

THE FINANCIAL EXPRESS

The big fish of Snapfish

DeCODE
Darlington
Jose Hector



BALA Parthasarathy is one of those rare entrepreneurs who does not say he started his business out of passion for a particular idea. "The motive was to make a pot of money," says the co-founder of Snapfish, a successful online photo service in the US, which he sold to HP in 2005. The deal fetched the founders over \$300 million. Today Bala is the managing director (Europe & Asia-Pacific) of Snapfish by HP, while the other co-founders have gone their separate ways.

Bala was in the Bay Area in San Francisco in the late '90s and witnessed from close quarters the amazing buzz—it was a real gold rush, he says—of technology ideas and huge venture capital backing. "That was a great time in the Silicon Valley. Everyone had an idea and wanted to strike it rich. Myself and my partners (all of them Harvard MBAs) toyed with several ideas including mobile phones before settling on the online photo service busi-

ness. It was probably the right decision at that time."

His middle-class upbringing in Chennai meant he did not dream too big initially. All he wanted was a great job. IIT Chennai ensured a great start for the young man, from where he graduated in Chemical Engineering. He then moved on to the United States to pursue his Masters in Computer Science, to kick-start a great career.

"Being in Bay Area does something to all. The entrepreneurship spirit engulfs you," he says. In 1993, he floated a software firm called Viman Software, which he sold four years later. He was associated with few other start-ups as well, but he still looked out for the billion-dollar idea. The best plans are not necessarily laid out when being in the thick of things, so he took a year off and traveled the world. He was single then and had enough in the bank to afford a year long sabbatical. "When I came back to the US in 1998, I was ready for something new."

He began to intensely search for the next big idea and joining him were three other friends including his IIT Chennai mate Shripati Acharya. Ideas began to pour in but care had to be taken to weed out unviable ones. They almost went ahead with the plan to start a cellphone company, but stopped just short. Everyone in

the group was clear that the business should be based on solid grounds, something that they could sell after building scale.

There was a lot of buzz around online photos at that time, and there were quite a few firms doing business in that space. But we felt we could take it to the next level and scale it quickly. That was how Snapfish was born. "I was the technology anchor in the team. Shripati looked after user-

BALA WAS IN THE BAY AREA IN SAN FRANCISCO IN THE LATE '90s AND WITNESSED FROM CLOSE QUARTERS THE AMAZING BUZZ. IT WAS A REAL GOLD RUSH OF TECH IDEAS AND HUGE VC BACKING

interface and product management, while the two others looked after the business interests."

They did not find it difficult to get venture funding as the team was impressive and had a robust business idea. Snapfish grew from strength to strength and soon it had over 13 million users.

In between, the dotcom bubble burst and that dealt a big blow. Snapfish had to scale down from 100 employees to just 20. Snapfish

also changed its business model at this stage, which was based on films, to digital photo prints. It started spreading its wings outside the US and soon started offices in UK too. But it was finding it difficult to spread quickly to multiple countries. The big daddies in the technology space started showing interest in snapping up Snapfish, but they waited for the right deal. HP started to talk to them. By 2005, they started inching close to a deal. When they found the right valuation (Bala says it's between \$300-400 million), they struck it rich and cashed out. Bala had turned his dreams into reality and Snapfish became Snapfish by HP.

But he had his share of apprehensions. He was a little unsure how HP would treat him and how Snapfish would get integrated. "We held several rounds of discussions with HP on the issue of integration and Snapfish retaining its identity. I, myself, was not sure how I will enjoy this transition. But there are no concerns now as HP has made me feel like an entrepreneur. I have continued to enjoy my freedom and responsibilities," says Bala.

After the acquisition, he joined HP as its CTO. He moved to India later as he felt he could make a difference in this part of the world. "Snapfish by HP makes 10 times more revenues to-

day and has 85 million users globally," he says. "Our decision to sell has been validated."

"Digital cameras were the reason why online photos became big business in the first place but now mobile phones are driving the culture," he says. To drive further innovation in the market, Snapfish by HP has launched the Snapfish Publisher, a platform that enables creation of more interesting applications from developers outside. "I can foresee India becoming a huge market in the next three years in the online photo space."

Bala is not all work though. He is a scuba diver, trekker and a supreme backpacker. "The spirit of adventure remains the same be, it start-ups or adventure sports. I just take off whenever the mood is right. Sometimes I go alone, and on other occasions I take my wife along. It's great to get out on your own, and go do your skiing or trekking. It's great to be alone with nature alone, with just your thoughts for company."

Bala Parthasarathy
MD, Snapfish by
HP (Europe & Asia
Pacific)

