



Inside Zuckerberg's strange decision to turn down \$1 Billion Instantly

Description

“The most successful businesses have an idea for the future that’s very different from the present—and that’s not fully valued,”
– Peter Thiel

We’ve all heard of [Facebook](#). Or Meta as we now know it. (For the purpose of this story, we’ll stick with Facebook, we’re still getting used to [Meta](#).) What you may not know is that 22-year-old Mark Zuckerberg turned down more than a little money at the beginning of creating the business.

Peter Thiel, the first investor in Facebook, tells the story of the time Mark Zuckerberg turned down \$1 Billion. “The most important moment in my mind in the history of Facebook occurred in July 2006,” Thiel said.

Facebook was just two years old. And, though it was making \$30 million in revenue, it was not profitable. “We received an acquisition offer from Yahoo for \$1 billion,” Thiel said.

At the time, Facebook only had three board members– Zuckerberg, Thiel, and venture capitalist Jim Breyer.

Peter and Jim thought it would be a good idea to take the offer, but when Mark walked in, he said, “This is probably going to be a 10-minute meeting. We’re obviously going to turn this down”.

Thiel looked at Zuckerberg in shock, “We should probably talk about this. A billion dollars is a lot of money. You own 25 percent. There’s so much you could do with the money.”

[Zuckerberg](#) essentially told Thiel and Breyer, “I don’t know what I could do with the money. I’d just start another social networking site. But I kind of like the one I already have.”

[Thiel described](#) the argument Zuckerberg finally came made like this: “[Yahoo] had no definitive idea about the future. They didn’t properly value things that did not yet exist, so they were therefore undervaluing the business.”

He has a point there, Yahoo has a [lengthy history](#) of buying and destroying things. From [Tumblr](#) to [GeoCities](#), Yahoo has become a sort of internet villain, leaving a long list of failed businesses and websites in its wake.

Peter insists he would’ve sold the company without Zuckerberg’s vision for the future, and the products he wanted to build.

With over a decade of Facebook success behind us, we can now recognize Zuckerberg’s decision as visionary. [Looking at 2016 levels](#), Yahoo underestimated Facebook by more than 300 times! At the time, however, the young CEO was widely questioned in [several stories](#):

“How could you have a CEO who didn’t know you should sell the company?” “This is what you get when you have a CEO who is only 22 years old.”

Building A Successful Company Comes Down To This

The most successful entrepreneurs operate with a definitive view for the future, and they plan for it. They don’t chase luck; they take calculated chances. Successful entrepreneurs use statistics, probability, and repeatable processes to build something that inspires others.

“The most successful businesses have an idea for the future that’s very different from the present—and that’s not fully valued,” Thiel once stated.

Building a great company should never be about the money; it should be about the vision to create something more significant in the future.

“I’m here to build something for the long term,” Zuckerberg once said. “Anything else is a distraction. If you sell your company, that is the exit.”

One visionary CEO with willpower recognized a chance to build something big over a chasm of nearly two generations.

Continuing to Look Forward

Facebook recently announced its new name: Meta. The name change reflects the company’s growing ambitions beyond social media.

“Today, we are seen as a social media company, but in our DNA, we are a company that builds technology to connect people. The metaverse is the next frontier just like social networking was when we got started,” Mark Zuckerberg said.

Zuckerberg always understood the key to Facebook’s future growth. Founded 17 years ago, Facebook was initially designed to connect college students over the internet. Today it’s used by everyone from

your grandma to your closest friends.

This rapid success is because of Zuckerberg's ability to pivot and stay relevant. Remaining stagnant and complacent as a company is the quickest way to failure. Zuckerberg continues to move his company forward by taking risks and staying connected to what the world is moving to next.

To build a company, you have to see the next thing and pivot to stay relevant. Zuckerberg has the same grit for this as he did initially; turning down a million dollars at 22 isn't easy, but Zuckerberg proved it was worth it.

Create a North Star to look towards when building a company. When you're running a company, you have to have a goal in mind. Do you want to build something that lasts, or do you want to flip it? Starting a business is never easy. But if you have a specific goal in mind, it's easier to succeed.

Watch Peter [Thiel](#) tell the story in this animated podcast from The [James Altucher](#) Show

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