DIGITAL WESLEYAN'S NEW YORK NETWORK

The kind of thinking WESLEYAN nurtures is well suited to the culture of innovation in NEW YORK'S SILICON ALLEY.

BY LAUREN WEBER '94

Betaworks co-founder John Borthwick '87 (top right) and colleagues: (left to right) Ben Rowland '08, Jamie Weitzen '11, and Jake Levine '08 in the company's New York studio. Timothy Devane '09 is pictured on the facing page, center right.

In the spring of 1994, during my senior year at Wesleyan, I stopped by the computer labs at the Science Center once or twice a day, sat down at a station, and faced a monitor blinking with DOS commands. I'd peck a few characters on the keyboard and onto the screen would pop a list of messages from friends on campus and off. It was all black and white, no graphics, no colors, as basic as could be. And yet this was something thrilling and new: e-mail.

Fast-forward 18 years, and we're living in a world where communication is dominated not only by e-mail, but by mobile phones, text messages, Facebook, Twitter, Tumblr, and a steady swell of ever-newer social-media tools. It's a world that Wesleyan graduates are increasingly shaping, both behind the scenes as key investors and out front as entrepreneurs and managers at companies that are transforming communication, media, entertainment, and commerce.

This was apparent last summer when more than 100 alumni packed the penthouse offices of ZelnickMedia, a media and technology investment firm whose partners include Strauss Zelnick '79 and Jim Friedlich '79, for an event sponsored by Digital Wesleyan, a New York networking group launched in 2010. On a rooftop

crowned with resplendent views of midtown Manhattan, old friends greeted one another, young grads sought advice from veteran financiers, and everyone marveled at the sudden ubiquity of Wesleyan alums across New York's tech landscape.

The university's presence in digital media might at first seem surprising. Wesleyan is a proudly geek-friendly school, but it's not known as a destination for computer science prodigies. And, its creative, countercultural temperament seems more suited to producing indie rock bands than technology entrepreneurs and venture capitalists.

But the kind of thinking Wesleyan nurtures, it turns out, is quite compatible with the philosophies and goals that underpin the rise of digital media. New-media tools enable individuals to communicate more quickly and directly with one another, allowing them both greater control and greater influence over the information they and their peers consume. The words that pop up at digital media events these days—empowerment, democratization, bottom-up versus top-down—are the same ones heard in Wesleyan classrooms and late-night dorm discussions.

"The democratization of media is something that resonates with a lot of Wesleyan grads," said John Borthwick '87, co-founder of Betaworks, a business incubator and technology investment firm in New York City. "It's about breaking up the top-down


Business partners Strauss Zelnick '79 and Jim Friedlich '79 on the rooftop terrace of ZelnickMedia, which has hosted gatherings of Wesleyan's alumni in digital media.

structures" of traditional media. Where once *The New York Times* or Peter Jennings told their audiences what they believed people needed to know, social media is bottom-up: I pick and choose what I want to know, based on what my friends are recommending on Facebook, the link a political commentator I follow on Twitter has just posted, or the playlists my favorite singer has published on his Rhapsody profile.

Those who once scoffed at these tools (including me), writing them off as the noisy and ephemeral domain of teenagers and time-wasters, were forced to take notice during the world-shaping events of the past year, when social media drove the information flow about the Arab Spring, the Japanese earthquake and nuclear crisis, and the death of Osama bin Laden. People around the globe tuned into Twitter, Facebook, and other services to find out what was happening from on-the-ground sources in real time, long before the traditional media had time to write articles or produce television reports. Twitter is now the first draft of history, not your morning newspaper.

As an example, Borthwick pulled up on his laptop a blog post by Gilad Lotan and Devin Gaffney of SocialFlow, a Betaworks company. The authors analyzed activity in the digital universe on May 1, 2011, after the White House's evening announcement of an Obama press conference later that night. Speculation flew around Twitter and Facebook. Had Qaddafi surrendered? Was bin Laden captured? At 10:24 p.m., Keith Urbahn, Donald Rumsfeld's chief of staff, posted a tweet: "So I'm told by a reputable person they have killed Osama bin Laden. Hot damn." Urbahn's feed had only 1,016 followers, but among them were people with much larger networks, including *New York Times* TV reporter Brian Stelter. Stelter and others re-posted the tweet on their own feeds. Within two minutes, more than 300 people had re-posted or responded to the tweet online. Reporters began confirming the news with their intelligence sources. By 10:45, around 45 minutes before President Obama appeared on television to confirm bin Laden's assassination by a team of U.S. Navy Seals, news of the death had been reported by most major media organizations. Subsequent analyses, like SocialFlow's, credited Urbahn's tweet with breaking the news.
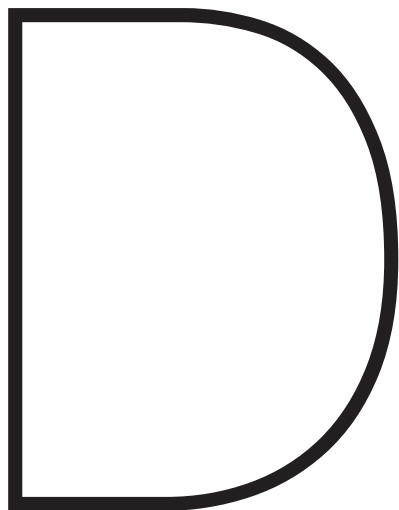
D igital Wesleyan was the brainchild of Jake Levine '08, who in May 2010 convened the first event at ZelnickMedia. Now general manager of News.me, a Betaworks firm, Levine knows firsthand how valuable these meetings can be. His current position materialized out of a conversation started at the February 2011 Digital Wesleyan event, "Breaking the News," a panel that was moderated by Friedlich and featured Borthwick, Robert Allbritton '92 of Politico, Jonathan Dube '94 of AOL, and Caroline Little '81, formerly of Washingtonpost.com and now president and CEO of the Newspaper Association of America. Borthwick made a remark about "history on the real-time Web" and Levine wanted to know more. He e-mailed Borthwick and their discussions developed into a position for Levine as Betaworks's first entrepreneur-in-residence and then ultimately his current job.

Now Digital Wesleyan has evolved into a networking super-organism, with standing-room-only events and a friendly, mellow vibe that encourages young entrepreneurs to reach out to some of Silicon Alley's most vaunted investors. At ZelnickMedia last June, I eavesdropped on Brad Burnham '77, co-founder of the influential venture capital firm Union Square Ventures, discussing the merits of a consumer-directed network versus a business-directed network with Bakley

Smith '00, CEO of Healthcare Check-In, a New York company that uses a smartphone app to encourage corporate employees to participate in wellness programs. "What's great about the Web," Burnham was saying, "is you can go straight to consumers and you can create fast-growing networks." Later, Burnham expounded on the virtues of providing public, high-speed Internet access all over New York City, "making it really well-lit from a connectivity point of view."

Jim Friedlich, an early champion of Digital Wesleyan, said the network serves a crucial purpose in Silicon Alley, one that benefits industry veterans and rookies alike. "Innovation tends to reside in an emerging young generation. That's always been the case. But business contacts, capital, and acumen often reside in a more established generation. It's the marriage of these two sets of people that we saw on the rooftop" in June. "After each of these events, there have been dozens of individual follow-ups as well as some tangible new investments."


Wesleyan's prominence in the field is uncommon, said Dina Kaplan '93, a founder of blip.tv and a star in New York's new-media ecosystem. "Among entrepreneurs, it's notable that there are so many founders from Wesleyan in New York. Not every school has that. Harvard Business School is the only other school I can think of that's so active in digital media."

And the funders are among the biggest names in tech investing. Union Square Ventures made its name as an early investor in Twitter, Foursquare, Tumblr, and Zynga. RRE Ventures, co-founded by Stuart Ellman '88, is one of Silicon Alley's largest VC firms, with more than $1 billion under management and investments in more than 50 companies in New York, including Business Insider, Bit.ly, and Recyclebank (RRE is also a key funder of Betaworks). ZelnickMedia focuses on later-stage investing, and its portfolio includes companies like video-game maker Take-Two Interactive and media sales firm ITN Networks; also, Friedlich is a personal investor in BusinessInsider, and Zelnick is a backer of Betaworks.

Ideally, Friedlich says, this will become a network that pays dividends long into the future. "You have seasoned people spotting talent, mentoring it for future success and then the process repeats itself. There's a virtuous cycle between seasoned digital media executives and emerging entrepreneurs. That's why we put together Digital Wesleyan."

The investors who attended the rooftop party understand this cycle from personal experience. Ellman started his first private equity fund with one of his Harvard Business School professors right after finishing his MBA. "It was risky as all hell but I caught the entrepreneur bug," he said.

And Brad Burnham, before founding Union Square Ventures in 2003 with Fred Wilson P'13, P'15, began his career at telecom behemoth AT&T but then spun off a business called Echo Logic. It was one of the first companies launched out of AT&T. "Making sure everyone got paid at the end of the week was a very clarifying experience for me after working in a big bureaucracy," Burnham said. It provided him with an appreciation for the entrepreneur's chief-bottlewasher duties, with ultimate responsibility for everything from developing good products to keeping the lights on.
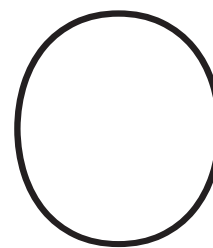
O rganizational and management skills, of course, are critical to success in any business field. But Digital Wes members say that the school's graduates are particularly well-suited to the new-media industry. Sure, they may not be fluent in 12 different programming languages, but they are trained to solve problems in creative and dynamic ways. "The best ideas are unexpected and involve knowledge and expertise in a lot of different disciplines, and that's something Wesleyan fosters," Jonathan Dube, former senior vice president and general manager of AOL News, said at the ZelnickMedia party.

Or, as President Michael Roth '78 said that same evening, "Wesleyan has always been about informed risk-taking. Wesleyan graduates shape the culture of the future. They don't want to be shaped by it."

"Wesleyan instills a lot of confidence in its students to be individuals," said Kaplan, of blip.tv. "And it ingrains in you the value of critical thinking. There's a lot of thinking about what could be better than the status quo. How can I create something that's new and different? It's the same thinking that inspires great start-ups."

A confluence of structural factors has also made this Wesleyan upswell possible. A significant element: the technology infrastructure that has been built over the last two decades means that much of the hard-core engineering work is done. In the 1990s, for example, Burnham was investing in switches and routers, back-end technology that moved data faster or better. But in recent years "the market has shifted to the applications layer," said Burnham. "Now it's not about electrical engineering and more about social engineering. We're engaged with creating networks of people. That's very different than thinking about how to get a byte through a router."

In addition, computer programming was transformed by the broad and often free distribution of code, the sequences of commands that make things happen on the Internet. "I cannot overestimate the importance of the democratization of code," Ellman said. "It's become plug and play—you don't have to write your own code each time you want to create an application."

These changes have opened up opportunities for young people who have compelling ideas but degrees in political science, not computer science. The current technology environment is one that rewards the qualities a place like Wesleyan nurtures—creativity, collaboration, problem-solving—rather than the purely technical backgrounds of the MIT and Caltech grads who drove the first Internet wave.

As a northeastern school, Wesleyan grads also benefit from the arrival of New York City as a stand-alone alternative to California's Silicon Valley. Just like Willie Sutton robbed banks because that's where the money was, venture capitalists once made pilgrimages to the Valley because that's where the entrepreneurs were. When Ellman started investing, he was spending two weeks a month in California. Now, he doesn't go once per quarter. More of his investments are in New York City, fewer are in Silicon Valley (RRE's portfolio also includes companies in other start-up cities such as Boston and Boulder). While Silicon Valley remains the top market for tech start-ups, New York is a "strong number two," Ellman said. "Right now there's magic here in New York City. It's a phenomenal place to be a venture capital investor."

According to research firm CB Insights, 86 venture-capital deals were consummated in New York in the third quarter of 2011, up from 51 a year earlier, and the dollar value of all New York-based deals jumped from $245 million to $831 million. The vast majority were Internet-related businesses.

Indeed, New York has spawned such social-media companies as Tumblr, Etsy, and FourSquare. These start-ups seem very much born of New York, harnessing the city's artistic spirit and the hyper-social lifestyle of many of its denizens.

Plus, New York's traditional role as the epicenter of industries like media, entertainment, publishing, advertising, retail, and finance means that entrepreneurs here are

closer to the companies who become their customers or partners. Chartbeat, a data analytics firm incubated at the Betaworks office, provides Web sites with real-time information about how visitors are using the sites. The firm introduced Newsbeat, a service specifically for publishers, in 2011, and now counts the *New York Times*, the *Wall Street Journal*, ESPN.com, Forbes.com, Foxnews.com, Gawker, *Time*, and Talking Points Memo among its biggest customers. All are based in New York City.

Ben Rowland '08 works in account management and sales at Chartbeat and Newsbeat. He started on January 27, 2011, and was given responsibility for the Al Jazeera account, among others.

He'd barely warmed his seat before anti-Mubarak protests in Cairo's Tahrir Square took off. Traffic to Aljazeera.com quadrupled almost overnight, and Rowland was in constant communication with his contact at the site, helping the broadcaster understand and track the surge of visitors.

"One thing we were able to do was send an immediate signal to their newsroom that they were experiencing a huge surge of traffic [on Aljazeera.com] via Twitter," Rowland said. "So they doubled down on Twitter and bought up all the relevant search terms on Twitter. When a person typed in Bahrain or Libya, the first thing they'd see was a sponsored tweet from Al Jazeera. That was a really interesting test case for us."

The Al Jazeera analysis illustrated the thesis Borthwick and Andy Weissman '88 had in mind when they started Betaworks. "We posited that social media would be transformational for the media industry, that unbelievable amounts of value would be created. We wanted to participate in that," Borthwick said when I met him and Weissman last summer at the company's airy loft in New York's meatpacking district.

Weissman, who recently left Betaworks to become a partner at Union Square Ventures, noted that these new business models are highly disruptive to traditional media companies. Social media relies on person-to-person communication; while big names like CNN, the *Los Angeles Times* and even relative newcomer Huffington Post still produce much of the popular news content people are viewing, the audience is not arriving there by turning on the television to watch the CNN lineup or typing www.latimes.com into their browsers. Instead, as in the Al Jazeera example, they're following links provided by friends and contacts through social-network sites.

Of course, not all the links users are forwarding connect to high-quality content. For every link to a thoroughly-researched story about Pakistan's nuclear proliferation, there are probably a dozen links to blogs posting conspiracy theories, rumors, and paranoid rantings on the same topic. How is a person supposed to judge what's credible and what's not when all of it is presented on the flat surface of the Internet?

There is a lot of misinformation on the Web, Borthwick said. But by harnessing so many voices, "social media increases the likelihood of disclosure about misinformation." He added that mainstream media and governments have not always been the most credible sources of information. Look no further than Judith Miller's flawed reporting on Iraq's supposed weapons of mass destruction in the *New York Times*.

"In any immature medium, there are issues," Burnham said when I raised the same concerns with him. "The Internet is noisy. It's full of garbage. But the basic model, enabled by a medium that's flat and that everyone has access to, is amazing."

Still, I confess that social media exhausts me. I'm overwhelmed by the number of YouTube videos my Facebook friends are urging me to check out, the alarming quantity of articles they're recommending from news sources that span the globe and the ideological spectrum. I miss the days when a single newspaper arrived at my door, and I read it over breakfast with the comforting sense that I could go out into the world as an informed citizen. Now I feel chronically under-informed because I never clicked through to that story in the *Atlantic Monthly* or the Jon

Stewart clip from last night's *Daily Show*.

Borthwick's take on this is that the rise of social media places a great deal of faith in the individual, who now largely chooses her sources of information rather than being fed the nightly news broadcast. Burnham said much the same thing when he told me, "The reason I'm okay with these changes is that I'm fundamentally optimistic about people." In this new world we've entered, we all become editors, curating the information we consume from the enormous selection laid out before us each day."

Burnham, himself a fan of newspapers that can stain your fingers, told me that the Web's filters are still developing, and that as the filters improve, some of the Internet's noise will subside. It's possible to create these conditions even now, by signing up for a service like Levine's News.me or "hiding" those Facebook friends who clutter your walls with junky links.

Ben Rowland, of Chartbeat, and Tim Devane '09, director of sales and business development at Betaworks start-up bit.ly, exemplify the optimistic, can-do spirit that pervades the social-media world these days. Rather than lament the demise of the gatekeepers who once filtered information for us, they celebrate how the Web connects individuals more directly than ever before. "You can tap into citizens, people on the ground, whether it's a stock market crash or a music concert, before a secondary source has time to report on it," Rowland said.

"It's amazing to see the engagement," Devane added. On the Internet, "you have the power to put it out there. There are Shakespeares in some tiny town in Kansas, and this gives them the opportunity to be heard."

And if that Shakespeare is out there, and if he or she is dismissed by old-line publishers—or bypasses them altogether—but is embraced by a Web audience on blip.tv and then develops a massive following over Twitter, the world will have Wesleyan partly to thank for it.

(To add your name to the Digital Wesleyan mailing list, go to www.digitalwesleyan.com.)

Lauren Weber '94 is a reporter for the Wall Street Journal.

—PHOTOGRAPHY BY ROBERT ADAM MAYER—

Do you have an opinion about this topic? Please write us at letters@wesleyan.edu.