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## THE SOCIAL NETWORK

### Facebook

It's something of a universal phenomenon that we can probably all recognize from our own lives. When you're between the ages of sixteen and twenty-four, you're plugged into the zeitgeist. During that intellectually fecund period, you tend just to "get" things: the latest fashions, the coolest new music and films, the trends and jokes and ideas that are au courant. It's almost like young people see the future before everyone else.

Mark Zuckerberg was eleven when Netscape IPOed. As a middle-schooler and high-schooler, he came of age on AOL. In 1999, he had a personal homepage on Angelfire, a competitor to GeoCities where anyone could host a website for free. "Hi, my name is . . . Slim Shady," the site's About Me page said.

No, really, my name is Slim Shady. Just kidding, my name is Mark Zuckerberg (for those of you that don't know me) and I live in a small town near the massive city of New York. I am currently 15 years old and I just finished freshman year in high school.

A subpage on young Mark's website called "The Web" had a Java applet on it that plotted out a graph illustrating connections between people Mark knew. He asked his friends to link to each other on the applet, so he could plot out his teenage social circle.

It would be poetic to think that here, in 1999, was the germ of an idea that would later become Facebook. But the truth is, Mark Zuckerberg was just plugged in to the web's zeitgeist. Sharing, connections, social media, these were all impulses bubbling to the surface and, at fifteen years old, as a web-and computer-obsessed kid, Mark Zuckerberg sensed these trends intuitively. Zuckerberg, like almost everyone he knew, was a heavy AIM user. He was also a member of Friendster when it debuted. He blogged. He voted on HotorNot.com. Napster had been the biggest cultural and technological event of his young life. And so, Zuckerberg's youthful hacks all featured elements that, in one way or another, we might call "social."

As a senior in high school, Mark and fellow student Adam D'Angelo developed Synapse, a clever plugin to Justin Frankel's Winamp that sampled the MP3s a person listened to and then algorithmically generated playlists based on that user's taste.<sup>1</sup> D'Angelo had previously created Buddy Zoo, a program that, much like Zuckerberg's "The Web" applet, made a graph of your personal connections—but in this case, using AIM. The boys received buyout offers from Microsoft and AOL. The pair opted for college instead.

Zuckerberg enrolled in Harvard, to major in psychology. But even matriculation at one of the world's most prestigious schools didn't hamper Mark's penchant for hacking. During his sophomore year, Zuckerberg created an online app called Course Match that helped his fellow Harvard students choose what classes to sign up for, based on who else was signed up for that class already. That way you could rub shoulders with your friends, or maybe that cute girl you wanted to meet. Later that same year, when Zuckerberg got behind on coursework for a class called "Art in the Time of Augustus," he put up a website encouraging his classmates to contribute to a collective analysis of the artworks in question, Wikipedia-style. This clever gambit allowed Mark to quickly cram and pass the exam.<sup>2</sup>

Zuckerberg also created a HotorNot for Harvard students called Facemash that let users vote on the looks of their fellow classmates. "Were we let in [to Harvard] for our looks?" the site asked. "No. Will we be judged by them? Yes."<sup>3</sup> Facemash was an instant hit on campus, but was quickly shut down because Zuckerberg had stolen the student profile pictures used on the website from Harvard's internal networks. Also, student groups objected to the blatant misogyny and privacy violations inherent in the project. Zuckerberg was put on probation by Harvard's administration for the stunt.

"I had this hobby of just building these little projects," Zuckerberg would later say of his early programming endeavors.<sup>4</sup> Again, Zuckerberg was not

unique in this—not some lone genius churning out social apps because he had some singular or unprecedented insight. Rather, he was part of the web’s collective unconscious, groping blindly toward what would soon be known as Web 2.0. Zuckerberg wasn’t even unique in pursuing social apps at Harvard! After the controversy surrounding Facemash gave him a brief bout of campus celebrity, Zuckerberg was contacted by a trio of Harvard students, Divya Narendra and identical twin brothers Cameron and Tyler Winklevoss, who were working on a college-based social network they wanted to call HarvardConnection.

Sharing. Social networks. Mapping relationships online. It was just in the air at the moment. In the zeitgeist.



ZUCKERBERG AGREED TO HELP program HarvardConnection shortly before the winter break of the 2003–4 academic year. Sometime over that hiatus, it seems that he decided to abandon this project and instead take a crack at coding up a fully formed social network himself. Harvard had a decades-long tradition of publishing “facebook,” or directories of student portraits that helped people look each other up and make connections. The university had made some noises about bringing these directories online, and just that December of 2003, Harvard’s student newspaper, the *Crimson*, had published an editorial titled “Put Online a Happy Face: Electronic Facebook for the Entire College Should Be Both Helpful and Entertaining for All.”<sup>5</sup> Mark had already had experience with an online facebook. In high school, his classmate Kristopher Tillery had created a website that basically replaced the printed directory the school previously used.<sup>6</sup> It seemed silly that a high school could do an online facebook and Harvard couldn’t.

Zuckerberg decided not to wait for the university to get its act together. On January 11, 2004, he registered the domain Thefacebook.com for \$35. Using the examples of Friendster, Course Match, Facemash—even drawing from AIM, Buddy Zoo and Zuckerberg’s own “The Web” app—Zuckerberg coded up a website that would bring college facebook into the web era. He paid \$85 a month for hosting to a company called Manage.com, and on Wednesday, February 4, 2004, he put the website live, along with the following message:

Thefacebook is an online directory that connects people through social networks at colleges. We have opened up Thefacebook for popular consumption at Harvard University. You can use Thefacebook to: Search

for people at your school; Find out who are in your classes; Look up your friends' friends; see a visualization of your social network.<sup>7</sup>

After putting the site live, Zuckerberg went out for pizza with his roommates. They discussed the Thefacebook project and how someday somebody was going to build a community site just like it—but for the whole world. Whoever pulled that off would create one amazing company. They wondered who would eventually do it. “But it clearly wasn’t going to be us,” Zuckerberg would recall later. “I mean, it wasn’t even an option that we considered it might be us.”<sup>8</sup>

Four days later, more than 650 students had registered as users of Thefacebook. By the end of the month, three-fourths of Harvard’s student body was using the site daily.<sup>9</sup>



WHEN MARC ANDREESSEN STARTED Mosaic, he turned to his fellow students to help; when Shawn Fanning started Napster, he turned to his fellow hackers. Right away, as Thefacebook took off at Harvard, Mark turned to his fellow dorm mates in Suite H33 of Kirkland, the undergraduate residential house he lived in, to keep the project afloat. Roommate Dustin Moskovitz was enlisted to help code the site and expand it. Suitemate Chris Hughes was recruited to help with promotion and serve as the site’s spokesperson. A fraternity brother of Mark’s from Alpha Epsilon Pi, Eduardo Saverin, was brought on board as a full business partner and to run the finances. Later, Zuckerberg would even turn to his old friend Adam D’Angelo (then at Caltech) to help Moskovitz with the coding.

Thefacebook was founded by a bunch of kids who had lived through the dot-com era as well as the Napster supernova. To them, starting a website—or even a web company—was not some crazy notion. On the contrary, it was aspirational, but also feasible. It was like starting a band or a student group, or maybe opening an off-campus bar. The Mosaic kids had been academic researchers who didn’t know the first thing about startups. The Napster kids had been naïve hackers who didn’t know the first thing about business or the law. But Thefacebook was started at Harvard, by the scions of America’s elite families. These were the kids who were *supposed* to conquer the world in some way or another. So, when they got an idea for a cool website, they knew what to do: see how big it could get. And they had the resources to make that happen.

This is where the myth of Facebook’s founding is colored by the artistic license taken by the movie *The Social Network* (and the book that inspired it,

*The Accidental Billionaires: The Founding of Facebook*). Sure, Mark Zuckerberg was a bit socially awkward, but according to friends at the time, he didn't have much trouble getting girlfriends. He was confident. He was a leader. Zuckerberg and Saverin weren't old enough to drink, but they were familiar with money since they both came from privileged backgrounds. Zuckerberg had gone to the exclusive boarding school Phillips Exeter Academy. Saverin came from a long line of international businessmen. So, this wasn't a case of dorky social outcasts coding up a website in order to meet girls. Thefacebook was just a cool thing they could make together. If it ended up being a real company in the end (or, actually help them meet girls), well, even better.

Zuckerberg and Saverin both invested \$1,000 of their own money into the project, and Saverin created an LLC and opened a bank account. Within weeks of launching at Harvard, Moskovitz and Zuckerberg began cloning the site and seeding it to other campuses. First came Columbia and Yale, and then Stanford. Dartmouth and Cornell followed the next month. After that: MIT, University of Pennsylvania, Princeton, Brown and Boston University. The uptake at each new school was just as instantaneous as it had been at Harvard. By the end of March 2004, Thefacebook had 30,000 users.<sup>10</sup>

This was viral growth, but, crucially, it was *managed* viral growth. By expanding to colleges one at a time, the five founders could grow the site without the rate of growth outpacing them. The boys had learned by watching Napster, and especially by watching as the Friendster fiasco unfolded before their eyes. They only released Thefacebook to a new college when they knew they had the infrastructure in place to handle the additional traffic. They studiously avoided site crashes and service outages. They made sure the pages loaded quickly by assigning each school to a unique database, thereby avoiding the complicated networking calculations that slowed down Friendster.<sup>11</sup>

This staggered growth also allowed the company to expand within its financial means. In true Web 2.0 fashion, Thefacebook was run frugally, using free open-source software like MySQL for the database and Apache for the web servers. Even by the time users were in the tens of thousands and Thefacebook was live on dozens of campuses, it was only costing \$450 a month to run the site off of five Manage.com servers.<sup>12</sup>

Thefacebook focused on colleges because that is what its founders knew. As Sean Parker would later say of the embryonic company, Zuckerberg wanted Facebook to get big. "But he didn't know what that meant. He was a college student. Taking over the world meant taking over college."<sup>13</sup> Whether by

accident or design, the self-enforced exclusivity of focusing on colleges was key to Thefacebook's early success. We are never more social than we are in college; our network of friends and connections is never more vibrant and vital than in those years. From day one, Zuckerberg's vision for Thefacebook mimicked the original instincts of SixDegrees and the best intentions of Friendster. You could only register on Thefacebook with your college-supplied .edu email address. You could only interact with other students at your actual school. You had to be your authentic self, just as you would on campus. There would be no fakesters or parody accounts on Thefacebook. But then, no one would want those anyway. Being inauthentically yourself was to miss the point of Thefacebook entirely.

Thefacebook attempted not merely to re-create your offline social circles, or to build new types of social connections online. No, Thefacebook wanted to mirror your *exact* social circle. The friends you took classes with, the friends you roomed with, the friends you sat in the dining hall with—those were your friends on Thefacebook. Mapping your social network accurately on Thefacebook provided a new, frictionless way to map your social world—to curate it, to *live* it. Thefacebook understood that you didn't need any bells and whistles to make a social network compelling. If users were willing to port their actual social lives onto the Thefacebook's network, then the network could be as compelling and vital as offline life was.

As an early user (who would go on to be an early Facebook employee), Katherine Losse would write, describing her first encounter with Facebook as a student at Johns Hopkins University in 2004:

It was the first Internet site I had ever used that mirrored a real-life community. The cliques on Facebook were the same ones I ran into at the library and campus bar, and the things people said to each other on their walls—water polo team slang, hints at the past weekend's conquests, jabs at Hopkins' lacrosse archrival Duke—were similar to what you heard them saying at study tables or around pitchers of beer. The virtual space mapped the human space.<sup>14</sup>

By targeting the narrow field of your actual college social circle, Thefacebook was able to construct a digital social web that directly paralleled reality. It was a living online Rolodex, just like Andrew Weinreich had tried to achieve in theory; it was your true self, projected virtually, as Jonathan Abrams had aspired to, and failed. Thefacebook actually achieved true digital identity.

Choosing to launch only at elite colleges also helped. Thefacebook had an air of exclusivity. It was the social network (at least at first) of the elite. the 1%. It



further helped that Thefacebook felt classier than Myspace, which was exploding in popularity at the same time. The aesthetic of Thefacebook was almost the antithesis of Myspace; it was less flashy, more functional; presentational where Myspace was promotional. You didn't go to Thefacebook to show off, but you did go there to present your best self.

Thefacebook's early features were purposefully limited. You could map your connections to your fellow students, and originally, your connections were restricted to your own school. As Thefacebook started spreading to other colleges, you could eventually connect to outside friends only if you both mutually acknowledged your relationship. You could only post one photo: your profile picture. You could fill out a whole range of personal categories ranging from sex and relationship status to courses enrolled in, extracurricular activities, hobbies, favorite films and the like. There was a "status update" feature taken directly from AIM. And there was the ability to "poke" other users, which meant—well, no one was exactly sure. But it was college, so if you poked someone, it could mean whatever you wanted it to mean.

It's important to see Thefacebook for what it was at this moment: a social directory. A cool little utility. Zuckerberg himself repeatedly described the project as a "social utility." This was just another one of his hacks, but it happened to be one that had gotten the most traction. It was no different than Course Match or anything else he had done previously. In fact, had Facemash not been shut down by the authorities, perhaps Zuckerberg would have ridden *that* wave instead of this one. Maybe he would have enlisted his friends in building HotorNot-like sites for Stanford and for Yale and on and on. In fact, on his blog, right around the time he released Facemash, Zuckerberg had suggested exactly that: "Perhaps Harvard will squelch it [Facemash] for legal reasons without realizing its value as a venture that could possibly be expanded to other schools (maybe even ones with good-looking people . . .)." <sup>15</sup>

Well, Harvard hadn't squelched Thefacebook, and the boys in Kirkland House were going to take it as far as they could. But that required more money, of course. So, from very early on, Facebook had ads. That was Saverin's main contribution to the project. He was indeed business savvy and he did have actual connections to advertisers. Saverin hooked Thefacebook up with Y2M, a company that sold ads for college newspaper websites. Cannily pitching Thefacebook as a new way to reach the coveted college demographic, Y2M began brokering ads on the site. One of the first advertisers was MasterCard. Unsure of Thefacebook's viability as a marketing tool, MasterCard refused to pay up front, or even to pay for pageviews served. They were willing only to pay

a flat fee if a user actually opened a new credit card account. Within a day of launching the ads on Thefacebook, there were twice the applications MasterCard had anticipated for the entire four-month campaign that had been planned.<sup>16</sup>

Saverin continued shaking the trees and landing deals like this, depositing the proceeds into the bank account he controlled. He and Zuckerberg both invested \$10,000 more of their own money to serve as working capital. But almost from the first weeks, Saverin was also lining up meetings with financiers. At one meeting that June, an investor offered \$10 million for the company, which was barely four months old. And at another meeting, in New York City in April, Saverin and Zuckerberg met Sean Parker (of Napster fame) for dinner. The famous line from *The Social Network* movie is “A million dollars isn’t cool, you know what’s cool? A billion dollars.” That’s just dialogue invented by the screenwriter, Aaron Sorkin, but what is true is that the dinner depicted in the movie really did take place (at Jean-Georges Vongerichten’s 66 restaurant in Tribeca) and Zuckerberg really was awed by Parker’s geek celebrity.

And that dinner does seem to have been a turning point in Thefacebook’s destiny. From twenty-year-old Mark Zuckerberg’s perspective, it felt like maybe he was sitting on some sort of web phenomenon. Perhaps he could be the next Shawn Fanning or Sean Parker. Napster, of course, was a cautionary tale, a tragic failure. But maybe Zuckerberg could do better. He wanted to give it the old college try. And that, he decided, meant leaving college (temporarily, at least) and heading out to California. Where the Internet happened. And so, when the spring 2004 semester wound down, he rented a house in Palo Alto and moved out for the summer, along with Dustin Moskovitz and three other Harvard friends/interns.

At that point, Thefacebook had launched at thirty-four schools and had 100,000 users.<sup>17</sup>



WE’VE SEEN HOW the startup culture of modern Silicon Valley was created to serve the habits and metabolism of postcollege white males, especially (although in slightly different ways) in the examples of Netscape and Google. But the summer of 2004 that Thefacebook spent in a rented ranch house on a cul-de-sac at 819 La Jennifer Way has gone down in lore—at least in some circles—as the bro-tastic, edenic ideal of an Internet startup’s incubation. These weren’t college graduates, these were college *sophomores*. So: There was a swimming pool. There was a jury-rigged zipline that was strung from the chimney so that you could drop down from the roof into the pool. There was alcohol and marijuana at



all hours. There were beer-pong tournaments. There were parties. These were the guys who were running the most popular college-based website in the world, after all, so when the boys wanted to throw a kegger, they just posted a notice on Thefacebook pages of nearby Stanford University. Hundreds of kids would show up. People passed out on the floor and slept where they landed. Friends and hangers-on would come and crash on the couch, sometimes staying for weeks. The whole house was littered with used soda cans and empty pizza boxes.

But amid all of this, on desks and in corners and sometimes out by the pool, there were kids hunched over their keyboards coding up one of the hottest websites in the world. It was a startup, but it was a startup in the hands of nineteen-and twenty-year-olds: just as much frat party as work. Zuckerberg himself usually didn't start programming until the early afternoon, but the coding sessions could stretch on until dawn—in spite of whatever other activities were going on in the house. Even if there was loud music playing or a raucous party going on in the background, everyone working on Thefacebook tended to communicate over AIM anyway, even when they were sitting right next to each other. Noise was not an issue. Distraction was not a factor. All summer, at all hours, there was almost always somebody, head down, staring at lines of code on a computer screen.

“We were doing fourteen-or sixteen-hour days,” Moskovitz recalled later. They mostly worked in the kitchen on their personal computers and, in Moskovitz's words, “hammered away.”<sup>18</sup> The goal that summer was to prepare for classes to resume in the fall. The expectation was that, come September, Thefacebook would launch on seventy new campuses.<sup>19</sup> There were new features to test, new servers to bring online. But at the same time, there was still a sense that this was all some elaborate (but “kind of” serious) lark. When a reporter from the *Crimson* stopped by to check in on these wayward Harvard boys, Zuckerberg described the operation this way: “Most businesses aren't like a bunch of kids living in a house, doing whatever they want, not waking up at a normal time, not going into an office, hiring people by, like, bringing them into your house and letting them chill with you for a while and party with you and smoke with you.”<sup>20</sup>

It was just kids playing grown-up, seeing how far they could take things. Whether it was posturing or not, the official line was that they'd all be heading back to Harvard in the fall to continue their studies. “We like school and want to go back to school and at some point somebody's gonna offer us a lot of money and we'll probably take it, you know?” Zuckerberg told the *Crimson*.<sup>21</sup> Until that happened, they were just living the Silicon Valley startup fantasy.

Zuckerberg even seemed to be hedging his bets, concentrating a lot of his time on a Napster-like file-sharing program called Wirehog, which he intended to integrate into Thefacebook's feature set so that users could trade MP3s, videos, files, what have you. It seems that, despite Thefacebook's success, even Mark Zuckerberg wasn't exactly sure that this social-networking thing was much more than that almost dismissive word he used to describe it: a utility.

And then into this scene came Sean Parker.

If there was anyone who was plugged into—who virtually embodied—the web's zeitgeist, it was Sean Parker. What had fascinated him the most during his time at Napster were the social elements of the thing. The sharing. He wasn't surprised when these trends resurfaced in Napster's wake. After he was pushed out of Napster, he founded a new startup called Plaxo, which used people's email and contact lists to, almost literally, put everyone's Rolodex online where it would be searchable, shareable and constantly updated. It was a virtual white pages of everyone's contact info. Parker was convinced that mapping digital identity was the next big thing. And in Thefacebook, he saw the purest expression of this idea so far.

Parker was the one who had initiated that New York dinner with Zuckerberg after watching Thefacebook take over Stanford's campus, where his then-girlfriend was matriculating. Now that Thefacebook was, at least temporarily, carpetbagging in his Silicon Valley stomping grounds, when he and Zuckerberg crossed paths in Palo Alto (that same girlfriend lived down the street from Thefacebook house), Sean Parker jumped on board as Thefacebook's most committed true believer.

In fact, he moved into the house.

Parker, like everyone else involved in Napster, had not made very much money when the company went belly-up. And even though Plaxo was enjoying some measure of success, Parker was, at that very moment, in the process of being pushed out of his latest startup as well. But now the issue was not careless emails. Now the whispered accusations were about partying, drugs, and generally erratic behavior. Whether those accusations were true, or whether they were just part of a smear campaign, as Parker claimed, when Parker moved into 819 La Jennifer Way, he was not only between gigs, he was quasi-homeless.

But Mark Zuckerberg continued to hold Parker in great esteem. Everyone in the house did. Parker was five years older, for one thing, so he was of age and could keep the house well stocked with alcohol. And he had a car. The boys from Thefacebook had simply been walking everywhere. Most important, Parker had already played an integral role in the launch of two major web startups. To

Zuckerberg and Thefacebook team, he was basically a grizzled Silicon Valley veteran. As Zuckerberg spent the summer considering his options, and considering the possibilities for Thefacebook going forward, he increasingly turned to Sean Parker for counsel. “You trust people you can relate to; I could relate to Sean,” Zuckerberg would say later. “And I was impressed he had done something cool.”<sup>22</sup>

Zuckerberg would later say that he and Parker bounced so many different scenarios off each other that summer that he’s not sure, in retrospect, which ideas were Sean’s and which ideas were his. But if there was one idea Parker seemed hell-bent on drilling into Zuckerberg’s head, it was that Thefacebook was *the thing*. Zuck should just stick to his instincts and keep with the original game plan: build out Thefacebook school by school and see how big it could get.

“I’ve really got something here?” Zuckerberg asked one evening.

“Yeah, Zuck, you do,” Parker said.<sup>23</sup>

At Parker’s urging, Zuckerberg decided that Thefacebook shouldn’t just plan for the immediate future; it should plan for an exponential future. To prepare for the coming autumn and the anticipated influx of users, Thefacebook desperately needed new servers. Zuckerberg decreed that, rather than struggle to keep up, the site’s infrastructure should, from that point forward, be architected to anticipate ten times the number of users it was getting at any one moment. That would cost more money than Facebook was already generating. Zuckerberg and his family were forced to sink \$85,000 into the company, mostly for buying new servers.<sup>24</sup>

The time had clearly come to land serious VC backing. But Zuckerberg and the others had listened in that summer as the humiliating legal process of Parker’s ouster by Plaxo’s investors played out to its sorry conclusion. The experience gave Zuckerberg a sobering education about what he might be in for (“VCs sound scary,” he remembers thinking).<sup>25</sup> So, when it came time to shake the trees for money, Sean Parker made it his mission in life to make sure Thefacebook got a good deal.

Parker introduced Zuckerberg to LinkedIn’s founder Reid Hoffman, as well as Mark Pincus, a Web 2.0 entrepreneur who had founded another early social network, Tribe.net. Both made angel investments in Thefacebook. Parker also got Zuckerberg a meeting with the de facto head of the PayPal Mafia, Peter Thiel. Thiel gave Zuckerberg a \$500,000 loan, which would convert into about 10% of the company’s equity. The terms were generous, and Parker was confident that Thiel was the sort of investor who would leave Zuckerberg alone to pursue his vision. The only instruction Thiel gave the twenty-year-old was:

“Just don’t fuck it up.”<sup>26</sup>

Thiel did ask if the boys were still planning on returning to Harvard in the fall. Zuckerberg said yes.

“Okay,” Thiel said. “*Sure* you are.”<sup>27</sup>

By going the angel route and avoiding big-name venture capital firms, Parker ensured Zuckerberg maintained majority control of the company’s precious equity. Parker also reincorporated Thefacebook as a proper company, jettisoning the old LLC structure set up by Saverin, and further consolidated Zuckerberg’s control (Parker also gave himself a healthy chunk of equity and a seat on the company’s board of directors for his troubles). With this cash infusion, Thefacebook would have the funds necessary to meet the expected fall crush head-on. And Zuckerberg would control where the company went from there.

Which was a good thing, because Zuckerberg wasn’t going anywhere. It turned out that Peter Thiel had sized up the boys of Thefacebook correctly. When the summer ended and the crucial fall season approached, Moskovitz and some of the others agreed to take a semester off, stay in California, and see how things went with the major school expansion. The idea of returning to school seemingly faded into the background after that, never to be seriously considered again.



IN THE FALL OF 2004, Thefacebook went gangbusters. Even though it was supposed to be a slow period, the user base had actually doubled over the summer, to 200,000.<sup>28</sup> In September alone, that number doubled again as new schools were brought online.<sup>29</sup> The site also rolled out two major new features. Each profile now had a “wall,” which was like a virtual corkboard outside a dorm room—a place where you or your friends could post messages and greetings. And now there were also ad hoc “groups” that you could join, for things like study sessions and campus causes, but really, anything under the sun.

On November 30, 2004, Thefacebook passed the million-user mark. It had been live for all of ten months.<sup>30</sup>

And yet, Zuckerberg still did not seem convinced that Thefacebook was his meal ticket. “What was so bizarre about the way Facebook was unfolding at that point,” Sean Parker has said, “is that Mark just didn’t totally believe in it and wanted to go and do all these other things.”<sup>31</sup> The main “other thing” was Wirehog, which was taking up just as much of Zuckerberg’s time—if not more. There was also the continued sense of kids-playing-dress-up. Zuckerberg had

business cards printed up that read: “I’m CEO . . . bitch!” It was probably a riff on the then-ubiquitous Rick James sketch from *Chappelle’s Show*, but as early Facebook employee Andrew “Boz” Bosworth has written, the card also spoke to “how unclear it was even in his own mind at the time that he would someday become such an important (and scrutinized) leader.”<sup>32</sup>

It was around this time that Zuckerberg infamously showed up late to a meeting with the venture firm Sequoia Capital, still dressed in pajamas and pitching from a PowerPoint presentation that included a slide with the title “The Top Ten Reasons You Should Not Invest.”<sup>33</sup> This incident was a prank instigated by Parker, who had a grudge against Sequoia, blaming them for his exile from Plaxo. Any entrepreneur who was even halfway serious about his reputation in Silicon Valley would never be so openly contemptuous of one of the most successful VC firms in the tech universe. Zuckerberg later apologized for the stunt.

Three things conspired to turn Zuckerberg’s attitude around and get him to take Thefacebook seriously. First, Wirehog was a dud. After it was launched on Thefacebook in November of 2004, essentially nobody used it. So, Zuckerberg’s notion that social media was more important than social networking was proven wrong.<sup>34</sup> The second factor was competition, pure and simple. Just as Myspace and Thefacebook were arguably Friendster clones, there were now clones of Thefacebook as well. These copycat sites were opening social networks to target less prestigious schools, the state colleges and even the community colleges that Thefacebook was, up until that point, ignoring. To combat this competition, Zuckerberg accelerated the campus-by-campus rollout so that the clones couldn’t steal Thefacebook’s thunder. And then there was Myspace itself. The same month that Thefacebook hit 1 million users, Myspace hit 5 million.<sup>35</sup> Zuckerberg was always contemptuous of Myspace, once telling a potential investor that the difference between Myspace and Facebook was the difference between a Los Angeles company and a Silicon Valley company. “We built this to last, and these guys [Myspace] don’t have a clue.”<sup>36</sup> But then, in July of 2005, Myspace was acquired by News Corp for \$580 million. At that point, Thefacebook had only a fraction of the users Myspace did, but if Myspace could command a valuation like that, then Thefacebook was clearly worth some fraction of a very big number.

But the main thing that affected Zuckerberg’s thinking was data. From the very first days, Zuckerberg was obsessed with watching how users actually *used* his site. While monitoring the behavior of his users, Zuckerberg was fascinated

by the very real info his network could tease out, and how little tweaks he made to Facebook's systems could affect user activity. He had inherited the Google guys' obsession with algorithms. Zuckerberg ran some numbers and realized that, based on things like status updates and wall posts, he could predict with about 33% accuracy whether two members would be "in a relationship" within a week.<sup>37</sup> In theory, he could also predict what movies would be popular, what songs would soon be hits, all from simple posting frequency. That was all pretty cool. But the numbers that really impressed him were those related to user engagement. Usage was off the charts. By the fall of 2005, fully 85% of American college students were members of Thefacebook and 60% returned to the site *daily*.<sup>38</sup> Ninety percent logged in at least once a week.<sup>39</sup> What product or service in any industry got used so obsessively? Parsing the server logs, Zuckerberg and the others could see user behavior that they termed "the trance." Users would log on and then click and click and click and click, browsing people's profiles for hours at a time. "Wanting to look people up is kind of a core human desire," Zuckerberg said around this time. "People just want to know stuff about other people."<sup>40</sup> It was beginning to dawn on him how powerful harnessing that need-to-know was.

It was dawning on other people as well. Venture capitalists and other potential partners were eager to get a piece of Thefacebook. As early as March of 2005, Viacom offered to buy the site for \$75 million, thinking that, with its youth demographic, Thefacebook (not Myspace) might be the MTV of the web generation.<sup>41</sup> In lieu of a Viacom buyout or partnership, Sean Parker helped Thefacebook land a \$12.7 million investment from the VC firm Accel Partners, which valued the company at around \$100 million. The successful investment round was quite an achievement on Parker's part. Google's first major investment round had only valued it at \$75 million.<sup>42</sup> Thefacebook was only fifteen months old, but had gotten one of the richest private valuations in Silicon Valley history.

People began to speak in hushed tones about Thefacebook possibly being the "next Google." Zuckerberg himself began playing up this comparison explicitly, recruiting Stanford computer science students behind a homemade sign that read WHY WORK AT GOOGLE? COME TO THEFACEBOOK.<sup>43</sup> Thefacebook's sudden high profile in Silicon Valley, along with its Accel connections, allowed the company to start hiring superstar talent. Steven Chen was such a superstar that he only worked at Facebook for a few months before going on to found YouTube. Facebook stopped renting out "casas de Facebook" and graduated to real office space in Palo Alto.



A final, important sign of the Zuckerberg pivot to taking Thefacebook seriously came when Sean Parker ceased day-to-day involvement in the company. As *The Social Network* movie suggests, there was, indeed, some sort of incident involving a party Parker hosted, though no charges were ever filed. Thefacebook's new VC investors nonetheless demanded that Parker step down. After a long heart-to-heart between Parker and Zuckerberg, it was agreed that this was actually an opportune moment for change. It was finally time for Zuck to step up and not only take Thefacebook seriously, but take direction of it as well. It was time for him to lead.

This third-time ejection from a startup was more amicable for Parker than the others had been. He got to keep his own sizable chunk of equity. He continued to informally advise Zuckerberg for years afterward. And, crucially, Parker assigned his seat on the company's board of directors to Zuckerberg, giving him control of three seats on the then five-seat board. "That solidified Mark's position as the sort of hereditary king of Facebook," Parker would say. "I refer to Facebook as a family business. Mark and his heirs will control Facebook in perpetuity."<sup>44</sup> Thanks to him.

Oh, and one of Parker's last acts was to secure the domain Facebook.com. Sean had long argued that the "the" in the site's title was superfluous. The company officially became Facebook on September 20, 2005.<sup>45</sup>



A LOT OF THE FASCINATION surrounding the story of Mark Zuckerberg has been about the world watching a boy evolve into a legendary entrepreneur and leader. Zuckerberg's trajectory mirrors that of another truly great entrepreneur who dropped out of Harvard to start a company. Bill Gates was almost exactly Mark Zuckerberg's age when he founded Microsoft. He too was called socially awkward and he too had an early reputation for sophomoric behavior that verged on the juvenile. Gates didn't start out to become one of the most successful entrepreneurs of all time. He grew into the role. It was only after he had one of the great business insights of all time—that software was *the* truly valuable nexus point of technology—that he seized his destiny. In truth, the "genius" of Bill Gates was his ability to evolve into the sort of man who could capitalize on his great entrepreneurial insight.

Not being a natural entrepreneur—and then stumbling onto a great entrepreneurial insight—and then having the fortitude, and discipline, and strength of will to become the sort of person who can bring that insight to reality? To me, that's the more fascinating story.

What was Zuckerberg's great insight about Facebook? Well, it was something along the lines of: humans are nothing more or less than highly social primates. Finding out what is happening with your friends and family is a core human desire, right smack in the middle of Maslow's hierarchy of needs. Zuckerberg had once mused that someday somebody was going to make a community site that would satisfy the need to know what's up with your friends—but for the entire planet. And when they did so, they'd be building an amazing company.

Maybe Facebook could be that amazing company.

In short, Zuckerberg began to believe in the power of the product he had already built. And he got strong evidence that he really was on to something thanks to a key new feature Facebook launched.

Over the summer of 2005, the site grew from 3 million members to 5 million.<sup>46</sup> At times, 20,000 new users were joining daily.<sup>47</sup> The site was getting 230 million pageviews daily. Revenues had climbed to \$1 million a month.<sup>48</sup> As it had done the previous year, Facebook decided that autumn was the best time to introduce major new features. Before he left, Sean Parker had been advocating for a photos feature to be added to Facebook. Instead of simply a profile photo, Facebook users should be able to share any photo, entire groups of photos, entire photo albums. On Myspace, an ecosystem of third-party companies like Photobucket and Slide had arisen to serve this purpose. And obviously, sites like Flickr showed that people were eager to share photos online. But Parker wanted Facebook to own the experience itself. "The theory behind photos was that it was an application that would work better on top of Facebook than as a free-standing application," Parker says.<sup>49</sup> And maybe if Facebook leveraged what it was already good at—its network effects—it could create something even more powerful still.

Facebook Photos was launched in October of 2005. It was actually a bare-bones application, lacking a lot of the features of more robust apps like Flickr. But it had one key innovation: if you uploaded a photo with a friend in it, you could "tag" them and they would receive a notification that you had posted a photo of them online. Facebook Photos took off right away. Within three weeks, Facebook hosted more photos than Flickr.<sup>50</sup> After a month, 85% of the service's users had been tagged in at least one photo.<sup>51</sup> Zuckerberg and the rest of the team were amazed that an arguably inferior product could so quickly unseat the incumbents. The secret sauce had to be the network effects. Matt Cohler was one of the new wave of hires brought in to Facebook after the Accel investment.

“Watching the growth of tagging was the first ‘aha’ for us about how the social graph could be used as a distribution system,” Cohler says. “The mechanism of distribution was the relationships between people.”<sup>52</sup>

Again, Facebook didn’t invent tagging. It was one of those big ideas floating around the Web 2.0 zeitgeist. But combining tagging of photos with Facebook’s unique network of real social connections proved impossibly potent. We’re monkeys that like to talk to each other—that like to see and be seen. When someone tagged you in a photo, how could you help but look? Again, the primary way Zuckerberg measured the success of Facebook was by monitoring how often users returned, and how much they clicked on when they did so. After photos, he saw that Facebook’s return traffic ramped up in a major way.

“Watching what happened with photos was a key part of what led Mark’s vision to crystallize,” Sean Parker says. “He was formulating a broader and broader theory about what Facebook really was.”<sup>53</sup>

The theory was something like this: human society is all about that small group of people you know and care about. Facebook had succeeded in capturing that, harnessing that, replicating that (at least, for college students). If Facebook really had tapped into one of the most powerful human impulses among college kids, why couldn’t it appeal to everyone? A product like Microsoft Windows was used by almost everyone who owned a computer. Billions of users. But a product like Coca-Cola was known to almost every human being alive, was *used* by almost every person alive. Could Facebook and the social graph be that powerful?



IT WAS OVER THE COURSE of the next year, 2006, that Mark Zuckerberg and his company both began to mature. Hiring ramped up. After the blockbuster success of Photos, the company blew through all the storage capacity that had been allotted for the coming six months—in six weeks. Once again, Facebook needed more machines, servers, storage. Facebook raised another capital round to fund this expansion, this time at a \$500 million valuation.<sup>54</sup> And in the midst of what was now a full-blown movement around social networks and Web 2.0 generally, an even greater frenzy of interest arose around Facebook. Everyone wanted a piece of the site. And most of the circling sharks wanted to swallow Facebook whole.

Viacom expressed interest in purchasing Facebook again. As did Rupert Murdoch’s News Corp. As did Time Warner. For a period of months, it seemed like Zuckerberg took meetings with nearly everyone in the Fortune 100. To

outsiders—and also to a lot of people inside the company—it looked like Zuckerberg was planning on cashing in while social networking was hot. Maybe he could flip Facebook for a cool billion or two. Not bad for a few years' work. He could go back to Harvard or retire to the French Riviera. But in retrospect, it seems that Zuckerberg was actually using all this face time with some of the world's most powerful CEOs in order to get a crash-course M.B.A. degree. By fielding offers and partnerships, he could learn the ins and outs of real-world business and finance at the highest levels. When a Viacom executive offered Zuckerberg the use of a corporate jet to fly home and visit his family, it was likely a ploy to get Mark alone for five or six hours so that he could be convinced to sell out. Instead, Zuckerberg spent the entire flight picking the executive's brain about the day-to-day realities of running an advertising-based media company like Viacom.

Facebook still wasn't profitable at this point, so it made sense to a lot of people that Zuckerberg would eventually sell. But there were intriguing signs that there could be a very powerful advertising-based business built off the social graph. One new feature that had been added to Facebook was the ability for businesses or brands to sponsor individual groups and eventually individual pages that would serve as Facebook profiles that users could "friend." Since 2004, Apple had sponsored a popular group that, early on, was Facebook's single biggest revenue generator. When Procter & Gamble sponsored a group for its Crest Whitestrips teeth-whitening product, 20,000 people joined.

From the beginning of the web, all the way through the launch of Google AdWords, the Internet had been monetized on the premise of taking the guesswork out of advertising. Well, on Facebook people were using their real names. They were volunteering their likes and dislikes. You could actually get people to tell you if they were interested in your product or not. It was advertising's holy grail.

In his meetings with Viacom, Zuckerberg mentioned that he believed Facebook was worth \$2 billion. Viacom eventually offered \$1.5 billion in cash and stock, but only with earn-out and performance conditions, so Zuckerberg declined.<sup>55</sup>

That July, Yahoo offered \$1 billion, all in cash. Both Accel and Peter Thiel thought the offer should be seriously considered. But when a board meeting was called to weigh options, Zuckerberg was brief.

"We're obviously not going to sell here," he told the group.

Peter Thiel urged him to at least think about it, pointing out that a billion dollars was a lot of money and there was a lot that he could do with that kind of

money.

“I *don't* know what I could do with the money,” Zuckerberg responded. “I’d just start another social networking site. I kind of like the one I already have.”<sup>56</sup>

The deal was rejected.

Each time an interested acquiring party would enter the picture, Zuckerberg would take meeting after meeting after meeting—but he never said yes to a sale. Some of the VCs who had backed Facebook were especially eager for a quick exit, and they began to pressure him intensely. But Zuck could never be persuaded. And if Zuck didn’t want to sell, then there would be no sale. Sean Parker had made sure of that. Parker was, in fact, still advising him to stay true to his vision. So was Marc Andreessen. The Netscape founder was just then beginning his new career as a prominent investor in Internet startups. He became a trusted Zuckerberg confidant and eventually joined Facebook’s board of directors.

It’s possible that Mark Zuckerberg could have sold Facebook during this period, and many people felt he would have been wise to. Friendster hadn’t sold at the height of its popularity, and look what had happened to it. Heck, in the dot-com days, TheGlobe had been a “community” site like Facebook. It had IPOed and then ridden the bubble down to pennies on the dollar. Zuck was not unaware of recent history. It’s possible a dollar figure could have been floated that he wouldn’t have been able to turn down. People began to whisper that Zuckerberg had gotten full of himself, that he was holding out for an impossible valuation, looking to make the deal of the century.

But the truth was, Zuckerberg couldn’t shake the feeling that somehow Facebook could be something bigger than a quick flip for a couple billion dollars. “When people say I’m greedy, they’re missing that I could already have more money than I’d know what to do with,” Zuckerberg told a *Rolling Stone* reporter during these months.<sup>57</sup> He told people he was building Facebook for the long term. He still was nursing the crazy idea that Facebook could become a brand as ubiquitous as Coca-Cola. A billion dollars wasn’t cool. What would be cool? A billion *users*. “I don’t want to sell,” he told one of the more persistent executives looking to buy his company.<sup>58</sup> “And anyway, I don’t think I’m ever going to have an idea this good again.”<sup>59</sup>

Facebook began to expand overseas, still following the tried and true school-by-school method. In almost every country it entered, Facebook encountered homegrown copycats. In most cases, Facebook quickly trounced the competition. The first steps were taken to expand beyond college users by

opening the service up to high schoolers. Since high schools generally don't have school-assigned email addresses, younger users were allowed in only if they were invited by someone they knew who was already in college. This proved irresistible to younger users, and though some existing members grumbled about the "kids" flooding in, the expansion was generally judged to be successful. The next logical step was to expand in the other direction. Already, 60% of members continued using Facebook after graduating and entering the workforce.<sup>60</sup> So, plans were put in place to expand to older users by creating mini networks centered around employers and companies.

At the same time, work began on what would prove to be the single most important feature Facebook would ever develop. When studying the "Facebook trance," the one that led users to click, click, click, Zuckerberg and the others saw that the reason people got so sucked in to the site was that they had to surf around to find out what had changed on every friend's profile page. Users seemed to be most interested in learning what was new. Heck, every time a user simply changed their profile picture, Facebook's engineers could see in the logs that that led to an average of twenty-five new pageviews.<sup>61</sup> If Facebook's key value proposition was the ability to find out what was up with your loved ones, then maybe they could design a better delivery system for this information. This would become the News Feed.

Again, the News Feed built on ideas that were already out there. Every user's profile page would function as a glorified RSS feed, and the News Feed would collect all the updates, photos and status changes that your friends made in one central place—just like a feed reader collected blog posts. You wouldn't have to visit profile page after profile page individually, you could just log in and Facebook would tell you what was new. It would all spool out in one, long, reverse-chronological stream, just like a blog.

But engineering the News Feed was a big ask, from both a design and an architecture perspective. Now when you logged on to the site, Facebook wouldn't just need to call up information from one profile at a time; it would have to pull data from all your friends at once. On top of this, the developers wanted a complicated Google-style algorithm that would sort the updates in the feed based on what it thought you would be most interested in. You'd see updates from people Facebook had noticed you interacted with most often, for example. This was a huge technical challenge—a break from the computational simplicity that, up until that point, Facebook had relied on to avoid Friendster-style slowdowns. So, of course, the News Feed required yet more servers, more databases, more computing power. Facebook would need to ramp up to Google



levels of computational sophistication.

In retrospect, the News Feed is so obviously Facebook's "killer application," that it's almost surprising social networks got as popular as they did before the News Feed was even invented. And so, it came as a shock to everyone at Facebook that users *hated* the News Feed. The feature was launched in the early morning of Tuesday, September 5, 2006.<sup>62</sup> By breakfast time, Facebook staffers were deluged with messages of pure outrage. Only one in a hundred postings about the News Feed was positive.<sup>63</sup> Ben Parr, a junior at Northwestern University, created a Facebook group called Students Against Facebook News Feed. It had 700,000 members by that Friday.<sup>64</sup> By some estimates, fully 10% of Facebook users were actively protesting the changes. Most of the complaints about the News Feed centered around the perceived breach of privacy. "Very few of us want everyone automatically knowing what we update," wrote one angry missive, "news feed is just too creepy, too stalker-eque [*sic*], and a feature that has to go."<sup>65</sup>

This was the closest thing to an existential crisis Facebook had ever faced. The history of social networking had shown that users were fickle; they would flock to whatever service best suited their needs at the moment. If you pissed off your users, they would leave you. The reasons Friendster had been abandoned were largely technical, but sites could be brought low by basic design changes as well. A few years after the News Feed brouhaha, Digg would redesign its site and change its voting algorithms in a way that so angered users that they fled, en masse, to a Digg competitor named Reddit. To this day, Reddit is known as the "front page of the Internet," the birthplace of memes and viral culture, while Digg, though still around, is nowhere near as relevant or well trafficked.

So, with the News Feed backlash, panic set in at Facebook HQ. High-level meetings were held among the Facebook brain trust over whether or not to backtrack and shut off the News Feed. Zuckerberg himself quickly penned a note to users, "Calm down. Breathe. We hear you." Privacy controls were hastily coded up to give users better control over what showed up on the Feed and what didn't. But the News Feed was never shut down, even temporarily, because, again, Zuckerberg was watching user behavior and, despite the ruckus, he could see that people were actually using the News Feed as he had intended. In August, before the News Feed, Facebook users viewed 12 billion pages. In October, après News Feed, pageviews were 22 billion.<sup>66</sup> People might claim to hate the feature, but Zuckerberg could see they couldn't stop using it. In fact, the proliferation of anti-News Feed protests was tangible proof that the new feature

was working as designed. The whole point of the News Feed had been to surface things happening you might want to know about, he told *Fortune* reporter David Kirkpatrick at the time. “One thing it surfaced was the existence of these anti-feed groups.”<sup>67</sup> The News Feed itself had enabled its own backlash to spring up.

The anger blew over eventually, and the News Feed went on to become *the* core feature of Facebook. But it still caused a very real crisis in confidence at a crucial and uncertain time. “If [News Feed] didn’t work,” Chris Cox says, “it confounded [Zuckerberg’s] whole theory about why people were interested in Facebook. If News Feed wasn’t right, he felt we shouldn’t even be doing [Facebook itself].”<sup>68</sup>

It didn’t help that the News Feed near-fiasco came on the heels of a less publicized but no less demoralizing failure from earlier in the summer. When Facebook’s work networks were launched, they barely got any attention. Only on army bases, and among U.S. military users, had the workplace networks taken off. But then, military folk were generally the same college-age cohort that Facebook had always been successful with. Adults didn’t seem to be interested in the service at all.

The News Feed experience shook Zuckerberg’s core faith in what Facebook was all about. And after the failure of work networks, a bigger question hung heavy in the air: was Facebook really just for kids after all? If so, then Zuckerberg’s great insight, that his social graph was a useful thing for everyone on the planet, was mistaken. “It was the most wrong he’d ever been at Facebook, and the first time he’d ever been wrong in a big way,” early Facebook executive Matt Cohler said of this period of doubt.<sup>69</sup> If Zuckerberg was wrong about these things, had he also fundamentally misjudged the big, world-changing value of Facebook to begin with? In that case, maybe a \$1 billion sale wasn’t such a bad outcome after all. They had already conquered the high school market. Myspace still had a lead in the overall twenty-something demographic. If older users couldn’t be enticed to join, there wasn’t any more low-hanging fruit to be had in terms of harvesting growth.

And it was at this exact moment, in September 2006, that Yahoo came back and renewed its \$1 billion all-cash offer. Yahoo’s lawyers did due diligence on Facebook’s finances and operations, and an acquisition was agreed to in principle. Given the stumbles of the past few months, nearly everyone was now in favor of a sale—especially the VC investors, but plenty of rank-and-file Facebook employees as well.

Everyone, that is, except for Mark Zuckerberg. And even he was beginning to waffle.

“We almost took the offer,” Sean Parker would later say.<sup>70</sup> It was seemingly the only time the pressure to sell got to be too much for even Zuckerberg to resist.

But before agreeing to sell, Zuckerberg wanted to take one last crack at opening Facebook up to everyone. Once more, he played for time, dragging his feet on the acquisition talks, taking meeting after meeting but not actually pulling the trigger on the Yahoo deal. He wanted to see if his gut instincts about Facebook were right.

Perhaps—perhaps the work groups had failed because they were the wrong paradigm. Maybe Facebook had used its tried-and-true network-by-network expansion trick one time too many. Maybe explicit networks were less important outside of a school setting. The people who graduated college but still continued to use Facebook just took the network with them, even when they moved away from campus. Perhaps the thing to do was just throw registration wide open and let everyone in. That way users could grow their networks organically.

The engineers borrowed an idea from Sean Parker. Plaxo had grown by searching users’ existing address books and email programs to invite people to join and make connections. An “Address Book Importer” was designed to go into your Hotmail or Gmail account and search for other users who were already on Facebook. That way, new users would be greeted with a slew of people they already knew when they signed up and needed to begin populating their network. The importer would serve up friend connections on a platter, and anyone not on the service could be invited to join via the same mechanism.

It was one last roll of the dice. One last gamble, where failure still meant \$1 billion and success meant—well, who knew?



OPEN REGISTRATION WAS LAUNCHED on September 26, 2006, mere weeks after the News Feed debacle. Prior to open registration, new users were joining at a rate of about 20,000 a day. A few weeks after opening up Facebook to everyone, that number had changed to 50,000 a day, and rising.<sup>71</sup> Growth in Facebook’s user numbers began to look like a hockey stick going only steeply upward. Over the next year, Facebook would rocket past 25 million registered users, and around 6 million of those would be older-than-college-age users; 200,000 of those would even be people over age sixty-five.<sup>72</sup> If you were a postcollege adult during this period, you might remember this moment. One day, Facebook was just a thing you had heard of. The next day, everyone you knew was on it. Some

day after that, your mother and even your grandmother were members.

The one personal anecdote I'll share in this book: that summer of 2006 was my ten-year high school reunion. It was an important event. Many of my classmates had lost touch with each other. There were a lot of "Wow! What happened to you?" conversations. And then, just a few months after we got together, open registration happened, and we all found each other again on Facebook. Soon we were all even connected with classmates who hadn't been able to make the reunion.

Ten years later, our twenty-year high school reunion in 2016 was less of an event. It was more of "Hey, I saw the photo of your new car yesterday" than it was "Where have you been?" After all, thanks to Facebook, I now get updates about everyone on an hourly basis. I know that my senior-year chemistry lab partner just got back from a trip to China and that the oldest child of the girl I kissed in sophomore year just broke his arm skateboarding. There is a very clear demarcation point to my social life between pre-Facebook times and post-Facebook times, and it felt like the change happened overnight.



IT SORT OF DID HAPPEN OVERNIGHT. From its launch in 2004 until open registration in 2006, Facebook grew to around 8 million users.<sup>73</sup> One year after open registration, Facebook had 50 million active users.<sup>74</sup> By the end of 2008, there were 145 million people on the service, 70% of them outside the United States.<sup>75</sup> The next year, there were 350 million users in 180 countries. After open registration, the social-networking wars were over. Myspace, and every other social network, would become distant memories.

It turned out that Mark Zuckerberg was right. Connecting everyone together—almost the original premise of the web itself—was an incredibly useful and valuable thing indeed. Zuckerberg is the twenty-three-year-old who turned down a billion dollars because he thought he was sitting on an idea that was even bigger. The gamble has paid off (at the time of this writing) to the tune of a nearly half a trillion dollars in market value. It helped that advertising against everyone's personal lives also proved to be lucrative, and that the reverse-chronological scrolling mechanism of the News Feed proved to be perfectly suited for the coming age of mobile computing. But none of that would have been possible had Zuckerberg not matured into the sort of businessman who could make such a gamble. The fact that he did is the entrepreneurial story of our age.