

Online storage service Box is courting Hollywood, music industry

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Aaron Levie, the 29-year-old chief executive of Box Inc., walked the red carpet at the Oscars this year in a dark suit and tie, pressed white shirt and his trademark neon blue sneakers.

"I asked about the sneaker dress code," said Levie, who like many Silicon Valley entrepreneurs doesn't like anything slowing him down, least of all a pair of dress shoes. "Apparently it was not a problem."

It was the movie industry's biggest night and Levie didn't waste any time talking up cloud computing to Hollywood stars, including Harrison Ford.

"He seemed to get it," Levie said of the 71-year-old actor.

Levie, whose 8-year-old company is gearing up for the most hotly anticipated technology initial public stock offering to come out of Silicon Valley this year, has been spending a lot of time in Hollywood lately.

With sales growing threefold last year, the [entertainment industry](#) has become one of the largest markets his company serves. Levie is looking for an even bigger jump this year.

He has been meeting with movie studios, talent agencies and music labels to get a better sense of what the industry wants from a cloud computing company.

"We are going to focus on (the entertainment) industry even more this year," he said.

That focus comes at a crucial moment for Box. It offers an online storage service for businesses that lets the companies' employees using the service access files that are stored on remote data servers.

The growing popularity of [cloud computing](#) has boosted Box's fortunes. Businesses want employees to have the ability to share and collaborate on documents of all kinds, not just from personal computers, but also while using tablets and smartphones.

But Box has plenty of competition from well-financed startups such as Dropbox Inc., which was recently valued by investors at \$10 billion, and technology giants such as Microsoft Corp. and Google Inc.

Looking to beat Dropbox to the stock market, Box this year confidentially filed paperwork for an IPO. It's expected to make that paperwork public in the next few weeks and is poised to go public this spring. Box hopes to become the latest in a series of business software companies, such as Workday Inc., that have seen their stocks surge.

Levie declined to comment on the upcoming IPO.

"Obviously we are very focused on building out an independent company, and the path we are on is aligned with that," he said. "We are going to be growing the business very aggressively this year."

To make inroads in Hollywood, Levie has enlisted some celebrity investors.

Actor and startup investor Ashton Kutcher and Guy Oseary, Madonna's manager, have invested in Box through their A-Grade Investments fund.

They took part in a \$100 million funding round in December that valued Box at about \$2 billion.

A-Grade, which also counts billionaire Ron Burkle as a partner, has an estimated \$100 million to invest in technology startups and has made some insightful bets in Silicon Valley including Airbnb Inc., Spotify and Uber.

But it's not just A-Grade's deep pockets or Hollywood experience that could help Box: It's the vast network of connections.

"Guy and I have been working in the entertainment industry for decades," Kutcher said. "We've worked in music, film, television and advertising. We have relationships across a spectrum of businesses that are Box clients and/or could be."

Brian Klein, founder of Iminmusic, which manages Fitz & the Tantrums and Joe Purdy, was an early convert to Box.

"I use Box for everything that I do in management. I don't have to walk around with a laptop. I walk around with everything in my pocket on my cellphone and iPad," Klein said. "I have sat with many other managers and other artists and showed them Box and how I use it and they fall in love with it immediately."

While many industries have been reluctant to entrust sensitive files to remote data servers, Hollywood has been doing it for years, Kutcher said.

"Hollywood has been embracing the cloud since before it was called the cloud," Kutcher said. "Collaborative editing and producing has been happening since this content was being digitized. The previous generation of the cloud was local on-site servers that multiple artists

would access."

But, he said, "Box expands the horizons."

Film studios and television networks share casting schedules, collaborate on scripts and send out trailers and screenings. Talent agencies use Box to run marketing campaigns and share publicity materials and scripts with clients.

Music labels use Box as a digital library, to distribute music to radio stations and to plan concerts and tours. Music managers use Box to collaborate with their artists on the latest tracks and share audio, photos, videos and artwork with promoters and event managers.

Levie came up with the idea for Box while a college student at the University of Southern California. During summer internships at Miramax and Paramount Pictures, he got a firsthand look at how the industry worked with digital content and thought he had a better way.

"I wanted to find the intersection of technology, business and film - that's why I went to USC," Levie said. "I didn't think the intersection would come in the form of cloud storage."

He roped in his boyhood pal Dylan Smith, who supplied the initial funding with his winnings at online poker. The two got some seed funding from billionaire Mark Cuban and moved to Silicon Valley, where they have raised more than \$400 million from big-money investors such as Andreessen Horowitz and Draper Fisher Jurvetson. They decided early on to focus on the business market. In 2011, Box turned down a \$600-million takeover offer from Citrix Systems Inc.

Now Box has 20 million users in 200,000 companies, and 97 percent of the Fortune 500 companies use Box, Levie said.

Box's first business customer was sports marketing and management firm Wasserman Media Group. Now the list also includes Netflix Inc., NBC Sports, Creative Artists Agency and Sony Music.

Box's biggest moment in the entertainment spotlight so far: the role it played in keeping the wraps on the surprise release of Beyonce's new album. Using Box, Beyonce and her label, Columbia Records, were able to keep the self-titled album secret until the moment Beyonce was ready to release it.

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