



The Story of Skype

Sten Tamkivi, Chief Evangelist

European Entrepreneurship and
Innovation Thought Leaders,
Stanford University,
March 9th, 2009



Skype – The European Innovation Success Story



skype™



Enabling the world's conversations



Voice



Video



Data



IM



SMS



Identity



405 Million
Global Users



8%
of world's calling
minutes*

**Source: Telegeography 08*

Over 25%
of call minutes
carry video

100 Billion
Skype-to-Skype
Minutes as of Feb '08

28 Languages
Available in nearly
every country on Earth

30%
of users use Skype for
business purposes



How it all started

- Founded in 2003
 - Founders: Niklas Zennström (Sweden), Janus Friis (Denmark)
 - Founding engineers: Jaan Tallinn, Ahti Heinla, Priit Kasesalu, Toivo Annus (Estonia)
 - Headquartered in Luxembourg, the largest office has always been in Estonia.
- Financing
 - DraperCo seed round before product launch
 - Launch and initial pickup attracted top VC names: DFJ, Mangrove, Bessemer, Index
 - 2005 acquisition by eBay Inc
 - US\$ ~.5B revenues and 2 years of profitability in 2008



Global VS Local

- Global mindset from day 1
 - First 6 employees from 4 nationalities
 - First 600 employees from ~40 nationalities
- Leveraging local qualities
 - Estonia – small and efficient
 - Europe – cultural diversity



Impact to Estonia and Europe

- Proof of potential and role model
 - European entrepreneurship elevated in last few years through Skype, Last.fm, MySQL...
- Direct spillover effects
 - Experienced, networked and funded talent
- Giving back to the society, governments: “What do we need to do to have 10 more Skypes?”
 - Education
 - Economic environment and regulation



Thank you

Skype:sten