



So back in 2005, I was able to anticipate that: -

*Point 1* — Our online photo service was moving more into the product stage of wealth generation. What this meant was it was going to become much easier for others to create a competing service around online photos and there were likely to be some big players in the space. This was already happening and our diversified focus might have enabled us to “survive” but we were rapidly falling behind competitors. We were doing well because everyone was doing well but on a relative basis we were small fry and unless we refocused here it wasn’t going to get better. We need to either invest or find some new angle and some new differentiator. However, I had to be mindful of the fact that we lacked the financial muscle of others and any investment in something novel would be a gamble.