

BOOK SUMMARY

Zero to One

by Peter Thiel

Copying what works takes the world from 1 to n. Building something new takes it from zero to one. Notes on how to build the future.

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Key ideas

1. **The contrarian question.** What important truth do very few people agree with you on?
2. **Competition is for losers.** Profits come from being different, not from fighting over the same market.
3. **Start small and monopolise.** Dominate a tiny market first, then expand to adjacent ones.
4. **The power law.** A few companies return more than all the others combined — in venture and in life.
5. **Distribution matters.** A great product with no way to reach customers is still a failed business.



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Preface: Zero to One

Every new thing that matters happens only once. That idea sits at the heart of Zero to One, and the preface lays it out plainly. Peter Thiel separates two kinds of progress. Going from zero to one means creating something that did not exist before: a new technology, a new product, a new way of working. Going from one to n means copying something that already works and spreading it further. Both have value, but they are not the same challenge, and Thiel believes the first is both harder and far more important.

The book grew out of a course on startups that Thiel taught at Stanford in 2012. One of his students, Blake Masters, took detailed notes during the class, and those notes spread widely online before becoming the basis for this book. The ideas come from Thiel's own observations of successful technology companies and his attempt to understand what separates real breakthroughs from small, incremental improvements. He presents the book as a way of thinking about the future through one specific lens: building new companies that bring new technologies and business models into the world.

From the start, Thiel signals that he will challenge conventional wisdom. Business schools tend to praise competition and assume markets work efficiently. Thiel argues the opposite: the most valuable companies avoid competition altogether by creating entirely new categories where they can operate as monopolies. He also frames the book around what he calls definite optimism, the belief that the future can be better and that people can deliberately plan and build that better future instead of waiting for it to arrive on its own.

Thiel worries that we have become too comfortable with horizontal progress. Spreading existing technologies around the globe is useful, but it does not create new capabilities. He suggests that the rapid technological progress of the late twentieth century has slowed, and that we need to recover the ability to imagine and build radically new things. While his examples come mostly from Silicon Valley, he insists the lessons apply to anyone trying to create value, whether in business, science or any other field.

The Challenge of the Future

Thiel starts with a simple thought experiment about typewriters. If you have one typewriter and build a hundred more, you have made horizontal progress. If you have a typewriter and invent a word processor, you have made vertical progress. Horizontal progress, going from 1 to n , is easiest to see in globalization, which takes what works in one place and makes it work everywhere. Vertical progress, going from 0 to 1, is what Thiel means by technology. He uses the word in a broad sense to describe any new and better way of doing things, not just computers.

These two forms of progress can move together, separately or not at all. Thiel sketches a quick history. Between 1815 and 1914, both technology and globalization advanced quickly. From 1914 to 1971, technology kept moving fast while globalization stalled. Since 1971, the pattern has flipped: globalization has surged while technological progress has been limited and mostly confined to information technology. Thiel notes that when most people imagine the future, they picture globalization. They expect a world that is more developed but basically similar to today, not one that is radically different.

To make the stakes concrete, Thiel maps out four possible futures. With neither technology nor globalization, we face recurring crisis. With technology but no globalization, sustainable progress is possible but stays confined to certain regions. With globalization but no new technology, the developing world catches up, but resources come under severe strain; Thiel points out that if China and India consumed resources at American per capita rates, the environmental results would be catastrophic. Only a combination of new technology and globalization offers a future that is both prosperous and sustainable.

The central claim of the chapter is that new technology has never been automatic. It comes from human choices, effort and creativity. In a world with limited resources and growing populations, copying existing models will not be enough. We need breakthroughs that let us do more with less. Thiel sees this as the real challenge of the future, and he sets up the rest of the book to explore how contrarian thinking and bold founders can meet it by building something genuinely new.

Party Like It's 1999

To understand how today's entrepreneurs think, Thiel goes back to the dot-com bubble. In the late 1990s, internet companies with little revenue were given enormous valuations, and the NASDAQ peaked at 5,048 in March 2000 before collapsing. Thiel lived through it at PayPal, which raised \$100 million in March 1999 and then watched the bubble burst about a year later. By 2002, the NASDAQ had dropped to 1,114 and hundreds of internet companies had gone under. Pets.com, which had spent millions on a Super Bowl ad, became the symbol of the era's excess.

Thiel argues that the crash was more than a financial event. It was a psychological shock that reshaped how founders and investors approached startups. Out of the wreckage came four lessons that hardened into Silicon Valley dogma. Make incremental advances instead of chasing grand visions. Stay lean and flexible instead of planning ahead. Improve on existing competitors instead of creating new markets. Focus on the product and let sales take care of itself. Each lesson was a direct reversal of bubble-era behavior, when companies pursued huge ambitions, raised vast sums, claimed to have no competition and spent heavily on marketing.

Thiel believes these lessons are an overcorrection, and mostly wrong. He proposes the opposite of each one. It is better to risk boldness than triviality. A bad plan is better than no plan. Competitive markets destroy profits. Sales matters just as much as product. He points to Google, which went public in 2004 and kept thriving, as an example of a company that ignored the cautious consensus and pursued a bold, monopolistic vision.

The deeper point is about how history shapes collective thinking. The people of the 1990s were right to believe in the future of technology. Their real mistake was a lack of discipline in telling apart companies with genuine monopoly potential from those simply riding the hype. Thiel asks modern founders to avoid both traps: the irrational exuberance of the bubble and the timid incrementalism that followed it. Questioning received wisdom, even wisdom that seems confirmed by a spectacular crash, is the habit he wants readers to build.

All Happy Companies Are Different

Borrowing and reversing Tolstoy's famous opening line about families, Thiel argues that successful companies are each different, because each earns a monopoly by solving a unique problem. Failed companies, by contrast, all share the same fate: they could not escape competition. This leads to one of the book's boldest claims. Capitalism and competition, often treated as synonyms, are actually opposites.

Under perfect competition, prices fall to the cost of production and no company earns a lasting economic profit. A monopoly owns its market and can set its own prices. Thiel believes monopoly is the condition of every successful business, but companies rarely admit it. Monopolists downplay their dominance to avoid scrutiny and regulation, while competitive businesses exaggerate how special they are to attract customers and investors. Google illustrates the first move. Despite holding a 68% share of search in 2014, it presents itself as a technology company competing across advertising, mobile, wearables and self-driving cars, a far larger arena where it looks smaller. A new British restaurant in Palo Alto illustrates the second. It may call itself the only British restaurant in town, but it really competes with every restaurant nearby.

Thiel describes these as two ways of bending the truth. Monopolists define their market as the union of several big markets. Non-monopolists define theirs as the intersection of several narrow ones. The framing matters because it shapes how founders think about their businesses and how investors judge them. It also has practical consequences. Competitive firms fight over today's margins and cannot plan far ahead. Monopoly profits give companies room to think long term, invest in employees, care about their broader impact and pursue ambitious projects.

Thiel also addresses the worry that monopolies are bad for society. In a static world, a monopolist just collects rent. In a dynamic world, creative monopolists expand choice by inventing new categories. He points to IBM in the 1960s and 70s, Microsoft in the 1990s and Google in the 2000s, each of which was eventually challenged by newer innovation. The monopolies to worry about are those that survive through government protection or anticompetitive tactics. His advice to founders is clear: aim to build a monopoly, even if you start small, rather than fighting in a crowded market.

The Ideology of Competition

Competition, in Thiel's view, is less an economic fact than an ideology, and a harmful one. He believes it is drilled into people from childhood by an education system that rewards beating peers at the same tasks. He draws on his own time at Stanford Law School, where he and his classmates competed hard for the same prestigious clerkships and law firm jobs without asking whether those goals were worth pursuing. That mindset, he argues, pushes people to focus on defeating rivals instead of creating something valuable, and to chase old opportunities rather than imagine new ones.

His favorite cautionary tale is the rivalry between Microsoft and Google in the 2000s. Microsoft dominated operating systems and Google dominated search, so each already held something close to a monopoly in its core business. Yet they became fixated on each other. Microsoft pushed into search with Bing, and Google moved into operating systems with Chrome OS and Android. Thiel sees this as a costly distraction that drained attention and money from better uses. Apple, meanwhile, avoided head-on fights and focused on creating new product categories.

Thiel notes that rivalry can turn personal and irrational, and he uses Shakespeare's plays to show how characters can become so consumed by a feud that they lose sight of what actually matters. He speaks from experience. In the early days, PayPal and Elon Musk's X.com were locked in such an intense rivalry that both companies were nearly destroyed. The two sides eventually decided to merge, a move that saved both businesses and created significant value.

The practical takeaway is straightforward: if you cannot beat a rival, consider merging. The larger lesson is to avoid competition whenever possible by building something so different that rivals become irrelevant. Thiel admits that some competition is unavoidable and that competitive instincts run deep. What he rejects is the belief that competition is always good. Instead of asking how to beat others, he wants founders to ask how to create something new, and to recognize that winning without fighting is often the better victory.

Last Mover Advantage

How much is a company really worth? Thiel answers with a basic financial principle: a business is worth the sum of all its future cash flows, discounted back to today. For slow-growing businesses like nightclubs or restaurants, most of that value comes in the near term. For fast-growing technology companies, most of it lies ten to fifteen years ahead. He cites Twitter's 2013 valuation, in which more than three quarters of the value depended on cash flows expected a decade or more in the future. The lesson is that growth alone is not enough. A company also has to last.

Thiel identifies four traits that help a business endure. The first is proprietary technology, and it needs to be at least ten times better than the closest substitute to create a real advantage; anything less looks like a marginal improvement. Google's search algorithm and Amazon's early book catalog, which offered at least ten times more titles than physical stores, fit this test. The second is network effects, where a product grows more useful as more people use it. These only help if the product is valuable to its very first users, so such businesses must start in a small market they can dominate. The third is economies of scale, especially strong in software, where each extra copy costs almost nothing. The fourth is branding, which only works when it rests on real substance. Apple built its brand on excellent design and manufacturing, while Yahoo tried to rebrand without fixing its underlying product.

To build a monopoly, Thiel recommends starting with a tiny market, dominating it completely and then expanding step by step into related, slightly larger markets. Amazon is his main example. Jeff Bezos began with books because they were easy to ship and came in a huge variety that no physical store could match. Only after winning online books did Amazon move into CDs, videos, software and eventually almost everything. Thiel warns founders not to fool themselves about the size of their market in either direction.

The chapter's title turns a familiar idea on its head. Being the first mover is only a tactic, not a goal. What matters is being the last mover: the company that makes the final great development in a market and then enjoys years or decades of monopoly profits. To get there, Thiel suggests studying the endgame first and working backward to decide what to do now.

You Are Not a Lottery Ticket

Is success mostly luck? Thiel thinks not, and he builds a framework to explain why so many people act as if it were. He sorts attitudes toward the future along two lines. You can be optimistic or pessimistic, and you can be definite or indefinite. Definite optimists believe the future will be better and plan concretely to make it so; Thiel says this described America from the 1950s through the 1960s, the era of the Interstate Highway System and the Apollo program. Definite pessimists expect things to get worse but prepare carefully, often by copying what works, and Thiel sees this in China today. Indefinite pessimists, whom he associates with Europe, expect decline but have no plan to stop it.

The attitude Thiel finds most troubling is indefinite optimism, which he says has dominated America since the 1970s. Indefinite optimists expect a better future but make no specific plans to build it. They trust that progress will somehow emerge from small improvements and lucky discoveries. Thiel sees this everywhere. In finance, capital gets spread across diversified portfolios instead of backing specific companies with conviction. In politics, leaders poll voters endlessly instead of offering a vision. Philosophy has drifted from seeking concrete answers about how to live toward debates about method. Bright graduates head to law and consulting to keep their options open rather than commit to anything. Biotech often runs experiment after experiment hoping for a lucky break instead of engineering solutions to specific problems.

Against this, Thiel holds up definite builders like Steve Jobs, who had specific visions and carried them out, and the scientists of the Manhattan Project, who set out to build one particular thing. He argues that in business, intelligent design beats evolution by random mutation, because people can think and plan. He is skeptical of lean startup advice that tells founders to iterate endlessly on customer feedback, since that approach tends to produce small improvements rather than breakthroughs. The early PayPal team, he notes, knew they wanted to build a digital currency.

Thiel does not deny that chance plays some role. His point is that treating your career or company as a lottery ticket, making lots of small bets and hoping one hits, is a mistake. You have agency. Long-term planning may be unfashionable, but Thiel argues it remains the surest way to build something valuable and to shape the future instead of simply hoping it turns out well.

Follow the Money

Some patterns are so extreme that people struggle to act on them even when they understand them. Thiel says the power law is one of these. In venture capital, returns do not cluster around an average the way a normal distribution would. Instead, a tiny number of companies vastly outperform all the rest. The best investment in a successful fund can equal or exceed the returns of the entire rest of the fund combined. Thiel speaks from experience: at Founders Fund, Facebook alone returned more than all of the firm's other investments put together.

This has a clear implication for investors. Venture capitalists should aim only for companies that can truly go from zero to one, and then back them fully. Thiel describes the power law as something close to a law of the universe, showing up in phenomena as varied as city sizes and earthquake magnitudes. Yet even experienced investors often fail to act on it, because the pattern is so lopsided that it runs against intuition. They drift toward spreading bets instead of concentrating on the rare potential giants.

Thiel extends the idea to founders and to individuals planning their lives. For entrepreneurs, it means you should not start a company unless you have a specific plan to become a monopoly in a specific market. A general hope of success is not enough; you need to focus on doing one thing better than anyone else. He challenges the widespread advice, reinforced in schools and business programs, to keep your options open and build a balanced portfolio of skills and opportunities. A life, he argues, is not a portfolio. Hedging across many paths can prevent the kind of outsized result that comes from full commitment to the right one.

The power law also explains why the companies that matter most tend to create new categories instead of competing in existing ones. Whether you are an investor, a founder or simply someone deciding what to work on, Thiel urges you to recognize these dynamics, identify the single best opportunity available and put your energy there.

Secrets

Every great business, Thiel says, is built around a secret: an important truth that few people know or believe. He places secrets between two other kinds of knowledge. On one side are easy truths that everyone already knows. On the other are mysteries that cannot be solved. Secrets sit in between. They are hard to find but not impossible, and they are the raw material of valuable companies.

Thiel worries that modern society has largely stopped believing secrets exist. He blames four trends. Incrementalism teaches people that small steps are the only safe path. Risk aversion makes people afraid of being wrong or looking foolish. Complacency leaves comfortable people with little reason to search. Flatness, the sense that globalization has spread all knowledge evenly, makes it seem that nothing is left to discover. The danger is self-fulfilling: if you do not believe secrets exist, you will not look for them, and you will not find them. Thiel connects this to the housing bubble and the 2008 financial crisis, when people failed to question clearly unsustainable trends. He also points to academic overspecialization, which discourages the search for truths that cross disciplines.

He describes two kinds of secrets. Secrets of nature are undiscovered facts about the physical world. Secrets about people are things people do not know about themselves or keep hidden from others. The second type is often overlooked, yet many successful companies are built on insights into human behavior rather than on technical breakthroughs. Airbnb is one example he offers: it found that people would rent their homes to strangers, despite conventional wisdom that they would not. The key question for founders is what valuable company nobody is building, and answering it requires believing something important that most people disagree with.

Once you find a secret, Thiel advises sharing it carefully. Telling everyone can invite copycats or skepticism before you have proven anything. But you cannot keep it entirely to yourself, because you need co-founders and early employees to help you build. The secret becomes the foundation of the company's mission and culture. Thiel's broader message is hopeful: the world still holds many secrets, and the future belongs to those who go looking for them.

Foundations

Thiel opens with what he calls Thiel's Law: a startup messed up at its foundation cannot be fixed. He compares a company's founding moment to the Big Bang, since the conditions set at the start shape everything that follows. The first critical decision is choosing co-founders, which he likens to marriage. Founders should have real history together, because starting a company with a near stranger is a bit like marrying someone after a first date. Skills matter, but personal compatibility and a shared vision matter more. Conflict between founders is a leading cause of failure, and it usually traces back to poor choices at the start. Thiel notes that he and his PayPal co-founders knew each other well before they began, which helped them face hard times together.

The second foundation concerns who owns, who possesses and who controls the company. Owners hold equity. Employees possess the company through their daily work. The board controls it through formal governance. Early on, these groups overlap, but as the company grows they separate, and misalignment can creep in. Thiel strongly favors small boards: ideally three people, and never more than five for a private company. Small boards communicate well and can actually oversee the business. Large ones turn ceremonial. In a young company, every director matters, and even one bad board member can do real damage, so founders should be very selective.

The third foundation is alignment. Thiel wants everyone working at a startup to be fully committed, which for him means full-time staff and not part-timers, remote workers or consultants in key roles. People who neither hold equity nor draw a regular salary are not tied to the company's long-term future. Pay structure matters too. Thiel argues that cash compensation, especially for the CEO, should be modest. A high CEO salary sets a ceiling for everyone else and signals a focus on taking cash out rather than building value. As CEO of PayPal, he paid himself \$120,000 a year, and he observes that the best-paid startup CEOs he has seen often ran the weakest companies.

Equity helps tie everyone to long-term success, but it needs care. Because equity is divided among employees, perceived unfairness can breed lasting resentment. Thiel suggests keeping individual grants private and awarding equity over time. Getting these foundations right does not guarantee success, he concludes, but getting them wrong creates problems that can never be fully repaired.

The Mechanics of Mafia

After eBay acquired PayPal, members of its early team went on to found or lead a remarkable string of companies, including Tesla, LinkedIn, YouTube, Yelp and SpaceX. The group became known as the PayPal Mafia. Thiel argues this was no accident but the result of deliberately building a certain kind of culture, and he uses it to explain how startups should think about their teams.

For Thiel, a startup is less a purely economic unit than a tribe united by a mission. Time spent together matters more than résumés, and many early PayPal employees had known one another before joining. The company looked for talented misfits, people who were highly capable but did not fit the usual corporate mold. It avoided consultants, part-timers and people mainly interested in padding their résumés, and instead recruited people who were genuinely excited about creating a new digital currency and shaking up the financial system.

Thiel's guiding principle for culture is that everyone should be different in the same way. Team members should share core values and commitment to the mission while bringing a range of skills. He warns against hiring on credentials alone or imitating the polished professional culture of big corporations. Startups should embrace what makes them unusual, because that distinctiveness attracts people who care about the specific mission. At PayPal, modest salaries paired with meaningful equity kept everyone focused on long-term success. Thiel also describes a practice of giving each employee one main area of responsibility, which reduced conflict and made accountability clear. He stresses that startups cannot afford big-company office politics, and that internal conflict is often more dangerous than any outside threat.

Thiel goes so far as to say the best startups have something like cult cultures, not in a sinister sense, but in their ability to inspire deep commitment and strong bonds. From the outside, such cultures may look odd or exclusive, and that is part of their strength. The PayPal story shows how the trust and relationships formed during an intense startup can keep generating value for decades. His advice is to worry less about appearing normal and more about building something truly different, beginning with the team.

If You Build It, Will They Come?

Many engineers believe a great product will sell itself. Thiel calls this a myth. Distribution, meaning how a product actually reaches customers, matters as much as the product, and companies that ignore it will fail no matter how good their technology is. He organizes the options along a spectrum defined by what it costs to acquire a customer and how much that customer is worth over time.

At the top end are complex sales, deals worth millions of dollars that require the CEO to lead the process. Thiel experienced this at Palantir, where he personally spent weeks or months closing single deals with large organizations. Next comes personal sales, with deals roughly in the \$10,000 to \$100,000 range, which call for a dedicated sales team; Box, which sells cloud storage to businesses, is his example. Below that lies what Thiel calls a dead zone. Products here cost too much to spread through advertising or word of mouth but bring in too little per customer to justify a sales force. Many companies die in this middle ground because the numbers simply do not work.

Marketing and advertising suit products with broad appeal and low prices, often under \$100, as with consumer goods from companies like Procter & Gamble. For startups, advertising only makes sense when acquisition costs stay low compared with what each customer is worth. Viral marketing is another path, where using the product naturally draws in new users. PayPal did this by paying customers \$10 for signing up and \$10 for each referral. Thiel adds that the power law applies here too: one distribution channel will usually beat all the others combined, so the goal is to find that one channel and master it rather than spread effort thin.

Thiel also reminds readers that selling reaches beyond customers. Recruiting is a form of sales, and so are public relations and fundraising. Everyone is selling something, whether they admit it or not, and the tech world's disdain for sales blinds many founders to its importance. His conclusion is that strong distribution can make up for a weaker product, but a strong product cannot survive poor distribution. Distribution needs to be designed into the company from the very beginning.

Man and Machine

Fear that computers will take everyone's jobs is common, and Thiel thinks it rests on a misunderstanding. He distinguishes between two views of automation. Substitution treats computers as replacements for human workers, which fuels anxiety about technological unemployment. Complementarity treats computers as tools that make people more capable. Thiel strongly favors the second view, and he predicts that the most valuable companies of the coming decades will ask how computers can help people solve hard problems, not how they can replace people.

Big data offers a useful illustration. Computers can process far more information than any person, but they cannot decide which questions matter or what the results mean in context. People supply judgment, creativity and strategy. Thiel also separates strong AI, meaning machines that think like humans, from weaker forms that support human thinking. He regards strong AI as science fiction, while the complementary kind is already changing industries.

Two examples anchor the argument. The first is Palantir, the data analysis company Thiel cofounded. Its software does not replace analysts; it helps them search and visualize huge datasets that would be impossible to handle manually. The computer does the heavy computation, while human analysts bring intuition, pattern recognition and context. The second example comes from chess. According to Thiel, the strongest players are neither computers alone nor humans alone, but human and computer teams known as centaurs, which combine machine calculation with human strategic insight. Companies that focus only on automating existing jobs, he argues, miss the chance to create entirely new capabilities.

Thiel ties this back to the book's opening framework. Globalization is a story of competition, with people competing against one another for the same work. Technology, in the complementary sense, is a story of people and machines working together to do new things. Fears about unemployment assume a zero-sum contest between humans and computers, while the most valuable innovations are positive-sum collaborations. His outlook is ultimately optimistic: the future belongs to the combination of human and machine intelligence, not to either one working alone.

Seeing Green

Between 2005 and 2009, investors put more than \$50 billion into clean technology companies, and most of those companies failed. Thiel treats the cleantech bust as a case study and uses it to present seven questions every business must answer. The engineering question asks whether you have a breakthrough rather than a small improvement. The timing question asks whether now is the right moment. The monopoly question asks whether you are starting with a big share of a small market. The people question asks whether you have the right team. The distribution question asks whether you can actually deliver your product, not just make it. The durability question asks whether your position will hold up ten and twenty years from now. The secret question asks whether you have spotted a unique opportunity others have missed.

Most cleantech companies stumbled on nearly all seven. Their technology offered modest gains instead of tenfold improvements. Many founders assumed rising oil prices and environmental concern guaranteed success without considering that those trends might reverse. They described their markets as enormous and then competed in huge, undifferentiated spaces like solar panels and biofuels, where monopoly was out of reach. Thiel observes that many cleantech leaders seemed more interested in winning government grants and looking polished than in building products. They underestimated how hard manufacturing and distribution would be, lacked proprietary technology and risked being undercut by Chinese manufacturers. And there was no secret: everyone from investors to politicians to celebrities was already talking about clean energy.

Solyndra is one of Thiel's main examples. It received a \$535 million federal loan guarantee and went bankrupt in 2011, unable to match Chinese panel makers on cost; its cylindrical panels offered only a marginal edge that could not justify the higher price. Better Place, which raised more than \$800 million to build an electric car battery network, tried to solve too many problems at once, from charging stations to battery swapping to coordination with automakers, without a tenfold advantage anywhere.

Tesla is the counterexample. It began in a tiny market with the Roadster, a luxury sports car for wealthy environmentally minded buyers, where it could dominate. It had superior battery and drivetrain technology, a strong engineering team and a genuine insight: clean technology could be desirable and cool, not merely virtuous. From there it expanded with the Model S and beyond. Thiel's conclusion is that cleantech failed not because clean energy is unimportant, but because good intentions cannot replace a sound business built on real advantages.

The Founder's Paradox

In the final chapter, Thiel turns from companies to the people who start them. Founders, he observes, often combine traits that seem to contradict each other. They can be insiders and outsiders at once, conformists in some ways and rebels in others. Bill Gates, for instance, was both a nerd and a fierce businessman. Thiel calls this the founder's paradox: the people best at creating new things frequently carry qualities that appear mutually exclusive.

Society tends to respond to such people in extremes. Founders are celebrated as heroes when things go well and blamed as villains when they go badly. Thiel links this pattern to ancient mythology and to the way people have historically treated kings and other exceptional figures. Steve Jobs is his clearest modern case, a man both adored and criticized, sometimes at the same moment.

Are founders born different, or do they become different? Thiel suggests it is a cycle that feeds itself. People who start companies often begin with unusual traits, and the experience of founding, along with media attention and public scrutiny, amplifies them further. He points to Howard Hughes, who grew more eccentric as his fame grew, and to Lady Gaga, whose carefully built persona shows how performance and reality can blend together. While not every successful company needs a celebrity founder, Thiel sees a link between a founder's distinctiveness and a company's capacity to innovate. The most valuable companies are often led by people willing to pursue visions others dismiss as crazy.

Thiel ends with a warning about both extremes. Trying to be entirely normal makes it nearly impossible to create anything new, yet being too extreme can lead to self-destruction or an inability to work with others. Successful founders must be different enough to see what others miss and grounded enough to build an organization and persuade people to follow. He cautions boards and investors against trying to normalize visionary founders, noting that Apple pushed out Steve Jobs in 1985 and later brought him back when the company struggled. Instead, companies should build structures that channel a founder's unusual strengths. Going from zero to one, Thiel concludes, depends on exceptional individuals who can see what others cannot and hold to their vision despite doubt.

About Peter Thiel

Peter Thiel is an American entrepreneur and venture capitalist. Born in 1967 in Frankfurt, Germany, he moved to the United States as a child. He studied philosophy at Stanford University and later earned his law degree from Stanford Law School. While an undergraduate, he cofounded The Stanford Review, a student newspaper.

Thiel cofounded PayPal and served as its CEO, taking the company public in 2002 before it was acquired by eBay later that year. In 2004 he became the first outside investor in Facebook, and he served on its board for many years. He cofounded the data analytics company Palantir Technologies and the venture capital firm Founders Fund, and he also started the hedge fund Clarium Capital. In 2011 he launched the Thiel Fellowship, which offers grants to young people who choose to pursue their own projects instead of attending college.

Zero to One, written with Blake Masters, was published in 2014 and grew out of the course on startups that Thiel taught at Stanford in 2012. It became a New York Times bestseller. Masters, who took the class notes that formed the basis for the book, was then a Stanford law student. Thiel has also coauthored The Diversity Myth, published in 1995, and he is known for his contrarian views on technology, education and politics.

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