

I Sold My Company to Snapchat for \$54 Million – These 5 Takeaways Still Guide Me Today



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In 2014, Snapchat acquired our startup, *Scan*, for \$54 million, back when QR codes were still relatively new.

Most people hadn't tried them, and phones didn't support them natively. The technology was promising, but the experience wasn't, so it sat behind a clunky UX. We removed that friction and made QR codes easier to create, scan and deploy, which led to quick adoption.

The deal with Snapchat was seamless, not because of flashy decks or famous backers, but because they saw how we were

focused on closing a real usage gap, how we moved fast and were aligned with their larger vision.

For any founder hoping to build a lasting company or one day sell it, I've found that success boils down to a few core principles I've learned along the way.

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1. Build what people *actually* use

Too many founders begin with presentations or investor outreach before proving their product. From day one, Scan was grounded in user need. We built it to let people easily scan and generate QR codes, nothing fancy, just functional and straightforward.

Just like with any startup, we didn't raise capital immediately. We did, however, start early, pay attention to all helpful comments, and make changes often. Shortly after, that strategy helped the app get more than 1 million downloads. By the end of 2012, Scan had more than 25 million apps installed. A couple of years later, we had more than 100 million copies of the product downloaded around the world.

That user traction was more persuasive than any pitch deck could have ever been. It proved product-market fit, a signal investors and acquirers value above all else. When starting a business, ensure you have the end users in mind and iterate frequently, rather than investing energy in hypothetical demand. Remember that real usage always beats hypothetical value.

From the start, my co-founders and I aligned on roles and equity. That early clarity, splitting equity equally and playing to our strengths, helped us stay focused and avoid internal friction, which kills many startups before they begin.

2. Design with a buyer in mind

By the time Snapchat reached out, Scan was already built for scale, fully localized, with creation tools that teams could use anywhere. The real alignment clicked when Snap wanted a scannable identity baked into a camera-first experience.

In Q1 of 2015, Snapcodes launched on top of Scan's core stack. The integration worked seamlessly because we engineered for extensibility, tuned reliability to survive low-light and low-ink prints and planned use cases beyond our original app.

Design for ecosystem fit from the start if you're a founder hoping to get your business on an acquirer's shortlist. Keep an eye on the metrics that are important to them, such as mistake rates, time-to-first-scan and activation. Next, look for integration abilities like compliance, dependability and APIs. The discussion swiftly moves from "What if?" to "How soon?" when strategy and culture are in sync.

3. Know your numbers and what it'll take to win the deal

One detail that almost derailed the acquisition was the initial financial structure. Our seed investors had a liquidation preference that meant anything below \$54 million wouldn't deliver meaningful returns to founders or early backers.

Snap's first offer came in below that line. With guidance from our lead investor, we held firm. He reminded me: "You haven't gotten a good deal until you've said no three times." That mindset gave us leverage when it mattered most.

We used speed as our lever and told Snap that if they met our number, we could start integration immediately. That clarity closed the gap, and we signed at the threshold we needed to

reach.

If you're raising or preparing for an exit, know your cap table cold. Map the preference stack (seniority, multiples, and whether prefs are participating) plus option-pool top-ups and any SAFEs or notes. Define your walk-away point. Keep in mind that leverage isn't only about price; execution speed, a specialized team and defensible IP can all move the terms.

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4. Every dollar must drive momentum

After raising roughly \$2 million in seed funding, we felt confident, but confidence can be a misleading indicator.

Without a strict plan, we overhired, signed a high-end lease in downtown San Francisco, and delayed experimenting with monetization strategies. Cash was used too quickly, and we nearly ran out of runway within months.

That near-crash taught me that funding isn't in any way a safety net but a responsibility. Each dollar must contribute to measurable momentum. Hire deliberately, test revenue early and protect a six-month cash buffer. Flashy growth comes and goes, but durable advantage comes from operational discipline with a focus on the work that actually moves the business. That kind of financial and strategic clarity is often a key signal that you're ready to sell, when the business can operate independently, growth is consistent, and decisions are rooted in fundamentals rather than rapid changes.

5. Build for freedom, not just an exit

One thing I'd do differently is hold onto more gratitude. It's

easy to get caught up in momentum and miss the meaning, especially when building with friends.

Selling the company gave us perspective and room to breathe. The real lesson wasn't in the money, but in building with purpose, creating space where creative teams do their best work and shipping technology that supports human well-being.

That's the focus at my current company, at the intersection of AI, performance, and mental health. I'm applying those same lessons with more intention, clearer outcomes and steady, user-guided iteration.

For founders, treat an acquisition as a checkpoint. Use it to recommit to the pain points worth solving, the people you want to scale with, and the impact you intend to leave. Execute with focus.

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