

- 2. Facebook began as a social networking site for university students in the USA. Mark Zuckerberg started it up while at Harvard University, then followed Bill Gates' example in dropping out of Harvard to turn his idea into a real business. Initially only US university students could use Facebook; now nearly 28% of its 24 million subscribers are from outside the USA, with Canada and the UK leading the way.

To fund the start-up in 2004 Zuckerberg raised \$500,000 from a 'business angel', an individual willing to provide high-risk venture capital. Now the business is able to finance its growth from its cash flow.

From the early days of the business, the single most important driving force has been to find technological solutions to cope with the crazy growth rate. However, in addition to coping brilliantly with the pressures of growth, Facebook has also tried to keep moving ahead. New facilities are offered regularly, most designed in-house, but some designed by users. Facebook is unusual in providing its computer programming information freely to anyone who wants to use it to develop a new service.

Adapted from 'The Facebook Phenomenon' by Roger Hammond (Business Review Sept 2007)

- b) Outline the problems that can occur to a business such as Facebook of rapid technological change.

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