

Jan Koum: Communication for the Digital Age

Every entrepreneur dreams of competing in a massive industry armed with nothing but a great product and coming out on top. While he vehemently rejects the label of “entrepreneur”, Jan Koum achieved exactly that with his messenger app, WhatsApp.

The single most popular messaging application both then and now, WhatsApp was sold to Facebook in 2014 for a staggering \$19.3 billion USD, and a spot on Facebook’s board of directors. Today, Koum’s net worth is estimated to be approaching \$10 billion USD. While he stepped down from Facebook’s board in 2018, he remains formally employed by Facebook, earning hundreds of millions in Facebook stocks.

Koum’s success is attributable in large part to his focus and dedication to doing just one thing well. Unlike many other startup founders, he didn’t develop anything new and visibly disruptive to outcompete larger, better-funded competitors like Facebook, Microsoft, and many others. Instead, WhatsApp simply did a better job of adapting the older technology of Internet messengers for mobile use.

Early Life

Born in Ukraine, Koum moved to California with his mother at the age of 16. Pursuing his interest in programming at San Jose State University, he joined a hacker group that included the founders of Napster, Shaun Fanning and Jordan Ritter. At the same time, he started a job as a security tester at Ernst&Young, where he met his WhatsApp’s future co-founder, Brian Acton. One year later, he was hired by Yahoo as an infrastructure engineer, prompting him to drop out of college to pursue his career. For the next decade, he honed his skills as a programmer there, with no clear plans to move into entrepreneurship.

The birth of WhatsApp

After purchasing an iPhone in 2009, Koum realized that Apple’s app store would soon spawn its own app-creation industry. He founded WhatsApp just one month later. In its initial form, WhatsApp wasn’t particularly special. It allowed users to send messages over the Internet, which eliminated texting fees and linked accounts directly to the user’s standard mobile number, which significantly improved security over traditional internet messengers, which identified users through simple usernames or email addresses.

While it offered some unique value, WhatsApp was not an immediate success. The introduction of push notifications for iPhone users in June of 2009 was the decisive factor. By being able to ping users when they received a message, WhatsApp could now effectively replicate the function of a standard text message. However, users were no longer forced to manage character limits, or additional text message fees, the way they were with traditional SMS. With this, WhatsApp became an obvious replacement for SMS and was rapidly adopted by the public.

Acquisition by Facebook

By 2014, WhatsApp boasted an active user base of over 400 million people, making it more popular than any other such service, including Facebook messenger. Bowing to the inevitable, Facebook founder Mark Zuckerberg met with Koum in February of 2014 to discuss an acquisition and announced the sale soon after. With a price tag of \$19.3 billion, it was the biggest acquisition of a venture-backed business at the time, and Facebook's largest acquisition to date.

What we can learn

Unlike many major tech entrepreneurs, Koum did not found a string of businesses in the hope of finally getting his big break. When asked, he adamantly rejects the label of "entrepreneur", specifically because he feels that the entrepreneurial desire to make money doesn't describe him. He also wasn't strongly motivated by personal frustration, the famous preferred method of inspiration for Richard Branson. According to Koum, he just wanted to make a useful product.

Focusing on Utility

Koum's focus on utility has always been evident in his product. Whatsapp offers a wide range of features, allowing users to communicate for free in a wide variety of ways, ranging from private texts, to group calls.

The app has a simple, user-friendly interface, doesn't contain any advertisements, and hasn't bowed to the temptation of monetization that would interfere with the user experience in any way. Moreover, its focus on encryption and data security was instrumental in its initial adoption, though this has been called into question since Facebook's acquisition.

Choosing your moment

While the simple utility of WhatsApp played a decisive role in his success, the timing was just as important. By recognizing the potential offered by Apple's new app store, and moving quickly to develop and release his messaging app, Koum ensured that his would be one of the first professionally designed apps on the market. This granted him greater initial visibility and a measure of incumbency that amplified his success at a critical time.

There are a lot of ways to build a successful business, but Koum's two keys to success are universally applicable for any entrepreneur. By ensuring that both your product and your timing are competitive, you can give your business the momentum it needs to quickly become profitable and begin to drive its own growth.

Meta Title: Jan Koum: Communication for the Digital Age

Meta Description: In 2009, Jan Koum decided that the time was right to build a better messaging app. 10 years later, he has a net worth of nearly \$10 billion USD.

Meta Keywords: jan koum, koum, whatsapp, facebook, brian acton