

URL: <https://stvp.stanford.edu/blog/videos/why-investors-invest-bit-torrent-as-an-example>

Ping Li, Partner at Accel, talks about how they evaluated Bit Torrent as a potential venture capital investment. Li suggests that Bit Torrent possessed three things which led to the eventual investment: 1) Deep, distinctive technology and a really meaningful problem, 2) A strong team that had proved a legitimate business model and 3) Shared vision about the future potential of the company.



## Transcript

I would say more entrepreneurs are commandos like Ashwin.. The reality is we got comfortable on a couple of dimensions.. One is we saw that there's a huge opportunity here, with some really fundamental deep technology, solving a really big problem.. That's kind of the first order bit that you have to play in.. There's some deep technology, there's a really meaningful problem that they're going after that's very distinctive.. And Bit Torrent.. You know I looked at a ton of companies in the space before investing to Bit Torrent.. And one of the things that I've learned quickly is that you are not a peer-to-peer network if you have no peers.. So there are a lot of people with a lot of good technology, a lot of research.. But you can't build, you can't be an effective delivery network if you don't have a massive base of 150 million clients and growing..

So that's what kind of made this thing seem not so crazy, you actually had a really effective technology to build off on.. From a team perspective, by the time we invested, Ashwin and Bram have already kind of endeared themselves with the studios.. Have proved out a legitimate model for Bit Torrent.. So I think a lot of things that, maybe the yahoo guys thought we were crazy.. We thought we had it mitigated, so we didn't have those concerns.. I think the third thing is just we saw that the team was exciting and we shared a vision for where the company wanted to go.. We understood what they were doing in the Bit Torrent entertainment video side, and the download business.. Also we saw how they can use that technology to enable others to deliver their own video, or games, or software, or whatever it is.. I think that's a big part of when something doesn't seem as crazy is when you kind of share the vision, so maybe more crazy too, but we're equally crazy.. And I think that created the conductivity for us want to get wind up with the team...