

Class 2: Party Like It's 1999?

CS183Startup

logistics

CS183-staff@lists.stanford.edu

TA office hours: Coursekit (WB3AJ3)

Final exam

First assignment posted next week

Class 2 Party Like It's 1999?

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outline

1. late to the party
2. a quick history of the 90s
3. September 1998 - March 2000
4. hubris and schadenfreude
5. lessons
6. bubble: biases, anti-biases

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the importance of context



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the importance of context



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the importance of context



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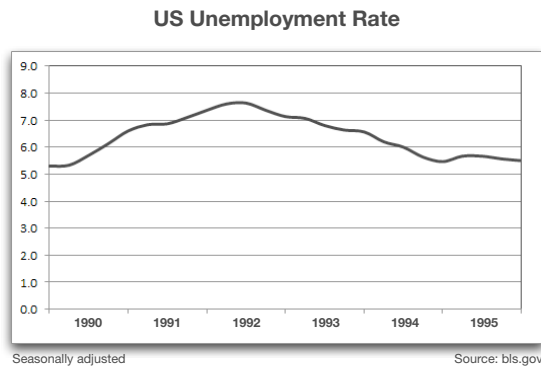
the sixty-day euphoria



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the recession drags on



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offshoring concerns



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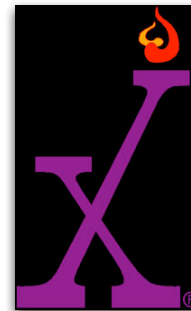
the one-term president



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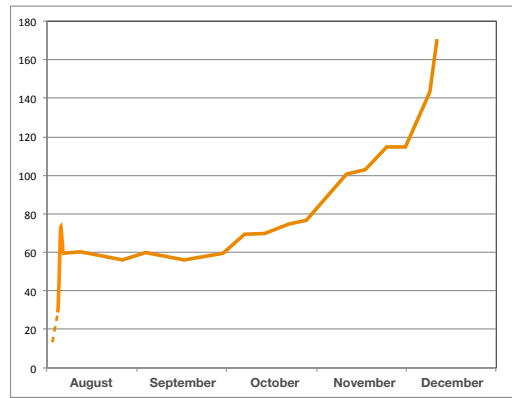
Xanadu to Netscape



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the Netscape IPO



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18 months of mania



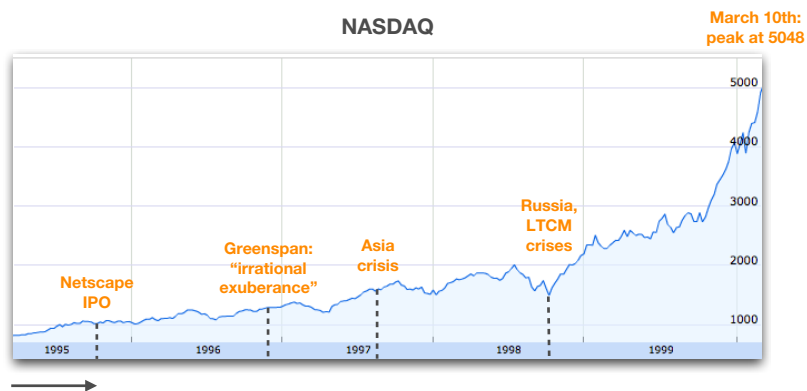
.IXIC (NASDAQ index)

Source: Google Finance

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18 months of mania



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themes of the mania

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themes of the mania

extremely social

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themes of the mania

extremely social
irrationally exuberant

themes of the mania

extremely social
irrationally exuberant
money everywhere

themes of the mania

extremely social
irrationally exuberant
money everywhere
sketchy people

the story



party like it's 1999

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party like it's 1999

*“They say two thousand zero zero party over
Oops out of time
We're runnin' outta time
So tonight we gonna, we gonna
(Tonight I'm gonna party like it's 1999)”*

- Prince Rogers Nelson

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the crash



.IXIC (NASDAQ index)

Source: Google Finance

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the crash



.IXIC (NASDAQ index)

Source: Google Finance

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the crash



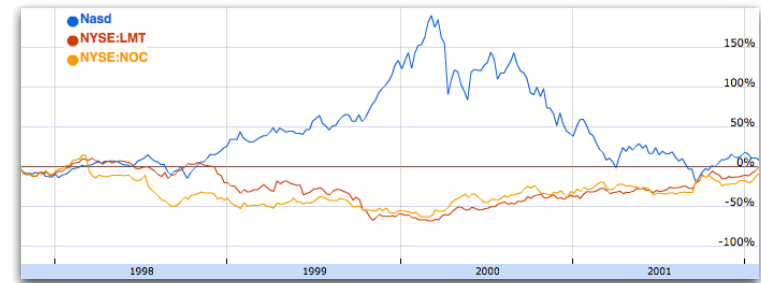
.IXIC (NASDAQ Index)

Source: Google Finance

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war and peace



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themes of the mania

extremely social
irrationally exuberant
money everywhere
sketchy people

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themes of the mania

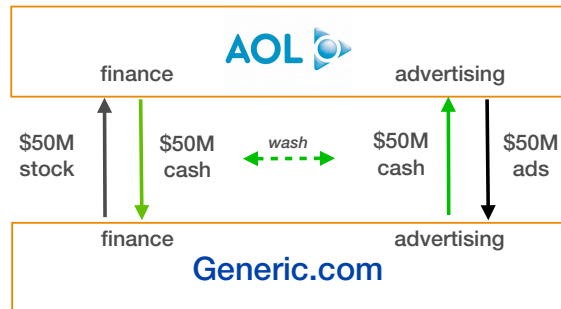
extremely social
irrationally exuberant
money everywhere
sketchy people
fraudulent

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fraudulent

AOL books revenue
dot-com books spending for eyeballs



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learned by the world

learned by the world

all a mirage

learned by the world

all a mirage

real economy not a bubble

learned by the world

all a mirage

real economy not a bubble

value over growth

learned by the world

all a mirage

real economy not a bubble

value over growth

profits over other

learned by the world

all a mirage
real economy not a bubble
value over growth
profits over other
globalization over technology

learned by the world

all a mirage
real economy not a bubble
value over growth
profits over other
globalization over technology
indeterminate, unknowable

learned by the world

all a mirage
real economy not a bubble
value over growth
profits over other
globalization over technology
indeterminate, unknowable
nihilism

learned by silicon valley

learned by silicon valley

incrementalism

learned by silicon valley

incrementalism

lean startup

learned by silicon valley

incrementalism

lean startup

no advertising spend

learned by silicon valley

incrementalism

lean startup

no advertising spend

withdraw

learned by silicon valley

incrementalism
lean startup
no advertising spend
withdraw
product over business development

learned by silicon valley

incrementalism
lean startup
no advertising spend
withdraw
product over business development
technical

learned by silicon valley

incrementalism
lean startup
no advertising spend
withdraw
product over business development
technical
don't discuss the future

things just happened

things just happened

less M&A

things just happened

less M&A

fewer, later IPOs

things just happened

less M&A

fewer, later IPOs

getting to exits quicker

things just happened

less M&A

fewer, later IPOs

getting to exits quicker

consolidation into SV

outline

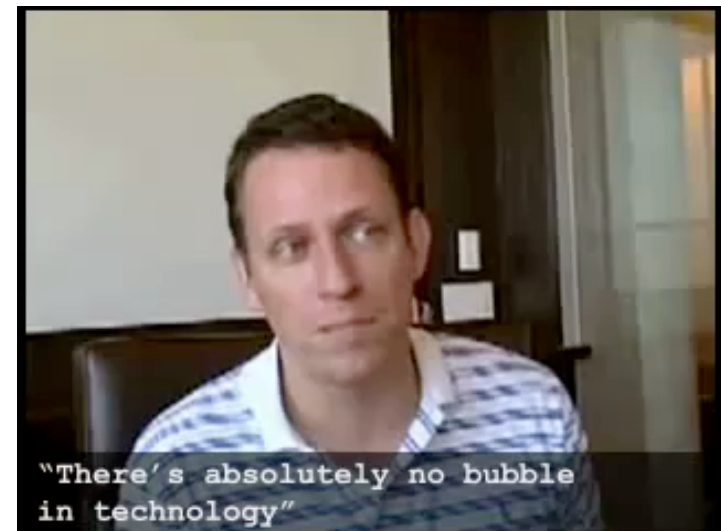
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South Sea Bubble



anti-bubble reactions

anti-bubble reactions



the deeper truth

