

Biography of a Software Engineer

Max Levchin

Dominique Meudec - 18327666

Max Levchin co-founded the company that eventually became PayPal in 1998, when at the time credit cards dominated the world of payments. He later went on to found Slide, a personal advertising service and virtual apps developers for social networks, and Affirm, a credit network. Since his early days in PayPal, Levchin has been a key figure in the upcoming of new technologies, particularly in fintech and continues to try change the way we spend our money.

Max Levchin is a Ukrainian- born American software engineer and businessman. He began coding from an early age in Ukraine, where his mother would let him use a computer in a lab, she worked in. When he couldn't get his hands on a computer, he would code and debug problems on paper. At the age of ten, his family moved to the United States under political asylum. It was very early on after he graduated from the University of Illinois, in Computer Science, that he cofounded the company that would later go on to become PayPal.

In 1998, he and Peter Thiel founded Confinity, a company that allowed their users to have encrypted digital wallets. The company then merged with Elon Musk's X.com, one of the world's first online banks, and in 2001 became PayPal. PayPal was massive success from the get-go, particularly with people who were using eBay, as at the time eBay was known for being sketchy and unreliable. What PayPal offered was both the buyer and seller a safe way to pay online, which would pave the way for all future e-commerce. Levchin particularly was influential in PayPal's anti-fraud systems, which was important for the products impact as the risk of PayPal's failure was the buyers' information and money. Because of how safe PayPal was, online shopping would begin to gain popularity rapidly and still to this day PayPal plays a key role in a time where online shopping dominates the world. While at PayPal, he was the co-creator of the Gausebeck-Levchin test, which was one of the earliest commercial uses of CAPTCHAs. CAPTCHAs are still used everyday across the world, used to determine whether or not the user trying to access information is human or not. When PayPal was bought by eBay in 2002, Levchin still couldn't let go of what he had helped create and wanted to see explode even further. Despite his time in PayPal being finished, he still would revert to going into the offices to see who was about and what else was being planned.

After PayPal in 2004, Levchin founded Slide, which was a personal advertising service for social networks, which at the time was important for the likes of Myspace and Facebook. At the time Slide revolutionised how social media was used, it allowed for photos and videos to be organized to match a person's preference. While Levchin is probably most regarded for his work at PayPal, his

company Slide is also one that nearly goes unnoticed because of its closure. Slide was one of the earliest uses of online advertising, where images on a website could be anything from personal photos, news or ads. (Marshall, 2006) "The main idea, Levchin says, is to organize the Internet's vast array of information into something like the tickers that stockbrokers rely on, or the news crawl across a cable TV channel. It will make money by including some sponsored picture in that crawl". Slide created one of the earliest forms of online advertising which the concept is still used today. Facebook and Myspace were some of the first to use this and slide also went onto developing apps for Facebook which became some of the first that allowed for virtual goods to be bought. The idea behind buying an item in a game is now quite common, but at the time this revolutionised how game-makers could make money from their apps. Slide was later acquired by Google in 2010 and later closed down in 2012, yet the principles of Slide are still being used to this day. After Slide, Levchin realised that what he had been doing for the last five to six years wasn't what he wanted for his long-term future, he wasn't as happy. It was his wife who convinced him to go back into the area of fintech, where he loved security and solving serious problems, things that mattered.

Levchin was also an early investor in Yelp, one of the first online review services that started in 2004. He was the largest shareholder in the company and served as the chairman of Yelp's board of directors from its founding until 2015. He resigned in 2015 after Yelp reported a steep drop in shares, to focus on his new start-up Affirm.

Despite taking on new challenges in other areas, over ten years on he found himself going back into fintech. Where normally once people have done and finished something, they may not return to it, Levchin realised what he was truly good at and enjoyed was the area of fintech. In the early 2010s, PayPal is as big as it ever has been but Levchin was able to see a new need in the market which wouldn't have been needed before. After discussions with previous colleagues from PayPal, a problem that he realised was a mess and wanted to try fix was the idea of lending and so he came up with Affirm. Affirm, setup in 2012, and could be said to be a next generation version of loans. Affirm, primarily allows for users to use small loans to pay for products online, or in-store now, without the hidden aspect of late fees or compounded interest, which many banks would. This way of loans is only starting to become relevant in today's world, where online retail is becoming increasingly more and more popular by the day. Affirm is still growing under Levchin and is starting to gather popularity as it partners with big retailers in the US and even gives loans to those whose credit ratings may not be accepted by banks that we have become

so accustomed to. From the setup of PayPal to selling it to eBay, it was only a matter of a few years. He helped fix a need in the market and finished the need. Now at Affirm, he is fixing another need in today's world which didn't exist ten years ago, the ability to take out a small loan quick and easy online. In a way, PayPal has led to the reason behind Affirm due to the popularity of online shopping.

Levchin is currently still CEO of Affirm and continues to involve himself in other projects. It is fair to say that max Levchin has had a long-lasting impact in the field of software engineering and has shown that he will continue to for the foreseeable future. His impact in fintech has influenced a lot in the way of how we make payments and what we buy now. PayPal exploded online shopping and gave retailers the opportunity to expand their online markets. Slide was one of the first online personalised advertising that targeted the user from their data, as well as creating the idea of virtual in-app purchases. Now with Affirm, it will be intriguing to see in what direction Max Levchin will continue to take the company into the future.

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