

Session #2

TACODA: From Dot Com Bust To \$275M



Intro

- **Goal of Founder Speakers Series**
 - Focus on Founders and Entrepreneurs
 - Successful, Serial Founders & Angels. From Boston, CA, and NYC.
 - Real Value and Lessons, No Fluff
 - Bootstrapped (“nothing fancy”)

“To Tell Tall Tales And Fantastic Half Truths”

Players

- **Dave Morgan**
 - Founder/CEO, Simulmedia
 - Founder/CEO, TACODA
 - Founder/CEO, Real Media



- **Curt Viebranz**
 - President, AOL Platform A
 - CEO/COO, TACODA
 - Time Warner, HBO International



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1995-2003



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Real Media

- Founded in May 1995
- Raises \$36M from strategic investors
- Provider of comprehensive Internet advertising solutions
- 500+ employees in 19 countries
- In **early 2000**, completes S-1 to go public and Curt joins board
- NASDAQ falls **15%** in April 2000 and **12%** in May 2000
- In Oct. 2001, Real Media acquires by 24/7 Media for \$2.2M



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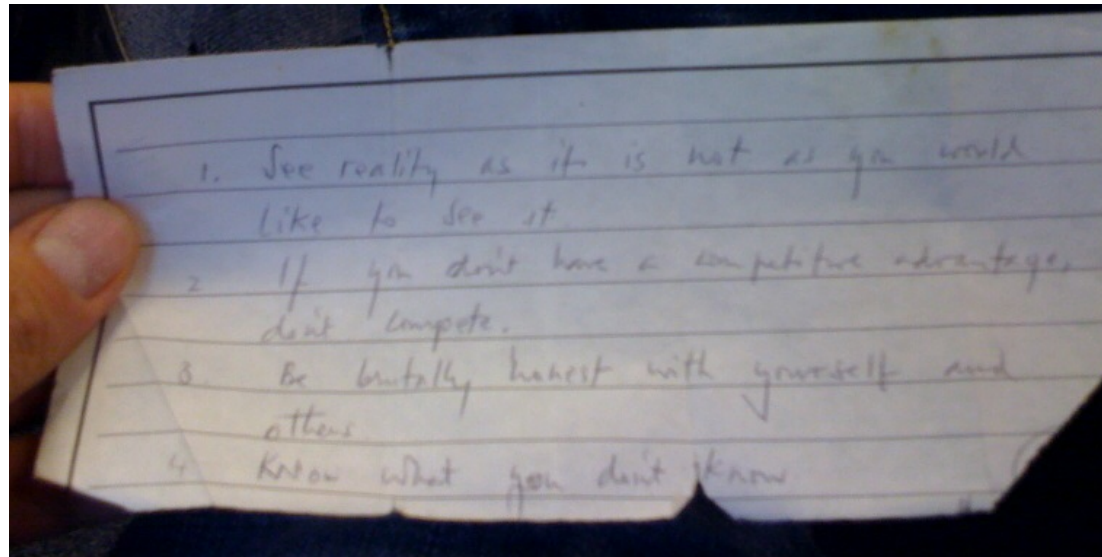
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Curt's Piece Of Paper



- ***“See reality as it is, not as you would like to see it”***
- ***“If you don’t have a competitive advantage, don’t compete”***
- ***“Be brutally honest with yourself and others”***
- ***“Know what you don’t know”***

TACODA

- Founded in April 2001
- Raises \$35M in four rounds of funding
- In May 2004, Curt joins as COO
- In Nov. 2004, launches text-based, cost-per-click ad network
- In 2005, **selling enterprise software → running ad network**
 - TACODA Audience Networks launches (July 2005)
 - **\$75K** in monthly revs (Sept. 2005) → **\$1M** in revs (June 2006)
- In July 2006, Curt becomes CEO and Dave chairman
- In mid-2007, term sheet for \$30M
- In Oct. 2007, acquired by AOL for \$275M in cash

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Core Idealogy

- **Core Values (these are our timeless guiding principles)**
 1. **Innovation** - we create our future through inspiration, invention, know-how and hard work
 2. **Risk taking** - we are pioneers and leaders, not followers; we take chances
 3. **Wear the 'white hat'** - we do what is right, honorable and fair, not what is easy

Quotes/Observations

- *"Hire slow, fire fast"*
- *"No asshole" rule*
- *"Getting right people on the bus and in the right seats"*
- Heavily leverage personal networks to recruit people
- Hiring really smart people and giving them freedom and cover to do their jobs
- *"Don't listen **too much** to your customers"*
- *"Not the best talent, but the **best mix** of talent"*
- *"It's about the idea, not the individual"*
- *"Shiny object syndrome"*
- Avoid weird cap structures

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TACODA ad network launched July 2005

Acquired by AOL Oct. 2007

TACODA founded April 2001

\$75K revs Sept. 2005

\$1M revs June 2006

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Housekeeping

- Email feedback@startupatwork.org
- Recycle badges outside
- Fall 2009 Founder Speakers Series:
 - ~~Sept. 30th: About.com (Scott, Bill, John, Mark, & 50+ others)~~
 - ~~Oct. 22nd: TACODA (Dave, Curt)~~
 - Nov. 2nd: Ronald Conway, SV Angel
 - Dec. 2nd: Kayak.com (Steve Hafner)