

## Key Takeaways From “Zero to One” by Peter Thiel

- Humans are the only ones that can invent new things and better ways of making them
- 0 to 1 is vertical progress or technology
- 1 to n is horizontal progress or globalization
- In a world of scarce resources, globalization without new technology is unsustainable
- It's hard to develop new things in big organizations, and it's even harder to do it by yourself
- Startups operate on the principle that you need to work with other people to get stuff done
- A new company's most important strength is new thinking
- If you can identify a delusional popular belief, you can find what lies hidden behind it: the contrarian truth
- The first step to thinking clearly is to question what we think we know about the past
- Make incremental advances
  - Small, incremental steps are the only safe path forward
- Stay lean and flexible
  - Planning is arrogant and inflexible
- Improve on the competition
  - Don't try to create a new market prematurely
  - The only way to know you have a real business is to start with an already existing customer
- Focus on product, not sales
- You can't escape the madness of crowds
- How much of what you know about business is shaped by mistaken reactions to past mistakes?
- The most contrarian thing of all is not to oppose the crowd but to think for yourself
- What valuable company is nobody building?
- Creating value is not enough- you also need to capture some of the value you create
- If you want to create and capture lasting value, don't build an undifferentiated commodity business
- The competitive ecosystem pushes people toward ruthlessness or death

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Taken directly out of the book

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- All failed companies are the same, they failed to escape competition
- The more we compete, the less we gain
- People fight because they are different
- War is a costly business
- Winning is better than losing, but everybody loses when the war isn't one worth fighting
- A monopoly is only a great business if it can endure in the future
- A great business is defined by its ability to generate cash flows in the future
- The value of a business today is the sum of all the money it will take in the future
- To properly value a business, you also have to discount those future cash flows to their present worth, since a given amount of money today is worth more than the same amount in the future
- For a company to be valuable, it must grow and endure
- Will this business still be around a decade from now?
- If you build something valuable where there was nothing before, the increase in value is theoretically infinite
- A monopoly business gets stronger as it gets bigger
- Creating a strong brand is a powerful way to claim a monopoly
- Brand, scale, network effects, and technology in some combination define a monopoly
- Every monopoly dominates a large share of its market
- Its easier to dominate a small market than a large one
- If you think your initial market might be too big, it almost certainly is
- Any big market is a bad choice, and a big market already served by competing companies is even worse
- A large market will either lack a good starting point or it will be open to competition
- Cutthroat competition means your profits will be zero
- Once you create and dominate a niche market, then you should gradually expand into related and slightly broader markets
- Disruptors are people who look for trouble and find it
- As you craft a plan to expand to adjacent markets, don't disrupt: avoid competition as much as possible
- What really matters is generating cash flows in the future
- Dominate a small niche and scale up from there
- To succeed you must study the endgame before everything else
- Success results from a patchwork of lucky breaks and arbitrary advantages

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- Success is never accidental
- Shallow men believe in luck, believe in circumstances. Strong men believe in cause and effect
- You can expect the future to take a definite form or you can treat it as hazily uncertain
- If you treat the future as something definite, it makes sense to understand it in advance and to work to shape it
- When people lack concrete plans to carry out, they use formal rules to assemble a portfolio of various options
- A business with a good definite plan will always be underrated in a world where people see the future as random
- Money makes money
- Never underestimate exponential growth
- Venture capitalists aim to identify, fund, and profit from promising early-stage companies
- The biggest secret in venture capital is that the best investment in a successful fund equals or outperforms the entire rest of the fund combined
- Only invest in companies that have the potential to return the values of the entire fund
- You should focus relentlessly on something you're good at doing, but before you must think hard about whether it will be valuable in the future
- Separate goals into three categories: goals that can be satisfied with minimal effort, goals that can be satisfied with serious effort, and goals that cannot be satisfied no matter how much effort one makes
- The value of things are set by the market
- If you think hard is impossible, you'll never even start trying to achieve it
- Belief in secrets is an effective truth
- Competition and capitalism are opposites
- Unless you have perfectly conventional beliefs, it's rarely a good idea to tell everybody everything that you know
- Every great company is built around a secret that's hidden from the outside
- Thiel's law: a startup messed up at its foundation cannot be fixed
- As a founder, your first job is to get the first things right, because you cannot build a great company on a flawed foundation
- When you start something, the first and most crucial decision you make is whom to start it with
- It's very hard to go from 0 to 1 without a team

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## Key Takeaways From “Zero to One” by Peter Thiel

- He who is not busy being born is busy dying
- Whatever the career, sales ability distinguishes superstars from also-rans
- Superior sales and distribution by itself can create a monopoly, even with no product differentiation
- The higher the price of your product, the more you have to spend to make a sale
- If you can get just one distribution channel to work, you have a great business
- Since every person has a relative strength at some particular job, in theory, the economy maximizes wealth when people specialize according to their advantages and then trade with each other
- Technology is supposed to increase our mastery over nature and reduce the role of chance in our lives
- Do you have a way to not just create but deliver your product?
- Will your market position be defensible 10 and 20 years into the future?
- Have you identified a unique opportunity that others don't see?