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FASTPENCIL

"Write Once, Publish Anywhere."

- Michael Ashley & Steve Wilson, FastPencil

Michael Ashley and Steve Wilson had just finished another exhausting meeting at the FastPencil offices. "Mash," as Ashley was affectionately known, knew he would have plenty of time to ponder their options while he fought through the Friday afternoon traffic on the lush mountain roads leading to his home in Santa Cruz, California. Steve packed up his belongings to leave the office, but the many options for FastPencil were weighing on him. Mash and Wilson were preoccupied with the decisions that lay ahead. The co-founders had been actively trying to raise capital for their start-up and now had three attractive but fundamentally different funding options on the table. Each direction presented its own set of advantages and challenges.

Although Mash was an entrepreneur at heart, with an MBA from San Jose State University and a founder of two previous Internet companies, FastPencil was unique. The company had the potential to fundamentally change the publishing industry. Mash and Wilson knew that whichever funding option they chose, the path of the company would be changed forever.

The Beginning

Mash's passion for FastPencil had a personal connection. In 2005, his mother had pursued publishing a children's book, dedicated to her grandchildren, through a traditional publishing house. After a year of frustration and no results, she turned to her son for help. Mash jumped in using what he imagined would be the simple and comprehensive self-publishing tools available on the Internet. After months of unnecessary challenges and setbacks, Mash published his mother's book just in time for Christmas. With the recent self-publishing struggle fresh in his mind and an appreciation that the publishing industry was ripe for innovation, Mash founded FastPencil in 2007.

This case was developed by Alex Ashton, Bill Hodak, Michelle Paitich, and Amber Ulrich with Professor Randy Haykin, at U.C. Berkeley's Haas School of Business. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management. This case was designed to be used with an only "virtual case" of video segments of the founders of FastPencil, available to students at the Haas School or with written permission from Professor Haykin.

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Mash was joined by CEO Steve Wilson later that year. Steve brought his previous business and management experience to the CEO role and helped craft a formal business plan for the company. Together, they defined the FastPencil mission: “To change the way writers create and distribute their works by removing the technological barriers to publishing and providing a profitable distribution center for their books.” Steve’s background in Senior Management positions at Genentech, VeriSign, and Yahoo! helped FastPencil attract high profile advisors: Marc Randolph (Founder, Netflix), Doug Klein (Start-up Guru and current CEO of Lightpole, Inc.) and Heidi Burgett (Chief Communications Officer, NIKE). In 2010, the company recruited John Kilcullen, past Chairman and CEO of IDG Books Worldwide, as its Executive Chairman (Exhibit 1).

Like many start-ups, the company set out to solve a simple question with huge implications: Why can’t writing and publishing a book be accessible to the millions of aspiring authors who otherwise might not have the chance through traditional publishing houses? FastPencil intended to empower aspiring authors to write, publish, distribute, and sell books, all within an integrated online platform. FastPencil fostered a community that connected tribes of aspiring authors with their networks of fans and industry professionals, such as editors and illustrators. FastPencil made publishing collaborative and accessible to everyone.

