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How did Mark Zuckerberg retain majority ownership of Facebook, while Box's Aaron Levie owns mere single %'s of Box, when Box had paying customers all along and Facebook didn't?



Kevin Hu, Tech Investor

Answered Sep 25, 2015 · Upvoted by Patrick Mathieson, [venture investor @ Toba Capital](#) and Kevin Mu, [former Software Engineering Intern at Facebook \(2014\)](#)

The founders that manage to retain large percentage of ownership fall into several buckets.

- 1. They manage to get more traction with less resources** - Some founders choose to bootstrap and forego raising venture capital in the early stages to try and get as far along as possible. The advantage is they get to retain 100% ownership and once they DO decide to raise capital, they can do so on more favorable terms, and give up less of their company.
- 2. Strong relationships and sources of funding** - Some founders are "super stars," and investors would love to invest in them. They might've developed close relationships with high net worth individuals, angel investors, and it's pretty nice if you have a rich uncle willing to chip in hundreds of thousands of dollars for mere percentage points of the company. The more sources of funding you can find, there'll be competition that will give you more leverage to negotiate better terms.
- 3. Prosperous times** - In certain economic booms, there will be more money available for tech investing. The more money that is out there, there's only a limited number of "hot deals," and the better the prices will be for founders. They'll face less dilution as they raise money in good times.

In the case of Box and Aaron Levie, one can argue that he needed more funding than Zuckerberg did for Facebook. Box needed to build an enterprise product, a sales team, and invest heavily into the company before ramping up revenue.

Facebook had fewer operating costs as a website, could make incremental revenue off advertising, and required less funding in the early days for Zuckerberg to grow user count, engagement, and prove how big of an idea and vision he had to his investors. He had great guidance in his early days (Peter Thiel, Reid Hoffman, Sean Parker, etc.) and gave him more leverage going into VC discussions.

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