

The Startup Boys

A Conversation with Yelp.com founders Russel Simmons and Jeremy Stoppelman

by Angela Balcita

Russel Simmons was a 20-year-old computer science graduate from the University of Illinois when he was invited to be a lead engineer at the company that would become PayPal.

Jeremy Stoppelman, also from University of Illinois but with a degree in computer engineering, left the MBA program at Harvard Business School to join a startup that would later merge with PayPal.

Now, Simmons and Stoppelman, 29 and 30, respectively, are the co-founders of Yelp, an online city guide where users from cities all over the country log on and review local businesses. Here, they talk with us about how they used their startup experience, tenacity, and problem-solving skills to make a kinder, friendlier Internet.

Where did the idea for Yelp come from?

Russel: It was driven by a need that we had. Jeremy and I were living in San Francisco and talking about how we didn't have a good doctor. You'd think you'd be able to just go on Google and search for "San Francisco doctors" or use your insurance plan's directory, but you'd just get a huge list of doctors' names, and you'd have no idea how

to choose one over the other. It seemed like there should be a site where you can find information about local businesses.

Jeremy: We thought word-of-mouth is the best way to find trusted local businesses, so we built the site inviting friends to make recommendations. We launched it after working on it for maybe three months, and we quickly got feedback from the people using the site.

It didn't work perfectly right off the bat; we had to do quite a bit of tuning. We launched for a second time, maybe four months later, after we incorporated some of the feedback we got. The idea morphed from something that was about asking friends for recommendations into an online platform where users could share their recommendations.

How is Yelp different from Citysearch or your competitors?

Jeremy: Citysearch is sort of the "old man on the block." Our competitors are Yahoo! Local and, to a lesser extent, Google Maps. But we're really the only local guide that has a sense of community built around it. All of the reviewers in each of these cities hang out on the site and see it as a place to meet other people as well as register their opinions. It's like blogging, except they're talking about their experiences with local businesses.

That element of humanity comes through more strongly on Yelp than it does on Citysearch, where you might just find business information. You don't have the authenticity and the candidness on Citysearch that people bring to Yelp. When you're looking at a review on Yelp, there is all sorts of information you can find about each individual reviewer. Who are they? What do they look like? What other reviews have they written?

When you're comparing the sites side by side, Citysearch gives you a factual assessment and maybe a bit of an editorial. On Yelp, you can tap into the word of mouth.

Russel: We like to think it's like that one friend you might have who knows all the coolest places to go, all the little secrets in the city, but instead it's thousands of friends like that.

Jeremy Stoppelman (l) and
Russel Simmons.



Would you say that running a business consumes your whole life?

Jeremy: It was especially intense the first three to four months of the company's life. We were putting in 60- to 80-hour weeks.

You always have the company on your mind, especially if you're leading it. The good side is that, hopefully, you love what you're doing, you're solving an important problem, and that makes it worth it. This lifestyle is definitely not for someone whose priority is a perfect balance between work and life, who expects a lot of vacations, free time, and relaxation. But if you're already an intense person and you like to throw yourself into your work, then it's a natural fit.

Russel: In the beginning, we worked crazy hours, but it was fun and exciting. For me, the excitement of working on something new and starting from scratch is so motivating. Sometimes I would forget to eat. I just zone out and crank away. It may sound grueling, but it's actually fun when you're doing what you love.

Jeremy: I think it depends on the person. Some people are total workaholics and can keep that up. Personally, I can't keep up those insane hours forever. I've learned that I have to maintain some sense of balance, because otherwise I'll burn out. And that's no good for me or the company.

When you were younger, did you imagine that you would be the founders of a business?

Russel: I definitely did not think I would do something like this. I was always interested in math and science. I never thought about starting a company when I was younger because that just seemed like business to me, not technology or science.

But I realized that when I was younger, ever since I had my Apple II computer, I was always working on projects. It may have been making a computer game or researching some algorithms. But I was always working on something. Now, I look at entrepreneurship in a wider sense. It's not just about starting companies. It's really like doing projects because any project can turn into something huge. Look at Wikipedia. That wasn't necessarily started as a company. The founders didn't say, "Okay. We're gonna make a company." They thought, "We're going to make this cool website, and then that evolved into something huge."

I think it's useful to look at entrepreneurship as any

type of project in which you get people together and make something happen that you couldn't just do on your own. It doesn't have to necessarily involve a business.

Jeremy: Probably since early high school, I had an interest in both technology and business. I was playing around with programming in high school, and more seriously in college, but I was also really interested in finance and investing and always reading business books. I knew pretty early on that I wanted to be involved in startups, and then I held that hope that one day I might lead a startup. For me, this has been the lifelong pursuit of a dream that is finally here.

What kind of advice would you give aspiring entrepreneurs?

Russel: When we're interviewing people at Yelp, especially engineers, one of the things we look for is if they work on programming projects outside of school. Are they really excited and curious enough to go do stuff on their own? We found that's a good indicator of strong employees, that they're not afraid to just strike out on their own and try making some stuff.

There's also something to be said for putting together a nice presentation of your work and showing it off at a science fair or something like that. I definitely didn't appreciate that when I was younger. Kids often work on stuff and don't even think to show it off. They don't realize how special it is. I would encourage kids to get out and show off the things they've done.

Jeremy: The one thing that would've been helpful for me to know when I was younger is that youth doesn't necessarily have to constrain you. There are obviously some limits. If you're 12, you're probably not ready to start a multi-billion-dollar company. But one thing that is prevalent, especially here in Silicon Valley, is that young people can make a huge difference and can start really important projects, and that can lead to new research or new companies.

I discovered that once I got out here and met a bunch of very young entrepreneurs. They inspired me to take the plunge and not to worry about my lack of experience. It's far more important to try, stumble, and learn something than it is to wait and say, "I have to have the perfect résumé to start it." You never need the perfect résumé. You just need the right idea, the right timing, and the right context. The more you put yourself out there and try, the more likely you are to succeed. 

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