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"Was Netscape an Overnight Success?" - Marc Andreessen on Starting Greatness with Mike Maples - Podcast Notes

About The Author MMiller

7-8 minutes

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Check out the Starting Greatness Podcast Page

Key Takeaways

- Marc's advice to those looking to build something great:
  - **"The first piece of advice is don't do it**" – *Marc Andreessen*
    - Expanded: **"If you can be talked out of it [starting a company], you definitely shouldn't do it. If you listen to the first piece of advice, you definitely shouldn't do it. If you ignore the first piece of advice, you might have the personality type needed to be a founder."**
- "Network effects are the best businesses in the world, **but to get a network effect going, to get through the bootstrap phase, you need some hack. You need some strategy to get you through the initial phase to the flywheel catching."** – *Marc Andreessen*
- **Great entrepreneurs live in two realities**:
  - They live in the present reality as well as the future (they have a vision for the way things *will* be, all the while keeping a foot in the present day)

Books Mentioned

- Marc recalls a quote from William Gibson, the author of ***Neuromancer***: "The future's already here, it's just not evenly distributed"

Intro

- Host – Mike Maples (@m2jr)
- Marc Andreessen (@pmarca) is the co-creator of the Mosaic internet browser and co-founder of Netscape
  - He's also the co-founder and general partner of the venture capital firm Andreessen Horowitz

Marc's Advice to Those Looking to Build Something Great

- 🎧 **"The first piece of advice is don't do it"** – *Marc Andreessen*
  - Sean Parker has famously said: "Starting a company is like chewing glass. Eventually, you start to like the taste of your own blood."
  - **"If you can be talked out of it [starting a company], you definitely shouldn't do it. If you listen to the first piece of advice, you definitely shouldn't do it. If you ignore the first piece of advice, you might have the personality type needed to be a founder."**
- Many people try to start a company and backtrack into an idea – Marc calls these "synthetic startups"
  - "There have been some successful synthetic startups, but the more common thing is an actual, honest-to-god, organic idea that's something you're deeply immersed in" – *Marc Andreessen*

The Mosaic Story

- Marc chose his major in college (electrical engineering) based solely on the high expected starting salary and then decided where to attend college (the University of Illinois) based on their excellent electrical engineering program
  - In the 1990s, the University of Illinois was selected to be one of four federally funded centers for supercomputing
    - As part of the program, supercomputing centers were equipped with NSFNET, making the campus one of of the few places in the country with fully broadband & wired internet
- While attending the University of Illinois, Marc got a job at the National Center for Supercomputing Applications (NCSA) where all the work was being done on Mosaic
  - **To form a feedback cycle/network effect/flywheel, Marc & his team built both the Mosaic browser and web server**
    - "When I first saw the Mosaic browser, it was instant ignition – I knew this is how things would play out" – *Mike Maples*
    - "The more people reading with the browser, the more people wanted to publish with the server. The more people published with the server, the more incentive there was to read." – *Marc Andreessen*
    - 🎧 **"Network effects are the best businesses in the world, but to get a network effect going, to get through the bootstrap phase, you need some hack. You need some strategy to get you through the initial phase to the flywheel catching."** – *Marc Andreessen*
      - Mosaic's "hack": Having access to the NSFNET, and taking advantage of internet newsgroups (through which there was an incentive to share and consume/read internet articles)

Great Entrepreneurs Live in Two Realities

- **They live in the present reality as well as the future (they have a vision for the way things *will* be, all the while keeping a foot in the present day)**

The Netscape Days

- After graduating from the University of Illinois, Marc joined forced with Jim Clark to create the Netscape browser (which was, essentially, the continuation of the Mosaic browser)
  - Around this time (mid-1994), Netscape/Mosaic was starting to pick up speed and go mainstream
- Over the next year, Netscape managed to double it's revenue every quarter (from $5 million to $40 million) before going public in August of 1995
- During this time:
  - **"There was so much to do… There was building a company, which is incredibly hard, but on top of that, the whole thing started to work which gives you 1,000 ideas… I was learning business on the fly. I was basically learning whatever's the equivalent to an MBA plus another 10 years of operating experience as fast I possibly could. I was either at work or at home reading business books. Those were the only two things that I did."** – *Marc Andressen*

3 Thoughts on Netscape

- "There were three big things that we should have done that would have made a big difference… There was one thing we did that mattered a lot… There was one thing we tried to do and couldn't get there, and there was a third thing that didn't even occur to us." – *Marc Andressen*
  - **The first thing (a success): Adding encryption to Netscape**
    - Netscape Navigator was the first commercial implementation of encryption that became widely used
  - **The second (a try, but fail): Adding integrated financial transactions (payments) to Netscape**
    - (They failed due to several regulatory factors; remember – this was pre-crypto)
    - "That was the big one we should have had and missed, but we did try. That's one of the reasons why I'm so strong on cryptocurrency, blockchain, Bitcoin, and Ethereum today. Internet, scale, money, and trust needs to happen… **Had we had internet, scale, money, and trust wired in early, the internet economy would not be based on advertising, it would be based on money and trust, and it'd be a fundamentally better and stronger system."** – *Marc Andreessen*
      - "With cryptocurrency, we have a chance to go back and do that"

- **The third (the "didn't even think of"): Incorporating "real names" or "real identities" into Netscape**
  - "This is the other part of trust – who are you dealing with? All of the issues regarding spam, fraud, and all these harassment issues, you can't solve any of that stuff without real names. It's hard enough to solve those problems when you have real names, it's impossible to do it if you don't have real names." – *Marc Andressen*

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