Case Study: The Temptation of Facebook

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Perhaps one of the most influential pieces to any major decision making process is that of the feeling of fear. This could be the fear of rejection, fear of doing something wrong in public, or the fear of any number of inanimate objects we as humans may face on a daily basis. No matter what the fear is or where the fear stems from, feeling the emotion of fear can often times lead to inspiration for individuals as well as groups that have been placed in precarious situations, be them at work or in one's personal life.

In it's most basic form, fear tends to take people out of their zone of comfort and place them in situations where a "fight or flight" reaction tends to take over (Wilson, 2009). There are also situations where fear and procrastination will push somebody to move ahead with a decision as that person ends up fearing what the consequences may be of not completing a work assignment in a timely manner. In the case of Mark Zuckerberg, founder of the social networking site called Facebook, fear and indecision led Zuckerberg to resist multiple offers from various companies who proposed buying out the company and instead focused on the success of the company.

Before any sort of fears can be overcome, one must first understand the underlying cause of the fear so that they know how to move forward with making a decision. Often times in business it seems as though people are afraid to make important decisions in situations where they do not have enough information or experience to clearly come up with a sensible solution to the problem. This was definitely the case with Mark Zuckerberg during the early days of Facebook. Zuckerberg launched Facebook on February 4, 2004 while he was a student at Harvard University. By the end of that semester Facebook had logged approximately 100,000 students at 30 different schools and a few offers had rolled in from various companies with offers of buying the company from Zuckerberg. Rather than selling his company at this point, Zuckerberg opted to move the organization to Palo Alto, California, which tends to be known as "the promised land of technology" according to many (Kirkpatrick, 2010).

Much of what Zuckerberg feared in this case was that he was not willing to give up too much control of his company by selling out to an investor, especially having heard bad stories about Silicon Valley investors from a friend over dinner. Zuckerberg was concerned about what would happen to Facebook should a giant corporate organization such as Viacom took over the website. In addition, at one point Zuckerberg was worried about what Donald Graham, CEO of the Washington Post would think after the Post had made an offer to invest in Facebook then backing out of the deal when a better offer from Accel came to the table (Kirkpatrick, 2010).

Much of Mark Zuckerberg's anxiety about selling Facebook stemmed from the fact that he was very new to the social networking industry and was not sure what the best course of action would have been to grow his company. This fear essentially led Zuckerberg to network with more experienced players in the social networking industry in order to get the most advice possible prior to committing to a deal on his website. Another fear of Zuckerberg's could have been the fact that he was afraid to be just another social networking fad that survives for a very limited amount of time and fades into oblivion just about as quickly as the website arrived. To so many people, this is a story that has been told over and over again so in essence this has become cliché (Seese, 2006).

This then begs the question about what would have happened to Facebook had Mark Zuckerberg was not confident enough in his product and sold it as soon as a good offer came along to purchase the website. There are several different scenarios that may have panned out if this were the case. The first scenario that comes to mind has to do with a large, corporate company purchasing the website and simply shutting it down so that there is less competition in the social networking marketplace. Websites such as MySpace were already dominating the social networking scene in 2004 so it is possible that had a larger organization purchase Facebook only to later shut it down, MySpace may have continued to dominate social media to the current day.

Another possible outcome of Zuckerberg selling Facebook too soon would have been that Facebook might have become a way for a larger corporation to make more money by charging subscription fees for anybody who wanted to use Facebook for their own personal social networking. This would have strongly discouraged college students, who happened to be a target market user for Facebook, from using the website as many students tend to have limited discretionary income while in college. If this were the case, Facebook may have also offered a limited free version of their website that relied on ad revenue with premium content and limited advertisements reserved for those who paid a monthly or annual subscription fee.

While Mark Zuckerberg may have been unsure about his untested Facebook social networking website when he first launched it in 2004, he was willing enough to take a risk and not sell out to investment companies until the right offer came along at the right time. In today's society where greed and personal wealth tends to dominate over producing a quality product, Zuckerberg chose to stick with Facebook and develop it until he was not only able to find an investor that he trusted, but an investor who trusted him as well. Because Zuckerberg was able to stick with the project for as long as he has, Facebook has been able to become one of the leading social networking websites on the planet, with more than 750,000 users worldwide as of July of 2011 (Swartz, 2011).

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