

Facebook CEO turns 28, IPO could be \$100B gift

May 13 2012, By BARBARA ORTUTAY , AP Technology Writer



In this May, 26, 2010 file photo, Facebook CEO Mark Zuckerberg talks about the social network site's new privacy settings in Palo Alto, Calif. Zuckerberg and other executives addressed about 200 prospective investors Friday, May 10, 2012 at a hotel luncheon in Silicon Valley. (AP Photo/Marcio Jose Sanchez, File)

(AP) -- Don't let the hoodie and sneakers fool you. Mark Zuckerberg is no wet-behind-the-ears CEO.

Facebook's chief executive turns 28 on Monday, setting in motion the social network's biggest week ever. The company is expected to start selling stock to the public for the first time and begin trading on the [Nasdaq Stock Market](#) on Friday. The [IPO](#) could value [Facebook](#) at nearly \$100 billion, making it worth more than such iconic companies as

Disney, Ford and Kraft Foods.

At 28, Zuckerberg is exactly half the age of the average S&P 500 [CEO](#), according to executive search firm Spencer Stuart. With eight years on the job, he's logged more time as leader than the average CEO, whose tenure is a little more than seven years, according to Spencer Stuart. Even so, the pressures of running a public company will undoubtedly take some getting used to. Once Facebook begins selling stock, Zuckerberg will be expected to please a host of new stakeholders, including Wall Street investment firms, hedge funds and pension funds who will pressure him to keep the company growing.

Young as he may seem -especially in that hooded sweatshirt- Zuckerberg will be about the same age as Michael Dell and older than Steve Jobs when those two took their companies, Dell Inc. and Apple Inc., public. In his years as Facebook's CEO he's met world leaders, rode a bull in Vietnam while on vacation, started learning Mandarin Chinese and as a personal challenge, wore a tie for the better part of a year.

Facebook, of course, got its start in Zuckerberg's messy Harvard dorm room in early 2004. Known as Thefacebook.com in those days, the site was created to help Harvard students - and later other college students - connect with one another online. The scrappy website later grew to include high-schoolers, then anyone else with an Internet connection. Today more than 900 million people log in at least once a month, making Facebook the world's definitive social network.

All along, Zuckerberg has shown a maturity beyond his years. As the site grew rapidly and caught the eye of big media and rival Internet companies, Zuckerberg consistently rebuffed mouth-watering buyout offers, including from Google Inc. and Yahoo Inc.

"Simply put: we don't build services to make money; we make money to

build better services," wrote Zuckerberg in his letter to prospective shareholders. "And we think this is a good way to build something. These days I think more and more people want to use services from companies that believe in something beyond simply maximizing profits."

People who've observed Zuckerberg closely say his age is an asset. His is the generation that grew up with social networking, with computers all around them and the Internet as something that's always existed. Many of his employees are younger than him, as are a lot of the up-and-coming technology entrepreneurs with whom he competes.

"I don't think you could build a company like this if you were an old guy like me," says David Kirkpatrick, a 59-year-old author who chronicled the company's early history in "The Facebook Effect". Kirkpatrick, who is also founder of Techonomy, a media company that hosts conferences on the relationship between technology and economy and social progress, first met Zuckerberg six years ago. He says he was impressed with his vision, even then. "It's the willingness to take risks, the willingness to abide by a very contemporary vision ... I don't think that he's too young. I think most CEOs are too old."

Zuckerberg, who lives in Palo Alto, Calif. with his girlfriend and a white Hungarian Puli dog named Beast, has matured as a leader with the help of experienced mentors. One of his closest advisors is Sheryl Sandberg, who he hired away from Google in 2008. Zuckerberg, known for sometimes-awkward public appearances, realized that the razor-sharp, people-savvy advertising executive complements his own shortcomings. Sandberg is Zuckerberg's No. 2, the chief operating officer who oversees advertising and often serves as Facebook's smiling, public face. Then there's Donald Graham, the 66-year-old CEO and chairman of The Washington Post Co., who serves as a mentor to Zuckerberg and holds a seat on Facebook's board of directors.

Rebecca Lieb, analyst at the Altimeter Group, says Zuckerberg has assembled a team of "truly exceptional lieutenants." David Ebersman, Facebook's chief financial officer, who hails from biotech firm Genentech, is another example. Zuckerberg hired him in 2009, saying that Ebersman's previous job, helping to scale the finance organization of the fast-growing biotech company "will be important to Facebook."

He was right. Facebook's revenue grew from \$777 million in 2009 to \$3.7 billion last year. In the first quarter of 2012 it was more than \$1 billion.

Obviously, Zuckerberg still has a lot to learn. As part of Facebook's pre-IPO "roadshow" last week, Zuckerberg visited several venerable East Coast financial institutions wearing his signature hoodie. While Silicon Valley insiders defend his fashion choice, others saw it as a sign of immaturity. Was it, as some speculated, a sign of a rebellious 20-something acting out? For Michael Pachter, analyst at Wedbush Securities, Zuckerberg's attitude and attire symbolizes "a level of aloofness to stakeholders."

"He seems very customer focused and very employee focused. I am not sure he cares about anyone else... If he's going to go public, he has to answer to shareholders," Pachter says. "That's why Google hired Eric Schmidt. That's why Steve Jobs was ultimately forced out of Apple."

Jobs, in fact, was another Silicon Valley luminary who had Zuckerberg's ear. He was 25 in 1980 when Apple went public. He was ousted five years later after clashing with John Sculley, the former Pepsico executive Apple hired as [chief executive](#). Jobs famously returned to lead Apple in 1997 and the company has thrived since.

Not much is known about the relationship Jobs and Zuckerberg shared, but Jobs reportedly told his biographer Walter Isaacson: "We talk about

social networks in the plural, but I don't see anybody other than Facebook out there. Just Facebook, They are dominating this. I admire [Mark Zuckerberg](#) . . . for not selling out, for wanting to make a company. I admire that a lot."

When Jobs died last October, Zuckerberg wrote on his Facebook page, "Steve, thank you for being a mentor and a friend. Thanks for showing that what you build can change the world. I will miss you."

Jon Burgstone, professor at the Center for Entrepreneurship and Technology at the University of California, Berkeley, believes that Zuckerberg will need to keep his perspective and continue developing.

"He has already become one of the world's most famous people, and also the richest," he says. "He walks into a room and you can feel people's excitement and the rush to be near him. He's already had time to learn how to deal with such fame and fortune, but now it's advancing to an entirely new level. How will he handle it, emotionally and professionally?"

Lieb marvels at the life Zuckerberg has led so far. Imagine being in your 20s, a self-made billionaire, your life the subject of a Hollywood movie. "It's a lifetime and the guy isn't 30 yet," says Lieb.

He's made big mistakes, especially with regard to users' privacy. One example is Beacon, Facebook's misguided advertising product that broadcast user's activities on outside websites without their consent. Still, he took steps to correct them. On blog posts about Facebook's privacy blunders, he's admitted the company has made mistakes. His 2007 post about Beacon showed his straightforward, methodical thinking:

" We've made a lot of mistakes building this feature, but we've made even more with how we've handled them. We simply did a bad job with

this release, and I apologize for it. While I am disappointed with our mistakes, we appreciate all the feedback we have received from our users. I'd like to discuss what we have learned and how we have improved Beacon," he wrote five years ago. Facebook shut down Beacon two years later.

Zuckerberg has done well for himself so far, but he'll be pulled in many directions once Facebook is public.

"There is going to be a tremendous amount of scrutiny on this company," Lieb says. "Who really is qualified" to carry such a weight?

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Citation: Facebook CEO turns 28, IPO could be \$100B gift (2012, May 13) retrieved 17 July 2024 from <https://phys.org/news/2012-05-facebook-ceo-age.html>

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