

On ZDNet: Ubuntu servers hacked to attack others



Search:

News Advanced search

Today on CNET | Reviews | News | Downloads | Tips & Tricks | CNET TV | Compare Prices | Blogs

Business Tech | Cutting Edge | Access | Threats | Media 2.0 | Markets | Personal Tech | News Blogs | Video | Extra | My News | RSS

Subscribe to News Blog

April 19, 2007 9:16 AM PDT

The scary math behind Web 2.0

Posted by Michael Kanellos

How many pages does a Web 2.0 company have to flip a month to get on track one day hold an initial public offering?

A billion or more, says Opus Capital partner Ken Elefant, which is why his firm doesn't invest in them.

"Most of them are features," he said in an interview. "Most of them can't be long-term sustainable businesses."

Here's how Elefant comes up with his math. A web 2.0 company needs to be pulling in around \$5 million in revenue a month to become an independent, viable publishing house. The average CPM is around \$10. About half of the inventory on a given site remains unsold so the real CPM is closer to \$5. Thus, you need 1,000 CPMs a month. A thousand impressions go into CPM.

Ultimately, this means that, to thrive, a Web 2.0 company needs to get bought by an established player. A site that doesn't do this kind of readership volume or get acquired can still survive, of course, but it may end up operating like a small to medium sized business. It will pay the salaries and expenses of the employees, but the owners won't likely be able to retire on a mattress made of chopped up \$100 bills.

Although he's not wild about investing on the content side, Opus is making investments in web infrastructure. One of the more interesting ones is C-Nario, which serves up ads over distributed networks of public LCD screens and plasmas. So if you are playing slot machines in an gas station in Henderson, Nevada and see ads on a small screen, you can thank C-Nario.

TOPICS: Web 2.0

TAGS: Web 2.0 Money Money Money

BOOKMARK: Digg Del.icio.us Reddit

TalkBack

6 comments
Post a comment

It's The Network, Stupid

Len Bullard
Apr 20, 2007, 6:08 AM PDT

Good comments

Ken Elefant
Apr 19, 2007, 1:49 PM PDT

Speaking In \$yntax Now

Ninth_Life
Apr 19, 2007, 10:21 AM PDT

Who's scared?

enovikoff
Apr 19, 2007, 10:18 AM PDT

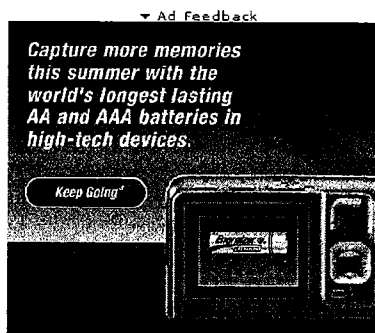
they need 1K cpm's but...

prestonwily
Apr 19, 2007, 9:30 AM PDT

Read more comments >

Recent posts from News Blog

Razer Lachesis gaming mouse brings 4000 dpi laser, new buttons



About News Blog

Recent posts on technology, trends, and more.

Subscribe to this blog
Click this link to view this blog as XML.

Add this feed to your online news reader

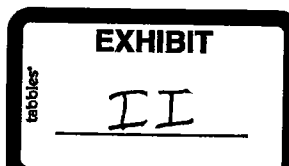
- Add to Google
- Add to my Yahoo
- Add to MSN
- Add to Bloglines
- Add to Newsgator

News Blog topics

- Apple
- Microsoft
- Blogma
- Missing Links
- Broadband
- Music
- Car Tech
- Open source
- Cellular
- Oracle
- Cisco
- PCs
- Coop's Corner
- Politics
- Deal of the day
- Processors
- Dell
- Say What?
- Digital Kids
- Science
- Digital parenting
- Search
- Enterprise software
- Security
- Esoteric post of the day
- Sun Microsystems
- Gadgets
- VoIP
- Gaming
- Web 2.0
- Google
- Windows
- Green tech
- Workplace
- Half baked
- Yahoo
- IBM
- Media

Resource center from News.com sponsors

The New CIO: Beyond Technology



8/24/2007 12:02 PM

On the eve of 'Second Life' convention, Chicago gets grieved
Why I don't have a DSLR
Open-sourcing my error on XenSource
Improving Microsoft's CodePlex by contributing Microsoft's own dog food

IBM

AT&T LaptopConnect. Mobile broadband-speed internet access for only \$49.99.*
BUY NOW

SPONSORED LINKS

Current Technology News

See 45nm HI-k next generation Intel® Core™ microarchitecture
www.intel.com

Current Technology News

Find Sports, Business, Lifestyle and Entertainment at DallasNews.com
www.dallasnews.com

Tech Industry Trends

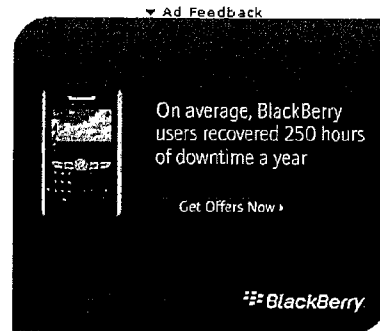
Listen to podcast on managing market-altering changes.
www.deloitte.com

Current Technology News

Award-Winning Network IT News, Information & More At NetworkWorld
www.networkworld.com

Current Technology News

Find technology articles and advice for growing businesses
www.allbusiness.com



Site map | Help center | Corrections | Newsletters | Send tips | News.com mobile | Content licensing | RSS feeds | XML

Search: News

Popular topics: Apple Mac | IE7 | iPhone | iPod | iTunes | Microsoft Windows Vista | Nintendo Wii | PS3 | Spyware | TVs | Xbox 360

CNET.com About CNET | Today on CNET | Reviews | News | Compare prices | Tips & Tricks | Downloads | CNET TV

Popular on CNET Networks: PS3 | Wii | Xbox 360 | Pussycat Dolls | Free Music Videos | TV Listings | Prison Break | Game Cheats

About CNET Networks | Jobs | Advertise | Partnerships | Site map

Visit other CNET Networks sites:

Copyright ©2007 CNET Networks, Inc. All rights reserved. Privacy policy | Terms of use