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Once You're Lucky, Twice You're Good, The Rebirth of Silicon Valley and the Rise of WEB 2.0
by Sarah Lacy

Reviewed by Linda G. Munilla

Biography: Dr. Linda S. Munilla is professor of marketing in Georgia Southern University's College of Business Administration. She teaches in the areas of marketing and buyer behavior, and her research interests are in buyer behavior, accreditation standards, and ecological/social responsibility international standards. Dr. Munilla was recently named the 2008 Jane White Marketing Scholar in the College of Business. She may be reached by email at lmunilla@georgiasouthern.edu.

Sarah Lacy, a columnist for *Business Week*, has been writing about start-up companies and venture capital for ten years. Her first book, *Once You're Lucky, Twice You're Good*, tracks entrepreneurs of Web 2.0 companies who are focused on social networking rather than the e-commerce of the 1990s dotcom era.

The dotcom bust was devastating for entrepreneurs and investors, yet the greater impact may have been more cultural than economic. What many don't know is that about half of dotcom companies founded in 1999, the height of the dotcom era, are still in operation. Lacy writes, "The problem. . . wasn't the number of businesses that were tried, nor was it the unproven business models. It was simply the amount of money that went into each one, money that was mostly wasted." Lacy chronicles those who built the second wave of businesses with one clear difference: Web 2.0 companies focused on clear revenue streams to match the innovative ideas and technology. The adage used to be "eyeballs then cash," but online advertising has given new companies at least one clear revenue route.

Some of the main characters in this veritable E! True Hollywood Story of Silicon Valley include Max Levchin, a founder of PayPal, Marc Andreessen, the mind behind Netscape and now a partner in Ning, and Mark Zuckerberg, the boy genius who, with his buddies at Harvard, dreamed up Facebook. The psychology of the (mostly) men involved and their social sphere are the primary focus of the book. Competition among players is a driving force, and adversaries in these tales are often venture capitalists whose role is



The Cover Story

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the necessary evil of supplying money and sometimes taking control.

Web 2.0 looks different in other ways. As the web has gained mainstream acceptance, gone is the idea that only coders, hackers, and gamers are interested in the business and social aspects of the Internet. The geeks are now chic--at least in appearance. Many of them have held onto the social awkwardness associated with old-school coders, yet now they have money, fame among a certain set, new haircuts, and new attitudes. Veterans from older (in web terms) companies like PayPal and Netscape have also gone on to start, work for, or be “friend-tors” (experienced dotcomers as advisors or angel investors) to start-ups such as LinkedIn, YouTube, Yelp, Digg, and Slide.

Society is beginning to fully embrace the “digitization of identity” that Napster’s founder thinks is the key to Web 2.0’s success in social networking: we can now fully express our identities online, and the line between online and off is blurred or nonexistent. There is an opportunity for people, businesses, and advertisers to connect to one another with increasing efficiency. Which companies will emerge as the billion-dollar babies of Web 2.0 will largely depend on how relevant they are to those that build them—us.

Web geeks and other business-minded readers will enjoy this history of a nascent, yet storied, industry. Readers who have a passing interest in the Web may still enjoy the character drama of ego, money, power, and intellectual prowess used to build and tear down companies in the digital space (although some of the biographical information is too detailed).

Readability: Medium (knowledge of the Web would help)

Time needed to read: 5 hours

Why I should read this book: If you are fascinated by how the web has changed our world and how we are shaping the web, you will enjoy this book.

Overall Rating: 2-1/2 Bulbs