

Zero to One by Peter Thiel

The ancients saw all of history as a never-ending alternation between prosperity and ruin. People have only recently dared to hope that we might permanently escape misfortune. It's still possible that recent stabilities will erode into centuries of chaos. The American Economy is becoming a problematic Ponzi scheme in which financiers rearrange capital structures of preexisting companies, and managers squeeze extra efficiency. Capital itself is becoming far more valuable than its use due the optionality provided by the liquidity.

China's rapid expansion is only the result of the country starting from an extremely low base and it's relentless copying of what has already worked in the West. There isn't a member of the senior Chinese leadership that didn't experience famine as a kid and doesn't fear a reversion to poverty since it's not an abstraction to them. Those who are on the outside looking in are fascinated by the great fortunes being made inside China, but the wealthy Chinese are desperately trying to get their money outside of the country before a collapse.

The alternative paths which exist often go unrecognized until someone experiences failure in a traditional route. The contrarian truths within the world are the large economic opportunities which goes against popular belief. It takes courage which is far rarer than brilliance to capitalize on these inefficiencies. The most successful tech companies were built on simplicity including Facebook, Google, Netflix, etc.

It was incorrectly thought to be an inherently impossible task to prove Fermat's Last Theorem until Andrew Wiles after 358 years of pursuit by others. You'll never even try if the task is believed to be impossible, but the best problems to work on are often the ones nobody else even tries to solve. The large corporations of the present world claim to be competitive players within a large landscape of their industry rather than the dominant player in their subset. Competition is actually best to be avoided if you can dominate a very niche market. It's better to move last and dominate since it allows for the longest term cashflow.

It is important to pick business founders who can work well together and it is even more imperative to know the honest history of all founders before starting an enterprise. It's also important to pay CEOs modestly since it's been proven that a company does better with lower paid CEOs. However, the CEO can still be paid the most within the organization since that sets a ceiling on employee compensation. The CEO should spend time managing the company and inspiring a magic about the organization when it is young. The CEO should spend plenty of time traveling to meet clients and potential clients once the company becomes mature. The employees of an organization should each be responsible for doing only one unique task in order to simplify and reduce conflict.

Advertising is required and target markets matter. Salesmen are actors with persuasion being the priority. Don't expect to hire a sincere sales team. The average business has trouble getting any sales distribution channels to work effectively. A single strong distribution channel makes for a great business. Remember, that free outlets like social media, youtube, and the traditional press carry no immediate financial investment.