The Mesh

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Introduction

- And that's exactly what he did. He set up a Web site offering cedars, pines, cypresses, and redwoods in various sizes at corresponding prices. He hired people with disabilities to tend to the stock. He offered customers eco-friendly ornaments. At the appointed time, Scott and a small crew, which included several of his laid-off pals, gamely put on reindeer antlers and delivered the trees to people's homes before the holiday. A couple of weeks later, he reversed the process. The crews picked up the trees. Along with any wrapping paper to be recycled. Trees too big to save for the next season were donated to an urban reforestation project. The crew even offered to pick up their customers' Goodwill donations and drop them off Talk about holiday spirit! Scott Martin had figured out a clever way to share Christmas trees, and make money doing it. Instead of buying, owning, and then tossing a tree, his customers got access to their trees precisely, when they wanted them.
- Like Scott's business, this book is about a simple idea: some things are better shared.
- During that holiday season in New York, essential shared goods and businesses seemed to jump out at me—hotels and apartment buildings, subways and taxis, airports and planes, V churches and libraries. All the things that seemed to make New York… New York. Some are public, some private.
- Around these entrenched businesses, a new model is starting to take root and grow, one in which consumers have more choices, more tools, more information, and more power to guide those choices. I call this emerging model "The Mesh." In recent years, thousands of Mesh businesses have been created and scaled up, a few into well-known brands. These businesses understand and cleverly exploit the perfect storm of mobile, location-based capabilities, Web and social network growth. Changing consumer attitudes, and the historically understood market benefits of share platforms.
- Fundamentally, the Mesh is based on network-enabled sharing—on access rather than ownership

Chapter 1: getting to know the mesh

- All the Mesh businesses rely on a basic premise: when information about goods is shared, the value of those goods increases, for the business, for the individual, and for the community
- CASE STUDY: Crushpad Wine
  - When Michael Brill ripped up his backyard and installed two dozen grapevines at his home in San Francisco, it was, he said, by far the coolest thing he'd ever done. While Brill was making the wine in his garage, people walking by stopped to help. At the season's high production point. One hundred people popped in to lend a hand, have some pizza and beer, and get their clothes dirty. By accident, he had tapped into a latent passion in many people to make their own wine.
  - Inspired by this experience, in 2004 Brill started Crushpad. The company is targeted to people, like his volunteers, who want to make their own wine but don't own a vineyard. Crushpad provides everything they need. Including high-quality grapes, access to wine

experts, and crushing, fermentation, and bottling facilities. Brill, now the CEO, thought the primary business would come from restaurants, bars, and retailers who wanted their own wines and labels. But it soon became clear that no restaurant—always cash-tight on low margins—was going to pay $10,000 for a private wine label that they wouldn't see for two years. Today, Brill laughs. "That model was so not going to work."

- If you're like most of us, there are many things you now don't use, or use infrequently, such as musical instruments, specialty sporting equipment, or a second car. You may own them for the convenience of having them available, just in case, or possibly to impress friends. Imagine how much wasted money and time they represent. (Some sites, such as wattzon.com and carbonneutral.com.

- CASE STUDY: Roomorama
  - o Jia En Tec and Federico Folcia met on the job at Bloomberg in New York City and quickly discovered a mutual interest in travel. To help fund their habit, they rented out their apartments, primarily through Craigslist, while exploring the world. The drawback: Jia and Fede had to sift through hundreds of responses to their ads and deal with complicated and separate payment systems. They realized that many hosts and guests alike could benefit from a more convenient way to arrange short-term stays while traveling. So in 2008 they ditched their corporate gigs and launched www.Roomorama.com—a stress-free peer-to-peer platform for making your home (or second home) a short stay time-share.
  - o From New York, Roomorama has spread to Barcelona, London, Los Angeles, Paris, and Vancouver. The booking process is simple and secure: all payments occur online. Hosts know that their guests will pay in advance, and guests rest assured that their money is in safe hands (the money isn't released to the host until the renter verifies that the room was accurately advertised). There is no risk for either party.
  - o By early 2010, 1,500 apartments in New York and over 4,000 listings across the country were available to travelers through Roomorama. The company gained early support by making customer-suggested improvements to the site, such as their "Shoutout" feature. There, renters can send an e-mail to prospective hosts with a last-minute plea to lower the rental price. Maybe the renter can only pay $70. A host who charges $85 per night has the option to meet the request or not.
  - o The company continues to grow, sometimes in unexpected ways. As home prices dropped over the past year, one member saw an opportunity to acquire almost a hundred properties and list them on Roomorama. He's become a hotelier of sorts, using Roomorama's reservation platform and collection service. This is what a Mesh marketplace like Roomorama does. In providing a service. It creates opportunities for everyone. Will businesses like this one become the future of the hospitality industry? Or unveil convenient ways to secure more value from real estate? What will services like this mean for traditional hotels or households?

Chapter 2: The Mesh Advantage

- I looked out the window. "All I see down there are Dumpsters," 1 said. 'That's what I mean! I'm all about renting," he said. "I buy it once, and wherever it moves, I keep making money on my old investment."

- This is a big reason that Mesh businesses are starting to thrive. The enhanced ability to leverage existing platforms, and lower incremental costs, is a big reason that Mesh businesses are starting to thrive. If we were to start Ofoto today, offering the same products and services (reliable network storage, customer order systems, backend systems, printing and shipping facilities). I estimate that it would take 10 percent of the nearly $60 million we raised at the time. Why? The cloud computing networks. Tools, talent pool, and software as a service (SaaS) vendors in place today would allow us to go to market taster with tar less capital. That reality improves nearly every aspect of getting a venture successfully off the ground and in condition to grow the number of core staff required, the funding needed, and the time it takes to get to market.
- A recent study by McKinsey concluded that a recommendation from a 'trusted source" like a friend or family member was fifty times more likely to persuade someone to buy a product or try a new brand.

Chapter 3: Mesh Design

- The arrival of the Mesh signals a new dynamic in design. And a return to first principles. Successful participation in the Mesh requires a product that holds up to repeated uses.

Chapter 4: In with the Mesh

Chapter 5: In Mesh we trust

Chapter 6: The Mesh as ecosystem

- Mesh businesses can also find niches within a market by looking for points of pain for the customer. The Mesh is a game changer. During the transition, entrepreneurs have opportunities to create smoother surfaces along the way—to make sure that substitution is not sacrificial
- Consider thredUP's adaptation to those short, expensive people that its initial customers were living with (also known as children).

Chapter 7: Open to the mesh

Chapter 8: Mesh Inc.

Chapter 9: Seed your Own Mesh

The full, community updated directory of over 1,000 Mesh ventures is available online at www.meshing.it.