HOLLOWAY

Reliable knowledge shouldn't be hard to find.

TEAM

HOLLOWAY

ANDY SPARKS

Prior to Holloway, Andy co-founded Mattermark ('13-'16) and was COO there until October 2016. Mattermark provides powerful company data to help businesses grow. He remains an advisor to the business. Prior to Mattermark, Andy co-founded LaunchGram ('11-'13), a now defunct predecessor to ProductHunt, and built a mobile development company called Duet Health (10'-'12). While in college at Ohio State, Andy studied business and history while trying to start a microbrewery out of his apartment.

FULL-TIME & CONTRACT STAFF

- Dmitriy Kharchenko, Engineering
- Quoc Le, Engineering (contract)
- Marc Hemeon, Design (contract)
- Leigh Taylor, Design (contract)
- 10+ authors, editors, & copyeditors

JOSHUA LEVY

Josh has a decade of startup experience building software products and leading teams in AI, search, and cloud. He led tech operations and infrastructure at Viv Labs, the next AI startup from the founders of Siri (acq. Samsung '16). Prior to that, Josh was a founding engineer and engineering leader at BloomReach (SaaS marketing data, 2nd hire thru series C at 200 people) and Cuil (which built a full-scale web search engine in '08-'09). He has led popular open source writing efforts and was recognized in 2016 by AWS as a Community Hero. He began his career in AI and systems research at SRI. He has degrees in computer science and physics, and a graduate degree in mathematics from UC Berkeley.

ADVISORS

- Russell Power (early Google), Search & ML
- Marcello Bastéa-Forte (early Siri), Engineering
- John Schmocker (former Greylock), Recruiting

PROOF

HOLLOWAY

2016 Experiment: The Open Guide to AWS on GitHub

150k
Readers

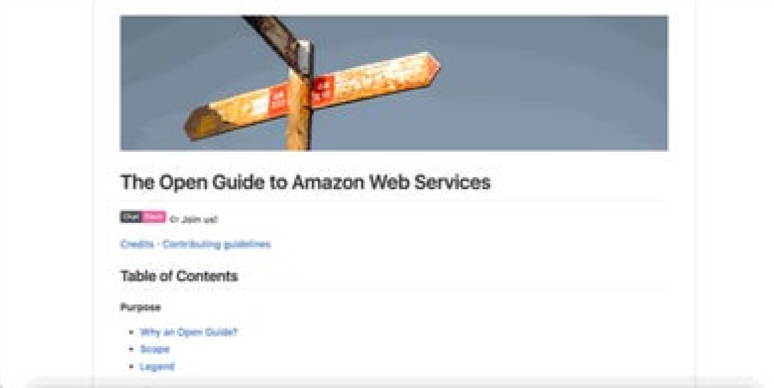
15K+
Stars

15+
Experts

90+
Contributors

Launch Oct 2016.

- Market penetration among AWS engineers &widely inside Amazon
- Process is repeatable. 3 guides on startup & tech topics on GitHub.



OVERVIEW

We believe knowledge is the ultimate source of human progress (economic, scientific, etc.) — but is still not widely distributed

(information is everywhere but *actionable* guidance is scarce)

So we're creating a reliable source of online reference knowledge

(replacing outdated print publishing and web and social media publishers with conflicted incentives).

An experienced founding team with confidence in growing large audiences

(8+18 years of experience in software and startups; Mattermark and BloomReach)

combining selected practices of traditional reference publishing...

(incentivizing quality with the best authors and experts)

with cutting edge tools for digital distribution and interactivity...

(SEO+demand analytics, NLP+conversational AI, rich web UX)

to create a membership-driven platform for publishing that improves with engagement

(the future of reference content is interactive, with network effects and moats arising from engagement, community, and demand data).

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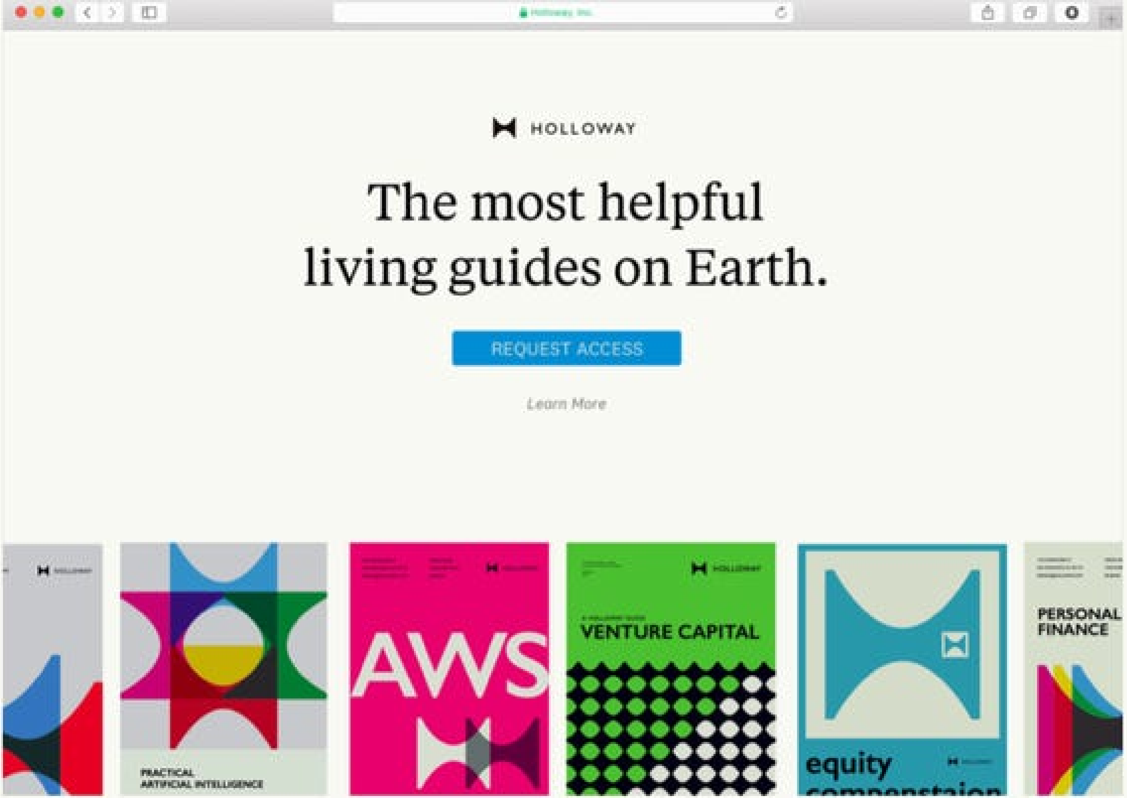
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THE HOLLOWAY GUIDE TO

Equity Compensation

A comprehensive walkthrough of issues related to stock options, RSUs, and taxes—all written to be added on to and improved over time.

CREDITS

full credits

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Introduction

Should you read this?

If you've ever worked or considered working for a startup or fast-growing tech company, you probably have experienced or tried to learn about stock options, RSUs, and other types of equity compensation.

It is a confusing topic that is often not discussed clearly. This is

409A valuations

- When stock vests, or you exercise an option, the IRS will consider what the **fair market value (FMV)** of the stock is when determining the tax you owe.
- Of course, if no one is buying and selling stock, as is the case in most startups, then its value isn't obvious. For the IRS to evaluate how much stock is worth, it uses what is known as the **409A valuation** of the company.
- The startup pays for an appraisal that sets the 409A, typically annually or after events like fundraising. In practice, this number could be low or high.
  - important A company wants the 409A to be low, so that employees make more off options, but not low enough the IRS won't consider it reasonable. Typically, the 409A is much less than what investors pay for preferred stock; for example, it might be only a third of the preferred stock price.

Joshua Levy

Stock awards vs ISOs vs NSOs

- Startups generally decide to give ISOs or NSOs depending on the legal advice they get. It's rarely up to you which you get, so you need to know about both. There are pros and cons of each from both the recipient's and the company's perspective.
  - caution ISOs cannot be granted to non-employees (i.e., independent contractors).
- ! danger important **When you owe tax:** When you get stock options and are considering if and when to exercise them, you need to think about the taxes. In principle, you need to think about taxes (1) at time of grant; (2) at time of exercise; and (3) at time of sale.
- These events trigger ordinary tax (high), long-term capital gains (low), or AMT (possibly high) taxes in different ways for NSOs and ISOs. The taxes will depend on the gain (sometimes called spread) between the strike price and the FMV, known as the **bargain element**, and the gain on the sale. This isn't the whole story, but from an employee's point of view, the key differences are (see here, here, here, and here):
  - **Restricted stock awards:** Assuming vesting, you pay full taxes early with the 83(b) or at vesting:
    - At grant:
      - If 83(b) election filed, ordinary tax on FMV
      - None otherwise

PROGRESS

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Q1 2017

- Prior content experiments and proven traction on GitHub and Medium
- Josh and Andy start working together
- Initial strategy

Q2 2017

- Raise $1.1M
- First engineering contractor
- Began work on prototype product
- Iterated on product strategy

Q3 2017

- First prototype to small (10s) of users (friends, network)
- Experimented with unpaid content topic leads to write new topics
- Experimented with existing large link-based resources and making them searchable
- Well-written summarized content was always better than lists of links, even if they were searchable
- 1 eng hire
- Our own office

Q4 2017

- Killed link lists first and unpaid topic leads
- Researched publishing economics
- Switched to a paid author model for topics (10+ paid authors, copyeditors, etc.)
- 1 eng hire, 1 departure
- 2 contract designers (ex-Medium & ex-Google)
- Major product progress (visual & engagement)
- Content progress (5+ topics, 10+ writers)

THE LIBRARY

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20th → 21st century

FICTION AND BIOGRAPHY

→ Amazon/Kindle eBook

NEWS AND MAGAZINES

→ NYTimes.com, Google News, Medium

TEXTBOOKS AND LECTURES

→ Khan Academy, Coursera, MasterClass

ENCYCLOPEDIA

→ Wikipedia

NON-FICTION REFERENCE

→ Quora?, Stack Exchange?, **??**

Note: Form factor, distribution, **and revenue models** change for each

PROBLEM

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Online practical knowledge is not reliable.

FRAGMENTED

- By format (blogs, tweets...)
- By access (tribal knowledge, private Google docs, intranet resources)

NEED

- Well-packaged information
- Published more publicly

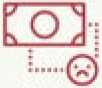
LOW TRUST

- SEO / click optimized
- Non-expert authors
- Content marketers
- Out of date

NEED

- Trusted experts and reviewed content
- That shows value with engagement

MISALIGNED



- Advertising and lead-gen revenue models
- Marginalization of authors
- Copyright reduces access

NEED

- Author+contributor prestige
- Accessibility *and* defensibility
- Profit alignment

SOLUTION

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A home for reliable living knowledge.

REFERENCE PUBLISHING

- Mixed Editorial & UGC Model
- Actionable Knowledge
- Shelf Life of Decades
- Data-driven Topic Selection

MEETS TECHNOLOGY

- Focus on Recurring Use
- Interactivity
- Digital Distribution
- Per-Topic Metrics

WHY NOW?

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The time is right for collaboration, payments, discoverability, and community prestige.

Web Content Matures

- After 15 years, incentives in advertising & lead gen revenue models have led to poor user experiences (WebMD), conflicts of interest (Nerd Wallet), and shallow clickbait (BuzzFeed)

Rise of Subscription Economy

- Fatigue with "fake news" and much free online media
- WTP for vertical, high-value subscriptions is up
- Content becomes a service (Spotify, NYT) even per vertical (Strava)

Library → Google

- People used to go to libraries to solve a problem or learn something new, but today we go to Google & YouTube

- Book publishers refusal to budge on copyright means their back catalog is unable to appear in Google search

- Web search query stream is **~10% actionable informational**

Lowered Barriers to Contribution are Revolutionary

- Wikipedia, Quora, Stack Overflow: 1000s of contributors to generate immense value

- Lyft / UpWork brought under-utilized talent to market

- GitHub+open source: massive changes to software development by reducing barriers for talent

- Collaborative tooling now a commodity (Slack, Quip, GitHub)

Data and Intelligence

- Web search data
- Engagement data (questions and search terms)
- Analytics on content
- Interactivity and conversational AI filling in on products everywhere

HOW DOES IT WORK?

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Publishing and CGM deliver via an information **value chain**.
This approach is applied by **vertical**.

SOURCING →	ARTICULATION →	DISTRIBUTION →	ENGAGEMENT
Experts	***Writers / Editors***	***Channels***	***Readers***
World-class expertise	Unlock "tribal knowledge"	Virality driven by quality and trust	Ongoing, reviewed improvements
		Medium, Twitter, GitHub, Hacker News …	GitHub-style workflow
		Web, mobile, organic search	**Interactive, intelligent reader**

→ Expertise & trust

HOW DOES IT WORK?

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But in digital realm, supply and **demand** are real-time.

SOURCING	ARTICULATION	DISTRIBUTION	ENGAGEMENT
Experts	***Writers / Editors***	***Channels***	***Readers***
World-class expertise	Unlock "tribal knowledge"	Virality driven by quality and trust	Ongoing, reviewed improvements
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→ Expertise & trust

← Contributions & demand data

MONETIZATION

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DEMAND-FOCUSED REVENUE

BUSINESS MODEL	LAUNCH	WHO PAYS	FEES
Premium Reader Membership	2018-2019	Consumers, Prosumers	$48 - 1,200 / user / yr

SUPPLY-FOCUSED REVENUE

BUSINESS MODEL	LAUNCH	WHO PAYS	FEES
Group Tools and Private (Mixed Public) Content	Late 2019	Prosumers, Enterprise	$20-50 / seat / month

CONSUMER MARKET

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3 MILLION

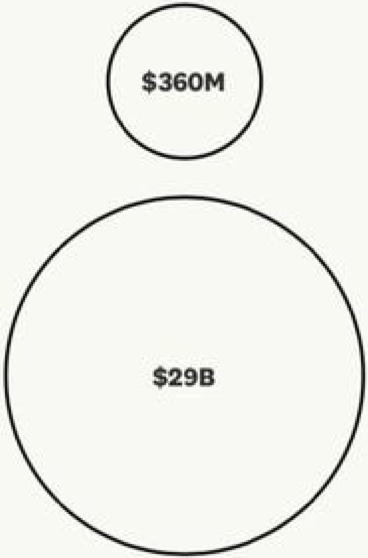
print and digital subscribers to The New York Times
- DigiDay, 2017

* $119.88 / year

84%

of U.S adults who read to "research specific topics of interest"
- Pew Research Center, 2016

* $119.88 / year



COMPETITION

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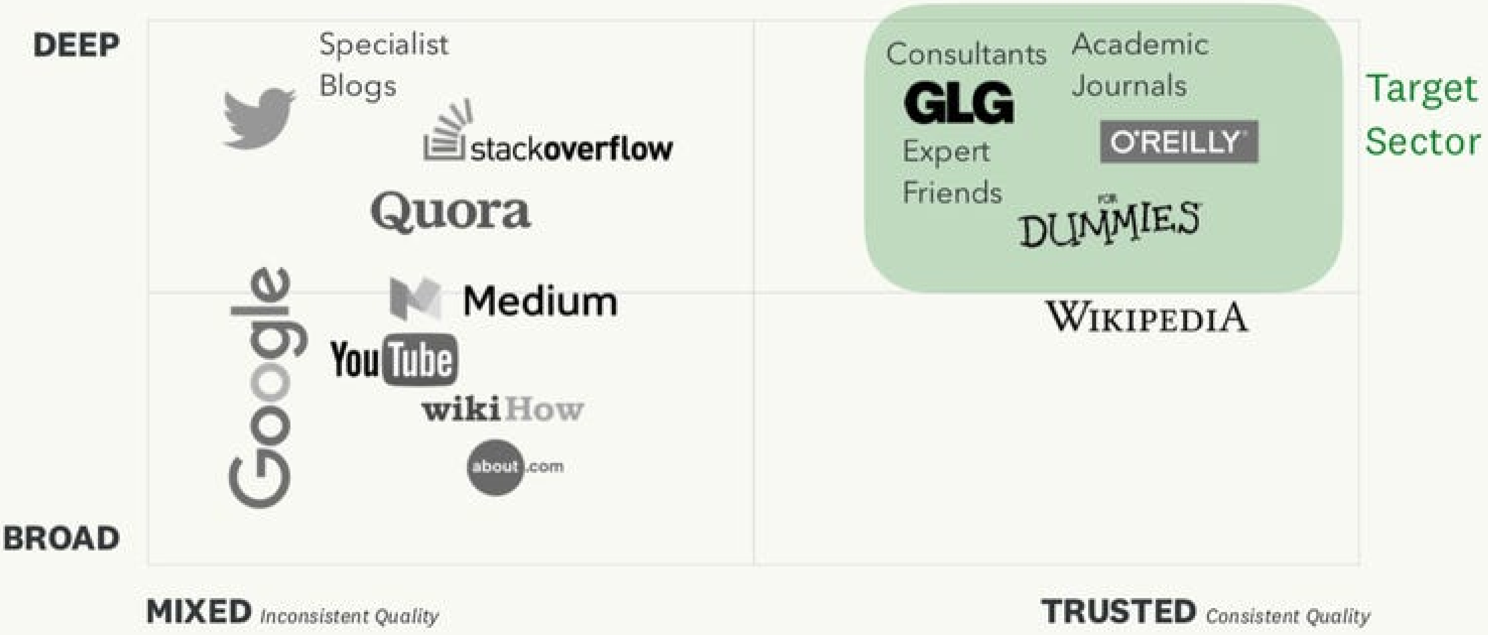

MILESTONES

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1. Invite-only alpha product built (now)

A soft launch for an invite-only alpha that we'll run to:

- collect feedback on content, content format, & product
- build early community of contributors
- generate buzz and demand for a bigger general release

2. Initial traction per topic

The product will work for a handful of topics across at least two sectors (e.g. two topics in "Business" and two topics in "Technology"). Working means:

- **Trust**: referral rate.
- **Engagement**: retention, and contribution rates.
- **Market Penetration**: for all the possible readers on a subject, have we attracted a meaningful percentage?

3. Scalable product and process

We have conviction around our ability to repeatedly start and launch new topics on a set schedule. Critical roles in editorial and engineering are staffed and capable of significant increases publishing and user growth.

TENTATIVE TIMELINE

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VIP Alpha: Landing Page, Waiting List, VIP Users (100s)	Private Beta: Invites, Early Users (1,000's), showcase topics	Public guides: Topic launches with public access
Showcase topics (5 → 10), limited set of contract authors and unpaid experts	Editorial and production functions growing	New topics (tens of topics at multiple stages), some public and some private, of varying sizes and sectors. Which users can access which topics TBD.

APPENDIX

CONTENT SHELFLIFE

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SECONDS	DAYS	WEEKS	MONTHS	YEARS	DECADES	CENTURIES
Snapchat	Twitter	Average Blog Posts	Good Blog Posts	Great Blog Posts	Wikipedia	Books
Messenger	Hacker News	Email	Pinterest	Comprehensive Online Resources	Books	
Whatsapp	Reddit		Consumer Reports & Wirecutter		Holloway	
	NYTimes Drudge Report					

RELATED MARKET LANDSCAPE

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Reference & Q&A
Wikipedia
Quora
Stack Exchange
About.com
SEP

Advice & Expert Networks
GLG
Clarity
Table

Consulting Marketplaces
Upwork
Fiverr

Online Courses
Khan Academy
MasterClass
Coursera
Udacity
edX
lynda.com

Academic Publications
Elsevier

eLearning/LMS
Moodle
ConnectEDU
Edmodo

News & Magazines
NYTimes
Vox
HBR

Social Media
Medium
Twitter
LinkedIn

Professional Networks
Dribbble
GitHub

Knowledge Management
Confluence
Quip
Evernote

Books
O'Reilly
Dummies Guides

Education
GotIt
Teachers Pay Teachers

Professional Knowledge
Up2Date
LexisNexis

Product Info
Wirecutter
Consumer Reports
StackShare

PEOPLE HATE ADS

HOLLOWAY

Global Internet users who find online ads disruptive [1]

[1] DigiDay (2017)