

Not fundable

12/16/12

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Based on actual quotes and comments from VCs and folks in the industry. Hindsight is 20/20 but if you're an entrepreneur getting a lot of nos, you're in good company.

Dropbox

- Storage is a low-margin, commodity business.
- They'll get killed by Live Mesh/GDrive/the platform providers.
- Users will leave them the moment the next startup offering more storage for less dollars comes along.
- Which storage backup company has had a billion dollar exit?

Airbnb

- No one wants to have a stranger ransack their home.
- Not sure how big it is going to be ([source](#)).
- Can't compete with Craigslist.

Instagram

- Who has time for yet another social network? Facebook and Twitter dominate everyone's social network minutes.
- Apple will build this into the camera with the next iOS update and crush them.
- Their competitors are seasoned entrepreneurs who launched first on multiple platforms.

Palantir

- Selling to the DoD and government is hard, if not impossible.
- The incumbents have sales guys who have been in the business for three decades, know everyone in the chain of command and go out drinking and golfing with them. No one is going to trust classified information to a startup in Palo Alto.

Youtube

- They'll get sued out of existence by the movie studios and the networks, just like Napster was.
- Their bandwidth costs will crush them. This is video we are talking about. Do you know how much it costs us just to distribute operating system updates? (*guess which company*).
- Flickr will add video and crush them.
- Pirated content, home videos, sex tapes. What else is there?

Google

- Why search when you can just bookmark the sites you go to everyday?
- The home page has nothing on it. I didn't want to join a startup which had only a textbox.
[from a friend who was offered a role when Google had 15 employees]
- How will they make money when the minutes spent on site is so low? They send away everyone who hits the site.

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