

## **Executive Summary**

LinkedIn began in co-founder Reid Hoffman's living room in 2002 and was officially launched on May 5, 2003. The mission of LinkedIn is simple. It is to connect the world's professionals to make them more productive and successful. The platform is primarily used for professional networking and career development and allows job seekers to post their CVs and employers to post jobs. In December 2016, Microsoft completed its acquisition of LinkedIn, bringing together the world's leading professional cloud and the world's leading professional network. As of September 2021, LinkedIn has 774+ million registered members from over 200 countries and territories.

Today, LinkedIn leads a diversified business with revenues from membership subscriptions, advertising sales and recruitment solutions under the leadership of Ryan Roslansky. One of LinkedIn's premier products is Job Post which accounts for ~17% of LinkedIn's annual revenue. The service allows millions of companies to post job vacancies on the LinkedIn platform in order to find talent. While companies can pay for this service on an upfront annual basis from contract creation to revenue recognition, LinkedIn is not set up to recognize quarterly or monthly billing. At a high level the upfront annual billing has proven unfavorable to small and medium size businesses. Moreover, from a revenue standpoint we need to consider that the client may use more than what we billed them so we will have to set up a way to bill the client for any overages (true-up) or rollovers in case the client uses less than what was billed. Analysis of survey data from customer service representatives demonstrates that the lack of quarterly/billing option was the number reason why numerous deals were being stalled within the small and medium size enterprise sector and therefore the catalyst for the introduction of the quarterly/monthly billing option.

Since the introduction of quarterly/monthly billing option there has been a 24% increase in customers paying for Job Pots which represents a ~ 12 MM increase in revenue. Additionally, 30% of the existing ~ 3300 customers on the

upfront annual billing frequency switched over to the quarterly/monthly billing option. The new billing option has proven to be a success since its introduction and my report will further layout the results and will explore the broader implications for LinkedIn going into the future.