SWENG - Max Levchin

Introduction  
  
Maksymilian Rafailovych "Max" Levchin or Максиміліан Левчин in his native language Ukrainian is a Ukrainian-American Software engineer and co-founder of Field Link, which later became PayPal. This is a short biography of his work and impact.  
  
Beginning to Code  
Max Levchin began coding at a young age and probably not in the way you’d expect. He started on a programable calculator [1]. It was here he learned about functions, variables and began making his own programs. He did not have access to a computer until about the age of 16 so the vast majority of his programming was done on notepads. He would go to the park and write code including his personal versions of Snake and Tetris. He moved to the United States in 1991 and achieved a bachelor’s degree in computer science from University of Illinois in 1997.   
  
Start-ups  
Max Levchin co-founded 4 start-ups prior to his success with PayPal. From ’94 to ’95 he founded SponsorNet New Media, an ad banner network which he made zero from. He has written:   
‘2. NetMomentum Software (white-label classifieds for newspaper sites '96))’ [2] .   
However, it was with NetMeridian Software in ’97 (He wanted to use the same logo) where he found his first success. The ListBot and PositionAgent programs they developed were bought by LinkExchange for a modest amount. ListBot was an email list hosting service and PositionAgent was a search engine monitoring service [3]. It’s clear he had a business mindset from the beginning of his software career. Developing services that created ways to monetise the internet. It is the beginning of modern-day analytics. These tools were noteworthy for their time. Microsoft event took an interest purchasing LinkExchange in 1998. Even though these projects may not have been everything he hoped they would become he learned from them and did not lose his drive.   
  
 “I think glorifying failure is a little bit like saying that death gives reason to life. It probably does, but it still sucks to die and, you know, it’s no fun to fail as an entrepreneur, either…” - Max Levchin  
  
PayPal  
It was in 1998 when Levchin and Peter Thiel founded FieldLink. This was a security company that provided a way for users to encrypt data on their PDA device. It was not here they found their success but after they changed their company name to Confinity. They began to switch their focus to the “digital wallet” market. It was in 1999 they released the first version of their payment system ‘PayPal’. This in my opinion was a big leap in innovation. In the 1990’s sending money online was something only banks could reasonably achieve. This payment gateway changed the landscape of the internet. It would allow for the growth of everything from huge online stores such as eBay to individuals who wanted to send money to a family member.

It was in March 2000, with their early version of PayPal that Confinity Merged with x.com a financial services company founded by Elon Musk. In 2001 they renamed to PayPal after the service they had developed. It was not always a clear path though. Bill Harris, then-president and CEO of X.com would not see the potential the company had in the money transfer business. In 2002 PayPal went public and generated over $61 million from its shares. Later that same year PayPal was acquired by eBay for $1.5 billion with Levchin’s 2.3% worth approximately $34 million at the time.  
  
At PayPal Levchin was heavily involved in the coding during the early days. This was what he had grown up dreaming of and now he was making lots money coding with his ‘hacker friends’. He was named by MIT Technology Review as one of the top 100 innovators in the world under the age of 35, and named “Innovator of the Year” in 2002. His contribution to PayPal mainly focused on anti-fraud efforts. He created the Gausebeck-Levchin Test, this was one of the first implementations of a CAPTCHA. CAPTCHA test is used today all over the internet to prevent botting and verify human interaction. Although they have changed and become more complex, he was ahead of the curve in creating and implementing these systems.

Leadership  
As the team grew, and what a notable team it was, becoming known as the PayPal Mafia. Notorious for their successful software projects. The group members individually founded Tesla, LinkedIn, SpaceX, YouTube, Yelp and Yammer to name a few. But how did they get such a successful team? Levchin was one of the people behind finding this great talent and developing it.

“The reason so many people out of early PayPal wound up starting more companies is that we selected for more people like us. We said, ‘We want kids that have nothing to lose, that are going to go big or go home every time, that basically all think this is their final training ground. Their next company is going to be their own.'" - Max Levchin[4]

As the team grew and Levchin hired directors and VPE’s only to fire them or leave on their own he realised he needed to learn how to lead to hire great leaders. He begrudgingly put away the code and became the great leader he is today after over 25 years of starting, running and advertising many companies to success. He has given several key features to his leadership. You must believe so strongly in the future that your enthusiasm, confidence and drive to achieve that goal becomes infectious to those around you and ‘the reality of today transforms into that vision of tomorrow through shared work and sacrifice. His leadership style has blatantly influenced some of the greatest minds and created many of the largest tech companies in the world. He has gone into much more detail during talks and on a LinkedIn article from 2015[5].   
  
Post PayPal  
Levchin’s success did not cease after his work at PayPal. In 2004 he founded Slide a personal media-sharing service. Slide was sold to Google for $182 million in 2010. He invested $1 million in yelp and was one of their largest shareholder in 2012. He left the leadership role at Yelp in 2015. He founded HVF, a company that funded and explored projects and companies in the area of leveraging data, such as that from analog sensors. From HVF came Affirm with target of a new credit network system with Forbes writing an article on Levchins ‘Billion-Dollar Plan To Kill Credit Cards’. It’s clear Levchin has not lost his enterprising talent with his stake after the initial public offering valued at $2.5 billion.

Conclusion  
As of the present, Levchin’s net worth is estimated at over $3 billion. His coding contribution to PayPal’s anti-fraud and CAPTCHA systems is notable for its innovation and his leadership is something that influenced so many large companies that control the tech space today. He is a story of a start-up that did not succeed on the first, second or third try but showed others what perseverance and drive can achieve leading not only to his success on one instance but success on many projects and with many other software engineers.