS
- HIGH OVERHEAD – POTENTIALLY INFINITE RUNWAY
- BACKBONE OF AMERICA'S ECONOMY

WHY ARE YOU IN BUSINESS

- A PAYDAY
- A LIFESTYLE
- COOL FACTOR
- UNEMPLOYED
- INDEPENDENT
- NARCISSISTIC
- RESTLESS
- PROBLEM SOLVER
- CREATIVE

THE DROPBOX PITCH

Storage is a mess



 **Dropbox**
www.getdropbox.com

It's 2007, and it's *still* a pain to...

- Work on multiple computers
- Share files across a team
- Put photos, video onto the web
- Protect files from loss



What are people doing now?

- Email attachments
- USB drives
- Browser uploads
- Piecemeal solutions



In a perfect world...

- Your files available wherever you are, on any device
- Never worry about losing data, can always undo
- Sharing, putting media onto the web is drag-and-drop



Dropbox

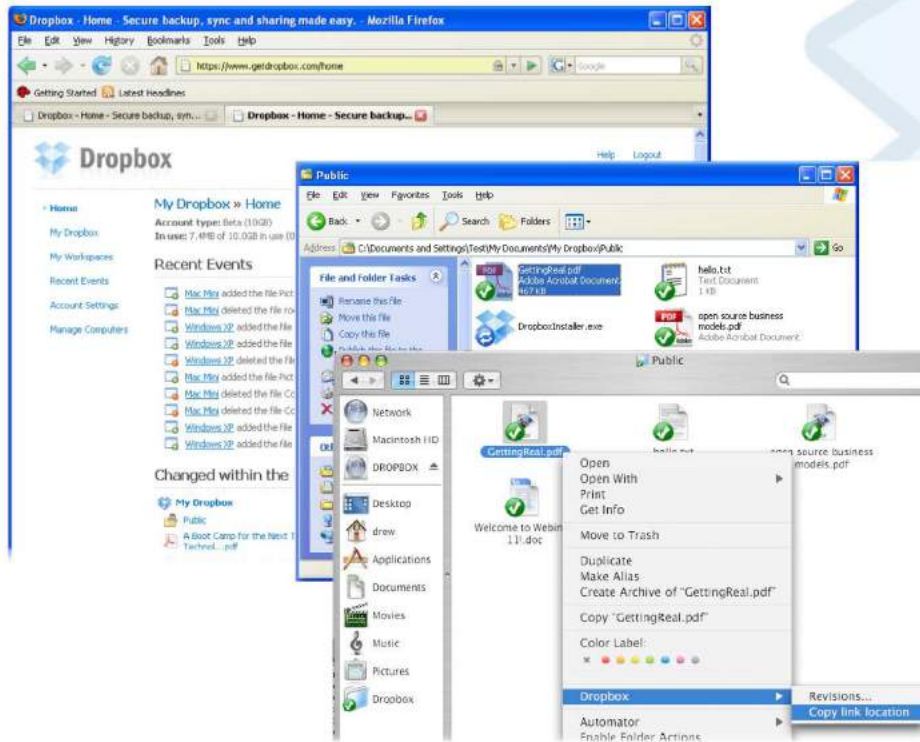


- **Keeps files:**
 - In sync across computers
 - Backed up
 - Accessible from anywhere
 - Easy to share
- **It just works**



Dropbox

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Demo

Why now?

- Lots of devices, bigger files, more content
- Increasingly distributed/remote teams
- Falling bandwidth, storage prices
- Online storage is unclaimed, unmonetized territory, much like search pre-Google



Why better?

- Solves the *entire* genre of storage-related problems with one app
- Deep OS integration, visual feedback
- Doesn't make you change the way you work
- Open APIs to link desktop & web applications



Competitors

 **Dropbox**

 Carbonite,
 Mozy

 Foldershare

 box.net

	Dropbox	Carbonite, Mozy	Foldershare	box.net
Sync	✓	✗	✓	✗
Backup	✓	✓	✗	✗
Sharing	✓	✗	✓	✓
OS integration	✓	✓	✓	✗
Web access	✓	✗	☯	✓
Versioning	✓	✗	✗	✗

Team

- **Drew Houston – CEO**
S.B. MIT EECS; first line of code at age 6; first startup gig at 14; founded online SAT prep co after multiple perfect scores
- **Arash Ferdowsi – CTO**
S.B. MIT EECS (on leave); director of MIT programming competition; prior exp at Google



Moving into our first office, 5/14/07



Business model

- **Individuals: freemium**
- **SMB: shared folder per-seat license**
(replaces backup, Windows file share, collaboration tools, reduces IT headcount)
- **Platform: broker all UGC from the desktop to the web**



DROPBOX AS A STARTUP

- 2007 DECK SHOWS NEED TO **REPLACE** SNEAKERNET & EMAIL AND MORE
- AUDACIOUS GOAL OF SIMPLIFYING ACCESS TO FILES **ANYTIME ANYWHERE**
- COMPLEX PROBLEM – SIMPLE EXECUTION
- TENACIOUS FOCUS ON REVENUE WHILE BUILDING NETWORK EFFECTS

NOT JUST SAYING IT – BUT DOING IT

WHAT IF DROPBOX HAD BEEN A SMALLBIZ

- FOCUS LIMITED TO A GEOGRAPHY
- FOCUS LIMITED TO A FUNCTION (E.G. BACKUP LIKE CARBONITE)
- FOCUS LIMITED TO A MARKET (E.G. CORPORATE LIKE BOX.NET)
- FOCUS LIMITED TO A FEATURE (E.G. PEER TO PEER SHARING LIKE FILESHARE)
- CUSTOM CODE FOR EACH CORPORATE CLIENT/FIREWALL

SO ARE YOU A STARTUP FOUNDER?

- CAN YOU RECEIVE MULTIPLE INPUTS BUT MAKE YOUR OWN DECISIONS?
- QUICKLY?
- ABANDON DECISIONS THAT DON'T WORK
- QUICKLY?
- FOCUS ON GROWTH OVER DISTRACTIONS?
- CAN IMAGINE THE WHOLE WORLD USING YOUR PRODUCT
- CAN SHOW RELEVANCE OF YOUR PRODUCT TO THE WORLD?

OR A SMALL BUSINESS OWNER

- PREFER CONSISTENT PROFITABILITY
- ARE COMFORTABLE WITH MANAGEABLE, NOMINAL GROWTH
- PREFER PREDICTABILITY FOR YOUR EMPLOYEES AND YOU
- CAN SEPARATE LIFE FROM WORK (AKA TAKE A VACATION REGULARLY?)
- COULD SEE RUNNING THE BUSINESS FOR A DECADE OR MORE?

WHICH IS THE RIGHT CHOICE?

WHEN DREAMING FOR A BIG PAYDAY

- START WITH WHAT DOESN'T SCALE
- BE PREPARED TO KEEP ADJUSTING THE SCALING FUNCTION
- TEST YOUR HYPOTHESES REGULARLY
- IF YOU'RE NOT GROWING CONSISTENTLY, HYPOTHESES ARE WRONG. ADJUST
- LEVERAGE OTHERS' MONEY
- BE WARY OF A SELF-CREATED PONZI SCHEME OF NEW SERIES OF MONEY
- PIVOT, DON'T PIROUETTE

WHEN DREAMING FOR THE LONG TERM

- CASH FLOW IS KING – BECOME FAMILIAR WITH IT
- FINANCIAL SERVICE PROVIDERS ARE THERE TO ASSIST YOU – NOT DO YOUR JOB
- SMALL BUSINESSES OFTEN FAIL FOR LACK OF ATTENTION TO FINANCIALS
- HIRE SLOW, FIRE FAST
- STAY AWAY FROM OTHERS' MONEY....EXCEPT REVENUE

IN EITHER MODE

- TELL THE TRUTH
- PROMISE AND DELIVER
- NEVER MESS WITH EMPLOYEES' PAY OR BENEFITS
- NEVER &\$%# WITH IMMIGRATION OR IRS

BUILD THE BUSINESS THAT REFLECTS THE REAL YOU