

The lessons i got from "zero to one" by peter theil

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Every moment in business happens only once. The main point of this book is the first sentence itself. The upcoming Bill Gates will not build an operating system or even the next Mark Zuckerberg won't create a Facebook. Future companies will fail no matter how big their profits are, unless they actually start to the hard work, which is creating new things. Obviously, copying an existing model is always easier than creating a new one. We can take the world from 1 to 0 by doing what we already know. But every time we create something new, we go from 0 to 1. If businesses are thinking of succeeding in the near future, they will need thousands of miracles. These miracles are called technology. By creating new technologies, we rewrite the plan of the world.

This book is about how to start a new company that generates new things, ideas or products. The author Peter Thiel tells us everything, from the time of being a co-founder of Big companies like PayPal and Palantir and then investing in Hundreds of startups including Space X and Facebook.

The future

Peter Thiel explains that the progress in future can happen in two ways, either horizontal process or vertical process. Horizontal process is generally easier to imagine as it technically means copying things from current successful work, taking things from 1 to 0. Vertical process is the harder one as you need create your own things from fresh ideas, this is taking things from 0 to 1. This is the process we hope for as it includes original things. Thiel explains that the way to do this is with technology.

Start up thinking

Most common source of new technology comes from new startups according to Thiel. This is because it is hard to develop new things in bigger organizations and it is even harder to do it by yourself. Bureaucratic hierarchies move slowly, shy away from risk and at the end it takes long time to get things done. At the other extreme, a lone genius might have the greatest idea ever, but cannot do it without an industry. That is why all the great stuffs come from these startups. These are the people who are willing to take risks and take technology to a whole new level, they have the freedom to develop and adapt. So, if you want to be part of the future, get out of these organizations and get involved in a start-up.

PayPal mania

In 1999, everyone was starting companies with casualness. This made Thiel scared out of his wits. Their first product in 1999 allowed people to transfer money from one handheld computer to another, this product was voted as one of the top 10 worst ideas of that year.

In around Mid of the year 1999, Thiel and his team created a new product which allowed people to send and receive payments over email. This was a very well worked idea, but they didn't have enough customers and their expenses kept rising. SO, they started paying new customers \$10 for joining and another \$10 every time they referred a friend. This boosted their growth and has a clear path to profitability by taking a small fee on customer's transactions.

The crash

After the massive dot. com collapse in the year of 2002, the 0 to 1 era was over and relabeled as the era of crazed greed.

After that the entrepreneurs learned 4 important points:

1. Small steps are the only way forward.
2. Don't be arrogant and inflexible.
3. Improve on the competition.
4. Focus on product, not sales.

Happy companies are the same

Monopolists and Entrepreneurs, what is the difference between them? Theil explains that the monopolists lie as a cover, they shield themselves from reviews and examination by holding their imposing business model under wraps, and accordingly, regularly, giving more credit to their opposition - who is likely non-existent. Entrepreneurs are exactly the opposite as they proclaim that they are alone in the market. However, this is a big mistake as pointed out by Theil. He says that Monopolies are powerful because they have the profits that could innovate research and projects that a startup can only think of.

Build a foundation

Theil has law which ironically, is named the Theil's law. These are the things that according to him are the most essential when starting up a business.

- Founding matrimony- The first most crucial decisions you have to make when you start something, is who is going to be your co-founder. Theil outlines this decision as being married. This is because you will have to

share a lot of things with this person and you also have to know if he/she has got your back.

- Ownership, possession and control- You have to set up who; a. claims the organization, b. who deals with the everyday running and c. who takes care of the organizations issues. You have to recognize that this is going to be 3 different people
- On the bus or off the bus - Everyone you hire should be fully committed and working full time for your company. This is because tension can creep in whenever workers aren't working together full time.
- Cash is not king - There is no case that a thriving start up should overpay the CEO. However, fully committed people need to be compensated as a reward for job well done. This increases the morale and the motivation of the workforce.
- Vested Interests - Giving equity as compensation can be more effective than high salaries. However, you need to allocate it carefully, not equal to everyone but according to their talents.
- Extending the founding - Founding of a company only happens once, so early in the stage establish the rules. This makes the founding right and that creates more than valuable company.

Summary

Get out of the big organizations and join a startup if you want to be a special part of the future. This is where thriving young people come out with amazing ideas and technological advancements. Their's main point was to be a part of a horizontal process instead of vertical process, which will help you

advance in business part of life. Don't try and copy the old things, come out with new ideas and concepts. It's harder but always better. Technology is the way to win in today's world so use it to empower you and yourself.

Foundation of the business is the most important thing, if the foundation is not right, you will face huge problems in the future.

My thoughts

This book taught me so much about the business world that I never even knew and also all of this coming from a person who has succeeded in life means even more. I think that whatever Peter Thiel wrote in this book must have helped many startups to think differently and to work harder but also much more important, working smarter. The main thing that I learned from this book is that always try to come up with something new rather than doing the same thing again. That was my actual thinking before that has been completely changed after this book. I would really like to use all of this information when I start my own business and have a have an amazing foundation. I think this book is perfect, Thiel talks about almost everything, including, competition, culture, cash and a lot more. So I think this is the perfect book for anyone looking to start a new business or joining a startup.