Dropbox's original YC application

**COMPANY**

**Company name:**

Dropbox

**Company url, if any:**

http://www.getdropbox.com/

**If you have a demo, what's the url? For non-software, demo can be a video.**

(Please don't password protect it; just use an obscure url.)

Here's a screencast that I'll also put up on news.yc: http://www.getdropbox.com/screencast/ If you do have a Windows box or two, here's the latest build: http://www.getdropbox.com/u/2/DropboxInstaller.exe

**What is your company going to make?**

Dropbox synchronizes files across your/your team's computers. It's much better than uploading or email, because it's automatic, integrated into Windows, and fits into the way you already work. There's also a web interface, and the files are securely backed up to Amazon S3. Dropbox is kind of like taking the best elements of subversion, trac and rsync and making them "just work" for the average individual or team. Hackers have access to these tools, but normal people don't. It's currently in private beta and I add batches of people every few days.

There are lots of interesting possible features. One is syncing Google Docs/Spreadsheets (or other office web apps) to local .doc and .xls files for offline access, which would be strategically important as few web apps deal with the offline problem.

**FOUNDERS**

**YC usernames of all founders, including you, dhouston, separated by spaces. (That's usernames, not given names: "bksmith," not "Bob Smith." If there are 3 founders, there should be 3 tokens in this answer.)**

dhouston

**YC usernames of all founders, including you, dhouston, who will live in the Bay Area June through August 2007 if we fund you. (Again, that's usernames, not given names.)**

dhouston

**For each founder, please list (separate line for each item): YC username; name; age; year of graduation, school, degree (unfinished in parens) and subject for each degree; email address; personal url, github url, linkedin url, facebook id, twitter id; employer and title for previous jobs. List the main contact first. Separate founders with blank lines. Put an asterisk before the name of anyone not able to move to the Bay Area.**

dhouston; Drew Houston; 24; 2006, MIT, SB computer science; ; --; Bit9, Inc (went full time to part time 1/07; leaving in May) - project lead/software engineer

Although I'm working with other people on Dropbox, strictly speaking I'm the only founder right now. My friend Jeff Mancuso, a great hacker, Stanford grad and creator of Sftpdrive ([http://www.sftpdrive.com](http://www.sftpdrive.com/)) is putting together a Mac port, but can't join as a founder right now as a former cofounder of his started an extremely similar company called Sharpcast. My friend and roommate Tom Hoover from MIT is helping out too, but he works with me at Bit9, and a non-solicit clause in my employment contract prevents me from recruiting him (and the VP Eng explicitly told me not to recruit him.)

In any case, I have several leads, have been networking aggressively, and fully intend to get someone else on board -- another good hacker and/or a more sales-oriented guy (e.g. the role Matt fills at Xobni). I'm aware that the odds aren't good for single founders, and would rather work with other people anyway.

**Please tell us in one or two sentences about the most impressive thing other than this startup that each founder has built or achieved.**

Drew - Programming since age 5; startups since age 14; 1600 on SAT; started profitable online SAT prep company in college (accoladeprep.com). For fun last summer reverse engineered the software on a number of poker sites and wrote a real-money playing poker bot (it was about break-even; see screenshot url later in the app.)

**Please tell us about an interesting project, preferably outside of class or work, that two or more of you created together. Include urls if possible.**

Accolade Online SAT prep (launched in 2004) (https://www.accoladeprep.com/sshot2.gif ; it's using play money there but worked with real money too.)

**How long have the founders known one another and how did you meet? Have any of the founders not met in person?**

There's a joke in here somewhere.

**If we fund you, which of the founders will commit to working exclusively (no school, no other jobs) on this project for the next year?**

Drew

**Do any founders have other commitments between June through August 2007 inclusive?**

No; I'm leaving Bit9 in a few weeks to work on this full time regardless of YC funding.

**Do any founders have commitments in the future (e.g. finishing college, going to grad school), and if so what?**

No. Probably moving to SF in September

**PROGRESS**

**How long have each of you been working on this? Have you been part-time or full-time? Please explain.**

3 months part time. About ~5KLOC client and ~2KLOC server of python, C++, Cheetah templates, installer scripts, etc.

**How far along are you? Do you have a beta yet? If not, when will you? Are you launched? If so, how many users do you have? Do you have revenue? If so, how much? If you're launched, what is your monthly growth rate (in users or revenue or both)?**

Prototype - done in Feb. Beta - in people's hands now. Version I can charge for: 6-8 weeks?

**IDEA**

**What's new about what you're making? What substitutes do people resort to because it doesn't exist yet (or they don't know about it)?**

Most small teams have a few basic needs: (1) team members need their important stuff in front of them wherever they are, (2) everyone needs to be working on the latest version of a given document (and ideally can track what's changed), (3) and team data needs to be protected from disaster. There are sync tools (e.g. beinsync, Foldershare), there are backup tools (Carbonite, Mozy), and there are web uploading/publishing tools (box.net, etc.), but there's no good integrated solution.

Dropbox solves all these needs, and doesn't need configuration or babysitting. Put another way, it takes concepts that are proven winners from the dev community (version control, changelogs/trac, rsync, etc.) and puts them in a package that my little sister can figure out (she uses Dropbox to keep track of her high school term papers, and doesn't need to burn CDs or carry USB sticks anymore.)

At a higher level, online storage and local disks are big and cheap. But the internet links in between have been and will continue to be slow in comparison. In "the future", you won't have to move your data around manually. The concept that I'm most excited about is that the core technology in Dropbox -- continuous efficient sync with compression and binary diffs -- is what will get us there.

**Who are your competitors, and who might become competitors? Who do you fear most?**

Carbonite and Mozy do a good job with hassle-free backup, and a move into sync would make sense. Sharpcast (venture funded) announced a similar app called Hummingbird, but according to Jeff (who is good friends with the tech lead) they're taking an extraordinarily difficult approach involving NT kernel drivers. Google's coming out with GDrive at some point. Microsoft's Groove does sync and is part of Office 2007, but is very heavyweight and doesn't include any of the web stuff or backup. There are apps like Omnidrive and Titanize but the implementations are buggy or have bad UIs.

**What do you understand about your business that other companies in it just don't get?**

Competing products work at the wrong layer of abstraction and/or force the user to constantly think and do things. The "online disk drive" abstraction sucks, because you can't work offline and the OS support is extremely brittle. Anything that depends on manual emailing/uploading (i.e. anything web-based) is a non-starter, because it's basically doing version control in your head. But virtually all competing services involve one or the other.

With Dropbox, you hit "Save", as you normally would, and everything just works, even with large files (and binary diffs ensure that only the changed portions go over the wire).

**How do or will you make money? How much could you make?**

(We realize you can't know precisely, but give your best estimate.)

The current plan is a freemium approach, where we give away free 1GB accounts and charge for additional storage (maybe ~$5/mo or less for 10GB for individuals and team plans that start at maybe $20/mo.). It's hard to get consumers to pay for things, but fortunately small/medium businesses already pay for solutions that are subsets of what Dropbox does and are harder to use. There will be tiered pricing for business accounts (upper tiers will retain more older versions of documents, have branded extranets for secure file sharing with clients/partners, etc., and an 'enterprise' plan that features, well, a really high price.)

I've already been approached by potential partners/customers asking for a web services API to programmatically create Dropboxes (e.g. to handle file sharing for Assembla.com, a web site for managing global dev teams). There's a natural synergy between project mgmt/groupware web apps (which do to-do lists, calendaring, etc. well but not files) and Dropbox for file sharing. I've also had requests for an enterprise version that would sit on a company's network (as opposed to my S3 store) for which I could probably charge a lot.

**EQUITY**

**If you're already incorporated, when were you? Who are the shareholders and what percent does each own? If you've had funding, how much, who from, and at what valuation or valuation cap?**

Not incorporated

**If you're not incorporated yet, please list the percent of the company you plan to give each founder, and anyone else you plan to give stock to.**

(This question is as much for you as us.)

Drew, presently sole owner but saving some stock (a couple percent?) for work done by Jeff & Tom over the summer.

**LEGAL**

**Are any of the founders covered by noncompetes or intellectual property agreements that overlap with your project? Will any be working as employees or consultants for anyone else?**

Drew: Some work was done at the Bit9 office; I consulted an attorney and have a signed letter indicating Bit9 has no stake/ownership of any kind in Dropbox

**Was any of your code written by someone who is not one of your founders? If so, how can you safely use it?**

(Open source is ok of course.)

No

**OTHERS**

**If you had any other ideas you considered applying with, please list them. One may be something we've been waiting for. Often when we fund people it's to do something they list here and not in the main application.**

One click screen sharing (already done pretty well by Glance); a wiki with version-controlled drawing canvases that let you draw diagrams or mock up UIs (Thinkature is kind of related, but this is more text with canvases interspersed than a shared whiteboard) to help teams get on the same page and spec things out better (we use Visio and Powerpoint at Bit9, which suck for working collaboratively); some ideas surrounding better web analytics for newbies

**Please tell us something surprising or amusing that one of you has discovered.**

(The answer need not be related to your project.)

The ridiculous things people name their documents to do versioning, like "proposal v2 good revised NEW 11-15-06.doc", continue to crack me up.