

Additional Case Studies

Chapter 12

Networking in the Development of Social Network Site Facebook

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Perhaps as an act of revenge on the girlfriend he had recently split with, Mark Zuckerberg's initial idea was to create a website to rate the attractiveness of female Harvard students. The code for the initial program was supplied by Zuckerberg's friend, Eduardo Saverin.

The site FaceMash, is so successful that the traffic it generates crashes the Harvard University IT network and as punishment Zuckerberg is given six months academic probation. Zuckerberg's success and notoriety is noticed by two other Harvard students who he has had no previous contact with, Cameron Winklevoss and his twin brother Tyler. It is clear that the twins are from an elite social circle, quite different to what Zuckerberg is familiar with. They recruit him to work on the development of their site, Harvard Connection, believing that he'll simply work on the technical aspects of site development.

Zuckerberg then discusses his idea for 'Thefacebook' with his friend Saverin, who invests US\$ 1,000 into the new project. 'Thefacebook' will allow people to share information and network with their friends. The two publicise the new site to Eduardo's contacts at the Phoenix S-K final club, and it becomes popular amongst the wider student body. Zuckerberg also comes across Christy Lee and Alice at a Harvard university lecture by Bill Gates, the two discuss the future of the company with him and Saverin. Christy Lee also arranges for Zuckerberg to meet Sean Parker, the co-founder of Napster. It is Parker who recommends that they drop 'The' from Thefacebook to make it simply 'Facebook' and he also suggests that the company's base is moved to Palo Alto. One of Parker's contacts also invests in the new venture, but the deal does mean that Saverin's share of the business can be diluted from a third to a small fraction of that. Saverin is also criticized for not wanting to adapt to new business model and having ambitions that are limited.

Sources

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