



Social Media Party

June 4th, 2013

Happy Birthday LinkedIn, it was 10 years ago that LinkedIn unveiled its website. It is a useful and social site. You can communicate with real people and solve real problems; it fills a need in society; it is valuable, very valuable. But is it 20 Billion dollars valuable?

That is a question that many are asking given the recent milestone (hey a company surviving for 10 years is something to celebrate).

LinkedIn is selling for 120 times next year's projected earnings! That seems steep – but the better question: what are management's expectations of revenue growth for the next 5 years. Somehow I do not think that that it will be doubling year after year. [CUT HERE]

Once analyst who holds the stock commented that it does not make sense that LinkedIn is trading at a significant premium to Facebook...we disagree. While the prices for both are too rich for our tastes – we do think that LinkedIn has some advantages over Facebook. Facebook is a great product as well – it has issues, but who does not?

LinkedIn has the same people that have Facebook. People are people. The difference in my mind is that people in LinkedIn are not there to fool around – they are there to do business – that commands a premium in the marketplace.

Facebook trades at 48 times estimated earnings. Google trades at less than 20. But, that is stock price. Stock price does not translate into usefulness. Remember to look for value in your relationships – not price.

LinkedIn introduced its site to the public on May 5, 2003. The company reeled in 6,000 members in its debut – mostly friends and family. A simple interface, a welcoming community, some great members that are willing to help each other and, well, the rest is history. Not quite, many social media sites have come and gone. You need to have friends and supporters to succeed. You need to have a niche and you need to have passion.

Good linking in the future LinkedIn and let's all stay social! Visit our [LinkedIn](#) page and built the network for our future projects. Visit our [Facebook](#) page and share your ideas!

From the desk of Andre M.

To your success!