SUMMARY WE ARE THE NERDS

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Summary of «We Are The Nerds» by Christine Lagorio-Chafkin

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An inside-look on Reddit's tumultuous, yet successful life as a company changed the way people communicate and think about the internet.



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Introduction

With few websites able to see immense success like that of Facebook or Yahoo, Reddit has become one of the top-visited websites in the United States. But how did they do it? You might be surprised to find that creators Alexis Ohanian and Steve Huffman weren't even the ones that had the idea. Despite their rocky start, Reddit soon became a place for memes and discussions about any interest you can think of; however, it also became a place for malicious trolls to share their hateful, violent, and sexual agendas. The increase in offensive content certainly upped their traffic, but who would want to invest in a company that condones hate? The platform was quickly spiraling out of control.

So how did they save the company from imminent failure? With hard work and a goal in mind, Ohanian and Huffman brought Reddit out of the darkness, but not after their long stint away from the company and away from each other. With Christine Logario's exclusive access to Alexis Ohanian and Steve Huffman, you can dive deep into the company's ups and downs and find out how Reddit has changed the way people communicate and think about the internet.

An Idea is Born

Freshman year of college is a time when students make new friends, waste their time partying, and maybe spend some time studying. Reddit founders Alexis Ohanian and Steve Huffman were no different. Roommates in 2001 at Virginia University, both Ohanian and Huffman, were your typical freshman trying to figure out what they wanted to do with their lives. But they knew they enjoyed video games and anything computer-related, so dipping into the tech-startup pond intrigued the two. Little did they know that just four years later, they would begin planning one of the most successful websites used today.

In 2005, Ohanian and Huffman set out on the nerdiest senior-year spring break in history as they traveled to Harvard University to listen to the successful programmer Paul Graham. Known for cofounding Viaweb, which he later sold to Yahoo for \$50 million, he continued his success by writing a programming language and several books that have become required readings for future programmers like Ohanian and Huffman. After Graham's speech, the pair giddily approached him and asked if Graham would be interested in hearing about their new startup and shockingly, Graham agreed! This could be the pitch of all pitches, the one that would change their lives.

Sitting at Café Algiers that same evening, Alexis Huffman explained to Graham their startup idea. If you're thinking this is when the two pitched their idea for Reddit, then you would be wrong. Instead, the pair had been working on a startup company that would use mobile phones to order food from gas stations like Sheetz, the name of that company was MMM. While Graham wasn't exactly thrilled about the idea, he'd been dabbling in early-stage startup investing for quite some time and thought the kids had something. They didn't have an idea, but they had something else. They had enthusiasm, they were young, and they reminded Graham of other successful duos like Steve Wozniak and Steve Jobs or Bill Gates and Paul Allen.

Eventually, they would all meet up again when Ohanian and Huffman would formally pitch their company again to Graham and his partners. The result was another rejection, yet again. But days later, Graham called Ohanian to let him know he had made a mistake, that he liked them just not their idea. After some conversation and brain-storming, Graham came to the revelation and said to the boys "Yes. You guys need to build a front page of the internet." And just like that, the idea for Reddit was born.

The Beginning Stages of Reddit

For the next three months, Alexis Ohanian and Steve Huffman would live in their single office in Massachusetts as they worked with Graham to bring their concept to life. In a world where technology was beginning to boom with services like PayPal and Uber, it seemed as if anyone capable of coding could suddenly become a billionaire, but as you'll find out, it took Ohanian and Huffman lots of work and many sleepless nights.

To start, they needed a good name and this proved to be a point of contention among the boys and their investors. With options like "Snew" for 'what's new,' "Newstew" and "Poplex," they finally added Reddit to the list as an abbreviation for 'Reddit yet?' After some arguments about how to spell the name 'Reddit,' the boys took to the streets and first saw a Hispanic-looking couple who spoke little English and asked them "how do you spell Reddit?" The man answered: R-E-D-D-I-T. So, that was it. However, Graham still wasn't impressed by the name and even years later when asked when he finally came around to the name, he replied "I still haven't. I don't think it's a good name."

The website also had several ways that it could organize the articles and links its users would share, and Huffman had many concepts for how he wanted the website to be structured. For instance, he knew he wanted a way for users to give a virtual thumbs up by one-click. That click, or upvote, would help Reddit rank its homepage, so the most interesting or most upvoted content would rise to the top. Basically, Reddit users would have full control of what content was on the homepage and what wasn't. He also had the idea for "karma." Reddit would differ from other sites by rewarding its users for contributing and interacting with their pages. Posting a link gave one karma point. Get your post upvoted by someone else: another karma point.

With an abundance of concepts and ideas, the only thing left to do was build the website. Graham wanted Huffman and Ohanian to focus on developing a minimum value product, or MVP. What this means is that they would create a bare minimum product to save both time and money to quickly get a product out onto the internet. Graham argued against fancy features that could waste time later if users didn't respond well to that feature. Not only did this strategy allow the site to grow with its users and make changes based on how the users respond, but it also helps attract the attention of large investors.

A Controversial Merger

With Reddit up and running, Huffman and Ohanian quickly realized they need to gain more traction. While Ohanian would spend his time walking around campus throwing up stickers advertising Reddit, it wasn't enough. So they did something a bit controversial, but it worked. Instead of waiting for users to visit and engage on their website, they used the Growth-hacking strategy where they created tons of fake accounts and started posting on the site themselves to make the site look like it was generating more action than it was! From an outsider's perspective, it looks like the site is a lively community that they want to get involved in.

Of course, this growth in popularity eventually led to a merger with the popular hacker Aaron Swartz. You may know Swartz as the 26-year-old who was prosecuted for hacking the academic journal JSTOR from the MIT computer network. The charges had a maximum penalty of 35 years in prison and \$1 million in fines; however, just two days after the prosecution rejected Swartz's plea bargain, Swartz was found dead in his Brooklyn apartment after ending his own life.

Swartz was a hacker prodigy, so Paul Graham decided to merge Swartz's startup, Infogami, and Huffman, Ohanian, and Swartz became directors of a new entity, Not A Bug, Inc. Utilizing Swartz's skills, Huffman let Swartz help him switch Reddit's programming language to Python, a much more versatile language than Lisp which they had been using since Reddit's conception. Things were going well, but soon, the trio would have rough waters ahead.

Swartz's behavior began to become increasingly unstable as he spent more time writing on his blog than trying to grow Reddit. His blog posts discussed his precarious relationship with programming and how he couldn't see himself writing code for the rest of his life. It seemed Swartz was experiencing burnout and was showing signs of mental illness. He

eventually stopped writing code entirely and distanced himself from the team and his directors.

Even though Ohanian, Huffman, and Swartz lived together in a tiny apartment, Swartz would disappear days at a time, retreating to the confines of his room to avoid any interaction. The rest of the team would track his activity through his blog posts which were becoming more frequent. As Swartz isolated himself more and more, Ohanian and Huffman were preparing for the deal of a lifetime.

The Growing Success of Reddit

After just 16 months, Reddit was gaining the attention of bigger companies. Their website was thriving and they saw just under a million monthly readers and they also had subreddits that were gaining traction and popularity. If you're wondering what a subreddit is, you're not alone. Subreddits are simply just forums dedicated to a particular topic, so topics like DIY and Not Suitable For Work (NSFW) were becoming increasingly popular in the fall of 2006. These subreddits shared links for do-it-yourself projects for a community of people who enjoyed a new project while the not-suitable-for-work subreddit eventually became a hub of inappropriate content like porn. With a wide variety of content, Reddit was appealing to the masses.

Reddit was becoming so popular that the website caught the attention of New York-based media conglomerate Condé Nast who is behind major magazines like the New Yorker and Wired. The trio prepared to negotiate the best they could, they needed to present their company in the best light possible despite the vast unknowns and questionable future. Despite Swartz's increasing isolation, he was healthy enough to put on a brave face for Condé Nast and Reddit found itself becoming a subsidiary of the large media group. It worked! With an asking price of \$10 million, Swartz, Ohanian, and Huffman had succeeded, but the work was far from over.

The three moved to San Francisco to begin working at Wired headquarters, where the company gave them free rein to continue growing their website. Conde Nast wasn't only terrified of losing Reddit's unstable fan base, but they also weren't quite sure what Reddit was. In fact, Ohanian and Huffman remember Wired editors walking by the Reddit crew and told their guests "This is Reddit. We don't really know what they do." Regardless, the Reddit team knew what they were doing and they continued to grow their company despite Swartz's increasingly erratic behavior. Unfortunately, Condé Nast eventually asked Swartz to resign. Swartz

responded by taking to the internet and posting a photo of himself with a Wired shirt; however, he changed the first letter to an "F."

With Swartz now gone, the company continued to thrive over the following years, doubling its traffic every six months. But Ohanian continued to make Reddit bigger and better and capitalized on opportunities to bring in more traffic. For example, in 2008 The New York Times ran an article bringing attention to the European Organization for Nuclear Research (EONR) who was completing work on the Large Hadron Collider. The article wondered if the research might open a black and featured a photo of a scientist who bore a resemblance to Gordon Freeman, the hero of the video game Halflife. The public quickly recognized the irony as Freeman's role was to fight off alien life with a variety of weapons, including a red crowbar.

Soon enough, Redditors (the term for people who use the site) were suggesting a red crowbar be sent to EONR. Ohanian immediately recognized the opportunity to capitalize on such a publicity stunt, so he sent them the iconic crowbar. To Ohanian's surprise, the scientist Sandro Bonacini replied by sending back pictures of him wielding the iconic weapon. Ohanian shared the photo on Reddit, and while the post generated thousands of laughs, it generated even more clicks and traffic. But while things were looking fine on the outside, Ohanian and Huffman were drifting further apart.

The Downward Spiral of Reddit

You've probably experienced something similar. When you spend too much time together with someone, you begin to resent them. If you're constantly living, working, even carpooling with this person each and every day, things are bound to turn sour. This is essentially what happened between Alexis Ohanian and Steve Huffman. Their differences began to grow as they each had conflicting visions for Reddit. Similar to Swartz, the duo were experiencing severe burnout after working so long and hard for the past few years. Add in the fact that Ohanian was having to cope with a terminally-ill mother and you can see that disaster was imminent. In late 2009, Ohanian decided to quit Reddit for good to pursue other opportunities. Meanwhile, Huffman tried his best to keep up with the ceaseless changes; however, he soon gave in as well and left in 2010.

However, having the two founders leave the company abruptly was just the beginning of a tumultuous few years as the company struggled to control its growing fan base. As we all know, the internet can be a dark place and Reddit soon became susceptible to the controversial subreddits created by trolls and sinister people alike. Reddit prided itself on the platform they created to allow people to come together, share funny memes, and talk about topics they love like politics, pop culture, and video games. But while a majority of the people were using the platform for good, some people took advantage and used the platform for their own twisted purposes. Subreddits like r/Anarchism became places where people discussed and shared information about violence, rape, and terrorism. Of course, moderators tried to take action and censor the information, but they were only met with abuse and refusals.

So how should they handle subreddits like these? The people using their website were the most important aspect of Reddit, without users they had nothing. Making them angry could be detrimental to the growth of their site. The problem continued to exacerbate when the notorious subreddit r/ Jailbait was created, which became a place where people shared sexualized

images of minors and eventually acquired 20,000 followers. To please their users, Reddit limited their interference within the community and committed itself to allow users to exercise their free speech; however, r/ Jailbait crossed the lines and became the first subreddit to ever be removed from the platform.

This wouldn't be the first forum to be deleted from the site. In fact, the person who created r/Jailbait would go on to make over 500 obscene subreddits. A user by the name of Violentacrez would go on to make some of the most sadistic forums like r/Creepshot which shared non-consensual photos of women and even created antisemitic subreddits like r/Hitler and r/JewMerica. Eventually, the identity of Violentacrez would be identified as 49-year-old Texan Michael Brutsch, who became one of the most prolific publishers of obscene forums.

While Reddit certainly removed these forums from the site, an important issue was brought to light on how Reddit should handle users like Michael Brutsch. There will always be people like him in the world, people who will take advantage of a platform to spread their own sadistic message. So what's the solution? Reddit, like the ocean, will make up a world made up of thousands of different microclimates and ecosystems. Some of it will be bright, vibrant, and beautiful but there will always be the dark, hidden depths filled with horrifying predators.

You see, sometimes the customer isn't always right. If you liken the users of Reddit to customers of a store, you'll understand just how important it is to keep the users happy. Because the users were the only way the site could succeed, the company was terrified of doing the wrong thing. One wrong decision could lead to millions of users taking their business and forums elsewhere. This wasn't just a worst-case scenario, they knew it could happen because they had seen it before. Back in 2010, the company Digg received \$10 million in venture capital, but by making a selfish decision that isolated its users, their millions of users abandoned the platform and moved over to Reddit. Reddit feared a situation like this could happen to

them at any time, and such a fickle fan base could be detrimental to the future of their company.

Troubles with CEOS

If you've worked in a place with an unfair or unstable manager, then you know just how quickly a bad manager or CEO can change the morale of a company. Anyone who makes rash decisions and fails to empathize with employees can be a recipe for disaster, and that's exactly what happened when Reddit hired Yishan Wong in 2012 as CEO. The first of two CEOs that would succumb to the stresses and pressures of such a fickle fanbase, Wong didn't last long and his mental health quickly spiraled downward.

But before Wong's abrupt departure, Wong implemented some new features that were great in theory. His main goal was to make Reddit profitable, so how can you get users to pay for the service without becoming enraged and abandon the platform altogether? Wong implemented the revenue stream called "Reddit Gold" which was a premium membership that gave users extra features like allowing them to turn off advertisements and create custom avatars. It became somewhat successful but didn't make the company as profitable as expected. And while Wong had some great ideas, over time his demeanor and disposition began to create a volatile work environment.

Wong's demeanor began to resemble that of Aaron Swartz as he took to the internet to express his frustration with ex-employees on forums dedicated to Reddit's unfair business practices. But arguing with ex-employees wasn't the only erratic action that Wong participated in. In fact, he worked eagerly to move the headquarters outside of San Francisco, a decision that seemed to have no other purpose other than to move Wong closer to his own home. Of course, the board refused to honor Wong's request, and the following day Wong never showed up for work. The days following, Wong still never showed up, and it turns out that he quit abruptly without notice and left the company without a leader.

To replace Wong, Reddit quickly hired Ellen Pao, however, with her abrasive leadership style, she was soon creating an environment of fear and intimidation. She seemed to have no qualms about firing people and soon, the participation at the weekly Wednesday meetings began to dwindle. In fact, employees began to refer to the meetings as "Bloody Wednesday." Pao even had the gall to fire manager David Coach, who was receiving treatment for leukemia, stating that he was too sick to fulfill his duties. In an environment where employees don't feel safe or secure, the morale of the company quickly went downhill.

Soon, word spread across the internet about Pao's aggressive management style and how miserable the staff was. So, as Reddit users do, they came together to call for the resignation of CEO Ellen Pao. With over 200,000 signatures, Pao was forced to quit in the summer of 2015. Now what? Well, it was time for Alexis Ohanian and Steve Huffman to return to their roots and save the company.

A Brighter Future

It has been five years since Alexis Ohanian and Steve Huffman had spoken to each other. They'd been working on new projects, attending therapy, and were trying to stay as far away from Reddit as possible. However, upon hearing the news of Pao's departure, Huffman reached out to his old friend and the two agreed to meet up and hash things out. Wanting to move forward with one another, there were certainly many issues the two had to discuss. If you've ever been in a similar situation, you know that everything must be brought to the table, nothing can be held back and Ohanian and Huffman certainly didn't hold back. Huffman confessed that he felt resentment when Ohanian would make hiring decisions without him, while Ohanian admitted that he felt Huffman was trying to sabotage his post-Reddit career. It worked, and the two formed a truce. By the end of July 2015, Huffman was appointed CEO of Reddit, while Ohanian was brought back as an advisor.

The two had work to do. Reddit at this point was a complete disaster, they were over budget and employees were feeling more and more resentment towards the company. Even worse, Huffman's appointment as CEO was met with a huge number of resignations. However, the two were determined to make things work. Reddit was their first project and they wanted to do all they could to save it.

On Huffman's fifth day as CEO, he announced a change that would begin the company's trajectory to success. Huffman stated, "Neither I nor Alexis created Reddit to be a bastion of free speech." This meant that Reddit was finally addressing the amount of hatred and violence surrounding the website's subreddits. Huffman then announced that future content that glorified violence on any living being would be banned. While this change was met with skepticism, it worked. In 2017, Ohanian and Huffman secured \$200 million in funding and brought the site's value up to \$1.8 billion. The company finally came full circle as the creators of Reddit vowed

to change the way Reddit handles hate and violence and is now the sixth most-viewed website in the United States.

Final Summary

With a dream of creating a startup tech company, Alexis Ohanian and Steve Huffman set out to create a sensational app that would change the way people order food. It failed. But thanks to Paul Graham's idea and a loan of \$12,000 Ohanian and Huffman were able to create the "front page of the internet." While the journey was rocky and controversial, the duo was able to come back together after 5 years of growth and therapy to turn Reddit around. Having become a space that bred hatred, violence, and sinister topics, Ohanian and Huffman vowed to change the rules of the online platform to become a space for sharing funny memes, information about pop culture, politics, and more. Despite their differences and a few tumultuous years, their hard work has paid off and Reddit is now the sixth most-viewed website in the United States.



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