

[www.bvp.com /anti-portfolio/](http://www.bvp.com/anti-portfolio/)

Anti Portfolio

6-8 minutes

Honoring the companies we missed.

Bessemer Venture Partners is perhaps the nation's oldest venture capital firm, tracing our roots back to the Carnegie Steel empire. This long and storied history has afforded our firm an unparalleled number of opportunities to completely screw up.

Throughout our history, we did invest in a wig company, a french-fry company, and the Lahaina, Ka'anapali & Pacific Railroad. However, we chose to decline these investments, each of which we had the opportunity to invest in, and each of which later blossomed into a tremendously successful company.

Our reasons for passing on these investments varied. In some cases, we were making a conscious act of generosity to another, younger venture firm, down on their luck, who we felt could really use a billion dollars in gains. In other cases, our partners had already run out of spaces on the year's Schedule D and feared that another entry would require them to attach a separate sheet.

Whatever the reason, we would like to honor these companies – our “anti-portfolio” – whose phenomenal success inspires us in our ongoing endeavors to build growing businesses. Or, to put it another way: if we had invested in any of these companies, we might not still be working.



Airbnb

Jeremy Levine met Brian Chesky in January 2010, the first \$100K revenue month. Brian's \$40M valuation ask was "crazy," but Jeremy was impressed and made a plan to reconnect in May. Unbeknownst to Jeremy, \$100K in January became 200 in February and 300 in March. In April, Airbnb raised money at 1.5X the "crazy" price. Their last fundraising was completed at ~500X that valuation.



Apple

Bessemer had the opportunity to invest in pre-IPO secondary stock in Apple at a \$60M valuation. Neill Brownstein called it "outrageously expensive."



Atlassian

Byron Deeter flew straight to Atlassian in 2006 when he caught wind of a developer tool from Australia (of all places!). Notes from the meeting included “totally self-financed, started with a credit card” and “great business, but Scott & Mike don’t ever want to be a public company.” Years and countless meetings later, the first opportunity to invest emerged in 2010, but the \$400m company valuation was thought to be a tad “rich.” In 2015, Atlassian became the largest tech IPO in Australian history, and the shares we passed on are worth more than a billion dollars today.



Ebay

"Stamps? Coins? Comic books? You've GOT to be kidding," thought David Cowan. "No-brainer pass."



Facebook

Jeremy Levine spent a weekend at a corporate retreat in the summer of 2004 dodging persistent Harvard undergrad Eduardo Saverin's rabid pitch. Finally, cornered in a lunch line, Jeremy delivered some sage advice, "Kid, haven't you heard of Friendster? Move on. It's over!"



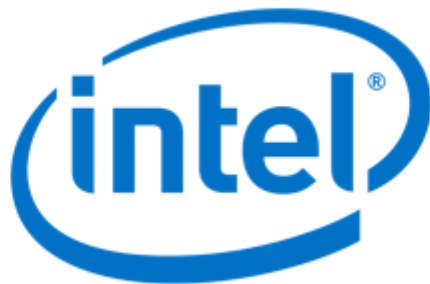
FedEx

Incredibly, Bessemer passed on Federal Express seven times.



Google

David Cowan's college friend rented her garage to Sergey and Larry for their first year. In 1999 and 2000 she tried to introduce Cowan to "these two really smart Stanford students writing a search engine." Students? A new search engine? In the most important moment ever for Bessemer's anti-portfolio, Cowan asked her, "How can I get out of this house without going anywhere near your garage?"



Intel

Pete Bancroft never quite settled on terms with Bob Noyce, who instead took venture financing from a guy named Arthur Rock.



Intuit

Along with every venture capitalist on Sand Hill Road, Neill Brownstein turned down Intuit founder Scott Cook. Scott managed to scrape together only \$225K from friends, including HBS classmate and Sierra Ventures founder Peter Wendell, who personally invested \$25K to get Scott off his back.



Kayak

After extensive diligence, Jeremy Levine identified a fatal business model flaw: airlines wouldn't pay high fees for placement on the platform. Fortunately for Kayak, hotels did. As did Priceline when it acquired the company for \$1.8 billion.



Okta

In 2009, Salesforce alum Freddy Kerrest and his co-founder Todd McKinnon grabbed lunch with Byron Deeter to tell him about a company they just founded, SaaSure.com. While Byron believed in their product vision, it was still the early days of SaaS and turning web apps into an intelligent and integrated Cloud Area Network seemed far too complex. Today, Okta is a leader in cloud access management with a market cap over \$14 billion.



PayPal

David Cowan passed on the Series A round. Rookie team, regulatory nightmare, and, 4 years later, a \$1.5 billion acquisition by eBay.



Snapchat

In 2011 Jeremy Levine arrived at LAX three hours late, thanks to flight delays, with enough time for only one of the two meetings on his calendar. He literally tossed a quarter and phoned Evan Spiegel with his regrets. SNAP was the largest IPO in 2017.



Tesla

In 2006 Byron Deeter met the team and test-drove a roadster. He put a deposit on the car, but passed on the negative margin company telling his partners, "It's a win-win. I get a great car and some other VC pays for it!" The company passed \$30B in market cap in 2014. Byron paid full price for his Model X.



Zoom

After trying several next-gen video conferencing products, it was clear to Alex Ferrara that Zoom was a winner. Most importantly, he was impressed by its engineer-turned-founder, Eric Yuan. But video conferencing was crowded with entrenched incumbents and multiple startups in the market, so Alex passed on Zoom's series B in 2014. Better late than never, we invested in Zoom's IPO at a \$9 billion valuation.