

ZERO TO ONE. Notes on startups, or how to build the future.

Blake Masters & Peter Thiel

7 questions that every business must answer:

The Engineering Question.

Can you create breakthrough technology instead of incremental improvements?

The Timing Question.

Is now the right time to start your particular business?

The Monopoly Question.

Are you starting with a big share of small markets?

The People Question.

Do you have the right team?

The Distribution Question.

Do you have a way to not just create but deliver your product?

The durability Question.

Will your market position be defensible 10 and 20 years into the future?

The Secret Question.

Have you identified a unique opportunity that others don't see?

To anticipate likely sources of misalignment in any company, it's useful to distinguish between three concepts:

Ownership. Who legally owns a company's equity?

Possession. Who actually runs the company on a day-to-day basis?

Control. Who formally governs the company's affairs?

It's better to think of distribution as something essential to the design of your product. If you've invented something new but you haven't invented an effective way to sell it, you have a bad business, no matter how good the product.

Complex sales works best when you don't have "salesmen" at all. Palantir, the data analytics company I co-founded with my law school classmate Alex Karp, doesn't employ anyone separately tasked with selling its product. Instead, Alex, who is Palantir's CEO, spends 25 days a month on the road, meeting with clients and potential clients. Our deal size range from \$1 million to \$100 million. At that price point, buyers want to talk to the CEO, not the VP of Sales.