

Get Your Head Out of the *F*cking* Tag Cloud

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It's the *economy*, stupid.



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Five points

1. The Cost to Get *Customers* is Falling

Direct sales: \$22,000

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Indirect sales: \$5,000

Direct sales: \$22,000

Direct mail: \$70

Indirect sales: \$5,000

Direct sales: \$22,000

E-mail: \$60

Direct mail: \$70

Indirect sales: \$5,000

Direct sales: \$22,000

Airplane banners: \$55*

E-mail: \$60

Direct mail: \$70

Indirect sales: \$5,000

Direct sales: \$22,000

Airplane banners: \$55* (* I made that up)

E-mail: \$60

Direct mail: \$70

Indirect sales: \$5,000

Direct sales: \$22,000

Online banner ads: \$50

Airplane banners: \$55

E-mail: \$60

Direct mail: \$70

Indirect sales: \$5,000

Direct sales: \$22,000

Yellow pages: \$20
Online banner ads: \$50
Airplane banners: \$55
E-mail: \$60
Direct mail: \$70
Indirect sales: \$5,000
Direct sales: \$22,000

Search: \$8.50

Yellow pages: \$20

Online banner ads: \$50

Airplane banners: \$55

E-mail: \$60

Direct mail: \$70

Indirect sales: \$5,000

Direct sales: \$22,000

2. The Cost of *Infrastructure* is Falling

Hardware is cheap



Microtel
SYSWM7008 PC
1.5 GHz
Sempron
2200+

ONLINE ONLY

\$219.84

► Add to Cart



eMachines
T5010 PC,
Pentium 4
Processor 516

NEW!

\$548.98

► Add to Cart



eMachines
T6524 AMD
Athlon 64
3500+ 200 GB
Computer

NEW!

\$648.28

► Add to Cart

Data is the **Intel Inside***

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1980: \$183,000 / Gb

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1980: \$183,000 / Gb

1985: \$71,000

1990: \$9,000

1995: \$880

2000: \$14.29

2005: \$1 (!!)

* Or Outside



Software is free *



ActiveState Dynamic Tools for Dynamic Languages

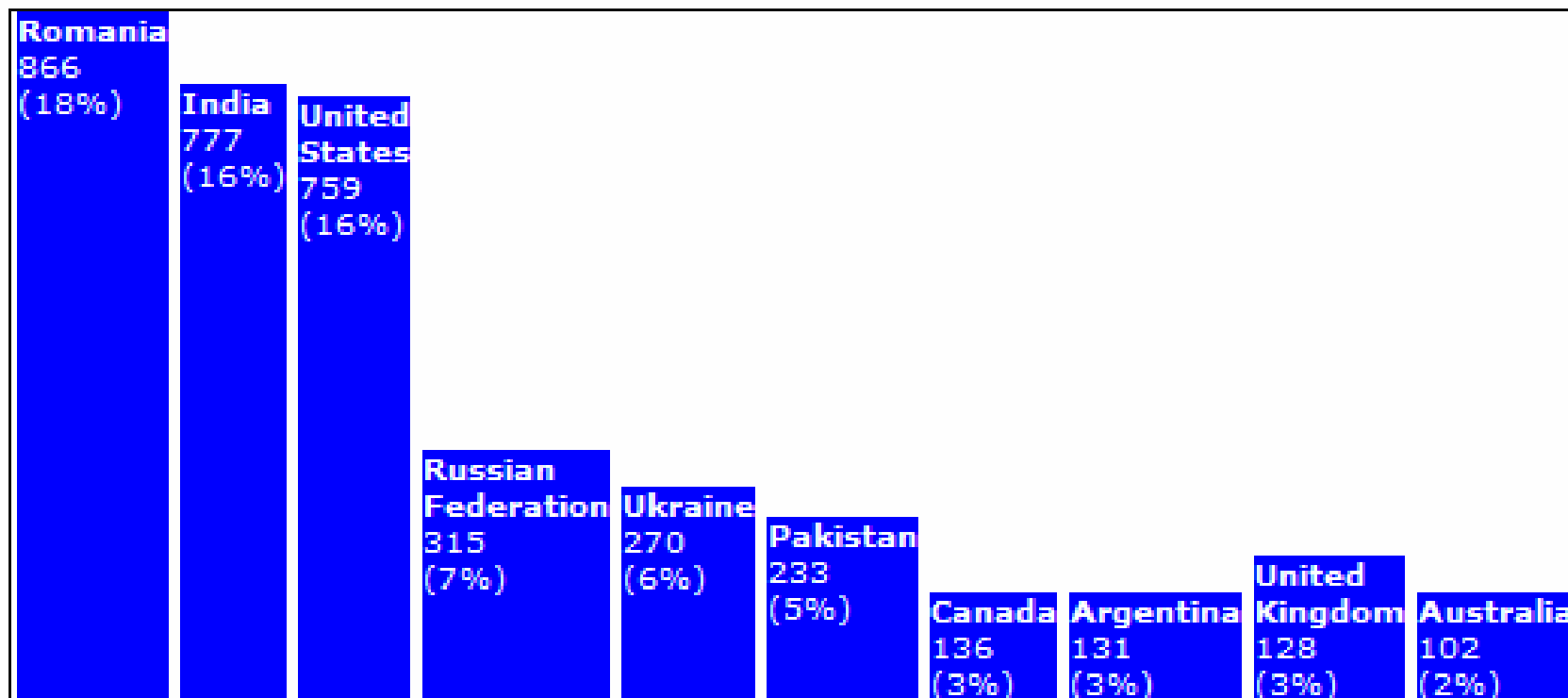


* Except **yours**, of course.

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3. The Cost of *People* is Falling

Top 10 Coder Countries last month 09/2005



Rent-a-coder ...

- September 2005: **8950 projects** per month
- Average monthly growth rate: **6.3%**
- Average yearly growth rate: **75.1%**

4. The Cost of Company *Creation* is Falling

Going from Idea

T O

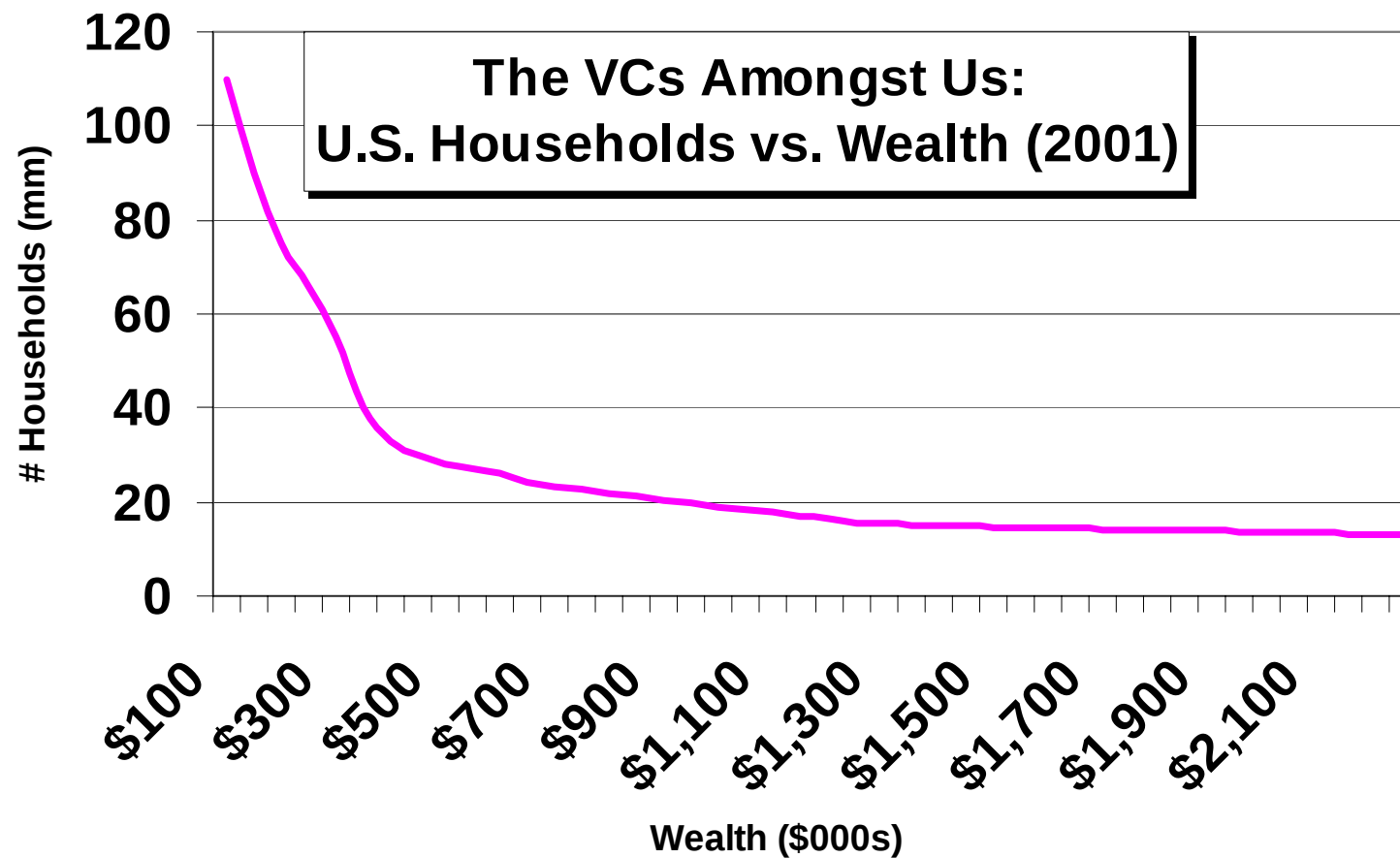
Launch

**Excite (1995):
\$2,000,000**



**JotSpot (2004):
\$100,000**

5. The Cost of *Venture Capital* is Falling



Source: Survey of Consumer Finances (2001)

What's not to like?

What's not to like?

Lots, apparently.

“To me this Entrepreneur Bubble feels like the PC software bubble in the early 80's.”

-- Peter Rip, Leapfrog Ventures (10/19/2005)



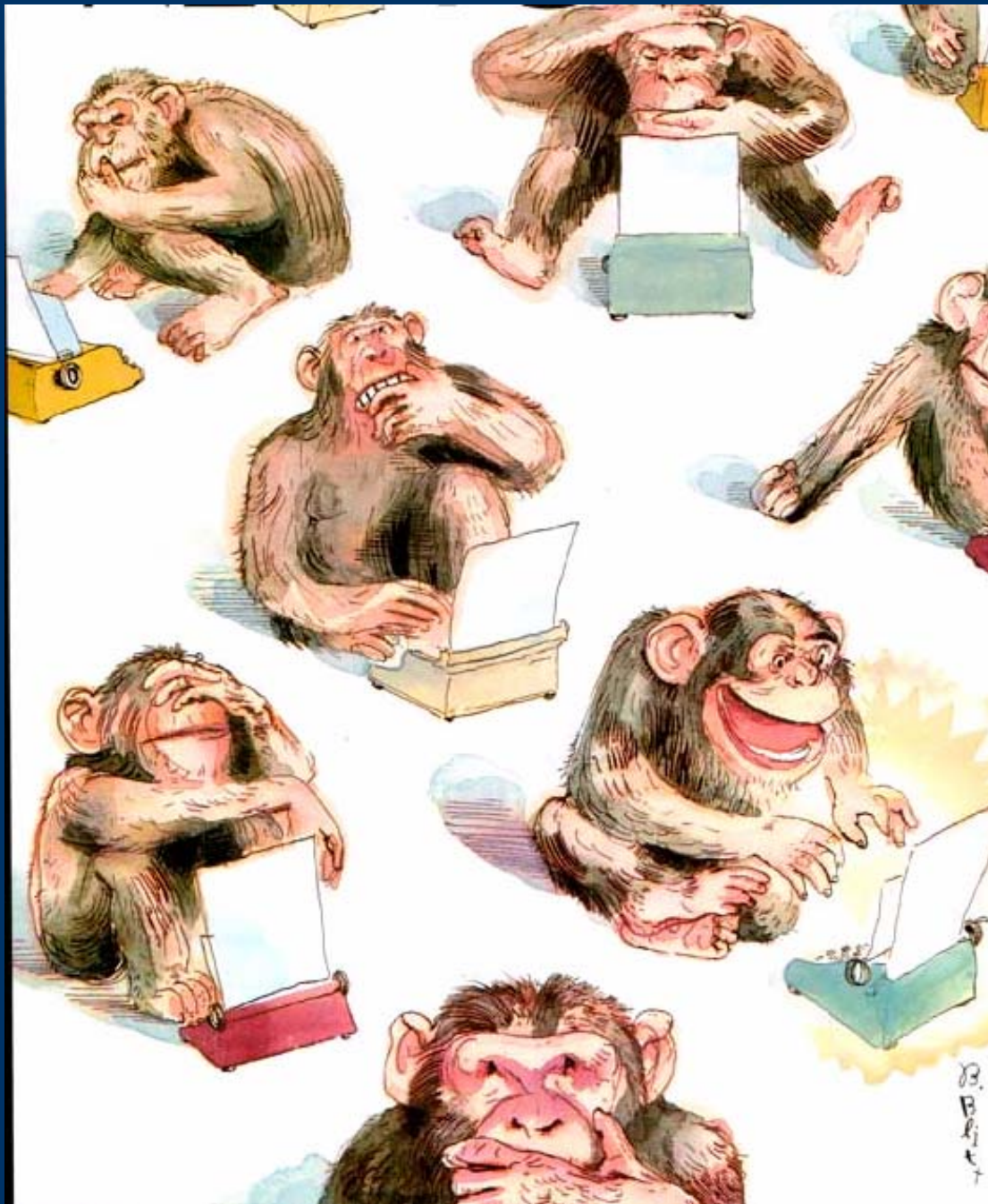
Sure, there's *some truth*.

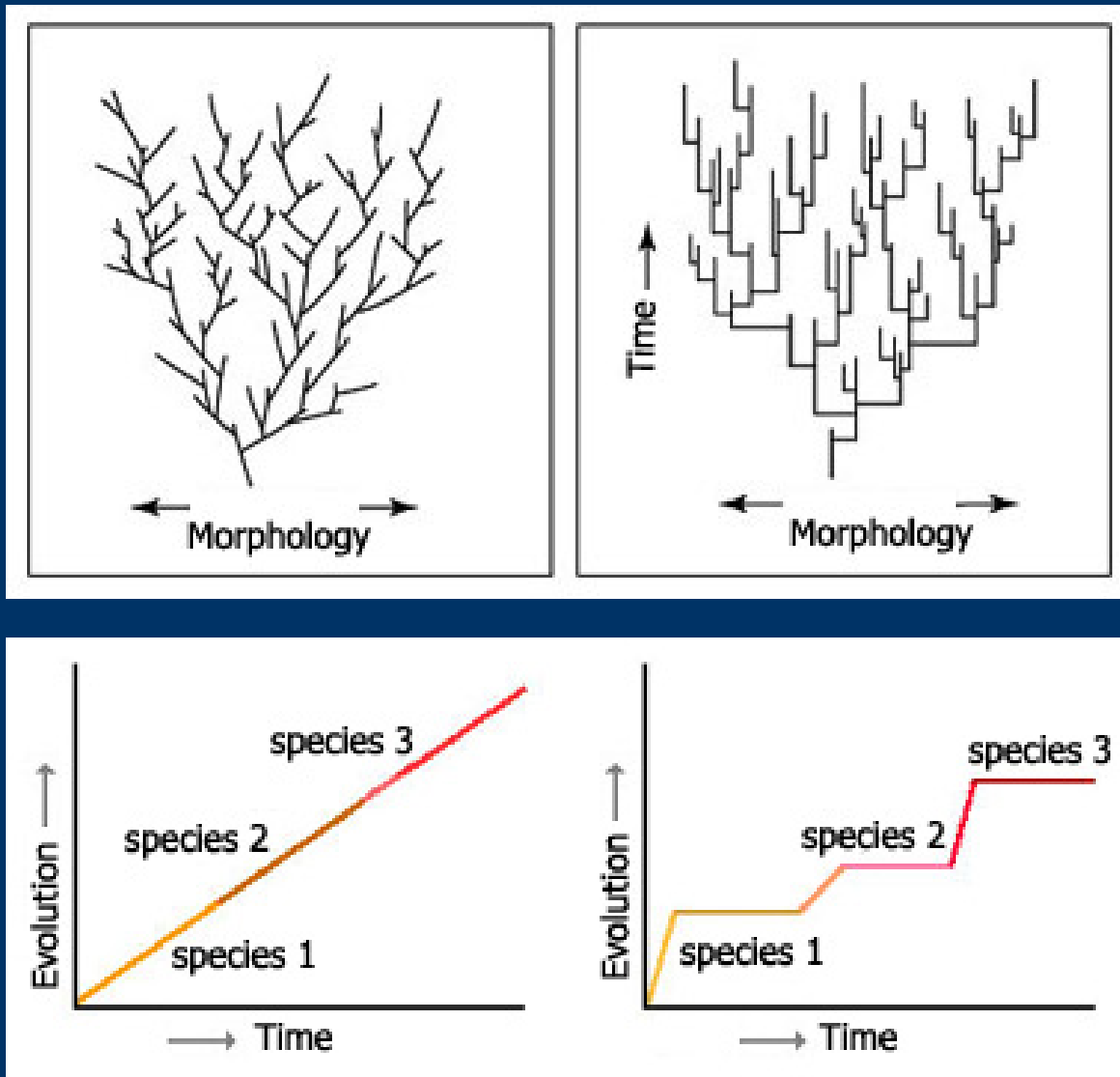


But is it so *bad*? Sure, there's *some truth*.



Web 2.0 as the **democratization** of
technology entrepreneurship.





More is more.

It's the *economy*, stupid.

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