

Memo, 2019 – Evan Spiegel (CEO @Snap, Inc.)

7 years at Snap, Inc.

We are a camera company.

We contribute to human progress by empowering people to express themselves, live in the moment, learn about the world, and have fun together.

We are kind, smart, and creative.

Dear Team,

I cannot think of a more challenging or transformative year in our history. 2018 was the year that Snap evolved from a product into a company. We knew it would be hard, and we knew we would have to wrestle with the internal challenges of streamlining our team and focusing our efforts on the most important parts of our business, but we embraced the challenges and the results have been astonishing. Thank you so much for your hard work and dedication to helping move our business forward.

We have made remarkable progress this year executing toward our stretch goal of Q4 break-even. Our focus on driving both strong growth and operating cost efficiency programs is yielding noteworthy results.

At the same time, we improved communication across our company and recommitted ourselves to our mission and values. We rolled out new performance-based compensation that ties performance not just to the work we do, but the way we do it. We improved goal-setting across our teams with OKR processes that provide share visibility into the progress we are making against our priorities. We learned how to focus and execute together as a team. We moved like a cheetah.

There were, of course, some downsides to moving as quickly as a cheetah. We rushed our redesign, solving one problem but creating many others. In the wild, cheetahs can only run so fast for so long (around 30 seconds). Then they stop, rest, and take time to reassess their environment. We learned that moving really fast can help move us in the right direction, but we also need to take the time to rest and reassess. In the second half of this year, we've already begun to adopt a more sustainable pace - but we're still relentless in the pursuit of our goals.

By launching our redesign quickly, and separating social from media, we got ahead of the existential crisis faced by many platforms today. We led the way in our industry by curating

broadcast content, and separating Friends from professional content creators. Unfortunately, we didn't give ourselves enough time to continue iterating and testing the redesign with a smaller percentage of our community. As a result, we had to continue our iterations after we launched, causing a lot of frustration for our community.

The biggest mistake we made with our redesign was compromising our core product value of being the fastest way to communicate. Our redesigned algorithmic Friend Feed made it harder to find the right people to talk to, and moving too quickly meant that we didn't have time to optimize the Friend Feed for fast performance. We slowed down our product and eroded our core product value.

We expected influencers to be upset because we moved their Stories below the ones from our real friends. Influencers went from being at the top of the list on Snapchat to somewhere in the middle. We are willing to accept the trade off for the long-term benefits of putting friends first. Regrettably, we didn't understand at the time that the biggest problem with our redesign wasn't the frustration from influencers - it was the frustration from members of our community who felt like it was harder to communicate.

We've been working hard since the redesign to solve the problems that we created and continue making Snapchat the fastest way to communicate. We've been able to iterate quickly on solutions on iOS, and Mushroom, our Android rewrite, will integrate many of the learnings from iOS into our Android product when it rolls out more broadly.

Ultimately, I'm proud that we took the difficult step of separating social from media and I believe that these structural changes are the right thing for our community and the long-term success of our platform. Even though I wish that we had taken more time to get the redesign right before rolling it out, it's hard to predict that long term benefit of getting ahead of the existential challenges now faced by social media companies. [As I wrote in November:](#)

"The combination of social and media has yielded incredible business results, but has ultimately undermined our relationships with our friends and our relationships with the media. We believe that the best path forward is disentangling the two by providing a personalized content feed based on what you want to watch, not what your friends post."

The changes we put in place required us to learn from how to do something totally new: provide a personalized content experience separate from the Stories posted by friends. By reviewing the content we distribute through Discover and personalizing it algorithmically, we've created a way to help our community learn about the world without the ill-effects experienced on other platforms. Our learnings have led to new formats like Shows and community-generated Stories like Oddly Satisfying.

Our Shows continue to attract more and more viewers, with over 18 Shows reaching monthly audiences of over 10M unique viewers. 12 of which are Original productions. As a platform overall, we've grown the amount of total time spent engaging with our Shows product, almost tripling since the beginning of the year. Our audience for Publisher Stories has increased over

20% YoY, and we believe there is a significant opportunity to continue growing the number of people who engage with Discover content.

Snapchat continues to play an important role helping our community learn about the world, with some of our most powerful content created by Snapchatters themselves. Our coverage of Hurricane Florence reached over 19 million people, and our recent partnerships with established media companies will help us curate more Stories with user-submitted Snaps. In 2019, we will continue to develop our content experience around Channels and engage new creators around the world by giving them a platform to express themselves.

Our progress in 2018 has laid the foundation for the next chapter at Snap and I couldn't be more grateful for our incredible team and our shared ambition to make a positive impact on the world.

We enter our eighth year far stronger, more efficient, and more focused on what really matters.

2019: Invest in the root if you want the fruit.

2019 Strategic Priorities

- Deliver our Core Product Value
- Widen our Moat
- Operate as Owners
- Invest in the Future
- Be a Force for Good

2019 OKRs

- Make Snapchat the Fastest Way to Communicate
- Find Best Friends for all Snapchatters
- Achieve Full Year Profitability
- Lead the Way in Augmented Reality
- Spread Positivity

Deliver our Core Product Values

Over the last 7 years, Snap has become many things to many different types of people. We have expanded our service from talking with pictures into broadcast content, augmented reality, maps, Spectacles, and so much more. We've been able to take the hundreds of millions of people who use Snapchat on a journey to understand how the camera plays a central role in their lives and in the future of computing.

But for the billions of people who don't use Snapchat, it's day one, not year seven.

Make Snapchat the fastest way to communicate.

When we first started Snap, in 2011, Bobby believed that we could build a big business if we simply built a way for people to use their camera to take a Snap ten times every day. Today, on average, Snapchatters create 16 Snaps every day, far beyond our original goal! People use their camera so frequently that they are talking with images, instead of simply documenting their experience in the world.

Our entire product is built around the idea of using pictures to talk. Snapchat gained initial traction because it was the fastest way to share a moment. With Snapchat, you can say in one tap of the camera button what might take 10 minutes to type on a smartphone keyboard. Images are also a far richer way to communicate than text - allowing people to express their emotions in an instant.

We've achieved that speed structurally, by opening directly into the camera. We've made Snapchat even faster by designing a camera button that takes an image with one tap, and a video when you hold the button, this time switching modes. Then we got rid of likes and comments to make sure that people felt comfortable expressing themselves, so they didn't have to worry about being pretty or perfect because being pretty or perfect takes more time and makes it harder to communicate.

Every product we have ever created was built on top of this communication behavior. Stories were invented as a way to communicate with many friends all at once, not just one or two at a time. People simply needed to tap one button to add their Snap to their Story rather than sending it to an individual friend. Even though only a small percentage of all Snaps created are added to Stories, Stories became a big business for Snap. Because Snapchat was the fastest way to communicate, it allowed us to build the Stories business by converting a small percentage of the personal communication on our service into broadcast communication.

Many other Snapchat products have benefitted from the high engagement that comes with being the fastest way to communicate. Over time, we added Memories, again taking a small percentage of communication behavior and saving it to preserve special moments for our community.

We have learned over the past two years that we can grow our user base by providing the fastest way to communicate without providing Stories and other value-add features, but we can't directly grow our community by providing Stories without communication. This is evidenced by the retention challenges we face with Stories-only users in markets like Brazil, and it also suggests that unlocking our core product value of being the fastest way to communicate will enable growth in markets where we have previously been unable to gain attraction.

The most durable way for us to grow is by relentlessly focusing on being the fastest way to communicate.

Recently I had the opportunity to use Snapchat v5.0 on an iPhone 4. It had much of Bobby's original code in many of my original graphics. It was way faster than the current version of Snapchat running on my iPhone X.

In our excitement to innovate and bring many new products into the world, we have lost the core of what made Snapchat the fastest way to communicate.

In 2019, we will refocus our company on making Snapchat the fastest way to communicate so that we can unlock the core value of our service for the billions of people who have not yet learned how to use Snapchat. If we aren't able to unlock the core value of Snapchat, we won't ever be able to unlock the full power of our camera.

This will require us to change the way that we work and put our core product value of being the fastest way to communicate at the forefront of everything we do at Snap. It might require us to change our products for different markets where some of our value-add features detract from our core product value.

Understanding of our core product value of being the fastest way to communicate also makes it easier to understand some of our larger strategic projects and acquisitions. We are always trying to find faster ways to communicate. There are several examples I would like to share: Spectacles, Bitmoji, Lenses, and Zenly.

Each of these Snap products began as a separate company but ultimately represented a new, faster way to communicate. Spectacles allows users to create a Snap in-the-moment with one tap. Bitmoji empowers expression through your own avatar. Lenses reduces the barrier to taking a Snap by making any moment magical. Zenly uses a map to allow users to communicate where they are, who they're with, and what they're doing without taking their phones out of their pockets.

Even our content product, Discover, provides a fast way to communicate for publishers and creators. Rather than sitting in front of the television for hours, Snapchat provides enriching narratives for our users in minutes - and allows users to easily tap through content to learn about the world without wasting time.

When Snap is at its best, we're ruthlessly focused on providing the fastest way to communicate. Providing the fastest way to communicate has broad appeal because everybody wishes they had more time.

In order to unlock our core product value for more people, we need to help the world understand that Snapchat is the fastest way to communicate. Occasionally I hear people say things like, "I don't have time for something silly like Snapchat" because people don't understand that Snapchat actually gives time back by being the fastest way to communicate.

This year, we must embed our core product value in everything we do and work to help the world understand that Snapchat is the fastest way to communicate.

Widen our Moat

Warren Buffett introduced the concept of “economic moats” to describe a competitive advantage in business, playing off the idea of medieval castles protecting themselves from rampaging invaders. Snap’s moat is comprised primarily of network effects, economies of scale, and our brand.

As long as we continue to deliver our core product value of being the fastest way to communicate. The network effects of our product will make it harder for other companies to compete by copying our core product value. That's because the value to the incremental user of Snapchat is a direct function of the users already on Snapchat. Put simply, if a competitor made an exact copy of Snapchat (like Poke or Instagram Direct) it wouldn't be able to offer as much value as Snapchat because there wouldn't be anyone using it.

This has created a competitive advantage that has been hard for other companies to overcome. For example, many social media companies were built around the idea of a news feed and are now reliant on providing that core product value. It would be difficult for them to change from feed-first to camera-first because it would negatively impact their revenue and product experience. That makes their products structurally slower than Snapchat because users have to open to the feed before accessing the camera. If you miss a moment to communicate visually, then you have to explain it with words, which takes a lot longer. It's important that Snapchat opens to the camera so that you never miss a moment.

Our moat is widened by economies of scale that allow us to negotiate for better rates from infrastructure providers that spread our operating costs over a larger number of customers. A new competitor trying to provide a service like Snapchat would face higher costs spread over a smaller number of customers. We also benefit from a widely recognized brand the people trust because it means that our customers are more willing to try the new products that we create.

Our moat is a function of delivering our core product value: Snapchat is the fastest way to communicate. In order to widen and deepen our moats we need to continually make Snapchat a faster way to communicate. That's one reason why we also invest in things like Spectacles, which represent an opportunity to communicate even faster, and integrate things like Lenses, which reduce the barrier to self-expression.

In the developed world markets where we continue to succeed, our competitors haven't been able to build a faster way for people to communicate, and every year we try to widen our moat by making it even faster to communicate on Snapchat.

In 2019, we need to start digging our moat in the developing world, and other markets where we have not yet been able to establish Snapchat as the fastest way to communicate. There are many markets today where Snapchat users create Snaps but don't end up sending them. This year we will figure out how to unlock the communication behavior for those Snapchat users and around the world.

We already have many projects underway to unlock our core product value in new markets. Mushroom allows our community to use Snapchat on lower-end devices. Arroyo, our new gateway architecture, will speed up messaging and many other services. Our engineering teams are constantly thinking about how to make Snapchat faster.

Deepening our moat outside of our core markets will require a different approach because in some cases there are structural disadvantages. For example, in some countries other social media companies subsidize the data usage for their products while Snapchat users have to pay for their data use. That makes it hard for Snapchat to be the fastest way to communicate because people have to consider the cost before they send a Snap.

Because Snapchat benefits from network effects, it is important that we work hard to unlock our core product value for as many people around the world as quickly as possible. Even though some of these markets will be difficult to monetize today, establishing our moat now will allow us the opportunity to monetize later, thereby creating more long-term value for our business.

Find Best Friends for All Snapchatters

One of the things we have learned building Snapchat is that for a given user the vast majority of communication on our platform happens with just a few close friends. If we are able to help someone find their close friends, we can provide most of our core product value because those friends represent the majority of engagement.

Your top friend in a given week contributes 25% of Snap send volume. By the time you get to 18 friends, each incremental friend contributes less than 1% of total Snap send volume each.

This means that in order to grow our business we need to make sure that we help all Snapchatters communicate with their best friends. Finding best friends is a different problem than finding more friends, so we need to think about new ways to help people find the friends they care most about. We can't establish network effects if our users can't use Snap to communicate - so we need to work hard to make sure that all Snapchatters have best friends they can communicate with.

Operate as Owners

We've changed the way we work to make sure that we can operate and build a sustainable business. I'm incredibly proud of the progress we have made as a team. One cultural example is the progress we've made operating as owners of Snap. As owners, we advocate for our community, we don't sacrifice long-term value for short-term results, we act on behalf of the entire company, we never say "that's not my job" and we always ask ourselves "what's the right thing to do?" Snap owners are also appropriately prudent when making spending decisions, are able to accomplish more with less, and are persistently mindful that every dollar saved and every basis point improvement matters.

In the first half of 2018 our revenue grew 49% YoY and we beat our original plan (developed at the beginning of year, before our redesign) for first half of 2018 EBITDA.

In Q2 we achieved our first ever quarter with a YoY improvement in our EBITDA loss, representing operating leverage of 31%, meaning 31% of our incremental YoY revenue dollars floated to the bottom line as costs grew at a slower rate than revenue. Looking forward, our Q3 guidance calls for us to achieve further leverage and YoY improvements in EBITDA loss for Q3, and we hope to do so in Q4 as well. Achieving results like this quarter after quarter will drive us toward profitability and free cash flow generation.

Achieve Full Year Profitability

As a team of owners, it's incumbent upon us to complete our transition from a startup to a sustainable business as soon as possible. Our 2019 stretch output goal will be an acceleration in revenue growth and full year free cash flow and profitability. With profitability comes increased autonomy and freedom to operate our business in the long term best interest of our community without the pressure of needing to raise additional capital.

The ability to think long term is one of our most important assets. That's because technological progress is cumulative, while progress in the financial markets is cyclical. History shows that in technology, it pays to be long-term oriented.

There are three primary ways that we are working on growing revenue: 1) Increasing DAU and engagement, 2) Improving measurement and optimization and 3) Increasing the number of active advertisers.

There are many ways that growing Daily Active Users has the potential to accelerate our revenue growth. In the short term, acquiring new users in highly-monetizable markets like the US, UK, and France will drive this goal directly. In the long term, ARPU can be correlated with market penetration as advertisers seek to invest in platforms that scale.

Most of the incremental growth in our core markets like the US, UK, and France will have to come from older users who generate higher average revenue per user. This means that aging up our user base and core markets will be very valuable in terms of revenue growth. Growing in older demographics will require us to mature our application and deliver our core product value of being the fastest way to communicate. Many older users today see Snapchat as frivolous or a waste of time because they think Snapchat is social media rather than a faster way to communicate. Changing the design language of our product and improving our marketing and communications around Snapchat will help users understand our value.

Growing in new markets like India, Indonesia, Mexico, Brazil or the Philippines will require us to solve problems that are preventing users from unlocking our core product value. These problems are very different from the problem of "aging up" in developed markets. The opportunity in terms of incremental user growth is enormous because these countries have very large, youthful populations. While serving these users will be an investment in the short term, adding users in these geographies helps us to deepen our moat, and we are already

seeing “export dollars” come from advertisers in other countries into these markets via our self-serve tools.

Growing daily active users has other benefits beyond increasing our revenue potential. The “halo effect” of user growth keeps advertisers interested in our platform—growing your business on Snapchat requires an investment, and advertisers want to invest in growing services—and aging-up our community in core markets will also help the media, advertisers, and Wall Street understand Snapchat. Today, it's harder for advertisers to understand the value of Snapchat because many of them don't use the product.

Therefore, a new challenge for our sales and marketing teams is to make every client a Snapchatter! In the past, we've tried to make presentations or videos to explain Snapchat to advertisers; this year we are going to spend less time explaining and more time helping advertisers learn by using our product. This challenge extends to anyone at Snap that interfaces with our partners, the media, or Wall Street. Rather than trying to explain everything, let's help people use the product themselves.

There are also substantial revenue growth opportunities within our Discover product. Increasing engagement in Discover, even by a small amount, has huge implications for revenue growth. Our content team is working hard to experiment with new layouts and content types in the wake of our redesign to drive increased engagement. We are also working to identify content that is performing well outside of Snapchat so that we can bring it into Discover. There remains significant headroom in markets where we have yet to localize our Discover content and we will be onboarding content for those markets as quickly as possible.

We continue to see opportunities in improving our ads measurement, relevance, and optimization, and those remain important areas for revenue growth this year. Our first party measurement is helping advertisers quickly understand the return on investment, which helps unlock additional spend, and we consistently make improvements to relevance and optimization that drives immediate incremental revenue, while improving the quality of the user experience. For example, when we launch self-serve just over one year ago, we had one optimization goal: Swipes. Since then, we've added brand goals such as Video Views, mid-funnel goals such as Site Visits and App Installs, and bottom-funnel goals such as in-app purchases. Advertisers now choose from 10 different objectives, and we feel there is a ton of room for improvement.

We've worked hard over the past few years to transition our advertising business to programmatic. This has helped us show the right ads to the right people and also allowed us to scale our sales efforts to smaller advertisers that we couldn't reach with our direct sales force. This year, we will be investing more in our fully self-serve business, focused on the top 100,000 digital advertisers, to help them learn how to achieve their business objectives on Snapchat and drive measurable ROI. This means finding new ways to reach those advertisers and making it easier for them to get started with our Ad Manager.

Longer term, there are many opportunities for us to explore new business models and monetize engagement around our camera and other products, but this year we will focus our efforts on our core business and work to increase our daily active users and engagement, improve measurement and optimization, and increase the number of active advertisers.

Invest in the Future

At Snap we have the unique benefit of being able to work towards our long term vision of computing overlaid on the world. Since we launched Snapchat, we have always opened our application into the camera - into your experience of the world. Our software is overlaid on what you see through your camera - and even though it's confined to a tiny smartphone screen today, we can already see the beginnings of a world where computers understand the world around you and overlay new experiences on top of it.

We're a camera company because cameras provide a crucial link between ourselves and the world. Developing that linkages will allow us to overlay computing on the world as our camera evolves. Unlike other cameras, light travels both ways through our lens, taking in our environment but also projecting our perspective.

We believe that computing will be overlaid on the world because it is the next step towards reconciling our digital experience with the "real world." Many of the challenges we face in computing today stemmed from the concept of digital dualism - the idea that the Internet and the real world are separate places. This leads people to behave differently online, and makes companies feel like they can ignore the impact that their digital products have on people's lives.

At Snap, we've always believed that the Internet and the "real world" coexist in one shared reality. That's why Snapchat is designed around human behavior - whether it's storytelling in chronological order or the ephemerality of conversation, we've found that supporting the norms around human interactions that exist in our society makes people feel more comfortable expressing themselves.

Lead the way in AR

We're focused on three core building blocks of augmented reality: understanding the world through our Snapchat camera, providing a platform for creators to build AR experiences, and investing in future hardware to transcend the smartphone.

We're fortunate to have such an engaged Snapchat community because the use of our camera informs a lot of the progress we are able to make in our efforts to understand the world. For example, we're currently building software that takes the millions of Snaps submitted to Our Story and reconstructs parts of the world in 3D. We can then build augmented reality experiences on top of those models and distribute them as Lenses. We're also able to experiment with partners like Shazam and Amazon to help us improve our understanding of what's happening around you when you open the Snapchat camera.

Of course, technology is unforgiving. When we work with world-class partners to invite millions of people to reply on our platform, our standard for performance must be unsurpassed. We only have one chance to make a first impression.

Lens Studio has gotten amazing traction in a very short period of time by making it easy for anyone to create an AR experience and distribute it on Snapchat. We've recently rolled out Lens Explorer to help surface more of the incredible Lenses that our community is building. Investing early in Lens Studio means we get to benefit from the network effects of our platform - we already have so many Lenses available on Snapchat and there are so many people using our camera that it would be very difficult for a competitor to start building their own AR platform today. Our tools continue to get better as more creators use our platform and we learn faster about what works and what doesn't. We will continue to invest heavily in Lens Studio and our AR platform to widen our lead.

The success of Lens Studio signals a shift in AR: the rise of the creative community. We have developed the most sophisticated AR technology, but the experience we have enabled has never been about the technology itself. Our goal has always been to allow any user-professional designer or teenage art student - to experiment, create, and share. Our belief is that the future of AR innovation will belong not just to the advanced software developer, but to the growing creative community.

Throughout computing history, huge amounts of value have been created during "platform transitions" - for example, the transition from mainframe to desktop, or desktop to mobile. It is critical that Snap play a central role in the next transition to computing overlaid on the world.

That starts with unlocking the value of our platform on camera-enabled devices. It also means investing in Spectacles hardware as an enabler of our augmented reality platform. Our investment is a big bet - it's risky - but if we are successful, it will change the trajectory of Snap and computing as a whole.

There are of course many other ways that we are investing in the future of our business, but it is very important that we continue to understand "value-add" products. If our innovation compromises our core product of being the fastest way to communicate, we should consider create separate applications or other ways of delivering our innovation. This year, we will focus our innovation primarily on making faster ways to communicate and overlay computing on the world.

Be a Force for Good

Our community loves Snapchat because it empowers people to express themselves, live in the moment, learn about the world, and have fun together. It's also the reason why our team loves Snap and why we all feel so passionate about the work we do. We have the privilege of making a positive impact in the world.

The world we live in today is often divisive and filled with negativity, and many technology platforms reflect and reinforce this behavior. Snap has a unique opportunity to bring people

closer together by strengthening their closest relationships. Our product uplifts our community through its function and its values because it makes people feel comfortable expressing themselves.

Researchers at the University of Michigan found that Snapchat was second only to face-to-face communication when it comes to generating positive feelings:

Snapchat interactions are associated with more positive emotions than Facebook and other social technologies, the researchers say.

[...]

Bayer and colleagues also investigated what aspects of Snapchat use might cause increased emotional reward. Their findings suggest that reducing “self-presentational” concerns are a major reason, such as not worrying if shared pictures seem ugly or conceited.

The creation of Snapchat addressed many of the problems wrought by traditional social media: competing with friends to appear more popular, feeling pressure to share just the things that are pretty or perfect, algorithmically rankled content feeds that spread lies, and so much more.

The words from our first blog post ring even more true today:

In April 2011 we moved into the not yet lucrative world of mobile photo sharing. With most photo apps on the market advertising ways to make photos prettier or more stylized, we thought there was an opportunity to do something different. We wanted to create a place to share awkward selfies and funny photos with our friends.

And after hearing hilarious stories about emergency detagging of Facebook photos before job interview and photoshopping blemishes out of candid shots before they hit the Internet (because your world would crumble if anyone found out you had a pimple the 38th day of 9th grade), there had to be a better solution.

[...]

Snapchat isn’t about capturing the traditional Kodak moment. It’s about communicating with the full range of human emotion - not just what appears to be pretty or perfect. Like when I think I’m good at imitating the face of a star-nosed mole, or if I want to show my friend the girl I have a crush on (it would be awkward if that got around), and when I’m away at college and miss my Mom...er...my friends.

We’re building a photo app that doesn’t conform to unrealistic notions of beauty or perfection but rather creates a space to be funny, honest or whatever else you might feel like at the moment you take and share a Snap.

We’ve made this choice to build products that contribute to human progress because it’s the right thing to do. It’s a choice we’ve made since the day we started Snap, when we made something that helped people feel comfortable expressing themselves. It’s a choice we continue to make every day, throughout our company, when we put our community first.

Spread Positivity

Spreading positivity gives us the energy and the strength to tackle tough problems and work to contribute to human progress, even in the face of negativity and criticism. Positivity powers our creativity and encourages our optimism. Positivity makes all of us feel included and encouraged to be who we are.

Positivity starts with each and every one of us. It's expressed in the way that we work together and support one another, it's articulated in the products that we create, and it's felt by our community and everyone around us. And Jon Gordon writes, "we are not positive because life is easy. We are positive because life can be hard." Positivity is what we use to overcome challenges and negativity. Being positive requires hard work. Being positive is a choice.

We also spread positivity through our philanthropic efforts which extend our core values and uplift our community. This year we launched the Snap Foundation, funded with 39,000,000 shares of our Class A Common Stock contributed in equal proportions by myself, Bobby, and the company. The Snap Foundation works to create new pathways to the creative economy for underrepresented youth.

In addition to our Foundation, we've been hard at work at contributing to our community as a team. On any given week, we give back to nonprofits that support youth, education, and the arts. To connect philanthropy across teams, we introduced Snap CAMP (Community, Arts & Mentorship Projects), an umbrella initiative that unites the company around our philanthropic mission of spreading kindness and inspiring creativity in our local communities. Our team has participated in over 8,000 hours of company-sponsored service initiatives since January 2017.

This summer we launched Snap Design Academy, a 5-week design school for talented, underrepresented students from community colleges. This program embodied the foundational notion of our company- that we are not creative when give the right tools and space to feel comfortable expressing ourselves. Not only did Snap Design Academy serve the students; it created an opportunity for more than 90 Snap team members to make a positive difference in someone's life.

We have also introduced a new global policy that offers four hours of paid time off each month for team members who individually volunteer at charities that align with our philanthropic mission. A huge thank you to everyone who has contributed to our volunteer programs.

While we have made real change in our local communities through volunteerism, we know that our actions alone are not enough to create sustainable, long term impact. This is why we partner with nonprofits that improve education in under-resourced schools or use coding as a means to lift women out of poverty and drive other initiatives for social change.

At Snap we make a positive impact through our product, as a team, and in our community. We do this by making a choice to uplift people through our product, celebrate and support our team members, and contribute to our community by engaging those who need our help. Making a positive impact is the reason why I am proud to work at Snap, and why I am inspired by our team every day. Thank you so much for all that you do to make a difference in the world.

Conclusion

If you focus on the fruit and ignore the root, the tree will die. If you invest in the root, you will receive an abundant and steady supply of fruit. -Jon Gordon

When we started Snapchat, it was clear that we wouldn't stand a chance as a social media company. That's because the social media space was already dominated by Facebook.

Fortunately, we never wanted to be a social media company.

Snapchat was built to be the fastest way to communicate, and delivering our core product value is what has allowed us to innovate in many value-add areas like Stories, Memories, Maps and more.

As we've grown so rapidly over the past 7 years, we have occasionally confused our value-add services for our core product value. That might be because we generate revenue from our value-add services rather than our core product value, or it might be as a result of a powerful media narrative that has tried to lump us in the rest of social media - or even our own excitement around innovating beyond our core. Whatever the reason, it is imperative that we deliver our core product value and do a better job differentiating Snapchat by communicating that value to new users.

We have a massive opportunity with the billions of people who don't use Snapchat and don't understand the power of fast, visual communication. 2019 will be the year that we invest in our root and deliver our core product value so that we can spread positivity throughout the world. There's a lot at stake in delivering an alternative to social media - [just ask Kayne West.](#)

This year's anniversary celebration comes with a small gift: a 2018 Cheetah sweatshirt. IT is a small token of appreciation for the way our team came together through our most challenging and transformational year. It represents our accomplishments but also the lessons we learned through our failures and mistakes. It's not easy to build a real business, take risks, and make a positive impact. This year we have done all three. Out of all of our Snap swag, it's the sweatshirt I am most proud to wear.

I am so honored to be building Snap alongside you - thank you for your commitment to our company. I am so grateful to work with a team that's dedicated to our mission & vision while simultaneously embodying our values. Your hard work, perseverance, and positive energy never gets unnoticed.

In just 7 years we've led our industry with visual communication, ephemerality, vertical video, augmented reality, Stories, and so much more - and we're just getting started.

We have just shy of 100 days left in 2018, the year of the Cheetah. Let's make them count.