WRITTEN FOR THE 10-YEAR-OLD YOU

Case Stories

Kids Edition

57 true stories of turning a small idea into a big business

Every amazing company started from one ordinary idea

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CASE 01 Jan Koum · WhatsApp

The One Who Did the Least… and Still Won

You text your family and friends every day. It feels totally normal, right? But not long ago, sending a message was a real pain. Texts cost money. Texting someone in another country cost even more. Back then, there were already tons of chat apps. So which one did the whole world end up using? A tiny app that almost does nothing. It's called WhatsApp.

A boy from far away

The man who made it was Jan Koum. He was born in Ukraine in 1976. At sixteen, he moved to America with his mom. His family was poor at first, so he worked odd jobs to get by. Maybe that's why he hated two things: hassle and waste. He was always asking one little question. “Couldn't this be simpler?” That one habit became his superpower.

Get good first

Koum didn't rush to start a company. First, he spent years learning computers. Then he worked as an engineer at Yahoo for almost nine years. People think a business starts with one bright idea. But really, he spent more than ten years turning himself into someone truly skilled. And he met the partner there who would build WhatsApp with him.

> ? **Think about it:** To do something big, is it better to wait for one lucky idea, or to make yourself really good first?

People just wanted to send a message

In 2009, Koum bought an iPhone. His first app wasn't a chat app at all. It just showed a status, like “Busy” or “Low battery.” Nobody loved it. But he noticed something. People were using those statuses to leave little notes for each other! Suddenly he got it. What people really wanted was simple. They just wanted to send a message. So he rebuilt the whole thing into a chat app.

A race to do less

Other apps fought over who had more features. Koum went the other way. He raced to do less. Your phone number was your account. The people in your contacts were your friends. You just opened it and chatted. No sign-up. No passwords. No adding friends one by one. His partner even taped a note to the desk: “No Ads! No Games! No Gimmicks!” The first big fans were people with family abroad. Messaging over data was free, and it saved them a lot of money.

> ? **Think about it:** When everyone else keeps adding more, would you dare to go the other way and make it simpler?

A surprising ending

Here's the wild part. This tiny app was later bought by a big company for a huge pile of money. But the team behind it? Only a few dozen people. And yet it served hundreds of millions around the world. So think about it. A thing isn't valuable because you used lots of people or worked super hard. It's valuable because of how big a problem you solved, and for how many people.

One promise: no ads

Lots of free apps make money by stuffing in ads. They get messy and annoying. Koum and his partner made a rule. No ads. No flashy games. They'd rather make money slowly and keep the app clean and simple. And that's exactly why more and more people fell in love with it.

The Big Lesson

Koum didn't invent anything new. He took something we all do every day, and find a little annoying, and made it as simple as possible. So here's your tip. Pick a small hassle you put up with yourself. Don't rush to add stuff. Instead, ask one honest question. “Could this be even simpler?” Opportunity often hides inside the words, “Ugh, why is this so annoying?”

My Notes

CASE 02 Warren Buffett

The Man Who Turned "Waiting" Into a Superpower

When people picture the best money-makers, they think of inventors with shiny new tech. But here's a different question. Who is best at making money out of time? The answer might be a man who does something totally un-exciting. His name is Warren Buffett. He doesn't invent things. He doesn't build products. He does just one thing. He finds great companies, buys them, and waits patiently for them to become worth more.

A kid who loved money puzzles

Buffett was born in America in 1930. His dad worked with stocks, so he grew up around numbers and business. He loved earning money early. He delivered newspapers. He sold gum and cola. At eleven, he bought his first stock. At fourteen, he used his savings to buy a piece of land. But here's the thing. What he loved wasn't money itself. It was the puzzle of how money grows into more money.

A pair of glasses he'd wear for life

As he grew up, he met a teacher. That teacher taught him one simple line. Buying a stock isn't buying a lottery ticket. It's buying a small piece of a real company. So while others ask, "Will it go up tomorrow?", Buffett asks something different. "Is this a good company? If I couldn't sell it for twenty years, would I still want to own it?" He wore those glasses his whole life.

> ? **Think about it:** Before you buy something, what matters more? Whether it's on sale, or figuring out what it's really worth?

Calm when others panic

The stock market is noisy every single day. When prices go up, everyone gets greedy. When prices fall, everyone gets scared. Lots of people know better, but they just can't hold back. And this is where Buffett is different. He stays calm when others are wild. He buys in when others are terrified. He also found a great partner, who pushed him to level up. From grabbing cheap bargains, to paying a fair price for truly wonderful companies.

Why great companies pick him

Here's something interesting. Many owners would rather sell their company to Buffett, even when someone else offers more money. Why? Because they trust him. Hand it to Buffett, and it won't get chopped up or messed with. After he buys, he usually doesn't meddle. He keeps the team. "I feel safe giving it to him." That trust let him keep buying the very best companies.

> ? **Think about it:** If you had one thing you loved most to give away, would you give it to the highest bidder, or to the person you trust most?

Like rolling a snowball

Buffett has a famous picture for this. Making money is like rolling a snowball down a hill. You need a long, wet slope. That's just a fancy way of saying, you need a lot of time. At first, the snowball is small and slow. But if it never stops and never breaks, it grows and grows. And most of his money? He rolled it up when he was already old.

A simple life

You might not guess it. This super rich man lived for decades in the same plain house he bought long ago. He lived simply, like he wasn't a billionaire at all. He put his energy into understanding companies and controlling himself. Not into fancy spending. That steadiness, not getting pulled off course, is his real strength.

The Big Lesson

People often think too big about one year, and too small about ten or twenty years. The hard part isn't understanding that time makes money grow. The hard part is having rules you trust, and not wavering through all the ups and downs. Buffett's real genius? He made time his business partner.

My Notes

CASE 03 Sam Walton · Walmart

He Opened His Store Where Big Companies Wouldn't Bother

In 1962, all the big stores raced to open in big cities. But Sam Walton did the opposite. He opened his first Walmart in a small town of just a few thousand people. Every expert said the same thing. Small towns have too few people. You'll never make money. Who would even go there? And yet, from these little overlooked places, he built one of the biggest companies in the world.

Saving, deep in his bones

Walton was born in 1918. He grew up in a time when things were scarce. Those years gave him a habit for life. He hated waste. Even after he got super rich, he still drove an old pickup truck. This love of saving wasn't for show. It was deep in his bones. And it became Walmart's greatest skill.

A painful lesson

His first little store did great. But he forgot one thing. He didn't write a “renewal” line into the lease. So a few years later, the landlord took the store back and gave it to a relative. A store he'd built up with his own hands, just gone. That hurt. And it taught him a lesson he never forgot. Hold tight to what you can control. Don't put your fate in someone else's hands.

> ? **Think about it:** Selling the same stuff, why can some stores stay cheap all the time, while others can't?

Cheap every day, not just on sale

Other stores lured people with the occasional big sale. The rest of the time, they weren't cheap at all. Walton did the opposite. No tricks. Just a promise. Everything as cheap as possible, every single day. He didn't make much on any one item. Instead, he sold a mountain of stuff at rock-bottom prices, and made his money on the huge volume.

The secret hides where you can't see it

To be cheap every day and not lose money, there's only one way. Push your costs lower than anyone else. So he bought in huge batches and bargained hard. He built his own warehouses. He ran his own truck fleet. He even used computers and satellites early, so he knew what every store sold, right away. A store selling cheap goods was one of the most high-tech companies of its day. Because that's the only way “cheap” becomes real.

He counted rivals' shelves himself

Walton had a famous habit. Whenever he had time, he'd walk into a rival's store. He'd look, one item at a time, at how they arranged things and set prices. Anything good, he copied fast. He didn't think copying was shameful. If a trick gave customers a better deal, learning one more was one more win. That humble, hungry learning kept him cheap for years.

Think about it: Big companies had more money and more fame. So why did a man from a small town win?

Every dollar goes further

Customers chose Walmart for a simple reason. The same money bought more stuff. And prices stayed low all the time. So you never lost out, no matter when you shopped. No need to watch the ads and wait for a sale. For families counting every dollar, that beats any flashy promotion.

The Big Lesson

Being cheap is actually a hard skill. Anyone can cut a price. But cutting a price isn't the same as being cheap. Real low price means saving cost at every step, and still making a healthy profit. So here are two lessons. The biggest chances often hide where others look down. And to win on value, build a system that keeps saving money. Don't just lose money on purpose.

My Notes

CASE 04 Steve Jobs · Apple

He Invented Almost Nothing. Yet the World Lined Up to Buy.

Jobs didn't invent the touchscreen. Or the mouse. Or the MP3 player. He didn't even invent the smartphone. Most of these things existed before Apple made its versions. So here's the strange part. The products the whole world lined up to grab, the ones that changed daily life, were Apple's. How did a man who invented almost nothing pull that off?

A man in love with beauty

Steve Jobs was born in 1955. He dropped out of college after just one semester. But he secretly sat in on a calligraphy class. That “useless” class is why Apple computers later had beautiful fonts. And that tells you a lot about him. What he loved was never cold technology on its own. It was the link between technology and beauty, and how it makes you feel.

He made machines people wanted

Here's a surprise. Jobs wasn't really the engineer. His partner Wozniak built the machines. Jobs did something else. He decided what the thing should look like, who it was for, and how to make you want it on sight. Early computers were scary bare circuit boards. Jobs insisted on a beautiful case. And just like that, it became a machine any family could put on a desk and use.

> ? **Think about it:** Is “it works” the same as “you want it the moment you see it”?

The more he deleted, the better

Later, he was pushed out of the company he founded. Years after that, he came back. And he came back with one big skill. Integrate. Other MP3 players were ugly and hard to use. Apple combined the player, the software, and a music store into one smooth thing. And one line said it all. “A thousand songs in your pocket.” With the iPhone, he did it again. While others crammed in more, he kept deleting. Down to only what mattered. Because he believed simple is a kind of luxury.

What are people really buying?

Apple's specs were often not the best. And it cost more. Yet people still bought it. Why? Because they weren't buying specs. They were buying a feeling. “I can use it the second I pick it up, and it feels great.” The sense that someone thought of everything for you. Even a little pride. “I use something really well made.” Rivals couldn't match that with higher specs.

> ? **Think about it:** Do you love a thing because its specs are high, or because using it makes you happy?

Not even the box was ignored

Jobs cared about details more than you can imagine. They say he even obsessed over how a product's box should open, and how it felt to open it. Just so, the moment you unboxed it, you'd think, “Wow, this is beautifully made.” Where others said “close enough,” he pushed to the very end. That kind of care is really hard to copy.

The Big Lesson

In a world where everyone can buy the same parts, having technology alone isn't enough anymore. What's truly rare is taking ready-made things and turning them into one simple, easy, want-it-on-sight experience. So don't only ask, “Do I have a stronger feature?” Ask this too. “What does someone feel the moment they hold my thing?” Sometimes polishing the feeling beats adding one more feature.

My Notes

CASE 05 Ray Kroc · McDonald's

A Milkshake-Machine Salesman Turned One Burger Shop Into 30,000

You've been to McDonald's, right? In Beijing, in Shanghai, or in a faraway foreign city, the fries and burgers taste about the same. There are over thirty thousand McDonald's around the world. So how did they all become almost identical? Behind this is a very surprising man.

A 52-year-old salesman

His name was Ray Kroc. Why surprising? Well, he didn't invent the burger. And he didn't open the first McDonald's. That was a little shop run by two brothers, the McDonalds. When Ray showed up, he was already fifty-two. His health wasn't great. And he'd spent his whole life as a salesman. First paper cups, then a machine that mixed five milkshakes at once. So he wasn't a chef. He wasn't a genius inventor. He was just an old salesman.

? **Think about it:** A salesman who can't cook a burger, and isn't young. Do you think he could pull off something big?

The strange case of eight machines

One day, Ray noticed something odd. A restaurant in a small California town ordered eight of his mixers at once. Eight! That meant mixing forty milkshakes at the same time. How busy could one place be? He was so curious that he drove all the way there to see. And what he saw stunned him.

He saw what others missed

The two brothers had turned making a burger into an assembly line. Just a few menu items. Each person did one job. The food came out super fast. It was cheap. And the taste was the same every time. Now, most people would just say, “Wow, tasty burgers.” But Ray thought of something else. The most valuable thing here wasn't the burger. It was the method for making burgers. One shop earns one shop's money. But what if you copied this method into a thousand shops? Ten thousand?

? **Think about it:** If you had a super fun game idea, is it stronger to play it quietly yourself, or to teach the whole world to play?

Turning “good” into “anyone can do it”

Ray talked the brothers into letting him spread the method across the country. But copying was way harder than it sounds. To make every shop taste the same, he wrote every little thing into strict rules. How many minutes to fry the fries. How big the burger. How to lay out the kitchen. How clean the floor must be. He repeated four words every day. Quality. Service. Cleanliness.

Value. People who joined didn't buy a sign and then do their own thing. They bought a whole method they had to follow exactly.

The secret business behind the burgers

Here's a clever trick few people know. Franchise fees alone didn't earn much. So what really made the machine run? The company bought or rented the land and buildings under each shop. Then it rented them to the owners. So McDonald's spread its sign across the country with burgers, while collecting steady rent underneath. Ray had a famous line. “I'm not really in the burger business. I'm in the real estate business.”

The Big Lesson

Ray's genius was one secret. Inventing a good thing is great. But turning that good thing into a method anyone can follow is often even greater. A skill only you have is capped by one person. A method that can be copied might be capped at ten thousand times that. Almost every chain store you see today learned from him.

My Notes

CASE 06 Jeff Bezos · Amazon

What He Really Wanted to Sell Was Never Books

In 1994, Jeff Bezos quit a safe, high-paying Wall Street job. And he went to sell books online. Everyone thought he'd lost his mind. But here's what few people knew. Selling books was never what he really wanted to do. Books were just a starting point he chose very carefully. What he really wanted was an online store that sold everything.

A man who loved to calculate

Bezos was born in 1964. He was crazy about numbers and machines. One day, he saw a stunning fact. Back then, internet use was exploding by over two thousand times a year! So he ran a little thought test on himself. When I'm eighty and look back, what will I regret? He worked it out. The real regret wouldn't be trying and failing. It would be seeing a chance and not daring to try, just because he feared losing his job. So he quit.

Why start with books?

After he decided to sell everything online, he didn't just jump in. He made a list of products and compared them, one by one, like a science project. In the end, he picked books. His reasons were cool and clear. Books come in more kinds than any real store can hold. But an online store can offer almost endless choice. Books are standard. Easy to pack. No need to try them on. And there was no giant rival yet. Books were the perfect first step.

? **Think about it:** To build a very tall tower, is it better to start on all four sides at once, or to make one corner solid first?

A flywheel that spins faster and faster

Bezos had a picture in his head. He called it the growth flywheel. Lower prices and more choice bring more customers. More customers attract more sellers. More sellers mean even more choice and lower prices. And that brings even more customers. Once this circle starts turning, it speeds itself up. Many of his “crazy” moves were really just pushes on this flywheel.

On purpose, no profit for years

Here's the strangest part. For years, he chose not to chase profit. People nagged him about it every day. But he poured almost all the money back in. Into lower prices. Faster shipping. More products. To him, a dollar spent now, spinning the flywheel faster, was worth more than a dollar in his pocket. He also turned Amazon into a giant platform where everyone could sell. And the choices exploded.

? **Think about it:** Is it better to earn a tiny bit today, or to hold off and build something nobody can catch?

Always put the customer first

Bezos had one rule he never broke. In meetings, he left one empty chair at the table. It stood for the person who wasn't there, but mattered most. The customer. Every decision had to ask first, “Is this good for the customer?” Other companies stared at their rivals. He stared at what customers were still unhappy about. Serve them to the extreme, and rivals fall behind on their own.

The Big Lesson

The best thing to learn from Bezos is his restraint at the start. He carried a giant goal, “sell everything.” But his first step was just books, the single easiest point to win. So remember this. The bigger your goal, the more you need a small, easy-to-win first step. Get truly steady on one point. Then roll outward with the momentum.

My Notes

CASE 07 Phil Knight · Nike

Why Would Anyone Line Up to Grab a Pair of Shoes?

A pair of sneakers is really just rubber and cloth. It doesn't cost much to make. But at Nike, people will line up all night to grab a pair. They'll pay many times the price to collect them. They'll treasure them like jewels. That big gap in price isn't what the sole and fabric are worth. So what did Phil Knight really do? It looked like selling shoes. But he turned a pair of shoes into an identity.

A man who understood athletes

Knight was born in 1938. In college, he was a middle-distance runner. And that matters a lot. He wasn't just a businessman. He truly understood what athletes wanted. In business school, he wrote down an idea for an assignment. Import good running shoes from Japan and sell them in America. That class assignment was the earliest form of Nike.

Selling shoes out of a car trunk

Don't imagine he started fancy. In the early days, he drove to track meets and sold shoes out of his car trunk. That humble job showed him two big things. One. Making shoes could be handed to other factories. The valuable thing wasn't making them. It was the brand. Two. When athletes buy shoes, they're not just buying function. They're buying a dream of being faster and stronger.

> ? **Think about it:** Is a thing's price decided only by what its materials cost? Or also by what it stands for?

Let champions speak for him

Later, he fell out with his Japanese supplier. So he had to build his own brand. He named it Nike, the goddess of victory. And he paid very little for that famous swoosh. Then came his killer move. Instead of praising the shoes himself, he let the greatest athletes win while wearing them. When you see a champion you idolize with that swoosh on their feet, the shoe stops being just a shoe. It becomes a ticket to being like your hero.

Selling a spirit

That line, “Just Do It,” isn't about how good the shoes are at all. It's a shout to every ordinary person. Stop hesitating. Go do it. He handed the tiring, low-profit work of making shoes to others. And he held tight to the valuable things. Design. Brand. Story. Athletes. Making shoes earns hard money. Telling stories earns big money.

> ? **Think about it:** For the same thing, who earns more? The person who quietly makes it, or the person who makes everyone want it?

Why line up to grab them

Nike understood one more trick. Don't put all the good stuff out at once. Some special styles were made in tiny numbers, on purpose. The more it was “blink and it's gone,” the more people wanted it. Whoever grabbed a pair treasured them and showed them off. Whoever missed out wanted them even more. That longing, born from being rare, made a pair of shoes matter far more than its materials ever could.

The Big Lesson

In an industry where everyone can make the product, being able to make it isn't the skill. Making people want it is. So if your thing is about the same as everyone else's, don't only fight on function and price. That road just gets narrower. The real room is this. Can you pour in a layer of feeling or identity, so buying it feels like saying, “This is who I am”?

My Notes

CASE 08 Jensen Huang · NVIDIA

The Direction He Bet On Stayed Quiet for Twenty Years

Today, NVIDIA is the hottest company of the AI age. But the real lesson isn't how valuable it is now. It's how it clawed through the long, ignored years, step by step. Its chips started as just graphics cards, to speed up game visuals. A small, crowded, brutal corner of the market. Jensen Huang bet on this direction. And he kept betting, for decades.

A man who pushed harder when it got harder

Huang was born in Taiwan in 1963. As a child, he moved to America. He was sent to a rough boarding school, where he learned to survive in a hard place. That experience forged real toughness in him. The harder it got, the more he pushed forward. And that trait would later save the company, again and again, when it nearly went under.

A company born in a roadside diner

He grew up to be a chip engineer. In 1993, at thirty, he and two partners sat in a little roadside diner. Over coffee, they talked it over. And they founded NVIDIA. The place where the company began was just an ordinary booth like that.

A bet nobody needed yet

Inside NVIDIA's graphics cards are thousands of tiny cores. They can all work at once. Huang had a thought. This power, handling huge amounts of computing at the same time, will surely be badly needed someday. So he made a choice that looked like a bad deal at the time. He spent great effort building software, so people could use graphics cards for all kinds of computing. For years, almost nobody wanted it. Investors complained it hurt profits. But he just wouldn't give up.

> ? **Think about it:** Doing something with no payoff for years, what's harder? Not being skilled enough, or not being able to resist quitting?

The days it almost couldn't pay wages

NVIDIA looks glorious now. But it nearly went under several times. Once, it was so close it could barely pay its workers. Huang has a famous line, more or less. “Our company is always thirty days from going out of business.” That constant “we could be finished any moment” feeling pushed the team to do everything as well as they could. Real strength often grows out of barely surviving, over and over, and gritting your teeth to pull through.

The times finally turned

The turn came harder than anyone expected. When AI took off, it needed massive computing to train. And people were amazed. The perfect tool was already sitting there, quietly prepared.

NVIDIA's! Its chips and software were almost tailor-made for this moment. Years of quiet work became a lead no one could catch. This wasn't lucky timing. It was a bet placed for many years, finally paying off.

? **Think about it:** Is a “boring” thing always worthless? Or has it just not reached the moment to shine?

The Big Lesson

Don't treat this as a lucky “caught the wave” story. The truth is different. He plowed the field quietly for over ten years, when the wave was nowhere in sight and nobody cared. What's truly rare, and hardest to steal, is long-term thinking itself. In a world that chases speed and buzz, if you lock onto a direction and build up more patiently than everyone, time will slowly build a wall others can't climb.

My Notes

CASE 09 Patrick Collison · Stripe

Turning “Getting Paid” Into a Few Lines of Code

Buying and paying online today is super smooth. But think from the other side. How much work does it take for someone to sell online, and actually collect a customer's money? Before Stripe, the answer was painful. You had to deal with banks. Endless forms. Endless reviews. So what did the Collison brothers do? They squeezed that whole nightmare into one thing. Copy a few lines of code, and you're done.

Two brothers from the Irish countryside

Patrick and his younger brother John Collison came from the Irish countryside. They were coding whiz-kids from a young age. But even better, they didn't just write code. They built real things and did business early. As teenagers and in their early twenties, they founded their first software company. And they actually sold it.

Hitting the same wall over and over

Running that company, and building projects for others, they kept slamming into the same wall. Why is it so hard to collect a payment online? As coders, they felt that pain most sharply. “I just want my website to take money. But I have to deal with a pile of junk that has nothing to do with my business.” They weren't onlookers imagining a problem. They'd been tortured by it, first-hand.

? **Think about it:** Who understands a hassle best, and wants most to fix it? Someone who heard about it, or someone who lived through it?

One move that made the hard part simple

To collect money online, one person faces a long, messy list. Banks. Payment gateways. Accounts. Risk checks. Rules. What the brothers did was hide that whole nightmare chain behind one clean tool. Developers no longer had to understand the complicated stuff underneath. They just wrote a few short lines of code. And their website could take credit cards, right away.

The foundation hidden backstage

Their smartest move was who they chose to serve. Developers. Not everyday shoppers. That's why many people have never heard of Stripe. It's not a payment app. It's the payment foundation hidden behind countless websites. They made a bet. In the future, a flood of small teams would appear. All needing to collect money. None wanting the hassle. Whoever made getting paid as simple as one little feature would become the base of that whole wave.

Think about it: Is it better to stand in the bright spotlight, or to do a backstage job everyone relies on but no one wants to touch?

Caring, right down to the bone

The brothers' fussiness over “easy to use” was almost an obsession. They'd polish every word of a help page to make it clearer. They'd stand in the developer's shoes, and smooth over every little spot that might trip someone up. That “think of everything for the user” care is exactly why people who used it couldn't help telling the next person about it.

The Big Lesson

Opportunity isn't always in the loudest, brightest spot. Sometimes the most solid business is this. Find a hassle that many people suffer through again and again, and none want to solve themselves. Then turn it into a tool they can just pick up and use. When everyone rushes to dig for gold, the person who makes the best shovel often stands in the safest spot.

My Notes

CASE 10 Larry Page & Sergey Brin · Google

How a School Project Became a Money Printer

Today, Google is richer than many countries. But it began as just a research project by two PhD students at Stanford. Back then, Page and Brin wanted to solve a school problem. There were more and more web pages, all in a mess. How do you find the truly useful one, fast? They even tried to sell the technology once. But nobody would pay the price they had in mind.

Two people who loved sorting information

Larry Page and Sergey Brin were two computer PhD students at Stanford in the 1990s. Both were super smart. And both were fascinated by one problem. How do you sort a giant pile of information? Search engines back then were mostly dumb. They just counted how many times a word appeared on a page. So piles of junk pages ranked at the top. And the truly useful ones got buried. That problem became their mission.

An idea borrowed from research papers

Their key idea came from a clever comparison. In school, one way to judge if a paper is important is this. How many other papers cite it? The more, and the more respected, the citations, the more likely it's good. So they thought. Aren't the links between web pages a lot like citations between papers? The more, and the more trusted, the pages linking to a page, the more valuable it probably is. With this idea, they built a ranking method way smarter than any rival. And search took a giant leap.

? **Think about it:** Does a good idea have to be dreamed up from nothing? Or can it be borrowed from an old trick in another field?

Super useful, but no way to make money

Search was so good that Google barely advertised. It caught fire by word of mouth. Soon it was the first stop for finding things online. But here was the awkward part. Search was free. And the more people used it, the more expensive the servers got. Yet the company earned almost nothing. A huge win in technology didn't bring a way to make money.

Turning “what you want” into a business

The clever part was act two. Google noticed something. When someone searches “running shoes,” their thought at that moment is crystal clear. They might be about to buy running shoes. So put a running-shoe ad right beside the results. It's not annoying to the user. And it's wonderfully precise for the seller. Whoever bids more for that word ranks higher. And the seller only pays when the user actually clicks. A free search box that made no money became a money printer.

Think about it: Which matters more? Figuring out how to charge first, or making the thing so good people can't live without it?

Value first, money later

The best part of Google's story is the order. Value first, money later. The two had no clear money plan at the start. They just hammered away at a hard problem, and made search amazing. Only after they gathered a huge crowd did the way to make money slowly appear. Many people get stuck in the opposite order. They rush to figure out how to charge, before they've made anything people love.

The Big Lesson

If you can find something people do often, and truly need, and serve it far better than others, then here's the good news. Even if you don't know how to make money at first, you already hold the most important thing. Because the people and the trust you gather are a gold mine by themselves. And the way to cash in usually follows.

My Notes

CASE 11 James Dyson · Dyson

The Vacuum That Took Over 5,000 Tries

Have you ever noticed the vacuum cleaner at home? After a while, it goes weak. The suction gets worse and worse. Most grown-ups just shrug. “That's how vacuums are. Just live with it.” But one man in England refused to live with it.

A man who wouldn't let things go

His name is James Dyson. As a kid, he studied art and design. He wasn't a machine expert from the start. But he had one special habit. He wouldn't let things go. Other people hit a problem and just work around it. Dyson would stare at it and ask, “Why does it have to be this way? Couldn't it be better?”

Take it apart, find the cause

One day, his own vacuum went weak again. He didn't just accept it. He took it apart to study it. And he found the cause. Inside was a dust bag. When it filled with dust, the tiny holes in the bag got blocked. Air couldn't get through. So the suction died. And that gave him a bold idea. What if we just got rid of the bag?

> ? **Think about it:** Grown-ups all say “that's just how vacuums are.” Would you believe them, or try it yourself?

Over five thousand tries

The idea was easy to say. Making it work was really hard. To build one new part that actually worked, Dyson made a model, tried it, changed it, and tried again. Guess how many he made? Over five thousand! It took him five whole years. He went deep into debt. Over five thousand failures. Watching him, others felt bad for him. But those five thousand tries gave him a skill no one could copy overnight.

> ? **Think about it:** If you tried something ten times and failed, would you quit? What about a hundred times? A thousand?

Why did big companies say no?

The new vacuum was ready. But then a new problem hit. He took it to the big companies to sell, and almost all of them said no! Why? Because those companies were making money selling dust bags. A vacuum that “never needs a new bag” would smash their own rice bowl. They didn't miss how good it was. It was so good that it threatened their old business.

Nobody will do it? Then I will!

Dyson gritted his teeth. “Nobody will do it? Then I'll do it myself!” He made it and sold it himself. And he added one clever touch. He made the dust bin clear. So you could see the dust spinning around inside. It was like shouting, “Look! It's really working hard!” Later, he used the same trick to reinvent the hair dryer, and even a fan with no blades.

Others like him

Take an ordinary thing everyone just puts up with, and make it clearly better. Lots of people learned this trick later. Someone redesigned kitchen tools so they were easier to grip. Someone took the old chore of sweeping the floor and made a little robot that runs around the house on its own. Like Dyson, they found their chance in the small daily hassles others couldn't be bothered to fix.

The Big Lesson

Dyson's chance was hiding in a place that looked like it had no chance at all. Because everyone thought “there's nothing to improve about a vacuum,” that's exactly where the biggest room for improvement was left. So don't ignore the small hassles you've gotten used to. If you stare at one like Dyson did, ask “why,” and patiently build the answer, even an ordinary little thing can be reinvented.

My Notes

CASE 12 Howard Schultz · Starbucks

A Cup of Coffee, but Really a Seat

A cup of coffee doesn't cost much to make. But at Starbucks, people happily pay several times more. And often they don't grab it and go. They sit there for an hour or two, with the cup in hand. Reading. Chatting. Just daydreaming. That extra money clearly isn't only for the coffee. Schultz was really selling a place.

A boy who grew up in public housing

Howard Schultz was born in 1953, in a poor part of New York. He grew up in public housing. His dad was a blue-collar worker. One time his dad got hurt on the job, but had no protection, and the family fell into trouble. That experience made Schultz care about one thing for life. People should be treated with dignity. And later, that shaped how he ran his company.

A trip to Italy that opened his eyes

He later joined Starbucks. Back then, Starbucks only sold coffee beans, not brewed coffee. One time he went to Milan, Italy, on a work trip. And the street cafes there blew him away. Baristas greeted the regulars warmly. People stood at the counter, chatting and relaxing. The cafe was a warm gathering place. Suddenly he understood. Maybe the real value of coffee isn't the drink. It's the space it creates, a place people want to stay.

? **Think about it:** What's your favorite place to hang out? Is it because of the stuff there, or because of how it feels to be there?

Others won't do it? He will

He brought the idea back to Starbucks, excited. But the boss just wanted to sell coffee beans, not open cafes. Schultz didn't give up. He left, and started his own Italian-style coffee company to test the idea. Later, when the Starbucks owner decided to sell, he grabbed the chance and bought Starbucks. Then he rebuilt it with his own idea.

The third place

He had a clear idea. Everyone has two places they must be. Home, and work. But people need a third place too. A middle ground, where you can relax, be alone, or meet friends. He'd make Starbucks that third place. Comfy sofas. Warm light. Just-right music. Outlets and wifi everywhere. And the smell of coffee all around. Buy one cup, and you can happily sit there all afternoon.

Treat staff well, and they'll warm the customers

He put “treat people with dignity” into his staff too. He gave many part-time workers benefits that were rare in retail back then. Because he believed one thing. Only workers who feel cared for, and feel they belong, can pass that warmth to customers. So Starbucks quietly stopped selling just a cup of coffee. It started selling a whole feeling. Welcome. A place to stay. A sense of belonging.

Others who sell space, like him

Later, many people learned this trick. Some bookstores stopped being just “places that sell books.” They added coffee, comfy chairs, and carefully chosen books, so people wanted to stay all afternoon. Some restaurants made “make guests feel truly welcome” their core. What they sell isn't only the thing on the shelf. It's a place people want to come back to, again and again.

The Big Lesson

Schultz was never really selling coffee. Coffee was just the excuse. If your product is about the same as others, try moving your focus. From the thing itself, to the experience. Through the whole time a customer deals with you, how do they feel? Is there a reason they'd want to stay, and come back? Sometimes the space and feeling around an ordinary thing are worth more than the thing itself.

My Notes

CASE 13 Jim Sinegal · Costco

A Store That Barely Makes Money Selling Things

Most stores make money in a simple way. Buy cheap, add a markup, sell higher. But a store called Costco does something odd. It keeps its markups super low. So low that it barely makes money selling things at all. A store that gives up earning on its goods sounds like suicide. Yet it became one of the most trusted stores in the world. So where does its money come from?

A man who found the right teacher

Jim Sinegal was born in 1936. He entered retail young, starting at the very bottom. What really shaped him was an early teacher, a man who pioneered the warehouse-club model. Sinegal worked with him for years and learned every part of the business. How to buy in huge batches. How to push costs down. How to run a store on memberships.

Whose money should you earn?

He worked out a secret others missed. A store doesn't have to make money on markups. Traditional stores earn on the gap in each sale. A membership club flips this. It sells goods at almost cost, and earns from the yearly membership fee instead. Goods stop being the source of profit. They become the bait, to pull members in and keep them renewing every year.

> ? **Think about it:** A store that “wants to earn a bit more on everything,” or one that “only charges a fee once and never overcharges” — which do you trust more?

An almost painful rule

In 1983, he and a partner founded Costco. And he set a strict rule for himself. No item's markup could ever go above a very low limit. That meant whenever he got cheaper goods, he had to pass them almost straight to members. No sneaking in extra profit. And that rule made members believe one thing. Shopping here is almost always the best deal around. Once customers are sure of that, they happily pay a fee every year.

Squeeze every cost down

To make the model spin, he designed a whole chain of things. He cut the number of products way down. Other stores carry dozens of brands. He picked just a few. So he bought each item in huge amounts, with huge power to push prices down. Big packs. A plain, warehouse-style store. Tiny overhead. He squeezed cost down penny by penny, and gave it all to members. He even slipped in surprise treats now and then, turning a shopping trip into a treasure hunt.

What is he really earning?

All of this points at one goal. Make members feel the card is totally worth it. So worth it that they renew every single year. So Costco and its customers built a rare trust. Customers believe it's always on their side, and won't rip them off. And that trust turns into a very high renewal rate. It stopped selling goods long ago. It sells a promise. “I'll watch out for you, and only earn your fee.”

Others like him

Moving profit from “each markup” to “one membership fee” shows up everywhere now. Walmart opened its own club store. Amazon's Prime membership lets you pay once a year for free fast shipping and lots of services. What it wants is for you to buy more there, and rely on it more. Their core is the same as Costco's. Use a fee to make you an insider, then earn from that long relationship.

The Big Lesson

The most surprising thing about Costco is this. It gives up earning more on goods, and ends up earning more steadily, for longer. Because if you're always trying to squeeze a bit more out of each sale, it's hard to win real trust. But once you stand on the customer's side for the long run, that trust itself becomes a bigger, more lasting business. There's more than one way to make money.

My Notes

CASE 14 Reed Hastings · Netflix

Why Would You Keep Paying, Instead of Buying Once?

Watching a movie used to be a one-time thing. Rent a disc at the store, pay once. Go to the cinema, pay once. Every time, you decide again and pay again. What Netflix changed wasn't “watching movies.” It changed your relationship with movies. From buying, again and again, to “I always have a doorway to watch.”

A man who loved fighting hassle

Reed Hastings was born in 1960. He studied math and computers, and even taught math in Africa. He wasn't a movie guy. He was more like an engineer. And engineers have a skill. They take a complicated system apart, and see where it's clunky, wasteful, or could be smoother. That skill ran through everything he did. He was always doing the same thing. Cutting the hassle between people and a system.

One late disc

Here's a famous story. He once returned a rented tape late, and got hit with a hefty “late fee.” It annoyed him. So he thought, why not make a rental service with no late fees? Whether the story is exactly true or not, it points at the key. Back then, renting a disc meant driving to a store, worrying about stock, returning on time, and getting fined if you forgot. It looked normal. But it was full of hassle.

? **Think about it:** A thing that “works but is a hassle,” or the same thing “with no hassle at all” — which would you pick?

From “buy once” to “use always”

In 1997, he founded Netflix. At first, it mailed DVDs to your home. You picked online, the disc arrived, no store trip needed. But the key move was different. He changed “pay each time you rent” into “pay a monthly fee, and watch freely within the rules.” And he dropped the late fees. It was like telling users, “I won't earn money from your mistakes. I want you to relax and keep using it.”

The more you use it, the more you need it

Once users paid a monthly fee, they naturally wanted to watch more, to get their money's worth. And with steady income, the company could prepare content and make better picks. Netflix even used your watch history to suggest the next thing you'd like. So you always found something to watch. Slowly, it became the default place for evenings, weekends, and bedtime. Canceling it felt like removing something from daily life.

Why couldn't the old companies beat it?

Later, Netflix went from mailing discs to streaming online. Even less hassle. But why couldn't its old rivals catch up? Because the old companies made their money from stores, stock, and late fees. Asking them to smash all that themselves was too hard. Many industries get changed by new companies. Not because the old ones can't see it, but because they can't bear to betray the way they used to make money.

Others like him

This trick, turning a one-time sale into a long subscription, is everywhere now. Spotify for music. You don't buy one song. You pay monthly and listen freely. Lots of software, office tools, even AI products let you “keep paying, and keep using an ability that keeps updating.” Like Netflix, they understand one thing. If a need is frequent enough, and the service keeps giving value, people will pay for the long run.

The Big Lesson

Hastings' real genius wasn't “inventing subscriptions.” Those already existed. It was placing them in a new era, aimed at a hassle people had endured for ages, and redesigning the relationship. The thrilling, and dangerous, thing about subscriptions is this. Users don't pay once and forget. Every month, every time they open it, they test you again. To keep people, don't rely on auto-billing. Keep cutting hassle and adding value, so staying feels more natural than leaving.

My Notes

CASE 15 MrBeast · Video Creator

He Poured Almost Every Dollar Back Into the Next Video

Most people who earn some money want to improve their life, buy things, and take fewer risks. But a young man called MrBeast did the opposite. The first thing he did with money was pour almost all of it into the next video. To make the next one bigger, more expensive, harder to scroll past. It looks like madness. It looks like a gamble. So what was he betting on?

A man who studied video like a science

His real name is Jimmy Donaldson, born in 1998. He didn't go to film school. He started making videos as a teen. His early stuff was pretty rough, and for a long time, barely anyone watched. But he was different from most people in one deep way. He didn't treat video sites as a place to “express himself.” He treated them as a system to study and take apart. He'd study titles, thumbnails, the first few seconds, and figure out exactly when viewers scroll away, and why others go viral.

Money isn't the finish line. It's fuel.

Most creators who earn their first money treat it as a reward. “I've worked so hard, time to enjoy it.” But MrBeast saw that money as something else from the start. The budget for the next video. In his eyes, money wasn't the finish line. It was fuel.

> ? **Think about it:** If you earned your first money from something, would you spend it to treat yourself, or reinvest it to make the thing bigger?

A flywheel that spins faster

Many of his videos look weird by old standards. Like “counting to 100,000.” No fancy plot, but one hook you can't resist. Will this guy really keep counting the whole way? After that, his content got bigger and bigger. Higher prizes. Wilder scenes. On the surface, it was because he had money. But deeper down, the flywheel was spinning. Bigger spending brings more clicks. More clicks bring more income. And the income goes almost entirely into the next, bigger production. Round and round, faster and faster.

One person, turned into a company

As things grew, he had to turn himself from a creator into a company. He needed a team, budgets, filming bases, editing, and data analysis. Later he even made real snack brands. Basically, he was attaching a steadier fuel line to the flywheel. Others make videos one at a time. He runs a growth machine that keeps getting fed, and keeps producing.

Why can't viewers resist clicking?

Every video's title and thumbnail carry one message you can get in a sentence, and really want the answer to. Click in, and the pace is super tight. It grabs you in the first seconds, and holds the suspense to the end. What viewers enjoy is that thrill. “Big budget, really daring, and I can't stop watching.” So they aren't just clicking one video. They're clicking a rush they can get again and again.

Others like him

More and more people gather huge attention with content, then turn it into an asset. Some build an amazing audience with a strong personal style. Some gather fans across many countries with high-quality content, then extend that into their own brands and products. They all understand one thing. Attention is the rarest and most valuable thing in this era.

The Big Lesson

Most people see profit as a reward, and want it safely in their pocket. MrBeast saw profit as fuel, and burned almost all of it back in, over and over, just to make the next one bigger. When your thing has a snowball shape, where more input means more output, the smartest early move often isn't grabbing the money. It's resisting the urge, and reinvesting, so the snowball starts rolling. When to enjoy, and when to keep betting, is a choice that decides how far you go.

My Notes

CASE 16 Walt Disney

Others Finish One Cartoon. He Made One Mouse Earn for Decades.

People who can draw and tell stories are never rare. Many animators work hard to make one film. The film plays, the buzz fades, and it's all over. Back to square one. But Walt Disney drew one mouse that plugged into films, toys, books, and theme parks, and earned for decades. It still earns today. Why do others' characters get thrown away, while his keep making money?

A painful failure

Walt Disney was born in 1901. In his early twenties, he entered animation. Don't imagine he was a genius who had it easy. An early animation company of his even went bankrupt. Before Mickey, he created a character called Oswald the Lucky Rabbit, and it was catching on. But at contract-renewal time, he learned a brutal fact. The rights to Oswald weren't his. They belonged to the distributor! And they'd poached most of his animators, planning to go around him and keep making the character.

A lesson learned the hard way

A character he'd worked so hard to make popular, just taken away. That blow made him understand one thing clearly. In content, the valuable thing isn't how talented you are, or how big one film gets. It's ownership. Is the character actually yours? Without the rights, you're always working for someone else. With the rights, your work can become an asset that's yours, and earns again and again.

> **Think about it:** If you made something great, what matters more? That “it belongs to someone else, but you got famous,” or that “it truly belongs to you”?

This time, the mouse is mine

In 1928, Mickey met the world, and quickly caught fire. People didn't just want to watch Mickey. They wanted to own Mickey. Toys, books, clocks, stationery, clothes. And this time, Mickey was Disney's own. So he made a key decision. Don't treat Mickey as an add-on to one short film. Treat him as a brand asset, one you can license, and use again and again.

Make one story earn in many places

From then on, he kept solving the same problem. How do you make one story earn longer, and steadier? He added characters, Mickey, Donald Duck, Snow White. He added ways for people to meet them, toys, comics, TV. Then he deepened the experience. In 1955, Disneyland opened, moving the characters from screens into the real world. You no longer just “saw” Mickey. You could walk into a castle and take a photo with him. The same character, cashed in again and again, in different places.

People are buying a feeling

Parents happily take kids to watch Disney, buy Disney, and go to Disney. Not only because the content is good, but because the brand nearly equals “safe, healthy, won't go wrong.” Deeper still, people are buying a feeling and a memory. Someone grows up watching Mickey, and years later returns to the park out of nostalgia, even bringing their own child. The character becomes an emotional bond across generations.

Others like him

Turning characters into long-term assets was learned by many later. Some grew a little creature from a game into cartoons, cards, movies, and toys. Some organized a batch of comic-book heroes into a “movie universe” where they cross paths. They all understand one thing. The valuable thing isn't one single work. It's a batch of characters you can run, and reintroduce, again and again.

The Big Lesson

Disney's turning point wasn't drawing a mouse. It was learning from failure that “you must own your own thing.” Whether you make content, products, or a craft, think one layer deeper. Do you own what you create? Can it be used again and again, and earn in different places, instead of dropping to zero after one use? How far you go often depends not on how well you do it once, but on whether your work can be owned by you, and cashed in over and over.

My Notes

CASE 17 Sara Blakely · Spanx

She Turned a Nameless Little Awkwardness Into a Whole New Category

Shapewear existed long before Sara Blakely was born. But she, a person with no fashion background, no design training, and just five thousand dollars, took that old thing and rebuilt it into a new category everyone can name. What she did wasn't “inventing.” It was “redefining.”

A girl trained by failure

Sara was born in 1971. What really shaped her was a habit her dad had at the dinner table. He didn't ask, “Did you do well today?” He asked, “What did you fail at this week?” If she said “nothing,” he'd actually be disappointed. That habit turned failure from something shameful into something that “means you're trying.” Years later, when she got rejected again and again, that mindset became her most precious thing.

Seven years of being told no

She wanted to be a lawyer, but failed the exam twice. Then she took a job most people didn't want. Going door to door, selling fax machines. She did it for seven years. Every day, knocking on strangers' doors, and getting rejected or shooed away most of the time. Those seven years didn't make her rich. But they trained a rare skill. Getting rejected over and over without falling apart, and reading a person in a few seconds to know how to persuade them.

A pair of pantyhose with the feet cut off

One time she had to wear white pants to a party, but couldn't find the right thing to wear underneath. Regular ones showed lines. Old shaping pantyhose had to show at the feet. On impulse, she cut the feet off the pantyhose and just wore them. The result was surprisingly good! In that moment she realized, this might be a product every woman needs, but no one has made.

> ? **Think about it:** Lots of people hit the same little hassle. Why is it the one who acts on it who builds a business?

The demo in the bathroom

Going from “good idea” to “sellable product” took a whole year of walls. Factories almost all turned her down. Once the product was made, she cold-called a fancy department store, flew over to meet the buyer, and halfway through, she invited the buyer into the bathroom. She put on her product right there, so the buyer could see the difference with her own eyes. Before and after. The buyer decided to stock it on the spot. That skill? It was trained by seven years of selling fax machines.

A handwritten note that lit up the country

She also mailed a gift basket with her product to a hugely influential TV host, Oprah, with a handwritten note. In 2000, Oprah put Spanx on her “Favorite Things” list. That was almost a nationwide explosion. And Sara long avoided outside money and barely advertised, keeping the company lean. So the company was almost entirely her own.

Others like her

Giving an old need a new name and new identity has been done by many. Someone gave the need to “record your own sports” a new category, the “action camera.” Someone took the plainest canned water and, with rebellious packaging, made it a brand with attitude. None of them invented new technology. They redefined an old thing.

The Big Lesson

A new category is never about “inventing.” It's about “redefining.” Take a need people quietly endure, but no one has clearly named, and give it a name, an identity, a believable story, and get the first people to use it. Sara's greatest feat wasn't cutting the feet off pantyhose. It was taking a small awkwardness women privately understood, but felt shy to talk about, and turning it into a category everyone can name, and one almost entirely her own.

My Notes

CASE 18 Neil Blumenthal · Warby Parker

Selling a $300 Pair of Glasses for $95

A pair of glasses is plastic or metal frames, with polished resin lenses. The materials are actually cheap. But in a store, a decent pair costs hundreds of dollars, about the price of a phone. People quietly accepted it, as if it should be that way. But a few young people refused. They took a pair that normally sold for three hundred dollars, and sold it for ninety-five.

A question sparked by lost glasses

In 2010, four business-school students founded Warby Parker together. The story began when one of them lost his glasses while traveling, and got shocked by the crazy price to replace them. One pair cost about as much as a new phone. He brought the question back to school, and the more they talked, the more it felt wrong.

A key person who knew the trade

The one who really made the idea real was Neil Blumenthal. Before business school, he worked at a nonprofit, providing cheap glasses to people in developing countries who couldn't afford them. That experience made him clearer than almost anyone on two things. The real cost to make a pair of glasses is actually low. And the right pair of glasses can truly change a person's life. He wasn't someone scared off by the high price. He was someone who could do the math, and knew another path was possible.

Why are glasses so expensive?

They soon saw the truth. Glasses aren't expensive because they're hard to make. It's because the industry was tightly controlled by a few giants. You think you're choosing between different brands and stores. Behind them is often the same company. It makes the frames, owns many brands, and bought up huge chains of eyewear shops. When design, production, brand, and stores are all in one hand, the price can be pushed far above cost.

? **Think about it:** Is an expensive thing always expensive because it's “worth that much”? Or could a lot of markup have been added along the way?

The big problem: you can't try them on

Once the idea held up, the biggest problem appeared. Glasses have to go on your face to know if they fit. So how could you possibly sell them online? Their answer, later copied by countless companies, was “home try-on.” You pick five pairs online, the company mails them to you free, you try them slowly and ask family and friends, then order the one you like, and mail the try-ons back. They didn't force you to believe “buying glasses online is fine.” They moved “trying them on” back into your home.

Cheap, but not cheap-feeling

The pricing was clever too. They first wanted to go lower, but an expert warned them. Too cheap, and no one trusts it. People doubt the quality. So they landed on ninety-five dollars. Low enough that people felt they got a deal. Not so low that people got suspicious. They also gave the brand a stylish name, and for every pair sold, donated one to someone in need. Cheap, plus a brand people want to wear and talk about, hits far harder than cheap alone.

Others like them

This “cut out the middlemen, sell straight to the customer” play was carried into many industries. Someone sold razors this way. Someone sold mattresses, pressing a mattress into a box and shipping it home, then solving “you can't buy without lying on it” with a super-long trial. They all targeted an industry where price sits far above cost, with layer after layer of markup, and squeezed that long, expensive chain short.

The Big Lesson

“Selling straight to the customer” isn't really about “selling online.” It's about rebuilding the way a thing reaches you. In an industry where price sits far above cost, the biggest chance often isn't making the product flashier. It's squeezing short the long, expensive chain between the customer and the product. Let people buy the same thing for less, and keep for yourself the part the middlemen used to take.

My Notes

CASE 19 Amancio Ortega · Zara

Others Bet on Trends Half a Year Early. He Waited for the Trend, Then Made It.

The traditional clothing business had a rule. You had to bet far in advance. In spring, you decided what to sell in autumn and winter. By the time the clothes hit the shelves, half a year had passed. If the trend you bet on months ago flopped, the unsold clothes could only be marked down. Ortega flipped the whole rule. Stop guessing trends early. Wait until a trend actually appears, then make it and ship it, as fast as possible.

A man who started as a delivery boy

Amancio Ortega was born in 1936, into a poor family in Spain. At fourteen, he dropped out of school to be a delivery boy for a tailor's shop. And right there, he first learned the whole process of making clothes. How to pick fabric, cut a garment, figure the cost, and sell the goods. Many clothing brand owners came from design, obsessed with trends. But he came in from the most practical end. What he cared about was cost, turnover, and risk.

A lesson that almost bankrupted him

He ran a small workshop early on. One time, a big customer suddenly canceled an order, leaving him a huge batch of finished clothes he couldn't sell. It nearly bankrupted him. That lesson cut deep. Putting your fate in someone else's sales channel is too dangerous. So he decided to open his own stores, and sell clothes straight to customers. In 1975, the first Zara opened.

The core is one word: fast

Zara's real strength isn't any single garment. It's the way it runs behind the scenes. Every day, store managers report what customers do. Which style keeps getting tried on. Which color sells fast. What customers ask for but can't find. The design team makes new styles fast from these real signals. And to stay fast, he didn't move all production to the cheapest faraway place like rivals did. He kept a lot of it close to the European market. Close means fast.

> ? **Think about it:** Is it better to guess once, far in advance, and win big or lose big, or to test small, then add more once you can see clearly?

Making less is actually smarter

The result is that famous number. A garment goes from design to shelf in as little as two weeks, while rivals often need months. And he makes only a little of each style. Small batches, many styles, frequent new drops. So even if a style flops, the loss is tiny. And the store's goods change almost every week, so customers learn a habit. “If I like it, buy it now. Next week it might be gone.” That “rare and fresh” feeling is the best advertisement.

Spend the biggest money on the store

Because the products create their own buzz, Zara barely does traditional ads. It spends the saved money on stores at the best corners of a city. The most expensive spots are its billboards. Ortega himself is extremely low-key, almost never giving interviews or photos. Yet with this never-stopping machine, glued to demand, he long ranked among the richest people in the world.

Others like him

This “stay close to demand, respond fast” play was later pushed even further. Some brands, backed by a strong supply chain and data, make just a few dozen of a style to test, instantly reorder if it sells, and stop fast if it doesn't, making “fast” almost real-time. They all understand one thing. The clothing business's biggest enemy isn't rivals. It's unsold stock that can only be marked down.

The Big Lesson

Fast fashion isn't really about “cheaper” or “better-looking.” It's about “faster.” It squeezes short the most dangerous time gap in clothing, the long wait from betting to selling, so the goods hug this moment's real demand, not a guess from half a year ago. Ortega's greatest feat wasn't designing any hit garment. It was building a machine that turns a trend into shelf goods in two weeks. Sometimes the winner isn't who's most talented, but who reacts fastest, and keeps risk lowest.

My Notes

CASE 20 Hiroshi Yamauchi · Nintendo

Turning a Little Playing-Card Shop Into the Master of the Game World

The game industry is brutal. One game hits, and the company earns a pile. But if the next game flops, the company might collapse. Countless game companies rose and fell this way. Yet Nintendo is almost free of this rule. In 1889, it was just a little playing-card workshop. Today, it keeps characters like Mario, Zelda, and Pikachu alive, generation after generation, earning for decades. The key person behind this was Hiroshi Yamauchi.

A boss who didn't play games

Yamauchi led Nintendo for over half a century. Funny thing, he didn't really play games himself. He wasn't a tech genius. He was a businessman with a very sharp eye, and the nerve to make bold calls. The most important thing he did wasn't building any one game. It was figuring out how this business could make money for the long run.

Keep the same characters alive

Other companies finish a game, ride the buzz, and then it's over, back to betting on the next one. Yamauchi put the focus on characters. Mario, Zelda, Donkey Kong. These characters were carefully kept up and updated, placed into game after game, and console after console, staying alive. The same Mario shows up for decades, earning again and again. Characters stopped being one-time. They became an asset that earns for the long run.

? **Think about it:** A cartoon character you knew as a kid and still like as you grow up. Isn't that worth more than one that's hot for a bit, then gone?

Hold a platform others must pay to use

Yamauchi grabbed something even more powerful. A platform. Nintendo didn't just make games. It made game consoles. Anyone who wanted to release a game on a Nintendo console had to get its okay, and pay it a fee. So even if a game wasn't made by Nintendo, it still earned a cut from other people's games. It held two things at once. Characters it could run again and again, and a platform others had to pay to use.

A strictness that saved an industry

In history, the game industry once crashed hard, because too many bad games made players lose trust. Yamauchi took the lesson to heart. He set strict checks on games released on his platform. If the quality wasn't good enough, it couldn't go on sale. That “rather have fewer, but good” strictness won back players' trust, and made Nintendo's platform even more valuable.

What is he really earning?

Put the two together. Through characters, he turned good content into a long-term asset that earns again and again. Through the platform, he stood in a spot others couldn't go around, and had to pay. His wealth didn't come from one hit game. It came from this steady, deep system.

Others like him

Holding both “characters” and “a platform” shows up in many places later. Some grew a little creature from a game into cartoons, cards, movies, and toys, loved and bought across generations. Some organized a batch of heroes into a movie world where they cross paths. They all understand one thing. The valuable thing isn't one single work. It's characters you can run again and again, plus a stage where you call the shots.

The Big Lesson

Yamauchi's story tells us two things. First, a character people love for a long time is worth far more than one temporary hit, because it can earn again and again, across many years. Second, if you can hold a platform others must go through to do their thing, you stand in a very safe spot. Things you finish and throw away have a low ceiling. Things you can run again and again, where you call the shots, have a high one.

My Notes

CASE 21 Wang Tao · DJI

Drones Existed for Years. He Let Ordinary People Fly One Easily.

Flying remote-control aircraft existed for years before DJI. But they almost all had one thing in common. They were hard. Either super expensive, or needing lots of expert know-how. Ordinary people couldn't handle them, and one slip meant a crash into pieces. What Wang Tao and DJI did was let a total beginner take a drone out of the box, and a few minutes later, fly it steadily and capture beautiful footage.

An obsession from his teenage years

Wang Tao was born in Hangzhou in 1980. As a kid, he was obsessed with things that fly. But what really gripped him wasn't just “flying.” It was a harder question. Why are these remote aircraft so hard to control, and so easy to crash? Could one just hover steadily in the air on its own? That question, “how to make an aircraft keep itself stable,” became an obsession rooted deep in his teenage years.

A graduation project with a low grade

Later he got into university, and made his obsession his graduation project. Build a “flight control system” that lets a remote helicopter fly steady on its own. They say the project didn't get a high grade. But he was sure there was real value in it, and he didn't let it go. In 2006, with that obsession and very little money, he founded DJI in Shenzhen.

> ? **Think about it:** Is a project with a “low grade” always worthless? Or does it depend on whether the problem it solves is important?

Hold the “brain” first

At first DJI didn't sell whole drones. It sold the flight controller. Back then, its customers were hobbyists who built their own aircraft, and their biggest headache was exactly how to make it fly steady. Wang Tao's controller solved that pain. The business was small, but crucial. Before making a hit product, DJI already held the industry's most core and hardest part, the “brain.” While others were still bolting together off-the-shelf parts, he held the key that decided whether an aircraft flew well.

Fly it right out of the box

In 2013, DJI launched the product that defined the whole category, the Phantom. Its revolutionary trick was “fly right out of the box.” Someone who'd never touched an aircraft could buy it, do almost no assembly, charge it, and fly it steady. Even more important, they built in a stable gimbal and camera. So the drone didn't just fly. It shot smooth, clear, shake-free footage from the sky. A brand-new thing was born. The aerial-photography drone.

Hide the hard stuff behind the scenes

They pulled this off because DJI held and polished all the key parts that decide the experience. Flight control, gimbal, image transmission, camera, all linked together. It hid the complex technology behind the scenes, and handed simplicity and safety to the user. Auto-hover, auto-return, obstacle avoidance, so even beginners rarely messed up. The aerial view that once only pro film crews could afford was, for the first time, placed in ordinary people's hands.

? **Think about it:** Which is more impressive? Building a stronger machine that's hard to use, or making powerful technology anyone can use easily?

Others like him

More and more people first master a hard-to-copy core technology, then use it to open a brand-new category. Someone made an “action camera” you wear to film sports. Someone turned “sweeping the floor” into a robot that runs around the house on its own. None of them invented the camera or the broom. They made a hard thing simple, and opened a door that used to be closed to ordinary people.

The Big Lesson

Wang Tao's order was special. He didn't first see “aerial photography is a big market” and then jump in. He first hammered away at a specific, deep technical problem for years, and once the technology was strong enough, used it to spark and take over a new market. If you want to truly stand firm in a field, instead of chasing the hottest trend of the moment, first solidly master a core skill others can't easily copy, even if it looks narrow and hard at first.

My Notes

CASE 22 Ethan Brown · Beyond Meat

Fake Meat Existed. He Put It in the Fresh-Meat Case.

Meat-like food made from plants has existed for a long time. Soy “chicken” and “duck” often sat in some dull corner of the shelf, and meat-lovers barely glanced at them. It was “vegetarian food,” not “meat.” But Ethan Brown wanted to break that default. He wanted something that sizzles when you fry it, “bleeds” when you cut it, and tastes as close to real meat as possible, sitting proudly in the fresh-meat case, sold to people who love meat.

A man who worried about the planet

Brown is American. Before this, he worked in clean energy, nothing to do with food. But that experience made him care about big problems like climate and the environment. He slowly realized that raising animals is itself a huge source of emissions and resource use. If people could eat a little less animal meat, without giving up the joy of eating meat, it could really help the planet. With that in mind, he founded Beyond Meat in 2009.

A key act of redefining

His first and most important choice was to redefine the thing. Others who made meat substitutes lumped themselves into “vegetarian food,” with customers who already didn't eat meat. Brown flipped it. He clearly said, my target customer is the meat-lover! He wasn't giving vegetarians one more option. He wanted meat-eaters to eat a bit less animal meat, without giving up the taste. That turn decided everything. What he had to match wasn't other veggie food. It was real beef and pork.

? **Think about it:** The same thing, called “a substitute for A” or “the real deal for B.” Would the result be the same?

It has to fool a meat-lover's mouth

For this nearly impossible standard, he put his focus on science. He studied where real meat's texture, fibers, fat, and that hint of “blood color” actually come from, then rebuilt them one by one from plant ingredients. He even made the product release oil and change color when fried, like real meat. The test of success was whether it could fool the mouth of someone who loves meat.

A battle over “where to put it”

It insisted on going into the supermarket's fresh-meat section, not the vegetarian shelf. This looks like just a matter of location, but it's the whole strategy in miniature. On the veggie shelf, it's forever a substitute for a few. In the meat case, it says to everyone buying meat, I'm one of the meats. You can pick me like you pick beef. And to deserve that spot, the product had to truly be enough like meat.

Give the product a big “meaning”

Brown was also great at telling a bigger story, tying plant meat to climate, health, and animal welfare, which drew lots of attention and investment. Choosing it felt like doing a little good for the planet. In 2019 the company went public, pushing “plant meat” right into the mainstream spotlight. Of course, the craze later cooled and the industry had its ups and downs. But the fundamental thing he did, redefining plant meat from niche vegetarian food into a new category that can sit on the mainstream table, had truly happened.

? **Think about it:** When something doesn't sell, is it always because it's “not good enough”? Could it be “put in the wrong spot, with the wrong label”?

Others like him

Plenty of people opened big markets by “redefining.” A professor used a special molecule so plant meat could “bleed” when cooked. Someone turned plain oat milk into what young people saw as a trendier, greener lifestyle choice. None of them invented a new ingredient. They rewrote what an old thing “is, and who it's for.”

The Big Lesson

What Brown changed first wasn't the ingredient. It was the definition. The same plant-based patty, put in the veggie section and pitched to vegetarians, is a small business. Put in the meat case and pitched to meat-lovers, it has a chance to be a big category. When you have something but can't open the market, don't rush to change the product. First think about changing the definition. Which category you put it in, who you compare it to, who you pitch it to. A new definition often brings a much bigger market.

My Notes

CASE 23 John Foley · Peloton

A Home Exercise Bike, Ten Times the Price, and a Monthly Fee Too

The home exercise bike is a very old thing. For decades its look and price barely changed, and it often became a clothes rack days after being bought. But Peloton sold a bike for over ten times the price of a normal one. And after buying it, users happily paid a monthly fee on top. Even stranger, many people stayed not for the bike, but for the screen in the middle of the handlebars.

A busy dad's frustration

John Foley is an experienced American entrepreneur. What really gave birth to Peloton was a frustration in his own life. He and his wife loved those energetic studio spin classes with an instructor. But as busy working parents who also had to care for kids, it got harder and harder to find time to go to a class. A great experience was locked down by time and place.

What he really wanted to sell wasn't a bike

Foley had a thought. Could you bring that studio class experience straight home? So people could, at home, at any convenient time, take an equally energetic class with an instructor, music, and classmates. In 2012 he founded Peloton. The key to understanding him is this. What he really wanted to sell was never a bike. It was the experience of “an instructor and an atmosphere, anytime, anywhere.” The bike was just the carrier.

> ? **Think about it:** Would you rather pay for “the thing itself,” or for “the experience it gives you”?

Three things welded together

His key judgment was this. Selling one good bike alone means nothing. What truly keeps people is the endless stream of good classes behind that screen. So he tied three things together. A bike with a big screen (the hardware). A group of charismatic star instructors and daily new classes (the content). And a monthly subscription fee (the ongoing income). Buying the bike is a one-time payment. But what really makes it earn, and keeps users using it, is that monthly subscription.

A spinning flywheel

Hardware, content, subscription, and community all reinforce each other. The bike is the doorway that brings you in. Good classes, star instructors, and a community where you can see each other's rankings make exercise, a thing people easily quit, fun and full of company. So you keep using it, keep paying, and recommend it to friends. And the steady subscription income lets it invest in more and better content. The flywheel started to spin.

A boom, and a misjudgment

Later, a sudden pandemic shoved this flywheel into high speed. Gyms closed, everyone stayed home, and Peloton was the perfect at-home solution. Demand exploded. But Foley mistook this pandemic burst for a lasting normal. So he expanded hugely and stocked up like crazy. When the pandemic eased and people went out again, demand crashed. Huge stock piled up, the company fell into deep losses, and he stepped down as CEO.

? **Think about it:** When something suddenly gets super popular, do you assume “it'll stay this way,” or calmly ask “is this lasting, or just a gust of wind”?

Others like him

The “sell hardware plus a content subscription” play was learned by many later. Someone made a smart mirror, a mirror normally, a fitness class when you turn it on. Someone made a health band that barely earns on hardware and earns on subscriptions instead. They all understand one thing. Hardware is easy to copy. The real stickiness is the constantly updated content and service behind it.

The Big Lesson

This case is precious because it has two sides. The good side. Upgrading a one-time hardware sale into a “hardware plus content plus subscription plus community” flywheel can create value far beyond the hardware itself. The bad side. Even a great flywheel, built on a misjudgment of demand, mistaking a gust of wind for a permanent trend, and expanding blindly, can crush you. So when a business suddenly booms, always calmly tell apart. Is this a lasting trend, or a gust that will fade?

My Notes

CASE 24 Dietrich Mateschitz · Red Bull

A Drink That Doesn't Taste Great, Yet Young People Worldwide Grab It

Many people frown the first time they try Red Bull. The taste is a bit odd, and it costs more than normal soda. By logic it should be hard to sell. Yet it became one of the best-selling energy drinks in the world. Funnier still, people buy it often not for the taste, but for what it stands for. A feeling of "giving you wings," daring, and energy. What Mateschitz was really selling was an attitude.

A marketing veteran who sold things for half his life

Dietrich Mateschitz was Austrian. Before this, he did marketing for many years, long selling daily goods like toothpaste at multinational companies. That experience made him very sharp about "how to make people want a thing." He knew one thing clearly. Among many similar-looking products, what really makes people pay is often not the difference in the product itself, but the image and emotion it carries.

A discovery on a trip to Thailand

The turning point came on a work trip to Thailand. There was a local energy drink that, they say, eased his long-flight fatigue. As a marketing veteran, he sharply realized that this kind of energy drink was almost blank in Western markets, and the image it could carry, "vitality, energy," held huge potential. He teamed up with the drink's creator, tweaked the recipe to suit Western tastes, and brought Red Bull to Austria in 1987.

> ? **Think about it:** Tasting the same new thing, why do some people just think "it's okay," while others see a big business?

Selling attitude, not a drink

Red Bull had a rough time when it first entered the West. Odd taste, high price, slow sales. But he didn't change the product to please the crowd, and didn't take the old road of "cut price, run sales." He made a totally different choice. He defined Red Bull as something that "gives you energy and helps you push past your limits," then built its whole image around that definition.

Pour ad money into daredevil events

He barely ran traditional "how good this product is" ads. Instead he poured huge resources into extreme sports. Cliff diving, wingsuit flying, stunt flying. Wherever there was an adrenaline-pumping scene, there was the Red Bull logo. It even built its own racing team, and staged jaw-dropping feats like a jump from the edge of space. This content was the best advertisement. It didn't say "Red Bull tastes good." It kept tying Red Bull to "extreme, brave, alive."

Just become a content company

He went further and made Red Bull a content company. It filmed its own shows, ran its own events, and produced tons of content about extreme sports and youth culture. The relationship between drink and content flipped completely. Instead of using content to sell the drink, the content itself became the main body of the brand, and the drink was more like a “doorway” into that content. People first fall for the spirit Red Bull stands for, then naturally drink the can.

? **Think about it:** Have you ever bought something because you actually loved the feeling it stood for?

Others like him

Plenty of people win by “selling attitude.” Red Bull's strongest rival also sponsored extreme sports and music, shaping itself into a wilder attitude symbol. Someone took the plainest canned water and, with rebellious, funny packaging, made it a trendy symbol with personality. They all understand one thing. When products are about the same, the brand and attitude can carry almost all the value.

The Big Lesson

The most counterintuitive thing about Red Bull is this. Its product wasn't better, and was often mocked, yet that didn't stop it from becoming a global brand. Because Mateschitz never planned to win on “does it taste good.” He fought for the longing in people's hearts for energy and breaking limits. If your field has highly similar products, instead of grinding on function and price, think about this. Can you pour in an emotion or identity, so buying it becomes a way of saying “I'm a certain kind of person”?

My Notes

CASE 25 Yvon Chouinard · Patagonia

A Company That Tells You “Don't Buy This,” Yet Keeps Growing

Every shopping season, almost every brand shouts at you to buy more, buy now. But one Black Friday, Patagonia ran a full-page newspaper ad. In the middle was one of its best-selling jackets, with a line printed on it. Don't buy this jacket. It urged you to buy less, and to repair old clothes. By common sense that's business suicide. Yet it didn't collapse. It kept growing, into one of the most respected brands in the world.

A man who was a climber first

Yvon Chouinard was born in 1938. His real identity, first, wasn't a businessman, but a man obsessed with climbing. Young, to have handy climbing gear, he bought a set of blacksmith tools and forged climbing pitons by hand, loaded them in his car, and drove around selling them to fellow climbers. That's the start. Hammering iron in a tin shed, selling gear from a parking lot. Later he shifted to outdoor clothing, and founded Patagonia in 1973.

Killing his own most profitable product

When his piton business was at its best, he realized something. His best-selling steel pitons, hammered in and pulled out of rock over and over, were badly damaging the rock itself. For someone who truly loved nature, that was unacceptable. So he made a stunning decision. He voluntarily phased out his most profitable product, and pushed a replacement that didn't harm the rock. For a principle, he cut his own most profitable business by hand.

? **Think about it:** If you had a very profitable business that harmed something you cared about, could you give it up?

Choices he actually meant

From then on, “values over short-term profit” became the soul of the whole company. It kept donating a set share of sales to the environment. Early on, it switched all its cotton to more eco-friendly organic cotton, even at higher cost. It launched clothing recycling and repair, urging you to wear clothes longer instead of always buying new. That line, “don't buy this jacket,” was the concentrated expression of all this.

Customers became believers

From a business view, these moves were almost against common sense. Yet they built something incredibly precious. Trust. Consumers slowly believed Patagonia really did put nature before profit, not use the environment as marketing. And once that trust is built, something magical happens. Customers happily pay more for its products, buy again and again, recommend it, even wear it as a statement. It tells you to buy less, and you want to support it more.

Earth is the only shareholder

In 2022, Chouinard and his family made an almost unheard-of decision. They gave away ownership of the whole company, so its future profits would go almost entirely to fighting the climate crisis. He said a widely quoted line. Earth is now our only shareholder. That act pushed “values over profit” to an extreme that could almost never be doubted.

? **Think about it:** “Saying you care about something,” or “being willing to pay a real price for it.” Which makes you trust more?

Others like him

A few brands put sincere values at the core. An ice-cream company long spoke up on social issues and insisted on more responsible ingredients. Someone made shoes and promised that for every pair you buy, one is donated to a child in need. They all added a layer of meaning to “buying things.” “I'm supporting something I believe in.”

The Big Lesson

Patagonia's success came exactly from looking like it “didn't want to make money that much.” But there's one condition you must never ignore. Its values are real. Only because Chouinard proved with decades of sacrifice that he wasn't performing does this logic hold. In an era of more and more similar products, a sincere, long-held set of values can become your hardest-to-copy edge. But this road belongs only to those willing to mean it. Faked, once seen through, the backlash is worse than doing nothing.

My Notes

CASE 26 Estée Lauder

No Ads, No Backing. How Did She Build a Face Cream Into an Empire?

To make high-end skincare, what do you usually need? Deep pockets, ads everywhere, celebrity faces, and prime spots in the mall. But when Estée Lauder started, she had almost none of these. She was just the daughter of an immigrant family, holding a few cream recipes, and a gift of gab. And her killer move was so simple it was almost clumsy, yet incredibly effective. Put the cream on the customer's face, with her own hands.

A girl who loved dealing with people

Estée Lauder was born in New York in 1908, a child of an immigrant family. The one who got her started was an uncle who was a chemist. He mixed skincare creams, and young Estée was fascinated by these little jars that could make skin better. But her real talent wasn't in the lab. It was in dealing with people. She discovered early that instead of talking up how good a cream was, it's better to put it right on someone's face and hands, and let them see and feel their skin turn smooth.

Facts beat a thousand words

One real experience beats a thousand words. With no ad budget, she got customers the most direct way. Meeting almost any woman, she'd find a chance to put cream on her face, explaining as she went. She was also great at two things. Generously giving samples, so people could try free first. And “buy one, get one,” buy a product and get another free. This let first-timers approach her products with almost no hesitation.

? **Think about it:** Someone telling you “this is great,” or you trying it yourself once and finding it good. Which makes you believe more?

Breaking into the hardest counters

After her method proved itself in salons, her next target was the must-win ground of high-end beauty. Counters in fancy department stores. That was territory held by big names, and a no-name brand could barely get in. They say she went to great lengths, even using some dramatic tactics, before finally winning a precious counter spot.

Turning the counter into a little stage

Once at the counter, her “touch the customer” play went to work. She turned every counter into a little stage where she could demonstrate, let people try, and do skincare by hand. Salespeople were told to actively apply and explain for customers. She also made “giving samples” a signature strategy. Let a customer leave with a lovely free gift, both a no-pressure trial, and a bit of goodwill they'd remember.

Trust, built up one bit at a time

So she didn't rely on an overnight ad blitz. She relied on one counter, one demo, one sample at a time, slowly building Estée Lauder from a nobody into a trusted name in high-end stores, then spreading worldwide. She proved, in the “clumsiest” and most solid way, that trust can be built by one pair of hands, one time at a time.

? **Think about it:** If you had no money to advertise loudly, how would you get someone to trust and like you for the first time?

Others like her

A few people built brands on “real contact and experience.” Someone built a huge sales force that did skincare demos and beauty parties in people's homes. Someone started from something as small as eyebrow shaping, and, one careful grooming and professional service at a time, built a famous brand. They all understand that beauty never just sells what's in the jar. It sells the experience of being cared for.

The Big Lesson

In a high-end industry that looks like it needs big money and big ads, she relied on something anyone can do, but few do to the extreme. Sincerely and professionally touching every single customer. If you don't have money and traffic to shout loudly, don't lose heart. Let a potential customer experience your value with no pressure first, one free trial, one caring service, then turn that goodwill into trust with professionalism and sincerity, bit by bit. This road is slow, but every step is solid.

My Notes

CASE 27 Ingvar Kamprad · IKEA

Let Customers Carry It Home and Screw It Together. Why Did That Win?

Buying furniture, in many people's minds, should be a “get served” thing. Pick a style, and the store delivers and assembles it for you. But IKEA did the opposite. It has you wander a giant store, pull flat packages off the shelf yourself, carry them home, and spend ages turning screws with an instruction sheet. By logic, so much “hassle for the customer” should scare people off. Yet it became the biggest furniture retailer in the world.

A man with “saving” carved into his bones

Ingvar Kamprad was born in 1926, in a poor, hard-to-farm part of southern Sweden, where people are famous for being extremely thrifty. That “want to split one coin into two” nature was carved deep into him. As a child, he already bought and resold little things like matches and pencils for a profit. At seventeen he founded IKEA, and later shifted its focus to furniture.

Cornered into a tough spot

After IKEA made a name selling furniture, it stepped on the interests of local traditional furniture sellers. They joined forces to pressure suppliers not to supply IKEA. But that blockade pushed Kamprad onto an even bolder path. If he couldn't buy the goods, he'd design them himself, and find cheaper places to make them.

A table with its legs taken off

And while solving “how to ship furniture cheaply,” one moment sparked it. Someone, trying to fit a table into a car, simply took the legs off. From that, Kamprad thought, what if furniture left the factory taken apart, as flat boards? That “flat-pack” idea solved the big cost problem at once. Flat packs hugely cut shipping and storage. And customers carrying it and turning screws themselves saved expensive delivery and assembly labor. Every coin saved became a lower price.

? **Think about it:** Could a thing that's normally “a hassle” be done a different way, becoming cheaper, and even kind of fun?

Turning “saving” into a whole system

Flat packs were just the start. He squeezed cost from every link. In design, he treated “can it be made cheap, and shipped cheap” as a starting condition. In production, he made things in huge batches in lower-cost places. In the store, instead of a salesperson trailing you, he laid out furniture as endless model rooms, so you toured and decided yourself, then went to the warehouse to grab and carry the flat pack out.

Making “doing it yourself” fun

Cleverly, he didn't let this “do it yourself” become a chore. He turned wandering IKEA into an experience. Bright, spacious model rooms let you imagine your home. Cheap, good-looking little items you can't help grabbing. And a cheap restaurant to rest when you're tired. Customers save IKEA money, and feel they had a fun, worthwhile trip. And he didn't sacrifice design for cheapness, twisting “affordable” and “good-looking” together.

? **Think about it:** The same “cheap,” one squeezed out by cutting corners, one by redesigning the whole process. Which is smarter?

Others like him

A few brands let ordinary people “afford good design.” Some, with a minimal, timeless style, made home goods and stationery simple yet not pricey. Some moved furniture online, using huge choice and home delivery to let people furnish more conveniently and cheaply. They all try to make “good” and “cheap” happen together, through systemic efficiency, not by sacrificing taste.

The Big Lesson

Kamprad's cleverest move was turning “let customers do the work,” which looks like it would drive people away, into his biggest cost advantage, and even part of the fun. When you want to win on “cheap,” don't only think about cutting quality or profit. That road is narrow. The smarter move is to rethink your whole process of delivering the thing, and see which links can be redesigned, or cleverly shifted onto the customer, as long as it feels like a deal, and even fun, to them.

My Notes

CASE 28 Zhang Hongfu · Mixue

Others Sell Tea for $3. It Sells for 50 Cents, and Still Opens Tens of Thousands of Shops.

These days a cup of bubble tea often costs three or four dollars. But Mixue went the other way. A cup of lemonade for well under a dollar, an ice cream for a few coins, so cheap you wonder how it makes money. Even stranger, this “ridiculously cheap” brand opened tens of thousands of shops, and grew a theme song everyone hums and a chubby “Snow King” mascot. So how does it actually make money?

Starting from a little cold-drink stall

Mixue's start was very grassroots. Around 1997, in Zhengzhou, China, Zhang Hongchao was a young man short on cash, who, with a bit of borrowed money, set up a little stall near a school selling shaved ice and cold drinks. Later his brother Zhang Hongfu joined, and the two grew this humble little business bit by bit. They understood how sensitive ordinary people, especially students, are to price. A few coins and a few dollars are two completely different worlds.

Where does the money actually come from?

What they truly figured out was a deeper question. If a drink has to be dirt cheap, and barely earns per cup, then where does this business's money actually come from? By the traditional idea of “buy cheap, add a markup, sell higher,” that profit is so thin it's almost nothing, and can't hold up a big business at all.

? **Think about it:** When something sells super cheap, is the seller really earning by “making a bit more on each item”?

Move the profit point to “supply”

Their answer was to hold the whole supply chain in their own hands. Build their own factories, buy and process ingredients themselves, set up their own warehousing and logistics, and push the cost of lemons, sugar, milk powder, and cups extremely low. And the key step. Mixue mainly doesn't earn by selling drinks to consumers. It earns by selling these low-cost ingredients to its franchisees all over the country. It doesn't earn on drinks. It earns on supplying franchisees.

Let others open tens of thousands of shops for it

Mixue doesn't have to open every shop itself. It hands this proven low-price model to thousands of franchisees to run on the ground. Franchisees put in the money and effort to run shops, and Mixue earns by supplying them uniformly. The more shops, the more ingredients it sells, and the more it earns. This model makes expansion almost free of its own money limits, so shops spread at an astonishing speed, from big cities to small towns, especially the places high-price tea brands ignored.

A Snow King, and a catchy song

The third thing is super down-to-earth, super catchy brand marketing. It created a lovable “Snow King,” paired with a theme song so simple you can't forget it after one listen, planting itself firmly in the public's heart in a friendly, unpretentious, even cutely corny way. This low-cost yet hugely effective spread gave it, beyond the extreme low price, a layer of emotional closeness.

? **Think about it:** In business, is “sell everything a bit pricier” steadier, or “sell very cheap, but sell tons and tons”?

Others like them

A few people conquered with “extreme low price plus supply chain plus mass franchising.” Someone opened cheap burger-and-chicken shops into countless small towns. Someone turned a street-side fried chicken cutlet into a chain with a huge number of shops. They all understand that in an extreme-low-price business, the real profit and moat are in the supply chain, not in the markup of a single shop.

The Big Lesson

When you decide to compete on “extreme low price,” the key question often isn't “how do I push the price down,” but “at a price this low, how do I actually make money?” Mixue's answer was to move the profit point from drink markups at the shop to ingredient supply in the chain. To compete on cheap, first figure out two things. How the cost is held up by a system at such a low price, and from which link the money actually comes, often not the link you'd think.

My Notes

CASE 29 Tao Huabi · Lao Gan Ma

No Loans, No Investors, No IPO. How Did a Farm Woman Sell Chili Sauce Worldwide?

Today's startup stories almost always come with words like funding, valuation, IPO, and burning cash. But the national brand “Lao Gan Ma” touches almost none of them. No loans, no investors, no IPO, no buying on credit. Its founder, Tao Huabi, could barely even read. Yet this combination, out of step at every turn, sold a jar of chili sauce into millions of homes, and even overseas. What did it rely on?

A skill forged in hard days

Tao Huabi was born in 1947, into a poor farming family in Guizhou, with little schooling. The first half of her life was very hard. To get by, she ran a street stall in Guiyang, and opened a little shop selling cold noodles and rice tofu. And right there, to flavor the cold noodles, she developed a spicy chili sauce herself. She never guessed this sauce, made to “go with a dish,” would one day completely change her life.

Customers wanted the sauce, not the noodles

Her shop's noodle business was so-so, but her homemade chili sauce was a huge hit. Slowly she noticed customers acting a bit “oddly.” Some came and barely touched the noodles, but always wanted more sauce. Some wanted to buy only the sauce, no noodles. Once the sauce sold out, a customer who came just turned and left. That detail woke her up. Her real signature wasn't that bowl of noodles. It was this jar of sauce. So she simply focused on bottling and selling the sauce.

? **Think about it:** Sometimes a “small thing” you do casually is more popular than your main product. Would you notice it, and grab it?

Rule one: make the product the best it can be

Lao Gan Ma's story is two very plain, very solid rules, kept for decades. Rule one is an almost stubborn fussiness about the product. She insisted on good ingredients, and never wavered on stable taste and quality. She knew everything of hers stood on this sauce being good enough, addictive enough. When the product is solid, word of mouth grows its own legs. Lao Gan Ma barely advertised, relying entirely on jar after jar being eaten and passed by word of mouth.

Rule two: keep the accounts perfectly clean

Rule two, and the most “anti-trend,” is no loans, no investors, no IPO, no credit. She insisted on cash on delivery. To suppliers, pay in full the moment goods arrive, never delaying. To distributors, payment before goods. She owed no one a cent, and let no one owe her a cent. This “backward”-looking way gave Lao Gan Ma amazing steadiness. With no debt, it fears no storm. With no funding and no IPO, it needn't answer to capital, or do senseless things to please a report.

> **Think about it:** Going fast but deep in debt, or going slow but owing nothing. Which do you think is steadier, and lasts longer?

A taste of home in a jar

Its taste is “addictive” enough to make a bowl of plain rice or a pack of instant noodles delicious. And it's been stable for decades. Buy it in any city, and you taste almost the same familiar flavor. Add an affordable price, easy to find everywhere, and it followed Chinese people out into the world. For Chinese people at home and abroad, that bright red jar of Lao Gan Ma has long gone beyond chili sauce, into a feeling tied to home, and a familiar taste.

Others like her

A few people succeeded by “making one ordinary little product the best it can be.” Across the ocean, an immigrant from Vietnam, with almost no ads and little capital, made a rooster-labeled chili sauce into a famous product in America. Someone, with a uniquely flavored seasoning packet, spent decades making it a regular in millions of kitchens. They all prove that even the most ordinary single product, made to the extreme, can hold up a big brand.

The Big Lesson

Lao Gan Ma runs opposite to almost every startup “standard script.” No funding, no IPO, no cash-burning, no diversifying. Yet it became one of the longest-lived national brands. It tells us two things. Don't underestimate an ordinary little product. Make its quality better than anyone can, and word of mouth alone can grow it into a big business. And a startup needn't chase explosions with leverage and capital. A clean, live-within-your-means discipline may make you slower, but it lets you go steadier, longer, and keep the results firmly your own.

My Notes

CASE 30 Brian Chesky · Airbnb

A Company That Owns No Rooms, Yet Books More Than Hotels

A traditional hotel's logic is clear. Build a building, buy land, decorate rooms, hire staff to run it. More rooms mean more investment. But Airbnb became one of the biggest lodging platforms in the world, while owning almost no rooms of its own. Every listing it offers is a spare room or house in someone else's home. How can a company with no rooms offer more places to stay than big hotel chains?

A few young men who couldn't pay rent

Airbnb was founded by Brian Chesky and his partners. Chesky and his friend both studied design, and later brought in a partner who knew tech. When the story began, they lived in San Francisco, so broke they could barely pay rent. It's the shared, not-at-all-romantic start of many great companies.

A few air mattresses

The turn came by chance. A big design conference was coming to San Francisco, and every hotel in the city was booked full, leaving many attendees with nowhere to stay. Chesky and his friends had an idea. There's space in the apartment. Why not rent a few air mattresses to these people, and throw in a simple breakfast? They called this quick idea “air bed and breakfast.” And so, a few air mattresses became Airbnb's earliest seed.

What's really missing isn't rooms. It's trust.

The early days were incredibly rough. This idea, letting strangers stay in your home, or you in a stranger's, sounded pretty crazy, even a bit dangerous, and almost no investor believed in it. To survive, they once raised money by designing and selling funny cereal boxes with election candidates on them during a presidential election. And in that struggle, they figured out the key thing. Spare rooms are everywhere, and travelers wanting flexible stays are everywhere. What really blocked the business was trust.

? **Think about it:** A host fears handing their home to a stranger, and a traveler fears staying in a stranger's home. How would you make two strangers dare to trust each other?

Building the bridge of trust, bit by bit

So what they did wasn't build houses. It was build a “bridge of trust.” They let hosts and guests build profiles and reviews they could check on each other, and rate each other after a stay. They helped hosts take beautiful, honest photos of their homes. They held the payment on the platform first, releasing it to the host after check-in, and offered protection. Layer by layer, they slowly melted away the “dare I or not” worry between strangers.

A platform that grows as it connects

Once the bridge of trust was built, the platform's power showed. More listings, more travelers looking. More travelers, more hosts willing to list a spare room. The two ends attract and amplify each other. It needn't own a single room, yet it connected countless spare spaces worldwide with countless travelers, offering flexible, local stays that hotel chains couldn't.

? **Think about it:** In the world, aren't many “things sitting unused” and “people who need them” just missing a bridge to connect them?

Others like him

Building a platform that “connects two ends and grows as it connects” is everywhere. Some platforms connect people wanting a ride with drivers who have time. Some connect buyers with sellers. Like Airbnb, they often don't make the thing themselves. They solve the trust problem of “how do strangers dare to deal with each other,” connect the two ends, and snowball from there.

The Big Lesson

Chesky's real brilliance was seeing, from a small fix for “I can't pay rent,” something bigger. The world has lots of unused space, and lots of people who can't find a good place to stay, and all that's missing is a bridge to safely connect them. Many of the biggest chances aren't about “making” a new thing. They're about whether you can solve the “trust” problem in the middle, and connect two ends that already exist, but can't find each other.

My Notes

CASE 31 Oprah Winfrey

One Recommendation Could Sell Out a Book. How?

In her biggest years, there was a saying. The “Oprah Effect.” If she recommended a book on her show, it often sold out right away. How could a TV talk-show host have this almost magic, turn-things-to-gold power? What Oprah Winfrey did looked like hosting a talk show. Really, she turned “herself” into a brand that hundreds of millions of people deeply trusted.

A woman who came from the very bottom

Oprah was born in 1954, in a very poor rural part of America, raised by her grandmother, with a childhood full of poverty and turmoil. Her start was about as low as it gets. But she had a gift for talking from a young age, and step by step got into media. What really made her stand out wasn't how “polished” she was. Quite the opposite. She was so real, so full of feeling. She'd cry, laugh, and share her own pain, which made viewers feel incredibly close to her.

Viewers really trusted her

She later took over a local talk show that wasn't doing well, and with this one-of-a-kind sincerity, turned it into a worldwide hit. Viewers didn't just see her as a host. They saw her as a friend who understood them and could be trusted. What she recommended was what she truly thought was good. What she endorsed was what she truly believed in. That “if she says so, I believe it” trust is priceless, and the root of all her influence.

? **Think about it:** Would you rather trust a person who's “perfect but distant,” or one who's “real, who cries and laughs”?

Trust alone isn't enough

But trust alone doesn't earn big money. Most hosts, however famous, are basically “employees” hired by a TV station. The show belongs to the station, and the big rewards go to the station. Oprah wasn't willing to stay that way. She started her own production company, and found ways to own her show. This step was crucial. She went from a hired star, to a boss who owns assets. From then on, the huge value the show created mostly went to her.

Trust times ownership

Her real story is multiplying two things over and over. Trust, and ownership. She kept deepening trust. That famous “book club,” where recommending a book was like backing it with her own reputation. And she always kept that influence firmly in her own hands. She started her own magazine, her own TV network, extending this trusted brand into more and more areas.

Think about it: Something you make, “famous but owned by others,” or “famous and owned by you.” How big is the difference?

One person can be a brand

And so, a host from a poor background grew into one of the most influential media figures in the world. She proved that a person can be a priceless brand, and as long as you know how to “own” what you create, that brand can be amplified endlessly, into an empire.

Others like her

A few people succeeded on “sincerity plus ownership.” Someone, with a deeply personal podcast, independently held his own show and audience, so a platform that wanted his content had to pay sky-high. A singer, after building huge influence, didn't stop at endorsing for others, but founded a beauty brand she owned. They all first made themselves a trusted brand, then firmly “owned” what they created.

The Big Lesson

Oprah's lesson for ordinary people boils down to two words. Sincerity, and ownership. Sincerity is how you win trust, by being real, not by performing. Ownership is the key to turning trust into wealth. Don't keep giving what you create, your content, your audience, your products, to someone else's platform. Real wealth doesn't belong to the most famous person. It belongs to the one who is both trusted, and owns what they created.

My Notes

CASE 32 Tobias Lütke · Shopify

He Wanted to Sell Snowboards Online. He Ended Up Helping Everyone Open a Shop.

Tobias Lütke's first dream was small. He just wanted to open a little online shop selling snowboards. But in the end, he didn't become a snowboard seller. He became the person who helps millions of people open online shops. That turn itself is the most interesting part. A man who went to "dig for gold" realized halfway that instead of digging himself, it's better to sell shovels to all the gold-diggers.

A frustrated programmer

Lütke was born in Germany, a coding whiz from a young age. He loved snowboarding, so he wanted to open a shop selling snowboards online. As a programmer, he naturally started building the shop. But in the process, he hit a problem that drove him nuts. The store-building software on the market was all terribly hard to use. For a fussy top programmer, rather than suffer bad tools, better to write your own. So he simply built a good e-commerce system for his own shop from scratch.

Shovels are worth more than gold

After the shop opened, he slowly realized something. What truly excited him, and was truly rare, wasn't how many snowboards he sold. It was that system he'd built to open the shop. He looked around, and found his old struggle, "I want to open an online shop but can't find good tools," wasn't just his problem. It was the shared pain of thousands who wanted to do e-commerce.

> ? **Think about it:** There are many gold-diggers, but the steadiest, richest one is often the one who sells shovels and water to all of them. Why?

A decisive turn

So he made a judgment that changed everything. Stop selling snowboards, and instead sell this shop-building tool to everyone who wants to open a shop. Behind this is an old business wisdom. In a gold rush, the steadiest one often isn't the diggers risking everything, but the one selling shovels and water to all of them. Lütke went to dig for gold, but sharply realized the "shovel" in his hand was the bigger business. And Shopify was born.

Standing "upstream" of all the merchants

After the turn, he made that system into a product, so any ordinary person with no tech skills and no big-company resources, a small shop, a small brand, a craftsperson, could easily open a professional online store with it. The most fascinating thing about this business is its position. He didn't fight millions of merchants over shoppers. He stood "upstream" of all of them, becoming their shared foundation. He needn't bet on whether any one shop succeeds. Whichever shop catches fire, as long as it was built with Shopify, he benefits.

The more you use it, the harder to leave

To make this shovel better and better, he kept stacking more services on top of the core tool. Payments, logistics, marketing. So once a merchant used it, they were deeply embedded in this ecosystem, more comfortable the more they used it, and harder to leave. And so, Shopify grew from a snowboard shop's byproduct into the e-commerce foundation for millions of merchants worldwide.

> ? **Think about it:** When many people rush into a new area to “dig for gold,” besides betting on a business yourself, could you be the one who provides tools to everyone?

Others like him

The “sell shovels” wisdom is old. Over a century ago in the American gold rush, someone didn't dig for gold, but saw diggers needed sturdy pants, and started a jeans business, ending up rich, and creating a brand that lasts to this day. Someone made tools so people who don't code could easily build their own website. They don't dig for gold themselves. They give diggers something they can't do without.

The Big Lesson

The best part of Shopify is Lütke's “turn.” He set off excited to dig for gold, but calmly realized, the shovel in my hand, built for digging, is worth more than the gold itself, with a bigger, steadier market. When you see a field rising, with countless people rushing in to “dig for gold,” think one layer deeper. Besides going in yourself, could you be the one who provides tools and services to all the diggers? That position often carries less risk, and more steadiness.

My Notes

CASE 33 King Gillette

Almost Give Away the Priciest Part, and Earn More

Common sense in business says good things should sell for a good price. But King Gillette did the opposite. He almost gave away the razor's most valuable, most durable part, the handle, and made his money on the blades, which get used up and need replacing again and again. Almost giving away the priciest part sounds like a losing deal. Yet this "backward accounting" business let Gillette rule the shaving world for over a hundred years.

A salesman who loved to think about business

King Gillette lived over a century ago in America, and was a traveling salesman early on. He was always on the front lines of the market, selling all sorts of things, with a firsthand view of "what kind of business earns steadily." He carried one thought in his heart. He wanted to invent something, and build a business of his own that made big money.

One line from a boss

What really woke him up was the boss of a bottle-cap company he'd worked for. The boss told him something that shaped his life. Roughly. To make money, invent something people "use once and throw away, then must come back to buy again." Because a thing customers buy once, you earn on once. But a thing that gets used up and repurchased over and over makes customers come back endlessly. Bottle caps are like that. Used once and done, so you keep buying.

? **Think about it:** A thing you "buy once and use forever," or "use up and must buy again." Which keeps the seller earning?

A disposable blade

That line became an obsession he couldn't shake. He racked his brain for a product that's both everyday and constantly used up. Finally, one morning, they say, facing an old razor that was dull and needed hard sharpening, inspiration hit him. What if the razor's blade were thin, cheap, tossed when dull, and swapped for a new one? Then shaving, something nearly every man does every day, would create a steady, endless demand for new blades.

Cheap handle, earn on blades

So he designed this "backward accounting" business. Push the durable handle's price very low, even give it free, with one goal. Get as many people as possible to own his handle first. Because once someone has a Gillette handle, they're "locked in." To keep shaving, they must keep buying matching Gillette blades. The handle is the barely-profitable "doorway." The blades are the profit machine, bought again and again, year after year.

Think about it: Sometimes a seller gives you a thing “almost free.” Have you thought about which later payment they're really after?

A model copied over and over

And so Gillette not only built a huge shaving empire, but showed the whole business world a brand-new way to earn. People later called it the “razor and blades” model. Sell the durable “razor” cheap, and earn steadily on the repeatedly-bought “blades.”

Others like him

This model is everywhere now. Printers often sell cheap, and the real money is in the ink cartridges you keep replacing. Coffee-pod machines are priced friendly, and the steady money is in the coffee pods that only fit their machine. They all “sell the machine cheap, and earn a lifetime on the consumables.”

The Big Lesson

Gillette flipped the common sense of “good things sell for a good price.” What he really sold was never the handle. It was the long relationship of “you'll keep coming back to buy blades.” The logic of earning isn't always “make as much as possible on this one sale.” Sometimes, giving up profit at the “doorway,” even subsidizing it, to lock in a customer who pays you again and again for the long run, is a much bigger business.

My Notes

CASE 34 Wang Ning · Pop Mart

A Little Figure That Can't Even Talk, Yet People Buy It Addictively

Disney's Mickey and Pikachu are valuable because huge stories back them up. But the little figures Pop Mart sells often don't even have a full story. They're just cute little characters. Stranger still, when you buy, you don't even know which one you'll get. They come in opaque boxes, and only when you open one do you know what you drew. Yet these “storyless” figures make countless young people pay again and again, almost addictively.

Starting from a variety store

Wang Ning is Pop Mart's founder. He started it in Beijing in 2010, but its early form was totally different from today. It began as a “trendy variety store” selling all kinds of novelty goods, and business wasn't easy. The real turn came from watching his own shop's sales data. He found one type of thing sold surprisingly well. Some designer figures packed in blind boxes.

A signal that rose from the data

Customers showed a passion and repeat-buying for these “open it to find out” trendy toys far beyond other goods. That signal made Wang Ning realize there was a chance here much bigger than “selling variety goods.” He didn't draw those popular figures himself. His real skill was being a sharp business watcher, able to spot real demand in the data, and decisively focus the whole company on the explosive point, “trendy blind-box toys.”

? **Think about it:** Something you happen to sell that sells especially well, would you treat it as chance, or as a big bet worth going all-in on?

Two core parts: character plus surprise

He saw the two real cores of this business. First, the “character.” He signed designers and grew his own little figures, cute characters with no complex story, that make you want one at a glance, the first hook that makes people pay. Second, the “blind box” mechanic. You can't choose, only take your chances, and the moment you open the box, you might get a common one, or a rare “hidden edition.”

Making you “try one more”

What truly gets people addicted and buying again is that blind box. When the figures are packed in identical opaque boxes, buying carries a strong “lottery” thrill and uncertainty. You want to collect a whole set, but each opening is a little gamble. You might get a duplicate, or luckily draw a hidden one. This “uncertain surprise” keeps sparking the brain and bringing excitement, making people can't help “trying one more.”

Think about it: What makes you “unable to stop” often isn't the thing itself, but the wait of “will the next one be a hit?” Have you noticed this feeling?

It's really selling emotion

Beyond characters and blind boxes, Wang Ning also opened tons of shops and vending machines, and grew an active collector community, where collectors trade, show off, and swap, pushing the heat even higher. What consumers buy isn't just a figure. It's a whole set of emotions. Love, the surprise of opening, the pride of completing a set, the recognition of a community.

Others like him

The play of “surprise plus collecting” to hook people has ancestors. Japan's “gachapon,” where you drop in a coin and a mystery toy rolls out, plays the same logic as the blind box. Someone made all kinds of film and game characters into uniformly-styled collectible figures, using rare limited editions to spark collecting fever. They all understand they aren't just selling toys. They're selling love, surprise, and collecting.

The Big Lesson

From a “useful” view, what Pop Mart sells is almost “useless.” A little plastic figure that can't talk and has no story, what use is it? Yet it makes people pay addictively, because what Wang Ning sells was never the figure's use, but the emotion it carries. In an era of more and more material abundance, people are more and more willing to pay for “feelings.” If you can create and amplify a strong positive emotion, joy, surprise, achievement, you can move a business full of life. (A gentle note: blind boxes are random, so spend sensibly and don't get carried away.)

My Notes

CASE 35 David Holz · Midjourney

A Dozen People, No Funding, a Business Worth Hundreds of Millions

In the money-burning race of AI, almost every star company does the same thing. Raise crazy funding, hire crazy numbers, burn crazy cash. But Midjourney is an oddball. It does AI image generation, a super hot field with a very high technical bar and fierce competition. Yet it barely raises money, barely burns cash, has a shockingly small team of just a dozen people, and makes hundreds of millions a year in revenue. And it truly, genuinely profits.

A man who chose to go the other way

David Holz is Midjourney's founder. Before this, he was already an experienced tech entrepreneur and researcher. In 2021, he jumped into the then-rising field of AI image generation. But from the start, he made a series of choices opposite to the mainstream. Don't chase huge funding, stay independent and self-funded. Don't expand the team hugely, keep the company deliberately tiny. He didn't even make a traditional app. He built the product right on an existing community platform, so users could generate images inside a group chat.

Extreme lightness

When everyone else wanted to “raise the most money, hire the most people, build the biggest thing,” he chose the opposite road. Extreme restraint and lightness. This “light” showed everywhere. Building the product on an existing platform saved the huge cost of building and promoting from scratch. Letting the product grow by word of mouth on its stunning results, spending almost nothing on marketing. And keeping the team tiny, avoiding the cost and friction of a huge organization.

> ? **Think about it:** Is it “more people and more money means stronger,” or “using the fewest people to earn the most” that's truly strong?

Let the product speak for itself

On growth, it barely spent money buying traffic. It relied on the product's stunning results. One person generates a stunning image with it and posts it on social media, and that's the best ad. Countless users sharing on their own became its free growth engine. On charging, it took the most direct road. Want to use it, pay a subscription. The product profited for real very early, needing no raised money to subsidize it.

Astonishing output per person

The most astonishing thing is its “output per person,” the value each person creates. With this light play, Midjourney used just a dozen people to hold up a business serving huge numbers of users and making hundreds of millions a year. It's a sharp contrast with rivals who raised billions, hired thousands, and kept losing money.

? **Think about it:** Before doing something, do you first assume “it must be big, must have many people,” or first ask “could I do it with fewer, smarter”?

Others like him

People who create huge value with tiny teams are not rare. Someone ran a site serving huge numbers of users almost alone, and sold it for hundreds of millions. A photo-sharing product that changed how people share was bought for a sky-high price with a team of just a dozen. They all prove a business's value depends on how much value it creates, not how many people and how much money it used.

The Big Lesson

Midjourney is a strong rebuttal to the mainstream myth that “startups must raise huge money, expand the team, and burn cash for growth.” Don't assume from the start that “it must be big, must burn money.” First ask yourself. Could I, with fewer people, lower cost, and a smarter way, build a healthy, independent business that keeps making money? What's truly valuable was never how many resources you used, but how much value you created with limited resources.

My Notes

CASE 36 Ben Chestnut · Mailchimp

A Side Project Done for Fun, Sold for $12 Billion

The mainstream script of tech startups is almost always the same. Have an idea, raise money, then expand fast and burn cash to grab the market. But Mailchimp's story is nearly the opposite at every point. It wasn't a carefully planned startup. It was a side project two people running a design studio made casually. They did it for over ten years, never took a cent of investment, just steadily and calmly made money, and in the end were bought for about twelve billion dollars.

Two practical craftsmen

Mailchimp's two founders ran a little web-design studio, making a living building websites for clients. That identity matters. It kept them long on the front line, directly serving lots of small-business clients, so they knew especially well what real troubles these small owners hit. Around 2001, they noticed many clients wanted to send bulk email to their customers for marketing, but had no simple, cheap, easy-to-use tool.

A little tool made on the side

So the two, in the gaps of their design work, casually built a little tool to help clients send bulk email, and named it Mailchimp. At first, it was purely a side project outside their main work. They weren't ambitious types set on “disrupting the industry” from day one. They were more like two practical craftsmen. First spot a real little pain while serving clients, then build a small tool to solve it.

> ? **Think about it:** A little thing “built casually to solve a real trouble,” or a grand plan “thought up big but no one really needs.” Which do you favor?

An anti-mainstream decision

When Mailchimp showed potential, they could have raised money and burned cash to expand like others. But they didn't. They chose a slower, more independent road. Use the money the business earned to fund its own growth, taking no outside investment. That decision, “stay self-funded, grow slowly, and hold the company firmly in our own hands,” planted the seed for the huge, almost entirely-theirs reward later.

“Slow” is also a strategy

Its growth was the opposite of all “fast companies.” No chasing explosive growth, just piling up customers bit by bit on a good product and word of mouth, growing on its own cash flow. It carried no investor pressure for “fast growth, early IPO,” so it could run entirely at its own pace, and truly put its heart into serving customers well.

Think about it: Fast but owing a pile of debt and taking orders from others, or slow but owing nothing and calling your own shots. Which do you want?

The fruit is almost all yours

And so, with over ten years of patience and independence, Mailchimp grew from two people's side project into an industry leader serving millions of small businesses worldwide. When it was finally bought for about twelve billion dollars, people were stunned that a company that never raised money created such enormous value. And because the company was almost entirely the two founders', that astronomical reward went almost entirely to them, the richest fruit of the “independent” road.

Others like them

A few people rejected “raise and burn” to stay independent. Someone firmly refused venture money and, over decades, self-funded a whole huge suite of software. Someone publicly argued companies needn't chase endless growth or be tied to funding, but should stay lean, healthy, and their own. They all believe a business should grow on its own cash flow, at its own pace.

The Big Lesson

Mailchimp tells us capital and speed were never the only path to success. Don't rush to dismiss “slow” and “small.” A business that grows healthily on its own cash flow, un-tied by capital, may go slower, but goes calmer, is more risk-proof, and belongs more to you. And always remember the weight of “ownership.” If a business can grow on its own, keeping ownership often means that when success comes, what you can take away is far more.

My Notes

CASE 37 Melanie Perkins · Canva

Pro Design Was Hard and Pricey. She Made It Something Anyone Can Do.

Making a decent poster or a good-looking resume used to mean two headaches. Either learn the pro design software, which was intimidating and expensive, or pay a designer. For most ordinary people, “doing design” had a high bar and felt unrelated to them. What Melanie Perkins saw was exactly this huge gap. Her company, Canva, set out to turn hard pro design into a simple tool anyone can use by dragging and dropping.

A university student teaching design software

Perkins is Australian, born in 1987. Her startup story began in her university days. To earn some money, she took a side job teaching people to use pro design software. And in the process, she felt one thing over and over. Those pro programs were just too hard to learn. Her students often spent tons of time to barely learn some basic moves that should have been simple.

Why does design have to be so hard?

That firsthand frustration gave her a clear thought. Why does design have to be so hard? Couldn't there be a tool so simple anyone can pick it up? She didn't leap to the top in one step. She started from a very small area. With a partner, she made an online tool just for designing school yearbooks. They say the business started in her mom's living room.

? **Think about it:** A thing “many people need, but made hard and pricey,” isn't that exactly where a big chance hides?

Turning complexity into “drag and drop”

Later she pushed the idea to everyone, and founded Canva. Its core is turning complex pro design into an extremely simple, intuitive experience. Offer tons of beautiful ready-made templates, so you don't start from a blank page. Simplify design into “drag and drop,” want to add an image or change a font, just drag with the mouse. And build in loads of images, fonts, and materials. So someone who never studied design can make a fairly professional poster in minutes.

Rejected a hundred times, and didn't give up

This direction, so obviously right now, was very hard to get investors to back then. They say she was rejected by over a hundred investors. Wall after wall would make most people quit, but she never wavered in her belief in this direction, polishing her pitch and seeking chances again and again. In the end, her persistence moved investors, and Canva took off.

Think about it: A direction you firmly believe is right, if you were rejected a hundred times, would you still keep going?

Giving a few people's privilege to everyone

What she really did was hand “design,” an ability that once belonged to a few professionals, to hundreds of millions of ordinary people. Students, small shop owners, entrepreneurs, all able to easily make good-looking designs. She also used a “freemium” model. Basic features free, so huge numbers of users start with no barrier, then charge for advanced features and team services.

Others like her

A few people handed a “barrier-ed pro ability” to ordinary people. Someone took design that used to be done alone in expensive software, moved it into the browser, and let a whole team collaborate in real time. Someone turned “professional language proofreading” into a writing assistant anyone can use. They all tore down the wall between ordinary people and some ability.

The Big Lesson

Opportunity often hides in places where “many people need something, but are blocked out by a professional barrier.” Design, coding, writing. The world has too many valuable abilities long owned by a few, because the tools were too hard and pricey. Watch for the things around you that “should be simple, but got made complex.” If you can make one simple enough and cheap enough that the shut-out crowd can easily use it, you can create enormous value. Lowering the barrier is itself a great business.

My Notes

CASE 38 Luis von Ahn · Duolingo

Learning Is So Un-Fun, Yet He Got People to Check In Daily for Hundreds of Days

Learning a foreign language is a famously painful chore. Boring, needing long persistence, and super easy to quit halfway. Textbooks gathering dust, classes never finished, are the experience of countless people. Learning is hard largely not because you can't learn it, but because you can't stick with it. Yet Duolingo got millions of people to happily check in daily to learn a language, many with streaks of hundreds or thousands of days, aching when it breaks.

A scientist from a not-rich country

Luis von Ahn was born in Guatemala, a not-rich country. He saw firsthand that at home, good education was often tied to money. Rich kids could afford tutors, poor kids were shut out. That gave him a belief early on. Good education should be free, available to everyone. He later became a brilliant computer scientist, and one of the inventors of the “CAPTCHA” technology.

Two problems: reachable, and stickable

Around 2011, he founded Duolingo, aimed at language learning. His belief was firm. Education should be free. So Duolingo made “free” a core from the start, tearing down at once the biggest barrier in front of countless people. Money. But he knew clearly, free alone isn't enough. The real hard problem of education isn't only “can you get it,” but “can you stick with it.” Free materials are all over the internet, so why do most people still not learn a language? Because learning is boring, and they quit after a few days.

? **Think about it:** Many things fail not because you “can't do it,” but because you “can't stick with it.” Have you had this experience?

Turning learning into a game

His weapon against “sticking” was turning learning into an addictive game. He put almost every addictive mechanic from video games into learning. Cutting long study into little levels you finish in a few minutes. Giving you a “streak” of days learned, so once you've learned many days in a row, you especially treasure the record, afraid one skipped day ruins it all. Plus points, levels, and leaderboards to compete with others.

An owl that nags you to study

It also has an expressive owl mascot, sometimes cute, sometimes “nagging you to study,” reminding you not to slack in all sorts of fun, even a bit clingy, ways. This whole carefully designed set of mechanics fights learning's biggest enemy together, boredom and quitting, and got millions to actually stick with a language.

No tuition, so how does it earn?

No tuition, so how does it make money? It uses “freemium.” Core features free forever, keeping the original goal of education fairness. Income comes mainly from two parts. Ads in the free experience, and selling subscriptions to users who want a better experience, like removing ads. Out of the huge pool of free users, a slice turns into ad viewers and paying members, enough to hold up a healthy business.

> ? **Think about it:** To help someone build a good habit, is giving more “content” useful, or finding a way to help them “stick with it” more useful?

Others like him

A few people tore down learning's barriers with “free plus fun.” Someone insisted on offering high-quality courses free to the whole world. Someone turned learning to code into a fun, do-and-learn, instant-feedback experience in the browser. Someone turned knowledge points into a quick-answer game in the classroom. They all tore down two walls. One is “money,” one is “sticking with it.”

The Big Lesson

Duolingo grabbed an often-ignored truth. Many things fail not because people can't do them, but because they can't stick with them. Learning is like this. So is fitness, so is habit-building. If you want to help someone reach a goal that “needs long persistence,” put your biggest effort into “how to help them stick with it,” not just providing content. Figuring out “why people quit, and how to keep them from quitting” is often worth more than the content itself.

My Notes

CASE 39 Eric Barone · Stardew Valley

Big Studios Use Hundreds of People for Years. He Did It Alone for Four.

Making a decent game today usually means a huge team. Programmers, artists, musicians, planners, dozens or even hundreds of people, working together for years, and burning tons of money. But Eric Barone did it alone. By himself, over about four or five years, he finished everything, from the code, to every pixel of art, to every bit of music, to every line of story, and made a game called Stardew Valley. After release it swept the world, selling tens of millions of copies.

A self-taught young man

When Barone started, he was a young man not long out of school, and job-hunting wasn't going well. He wasn't a trained game master. Making this game, he largely self-taught the programming and art. He'd loved farm-management games since childhood, and dreamed of making his own ideal farm game, better than the classics.

A “stubborn” decision

So he made a decision others saw as pretty “stubborn.” Instead of finding a stable job, he poured all his time into developing this game alone. To get by, he worked part-time at a theater, and threw almost every waking hour into the game. And that throwing lasted four or five years. Through those long, lonely, seemingly endless years, he played, alone, every role on a game team.

? **Think about it:** For something you truly love, how long would you keep going alone? A year? Or four or five?

The “purity” of one person

As a “team” of only himself, he had no big-company resources or money, but he had something big companies often lack. Purity. He didn't have to compromise for any investor, didn't have to cut quality to hit a deadline, didn't have to dilute his ideas through layers of collaboration. From start to finish, this game was the complete, pure expression of his one ideal farm game in his heart.

An almost punishing perfectionism

His quality standards were so high that he'd scrap finished art and redo it over and over. That almost self-punishing fussiness gave Stardew Valley an indescribable warmth. Players can feel the creator's sincerity in every detail. It's healing, warm, and endlessly playable, hitting exactly the longing of countless people, tired in fast-paced life, for a calm, good life you can build slowly.

Think about it: A “product calculated on an assembly line,” or a “work someone poured years of heart into.” Can you feel the difference?

One person can create a miracle

When the game finally launched, it had no overwhelming marketing, but caught fire fast by word of mouth, selling tens of millions of copies, and turning this unknown young man into a legend overnight. And after success, he long kept updating more content for free, giving back to players. With the power of one person, he proved that in this seemingly big-capital-ruled industry, extreme love and care can still create miracles.

Others like him

A few people made world-touching games alone or in tiny teams. Someone almost single-handedly built a blocky world you can freely build and explore, that swept the globe. Someone, nearly alone, finished a game full of unique ideas and emotional impact. They all prove that in games, an industry that seems to need big teams, an all-in, all-heart individual can create a miracle too.

The Big Lesson

Stardew Valley broke the myth that “big things need big teams and big capital.” Don't give up on what you truly love and would go all-in on just because “I'm only one person, with no resources.” In this digital era of flatter and flatter channels, one person's work can, on sincerity and quality, reach the whole world and move countless people. The key isn't how big you are, but whether you're willing to pour enough love and persistence into one thing, and make it the best it can be.

My Notes

CASE 40 Morris Chang · TSMC

He Skips His Own Brand, Only Makes Chips for Others. Why Did That Make Him the Industry's Lifeline?

In business, having your own brand is usually seen as the most valuable, most respectable thing. But Morris Chang's company, TSMC, made the exact opposite choice. It firmly refuses to make its own chip brand, doesn't design or sell any product with its own name, and willingly acts as a “foundry,” making chips that other companies designed. It sounds low-ambition, yet this very choice made TSMC an indispensable lifeline for the entire global tech industry.

A veteran of decades in the field

Morris Chang was born in 1931, and studied in America when young. His real foundation came from decades in semiconductors after that. He worked at a famous American semiconductor company for over twenty years, rising from the ground up to a very high management level, and knew nearly every step of chip-making inside out. Don't picture him as a hot-headed newcomer. He was a seasoned veteran of decades in the field.

Setting out again at fifty-plus

His life's true legendary turn came at an age most people are ready to retire. Already in his fifties, he accepted an invitation to Taiwan, and in 1987, in his mid-fifties, founded TSMC. A man others thought should long have retired opened the greatest work of his life at this point. It was exactly those decades of accumulated insight that let him, at fifty-plus, see a chance no one else saw.

> ? **Think about it:** Does “starting late” always mean losing at the starting line? Could decades of accumulation actually be an edge others don't have?

Splitting “design” and “manufacturing”

Before TSMC, the chip industry was mostly held by giants that “did everything themselves.” They designed chips, built factories to make them, and sold them. This caused a problem. Any new company that wanted to design chips had to spend a fortune building an extremely expensive factory itself, a bar so high it shut out countless people with good ideas. Chang saw this pain, and a huge chance. What if a company specialized in, and only did, chip manufacturing, as a foundry for all these factory-less design companies?

A promise about “trust”

The most brilliant thing about this idea is a key promise it contains. Because TSMC absolutely never designs or sells chips under its own brand, it will never compete with its customers. This is crucial. It lets customers hand their most core, most secret chip designs to TSMC to make, without fear the idea will be stolen by this “foundry” and turned into a rival product.

? **Think about it:** Would you hand your most precious secret to someone who “might use it to compete with you”? Or to someone who “promises to never compete with you”?

Focus on one thing, and perfect it

With a foundry like TSMC they could safely trust, designers full of good ideas but without money to build factories could, for the first time, focus only on what they did best, design, and hand the most expensive, hardest part, manufacturing, to TSMC. And TSMC poured all its energy into this one thing, manufacturing, endlessly gaining experience, investing huge money to refine its process, making it more and more advanced and harder to catch, until it became the world's most leading and irreplaceable chip maker.

Others like him

The wisdom of “don't go into the ring yourself, just be the one link everyone can't do without” shows up elsewhere too. Some companies spend decades studying only one extremely hard chip-making machine, ending up the sole supplier that even the world's most advanced chips can't go around. They all understand that sometimes, not fighting for the most glamorous link, but perfecting one hard thing everyone needs, puts you in the steadiest, most irreplaceable spot.

The Big Lesson

Chang's choice tells us this. Having your own brand is of course good, but “staying behind the scenes and perfecting one thing everyone can't do without” is sometimes a deeper, steadier business. He gave up the most glamorous design and brand, yet, through “focus on manufacturing” and “the trust of never competing with customers,” became the whole industry's lifeline. Sometimes what decides your value isn't how prominently you stand, but how irreplaceable you are.

My Notes

CASE 41 Elon Musk · SpaceX

Everyone Said Rockets Just Cost That Much. He Didn't Believe It.

Building and launching rockets has been scarily expensive for decades, often hundreds of millions of dollars each time. It's an “iron law” almost everyone accepts. Space is just that pricey. But Elon Musk refused to buy it. When he wanted to buy a rocket and found the price absurd, he did something almost no one would. He took a rocket, and starting from its most basic raw materials, added up the whole bill again, item by item.

A man who loved asking “why so expensive?”

Before founding SpaceX, Musk was already a successful serial entrepreneur. An online payment company he helped start early was bought for a high price, giving him his first big money. He always carried a grand dream, that humans could one day live on Mars. In 2002, he founded SpaceX, wanting to hugely cut the cost of getting to space. But when he went to buy an existing rocket, the outrageous quote stunned him.

Add up the bill from scratch

Someone else would just accept that “space is this expensive.” But Musk has a special way of thinking. He refuses any “that's just how things are,” and chases a problem down to its most basic facts, then reasons up again. He asked himself, what is a rocket actually made of? He broke a rocket into its most basic raw materials, aluminum alloy, titanium, copper, carbon fiber, then calculated what it would cost to just buy those materials.

? **Think about it:** When everyone says “this thing is just expensive,” do you take it as given, or want to do the math yourself?

A stunning result

The math gave a stunning result. The raw materials in a rocket, added up, cost only a tiny fraction of its final price. They say just a few percent! What does that mean? Rockets are expensive mostly not because the materials cost a lot, but because the traditional way of making them, the supply chain, and industry inertia are too inefficient, with markup on markup. Since the materials themselves are cheap, then as long as you make it yourself and cut out the inefficient middle, a rocket's cost can be pushed way down.

“Then build it yourself”

So Musk made a decision almost no one in aerospace dared. SpaceX would make as many of the rocket's parts itself as possible, instead of buying expensive, repeatedly-marked-up parts from layers of suppliers. But this road was terrifying at the start. Rocket-building is one of humanity's most failure-prone engineering feats. SpaceX's first few launches all ended in explosions or crashes, the company once nearly went bankrupt, and Musk bet almost his whole fortune. Just when it could barely hold on, it finally got its first successful launch.

> **Think about it:** A thing “everyone says can't be done, and very likely fails.” Is it worth betting everything to try?

Make rockets reusable

After proving “rockets really can be built cheaper by yourself,” Musk aimed at an even bolder goal. Make rockets like airplanes, able to land and be reused after launch, instead of thrown away after one use like traditional rockets. This “reusable rocket” pursuit is the natural extension of “recalculate the cost from the ground up.” And so, he turned once-unreachable space launches into something cheap and common, so more companies and more projects could, for the first time, afford to send things up.

Others like him

A few people disrupted an industry by “taking apart the cost and recalculating it from scratch.” Someone used the same method to challenge the high cost of small rockets. Someone building electric cars held almost the whole chain, from batteries to parts, in their own hands, taking apart and pushing down cost layer by layer. They don't worship “expensive for a reason.” They believe many high costs hide huge, overlooked room to optimize.

The Big Lesson

The most valuable thing in this case isn't how successful SpaceX became. It's the thinking move at its start. Facing a huge cost everyone treats as iron law, don't accept “that's how it should be,” but take it apart from the bottom and recalculate. Facing any high price or high barrier that “everyone says should be so,” try questioning it this way. Does it really have to be this expensive? Are these costs unavoidable, or just piled up from long inefficiency and layered markups? Many seemingly unbreakable “iron laws,” once recalculated from the bottom, reveal huge cracks and chances.

My Notes

CASE 42 Henry Ford

He Didn't Invent the Car. He Let Ordinary People Drive One.

Henry Ford didn't invent the car. Cars existed before him. But back then, a car was a pure luxury. Expensive, rare, hand-built one at a time by craftsmen, only the very rich could afford to play. What Ford did wasn't invent the car. It was let cars "fly into ordinary homes." He built a car ordinary working families could afford, so millions who once had nothing to do with cars sat, for the first time, in the driver's seat.

A farm boy obsessed with machines

Ford was born on an American farm in 1863. He hated farm work from a young age, but was obsessed with all things mechanical. Anything you could take apart and put together fascinated him. Grown up, he became a mechanical engineer. He always carried a dream different from every other carmaker of the time. While others built more luxurious, more expensive cars for the rich, he wanted to build a car ordinary people could afford.

Why were cars so expensive?

To make cars cheaper, wanting it wasn't enough. Cars were expensive back then for a root reason. The way of making them was too inefficient. Each car was hand-assembled by a skilled craftsman, from start to finish, part by part, taking a very long time, costing a lot, and with very low output. Ford realized that to hugely cut cost, he had to completely change this "build one at a time by hand" way.

? **Think about it:** To make many, many identical things, is it faster for "one person to do the whole thing," or for "many people to each do one small step"?

A moving assembly line

He got inspiration from another industry, and invented and widely used a "moving assembly line" in his factory. On this line, the car body slowly moved along a belt, and each worker was responsible for just one simple, repeated step. One person just tightened certain screws, another just installed a certain part. This extreme division of labor let each person do their small step skillfully and fast, so assembling a whole car dropped from over ten hours to a bit over one.

Cars got cheap

The huge leap in efficiency meant output soared and cost plunged. In 1908, Ford launched a "people's car," simply designed, sturdy, durable, and easy to repair. It didn't chase luxury, only reliability and cheapness. Thanks to the assembly line, its price dropped again and again, finally to a level an ordinary working family could afford. And so, the car went from a luxury of the few to a mass product for millions.

Turning workers into customers

Ford also did something shocking for its time. He hugely raised worker pay, to a “five dollars a day” far above the industry average. This stabilized his workforce and boosted efficiency, and more profoundly, made his own workers into customers who could afford a Ford. He basically created, with his own hands, a middle class able to buy his product.

? **Think about it:** Is it more profitable to “build one very expensive car for one rich person,” or to “build many cheap cars for everyone”?

Others like him

A few people used a “manufacturing revolution to turn a luxury into a mass product.” Someone used standardized, interchangeable parts plus installment payments to bring the expensive sewing machine into millions of homes. A Japanese entrepreneur called a “god of management” argued that a manufacturer's mission is to make products as plentiful and cheap as tap water, so everyone can afford them.

The Big Lesson

Ford didn't invent the car, and didn't make it more luxurious. What he did was make it cheaper, cheap enough that everyone could afford one. The huge chance often isn't making a thing fancier for the few, but the reverse. Through better efficiency, make a thing many people crave but can't afford cheap enough that the price-shut-out crowd can own it too. Every time a widely-craved thing enters millions of homes because of you, the market you create can be bigger than you ever imagined.

My Notes

CASE 43 Kiichiro Toyoda · Toyota

A Poor, Late-Starting Carmaker That Ground Out a Method the World Copies

When Ford had already used the assembly line to make cars a mass product and rule the world, Toyota was just stumbling into car-making, from a Japanese loom company. It started late, on a thin foundation, and was extremely short on money, the least noticeable chaser in this race. Yet this poor, late company not only caught up, but ground out a production method the whole manufacturing world rushed to learn. Lean production.

Starting from a loom

Toyota's story begins with Kiichiro Toyoda's father, a brilliant inventor. His business wasn't cars, but looms. He invented an advanced automatic loom, with one clever idea. The moment a weaving thread broke, the machine stopped itself. That thought, “stop automatically when there's a problem, never keep making defects,” looks like a small design, but became an important source of the later Toyota way.

Poor, late, and small

The son, Kiichiro Toyoda, turned to cars, founding Toyota Motor in 1937. But starting to build cars, he faced a brutal reality. The company was poor, unable to afford much equipment or material. And Japan's market was small, unable to spread cost over huge scale like Ford. Ford's answer was “cut cost through huge-scale production,” but that road was closed to poor, small Toyota. It had to find another way.

? **Think about it:** When you're short on money, short on resources, and start later than others, do you fight on scale, or think of a smarter, thriftier new road?

Because it was poor, it squeezed out every waste

This built-in weakness, “short on money, short on resources, small market,” forced out a unique new road. Squeeze the waste out of every bit of resource and every step to the extreme. The core of this philosophy is one word. Save. The most famous rule is “just-in-time production,” making only what's needed, in the amount needed, never overmaking. The traditional way makes and stockpiles parts far ahead, but that ties up money and warehouse space, and easily piles up. For poor Toyota, that stockpiling was unaffordable.

When there's a problem, stop right away

Another core, inherited from the father's loom. The moment any problem appears in production, stop right away, find the root, and fully fix it, never letting a defect flow to the next step. Add the spirit of “continuous improvement,” encouraging every frontline worker to keep spotting and fixing even the tiniest waste, and the whole system is like a never-stopping, self-optimizing machine, getting finer, thriftier, and better day by day.

? **Think about it:** Is a big leap made by “one earth-shaking invention,” or by “countless tiny improvements piling up day by day”?

Poor and late, yet the world's teacher

And so, Toyota, not with more money or bigger scale, but with this philosophy of perfecting “eliminate waste” and “continuous improvement,” fully surpassed rivals once far stronger than it, in efficiency, cost, and quality. Its cars had few faults, wouldn't break, and were affordable. This production method was later honored as a classic by manufacturers worldwide, and “lean” became another word for efficient making. A poor, late-starting company became, in reverse, the teacher of the world's manufacturing.

Others like it

A few companies won by “perfecting efficiency and quality.” Someone split a big company into many tiny, independently-accounted business units, so every frontline group calculated carefully like a small boss. Some companies, to reverse slackness on quality, publicly destroyed batches of flawed products. They all believe that in manufacturing, an extreme pursuit of quality and efficiency is the root of winning.

The Big Lesson

The most counterintuitive thing about Toyota is this. That great production philosophy was forced out exactly by “poverty” and “disadvantage.” Don't be scared off by “not enough resources.” Short on money and scale is indeed a disadvantage, but it can also force you to find a finer, thriftier, smarter road, and that road may be your unique, uncopyable edge. And always value the work of “looking inward.” Keep squeezing out and improving the waste in every link you control, bit by bit, and over time it becomes an edge extremely hard to catch.

My Notes

CASE 44 Elon Musk · Tesla

Others Build a Machine. He Builds a Car Like a Phone.

For over a hundred years, a car in people's minds was a “machine.” However it was when you bought it, it stayed basically the same until it was scrapped. But Tesla's way of building cars is more like building a smartphone. It holds as much of the car's core experience parts as possible in its own hands, and, more disruptively, after you buy the car, it can, like a phone, be “upgraded” remotely over the internet, gaining new features and getting better every so often.

Same man, a different play

The soul behind Tesla is still Elon Musk, thinking with “first principles.” (The SpaceX story was about his “take apart the cost and recalculate” thinking. This one is about a totally different play he used building cars.) In his eyes, a car is basically more like a “computer with four wheels.” The hardware is the body, and the software is its soul. That fundamentally different view decided everything special about Tesla later.

Hold the key things yourself

This view brought a first judgment, called “vertical integration.” While traditional carmakers were used to outsourcing core parts to suppliers and only doing assembly, Musk insisted that to build a truly revolutionary electric car, you must hold the key things that decide the core experience, the battery, the motor, even the core software and chips, in your own hands as much as possible, researching and making them yourself. Only then can you control the whole product enough to achieve performance and experience others can't.

? **Think about it:** To make something really good, do you hand the key parts to others, or feel safer holding them firmly yourself?

A car that “grows up”

The second judgment is more disruptive, called “software-defined.” He believed a car's value and experience would increasingly be decided by software, not hardware. So Tesla's cars, from the start of their design, are a software-centered platform, able to update software remotely like a phone, constantly getting new features and fixing problems. After you buy the car, far from depreciating and getting stuck, it may get better and smarter the more you use it.

First make a very cool sports car

Tesla didn't start by making a cheap mass car. It entered from the high end first. It launched a stunning high-performance electric sports car first, to prove to the world that electric cars aren't slow, ugly “eco commuters,” but can be faster, cooler, and more desirable than gas sports cars. Use one expensive, jaw-dropping product to break the bias and build the brand first, then use the money and technology earned to gradually roll out cheaper models.

> ? **Think about it:** To get everyone to accept something new, does making a “cheap but ordinary” one, or a “pricey but stunning” one first, change people's views more?

A near-death journey

But turning this strategy into reality was a near-death journey. Car-making itself is extremely money-burning and complex, and Tesla had to take on the mountains of electric technology, vertical integration, and a software platform all at once. It nearly went bankrupt more than once, sometimes with the cash chain almost snapping, sometimes stuck in what Musk himself called “production hell” when mass-producing a new car. But each time, it barely pulled through, step by step turning “electric cars” from a niche eco concept into a tech product that represents the future, and shaking the whole century-old car industry.

Others like him

More and more people rebuild cars with a “make a tech product” mindset. Someone pushed “vertical integration” even further, starting from making batteries, then holding batteries, motors, chips, and many parts themselves. New players especially stress “software-defined cars” and smart driving. They all believe the value of future cars will increasingly be decided by software and intelligence.

The Big Lesson

The most worth-pondering thing about Tesla is the power of “perspective.” When everyone treated the car as a “machine” and competed inside that frame, Musk switched perspective and treated it as a “computer.” Just that shift let him see a whole new world others couldn't. When you face an old, mature industry that seems to have nothing to innovate, try looking at it from a “cross-field” perspective. What if you redefine it with the thinking of another industry? Many seemingly solid industry structures reveal huge chances to be redefined the moment perspective shifts.

My Notes

CASE 45 Cao Dewang · Fuyao Glass

Others Chase Whatever Makes Money. He Spent a Lifetime on One Pane of Car Glass.

In an era where everyone wants to go big, do a lot, and chase every trend, Cao Dewang is an "oddball." Other bosses busily diversify, dabbling in real estate and finance, doing whatever's hot. But he, for decades, focused almost entirely on one thing. Car glass. The seemingly ordinary panes of glass on a car. Yet by grinding away at this one pane, he made Fuyao one of the biggest car-glass suppliers in the world.

A man who clawed up from the bottom

Cao Dewang was born in 1946, into a family in Fujian that had fallen on hard times. The first half of his life was a genuine bottom-up struggle. Because his family was poor, he dropped out of school very young, and after that herded cattle, sold tobacco, fixed bicycles, and peddled fruit, clawing through society's very bottom for many years. That experience trained a sharp, tough sense of business and cost, and made him especially able to bear hardship, and practical.

A pane of glass priced absurdly high

His life's turn came after he took over a small, near-bankrupt township glass factory. Once, replacing a pane of glass on his own car, he was stunned by the scary-high price. Back then China's car-glass market was almost entirely held by imported foreign brands, priced unreasonably high. As someone who made glass and understood cost, a thought instantly rose in him. Why should one pane of glass cost this much? Why can't Chinese people make good, cheap glass ourselves?

> ? **Think about it:** Is a thing priced very high because it's "really worth that much," or because "only a few can make it for now, and others have no choice"?

Only this one pane of glass

That thought, "Chinese people should make our own car glass and replace the expensive imports," became his clear, firm direction. In 1987, Fuyao was founded. He didn't greedily try to do many kinds of business. He focused intensely on the one category, car glass, pouring in his whole fortune and energy. He kept investing in research, improving the process, and raising quality, first making China's own good, cheap car glass, and squeezing the foreign goods out of the Chinese market.

Sell the glass to the whole world

After a firm footing at home, he wasn't satisfied, and didn't turn to some other money-making trade. He set his sights on the globe. He tackled the world's top carmakers one by one, winning orders with Fuyao's solid quality and competitive cost, and even built factories overseas to supply global carmakers nearby. Over decades, Fuyao grew from an import-replacing domestic brand into one of the biggest car-glass suppliers in the world.

? **Think about it:** Is “doing a bit of everything that makes money, mediocre at all” more impressive, or “doing one thing, and doing it best in the world”?

Resist temptation to keep your focus

Through all this, Cao Dewang stayed focused and restrained. With countless temptations before him, the huge profits of real estate, the hot money of finance, all kinds of trendy waves, he stayed almost unmoved, insisting, “I only make glass.” He knew that making one thing the best in the world needs decades of undistracted deep work, not the restlessness of always eyeing the next hill. That near-stubborn hold on “focus” ground one ordinary pane of glass into a world-class hidden champion.

Others like him

A few people succeeded by “extreme focus on one product.” Someone started from a township repair shop and made an unremarkable car part into an industry leader. Germany has many such small and mid companies, focused on unremarkable products like screws and fasteners, deep-working for decades, even a century, making one product the world's best, becoming quiet but indispensable “hidden champions.”

The Big Lesson

In an era where everyone seeks more, faster, and chases trends, Cao Dewang proved, with the fact of spending decades on one pane of glass and making it the world's best, that focus is itself a huge power. Don't always want to do everything and chase every trend. In this era of overloaded chances, the rarest ability is exactly “focus.” The steadiness to resist countless temptations, lock onto one direction, then spend decades undistracted perfecting it. You needn't do many things. You just need to do one right thing better than anyone can.

My Notes

CASE 46 Wayne Huizenga · Consolidation

From One Garbage Truck, He Built Three Scattered Businesses Into Giants

Hauling garbage, renting videotapes, selling used cars. These businesses don't sound glamorous at all, even a bit grubby. They share one thing. They were all done by countless tiny, scattered, mom-and-pop operators, in industries super fragmented and messy, where no one could get big. Such industries usually get looked down on. But Wayne Huizenga eyed exactly these grubby, scattered businesses, and consolidated them one by one into giants.

Starting from one garbage truck

Huizenga's career start was as plain as it gets. Young, he began with one garbage truck and one collection route, driving it himself to pick up people's trash. It was a grubby, tiring, unremarkable business. But right there, in this most grassroots business, he saw a huge chance others overlooked.

Fragmentation is itself the chance

Driving that truck, inside the industry himself, he saw a reality everyone took for granted but that held a huge chance. The whole garbage-hauling industry was made of thousands of tiny, scattered, independent operators, each fighting alone, all small, none able to build a scale edge. He realized, if someone could buy up these scattered small players one by one and consolidate them into one huge, unified company, that consolidated giant would gain something no single small player ever could, the efficiency edge and pricing power of scale.

> ? **Think about it:** A bundle of chopsticks, easier to snap one by one, or sturdier tied together?

A key you can use again and again

He began buying up small garbage-hauling companies one after another, snowballing bigger and bigger, finally making it one of the largest waste companies in America. And once this method was proven, it became a master key. His real talent wasn't running one garbage truck well. It was mastering “consolidation,” a craft you can reuse across industries. What he sold was never garbage. It was the craft of “consolidation.”

The same move, used three times

What truly made him legendary was reusing this play successfully. After leaving garbage, he eyed the then-super-fragmented videotape rental business, where renters were mostly independent little street shops. Using the same consolidation logic, he built it into a chain giant that ruled for a time. Then he did it again, consolidating the equally scattered, poor-experience used-car sales business into a giant too.

Think about it: Learning a method that “works anywhere,” or only knowing how to do one specific thing. Which is more powerful?

Consolidation helps customers too

Interestingly, consolidation itself often improved the customer experience along the way. When a scattered industry is consolidated into a regulated, unified big brand, customers often get richer choices, more standard service, and a more predictable experience. You no longer gamble facing a bunch of uneven little shops. Consolidation isn't only gathering small players to earn scale money. It also raises the whole industry's service level with standards and rules.

Others like him

A few people created value by “consolidating scattered industries.” Someone saw China's budget-hotel market was super fragmented, and, with a unified brand and management, consolidated a hotel-chain giant. Some capital masters, through a series of buyouts and mergers, consolidated many beer brands into the world's biggest beer group. They all understand that real value creation isn't always inventing something new. It can be consolidating existing, scattered, inefficient things into an efficient whole.

The Big Lesson

From a humble start like one garbage truck, Huizenga grasped a “consolidation” craft that turns things to gold again and again. Chances don't only hide in “creating new things.” They also hide in “consolidating old things.” Watch for the super-fragmented, messy industries around you, made of countless small players each fighting alone, none able to get big. They often look unremarkable, but exactly because of the fragmentation and inefficiency, they hold huge consolidation chances. If you can find a way to gather these scattered forces and remake them with scale and standards, you can create huge value in a place others overlook.

My Notes

CASE 47 Malcom McLean · The Container

One Metal Box That Rebuilt Global Trade

Today you can use cheap imported goods, and get something made on the other side of the planet delivered to you at low cost. Behind this stands a seemingly ordinary thing. The shipping container, those uniform, boxy metal boxes on ports and cargo ships. It looks totally low-tech, yet this metal box's arrival cut global shipping cost by a whole order of magnitude, and deeply reshaped the world's trade. And its inventor was a truck driver named Malcom McLean.

A truck driver waiting on the dock

McLean started as an utterly ordinary truck driver, and later ran his own trucking company. He drove trucks to ports and hauled goods on and off every day, so he had the most direct, firsthand feel for the pain points in the whole shipping process. Day after day, he watched a scene that made him deeply impatient. When he drove a fully loaded truck to the dock to load a ship, he often had to wait a long, long time.

The biggest waste hid in “moving things around”

Because the loading method back then was extremely primitive and inefficient. Dockworkers had to unload the goods from the truck one by one, box by box, then use labor and cranes to laboriously load them into the hold piece by piece. This process was astonishingly slow, scarily costly, and prone to damage and theft. McLean sat in his truck, watching all this, wasting time again and again.

? **Think about it:** A hassle everyone's used to and just endures. Would you stop and wonder, could this step just be skipped?

Why not lift the whole box?

A thought grew clearer in his mind. The biggest waste here is the “loading and unloading of goods” itself. Could you just skip it entirely? He thought, if the goods were packed from the start in a uniform big box, then at the dock, we could use a crane to lift that whole box straight from the truck onto the ship in one go, with no need to open the box or touch the goods inside. This idea, “ship a whole standard box, not scattered goods,” was unbelievably simple, yet incredibly disruptive.

An outsider's edge

Interestingly, exactly because he was an “outsider,” a truck driver from road transport, he wasn't bound by the shipping industry's century of inertia that “goods should be loaded piece by piece.” To make this idea real, he showed astonishing nerve, even selling the trucking company he'd built himself, buying shipping assets, and plunging into a shipping industry he didn't know, to make this idea real with his own hands.

> ? **Think about it:** An old rule of “everyone does it this way” in an industry, does it sometimes need an “outsider” to break it?

The hardest part: get the whole world to use one box

But for this metal box to truly change the world, the hardest part was pushing a huge, scattered system to accept one unified standard. Because the container's value lies exactly in its “standardization.” Only when the world's ports, cargo ships, trucks, and trains all use uniform boxes and matching equipment can goods truly flow seamlessly worldwide. McLean paid long, hard effort for this. And once that standard was finally set, ocean shipping cost was slashed, and global goods trade sped into the fast lane.

Others like him

A few people rebuilt whole systems by “standardizing one basic unit.” A uniform barcode printed on every product let cash registers know it with one scan, completely rebuilding the efficiency of retail and warehousing. Uniform pallets let goods be moved in batches fast by forklift. None relied on deep technology, but on a simple yet fundamental “standardization” idea that erased huge inefficiency in the system.

The Big Lesson

The most amazing thing about the container is this. A great innovation that changed the world had a core so simple, just packing goods into a uniform metal box. Disruptive innovation doesn't always need deep technology. Sometimes, just standardizing the most basic “unit” in a system can erase huge inefficiency. Watch, in any process, for the huge waste caused by “not being unified, having to re-connect each time.” A chance often hides there. And don't underestimate the “outsider” view. Exactly because you aren't bound by the industry's inertia, you may see the inefficiency and chances insiders long stopped noticing.

My Notes

CASE 48 Fred Smith · FedEx

A Paper That Got a Low Grade, Turned Into Overnight Delivery

To send countless packages from everywhere to everywhere, the intuitive idea is “point to point.” Ship straight from A to B, in a straight line, which seems shortest and fastest. But Fred Smith's FedEx used a method that sounds like “going the long way.” No matter where your package is headed, at night it's all first flown to one central hub, sorted overnight there, then reloaded and flown out to everywhere. Making all packages detour through one center seems to go the long way around, yet this method made “ship today, arrive tomorrow” possible for the first time.

A homework paper that got a low grade

This idea that changed global logistics had its earliest form, they say, in a course paper from Smith's university days. He argued a point. As new industries grew, society would increasingly need a service that quickly and reliably delivers urgent small items, like parts and important documents. A widely-told story says this far-sighted paper didn't win the professor's favor, and even got a rather low grade. But Smith himself firmly believed in the idea.

? **Think about it:** If you had an idea you firmly believed was great, but a teacher or a grown-up gave it a low grade, would you give up, or keep believing in it?

Why is a straight line actually more expensive?

He sharply foresaw the demand for “overnight delivery,” but more brilliantly, he designed the system to meet it. He realized that doing overnight delivery the intuitive “point to point” way would be extremely inefficient. To connect hundreds or thousands of cities, you'd need a route between every two cities, and the number of routes would explode, while most routes would carry only a trickle of packages, not filling a plane, at a cost impossible to bear.

Detour to a center first

His method cleverly solved this. No matter where a package comes from or goes to, at night it first flies to one central hub, is sorted there together, then flies to its destination. This way, the number of routes needed drops hugely, and each plane can be packed full, spreading the cost thin, making overnight delivery economically possible for the first time. An urgent document sent today gets flown to the hub at night, sorted overnight, and flown out again, appearing the next morning in another city, in the recipient's hands.

? **Think about it:** Sometimes “taking a small detour to gather first” is thriftier and faster than “everyone going their own straight line.” Can you think of other examples like this?

A near-bankrupt start

But turning this vision into reality was terrifying at the start. Building a nationwide fleet and hub network needed huge, ongoing investment, while the new business's income took time to ramp up. FedEx's early days burned cash to the edge of bankruptcy, the account nearly empty, almost out of money to even fuel the planes. Through repeated near-death struggles, it stubbornly survived, and its overnight service began to be relied on by more and more businesses with urgent needs.

What it sells is certainty

For a business, “fast” and “reliable” are often priceless. A contract that must be signed tomorrow, a key part that could shut down a whole production line, whether overnight delivery is guaranteed and flawless can directly decide whether a deal succeeds. What FedEx offers is exactly that strong assurance, “hand me something important, and I'll surely get it there fast and steady.” It turned a thing once full of uncertainty, possibly taking days, into a certain, routine operation done overnight.

Others like him

A few people provide “fast and steady” by “controlling an ingenious logistics network.” Someone insisted on a “direct-run” model, letting the company directly control the delivery network, thus firmly controlling service quality and speed. Someone built a whole warehousing-plus-delivery logistics network for their own e-commerce, offering “same-day” and “next-day” delivery others couldn't match. They all understand that the “certainty” of speed and reliability is itself the most valuable, most pay-worthy thing.

The Big Lesson

The most inspiring thing about FedEx is this. A great business that changed the world was at first just a class paper the professor gave a low grade. Don't easily give up an idea just because it's temporarily unfavored, even “given a low grade.” If you've truly thought through its value, the world's momentary disapproval may mean exactly this is a blank space no one else has taken. And a deeper lesson. The insight to “spot a demand” isn't enough. The real moat often lies in whether you can design an efficient, workable “system” to meet that demand.

My Notes

CASE 49 Jack Taylor · Enterprise

The Big Players Fought at Airports. He Went to the Neighborhoods, and Became the Biggest.

Say "car rental," and many people first think of the airport. The big rental companies put their best counters in prominent airport spots, fighting over business travelers coming off flights. The airport is the acknowledged must-win ground of car rental, and the most crowded front line. But Jack Taylor's Enterprise almost skipped this everyone-fights battlefield, and opened shops in a place the big players ignored, in the neighborhoods, by the streets. On this "off the beaten path" choice, it quietly became the biggest rental company in North America.

A man who knew to "strike where they're weak"

Taylor was a naval aviator in World War Two (the company's name, Enterprise, they say, comes from the aircraft carrier he served on). After the war, he started from a small car-leasing business. The rental industry he faced already had several strong giants firmly holding the airport, the most mainstream, most profitable market. For a weak newcomer, plunging into the airport to fight the giants head-on was like throwing an egg at a rock.

A group of customers everyone ignored

But Taylor didn't do that. While every big player eyed airport travelers, he saw another group with strong rental demand, and almost no one serving them. The most typical, local residents whose own car was temporarily unusable and needed a stand-in. For example, someone whose car was in an accident or in for repair, who, during the repair, still needed a car for work, school runs, and errands, so urgently rented one to fill in. It's a huge, ongoing, very real demand, but it happens in neighborhoods, not at airports.

> ? **Think about it:** When a place is packed with strong rivals, do you squeeze in and fight bloody, or find a corner no one competes for?

Surround the city from the countryside

Taylor poured all his energy into this giant-ignored local market. Instead of only setting up at glamorous airports like the big players, he opened branches densely into city and suburban neighborhoods, so people needing a car could easily find one near home. And very cleverly, he built strong ties with the "upstream" of that demand, insurance companies and auto repair shops. Whenever someone's car had an accident and went in for repair, Enterprise became the natural recommended choice.

“We'll pick you up”

To serve these local customers well, it offered incredibly thoughtful service, like the famous line “we'll pick you up.” Customers needn't figure out how to get to the rental spot. Enterprise would send someone to drive over and pick them up. It offered a convenient, reliable solution at exactly the moment a customer's car broke down and they were most frazzled and most in need of help. And so, in that no-competition market, almost rival-free, it calmly rooted and grew, one neighborhood at a time.

> ? **Think about it:** Helping someone “when they're most anxious and most in need,” or “when they don't really care.” Which time will they remember and thank you more?

Quietly became the leader

After it deep-worked this huge, overlooked market thoroughly, people were startled to find that this company, which almost never showed its face at airports, had quietly surpassed in overall size the giants bloodying each other at the airport, and become the biggest rental company in North America. With a beautiful “strike where they're weak,” it proved how brilliant a winning path it is to avoid the front line and deep-work an overlooked niche.

Others like him

A few people won by “avoiding the front line and taking an overlooked niche.” When big brokers all fought over rich clients, someone specialized in serving ordinary retail investors who just wanted to trade stocks cheaply themselves, and became an industry giant. When retail giants fought over “big, complete, lowest price,” someone opened smaller shops with carefully curated, personality-rich goods, winning a loyal following. They don't fight giants head-on. They find a differentiated spot of their own.

The Big Lesson

The wisest thing about Enterprise is this. In a fiercely competitive business world, “choosing where to compete” often matters more than “how hard you compete.” If the field you want to enter is already surrounded by strong rivals, don't rush to fight the giants head-on to the death. Try another angle, and look carefully. In this market, is there a niche group, a specific scenario, or a particular need the big players ignored because they “looked down on it” or “didn't notice it”? That overlooked corner is often the blue ocean where you can calmly root, and even come from behind to win.

My Notes

CASE 50 Herb Kelleher · Southwest Airlines

Flying Used to Be Pricey. He Made Tickets as Cheap as a Bus.

For a long time, flying was a fairly expensive and “upscale” thing, the travel way of business people and the rich. For ordinary people, a long trip often meant first considering a cheaper car or long-distance bus. But Herb Kelleher's Southwest Airlines pushed ticket prices to a shockingly low level, so low that flying became as cheap and ordinary as taking a long-distance bus, letting countless ordinary people who once couldn't afford it fly for the first time.

A company on a napkin

About Southwest's origin, a widely-told story says its first idea was sketched by Kelleher and a partner on a napkin. They imagined an airline that flew only between a few cities, with extremely cheap tickets. Kelleher himself was a lawyer-turned-entrepreneur, but with a very distinct personality. Unlike the suited, by-the-book executives of traditional aviation, he was famous for being funny, free-spirited, and warm.

The real rival is cars and buses

He had a key insight. Southwest's real rival wasn't other airlines. It was cars and long-distance buses on the road. What he fought for were the ordinary people who, because flying was too pricey, chose to drive or bus. To “grab” these people off the road and into the sky, the only way was to cut ticket prices to about the level of ground transport, so people would think, “about the same money, but so much faster, why not fly?”

? **Think about it:** To win a group of new customers, do you fight rivals “about the same as you,” or turn people who “never even considered you” into your customers?

Squeeze cost out of every link

And to make tickets this cheap while still earning, you must push operating cost to the industry's lowest. This method is all linked. It flew only point-to-point short routes, with no complex transfers. It long used only one type of plane, hugely simplifying pilot training, maintenance, and spare-part management, saving huge cost. It chased extremely fast “turnaround time.” After a plane lands, clean, fuel, and load passengers as fast as possible, and get it flying again soon (because a plane only earns in the air, and burns money on the ground).

Why only one type of plane?

Other airlines often had all sorts of plane types, but that meant pilots needed multiple trainings, and the maintenance department had to stock many different parts, making management super complex and costly. Southwest went the other way, long insisting on one type of plane. This one decision was like a lever, simplifying the whole cost structure. Training got simpler, maintenance got simpler, and scheduling got more flexible. It redesigned a super-complex, expensive business into something incredibly simple and efficient.

? **Think about it:** To make something cheap, is it by “cutting corners,” or by “redesigning it to be simpler”? Which is smarter?

Happiness is a competitive edge too

And what truly brought this efficient machine to life was the unique company culture Kelleher built. He firmly believed that happy, trusted employees with a sense of ownership work efficiently and pass the happiness to customers. So Southwest is famous for a funny, warm, employee-first culture, where flight attendants might tell jokes to give the safety briefing. Exactly this “low cost” hard skill, plus the soft power of a “happy culture,” let it offer cheap tickets and pleasant flights, and, in an industry famous for frequent losses, create the miracle of many straight years of profit.

Others like him

A few people made an expensive thing cheap with “extreme low cost plus simple efficiency.” Many “budget airlines” later appeared around the world, using similar methods, one plane type, cutting extra services, raising plane utilization, to make tickets cheaper and cheaper, bringing flying into more ordinary lives. They all walk the road Kelleher blazed.

The Big Lesson

Southwest's success can't be pinned on just “low price.” Low price is only the result. What truly holds up the low price is the whole set of thinking behind it, squeezing cost from every link to the extreme, and redesigning a complex business into something super simple and efficient, plus a unique culture that fires up employees and delights customers. To win on “cheap,” don't only think about cutting quality. That road is narrow. The smarter move is to redesign your whole process of delivering the thing to be simpler and more efficient, so “cheap” becomes something that naturally grows out of efficient operation.

My Notes

CASE 51 Jack Bogle · Vanguard

Everyone Wanted to Beat the Market. He Said, “Stop Running, Just Follow It.”

The whole investing industry is built on nearly the same promise. Hand me your money, and I, the smart fund manager, can help you “beat the market,” and earn more than everyone else. For this, countless managers frantically pick stocks and time the market, and confidently charge hefty fees. But Jack Bogle stood up and said a line that almost offended the whole industry. Stop trying to beat the market, because most people can't. What you should do is, at low cost, honestly, just follow the whole market.

An insider who saw the truth

Bogle wasn't an outsider. He worked in the fund industry for many years, deeply understood how this business ran, and clearly saw its inner problems. He wasn't a businessman who only wanted to make more money. He was more like an idealistic “reformer.” He sincerely believed the high fees the industry charged badly hurt ordinary people over the long run, and that “beat the market” promise was, most of the time, an IOU that couldn't be cashed.

The secret he saw through

The truth he saw was this. Stretch the time out, and add everyone together, and those funds frantically trying to “beat the market,” after subtracting the high fees they charge, actually score worse than the market's own average. In other words, ordinary people pay a big price to hire these “smart people” to manage their money, and what they get back is very likely worse than a foolproof “just follow the index” strategy. Because the high fees, like a bottomless pit, keep swallowing their returns.

? **Think about it:** If a method that “tries hard, and charges you a lot” scores worse than one that “does nothing, just follows along,” how would you choose?

Just buy “the whole market”

So he reached a game-changing conclusion. Since most people can't beat the market, the smartest move is to simply not try to beat it, but, at low cost, completely “buy the whole market.” He invented the “index fund” for ordinary people. It doesn't pick stocks or time the market. It just passively holds all the stocks in the market by proportion, steadily earning the market's average return. The company he founded was called Vanguard.

A clever “give back to the customer” design

Even more brilliant was the structure he gave the company. Vanguard isn't owned by outside shareholders, but by the funds under it, meaning by the investors themselves. This structure fundamentally removes the motive to “charge more to fatten outside shareholders,” keeping fees extremely low for the long run. Every coin saved goes back into the investors' own pockets.

Mocked, then proven by time

At first, almost all of Wall Street mocked him, thinking a fund “content to be mediocre, only keeping up with the market” was absurd. But time stood on Bogle's side. Year after year of data proved that funds charging high fees and promising to win mostly lost, over the long run, to the low-cost index funds. Vanguard went from a mocked oddball to one of the biggest asset managers in the world, and even Buffett strongly recommends this “low-cost index investing” to ordinary people.

? **Think about it:** An idea everyone mocks right now, if it's right underneath, would you be willing to hold it, for many years, through the mocking?

Others like him

A few people grew the “low cost, just follow the market” thing big. Some built the world's biggest index-fund brand, letting ordinary people buy “a basket of good companies” conveniently and cheaply. Some brokerages, with super-low commissions, specially served ordinary people who wanted to invest thriftily themselves. They share Bogle's core, standing on the ordinary investor's side, and winning trust by “helping the customer save money.”

The Big Lesson

Bogle proved a lifetime with a counterintuitive truth. For most ordinary people with no expert skill, the key to investing well isn't frantically trying to “beat the market” (mostly futile, plus paying big tuition), but, at low cost, “following the market,” buying low-fee index funds, holding long, and letting money grow slowly along with the whole economy. A deeper lesson. He didn't think about earning more from customers, but about truly helping them save money, and ended up winning huge trust, and a great business. (This is for case analysis only, not investment advice. Investing has risk, so decide carefully.)

My Notes

CASE 52 David Vélez · Nubank

Banks Love Chasing the Rich. He Served the People Banks Looked Down On.

A traditional bank's logic is often "love the rich, scorn the poor." The customers it most wants to serve are the wealthy, with money and assets. And the ordinary people with low income and few assets often face endless paperwork, high bars, and not-small fees, even getting shut out entirely. But David Vélez's Nubank went the other way. It precisely aimed its service at the huge group of ordinary people that traditional banks long ignored and looked down on.

A terrible account-opening experience

Vélez is Colombian. Before Nubank, he was a venture investor, well versed in business. What really lit him up was a personal experience that both angered and stuck with him. When he first arrived in Brazil and wanted to open a bank account, he was stunned by the terrible experience at the local banks. Endless paperwork, layers of gates, branches guarded like fortresses, appointments to do anything, plus high fees and arrogant attitudes. He thought, if even a worldly person like me finds this so painful, how much do more ordinary, more vulnerable people suffer?

A "blue ocean" the giants abandoned

He made a key judgment. In Brazil, and across Latin America, there are huge numbers of ordinary people, looked down on and squeezed out by traditional banks for being "not profitable," some without even a credit card or a convenient account. It's a real, huge demand the giants actively abandoned. And meanwhile, smartphones were spreading fast, so almost everyone held a ready-made doorway for financial services.

> ? **Think about it:** When everyone rushes to grab a few "rich big clients," could the big crowd everyone scorned and set down be the real opportunity?

One phone, one no-annual-fee card

Combining these two points, he saw the huge chance. Nubank has no physical branches, running entirely through a phone app. Its first hit product was a no-annual-fee purple credit card, paired with a simple, friendly, transparent app, so people once shut out or over-charged by banks could easily, freely, and with dignity own and use financial services.

Everywhere on the "opposite side" of traditional banks

Almost everything it did was the opposite of traditional banks. They have fortress branches and endless paperwork. Nubank does everything on the phone in minutes. They have high fees and many hidden names. Nubank leads with no annual fee and few charges. They have arrogant attitudes. Nubank makes its app and service warm and caring, so people feel respected. It treated the long-neglected ordinary people with a posture of “I'm on your side.”

Spreading like wildfire on word of mouth

This posture won customers' heartfelt love and trust. People didn't just use it. They actively recommended it to family and friends. And so, Nubank barely used expensive ads, and spread like wildfire on word of mouth, its users going from millions to tens of millions to over a hundred million. It could serve so many people cheaply because of being “fully digital,” with no huge branch cost and no bloated staff, its cost far below traditional banks weighed down by heavy branches.

? **Think about it:** What makes you truly trust a company, its being “high and mighty,” or its truly being “on your side, thinking of you”?

Others like him

A few people served “people traditional finance looked down on” with technology. In a country where many had no bank account, some let people store, transfer, and pay with the plainest phone. In Europe, someone used an app to save people the high cross-border and currency fees of traditional banks. Someone specially made free, no-hidden-fee accounts for ordinary people troubled by big banks' many charges. They all stand on the side of the overlooked masses.

The Big Lesson

The most worth-pondering thing about Nubank is its choice of “who to serve.” When everyone instinctively grabs the rich, “premium” top clients, Vélez looked at the ordinary crowd everyone scorned and abandoned, and exactly that giant-abandoned “lowland” became the rich soil for his great cause. Notice, in your field, is there a huge group ignored by the mainstream for being “not profitable” or “beneath notice”? If you can serve them with a lower-cost, more sincere way, the biggest chance often hides there.

My Notes

CASE 53 Leo Goodwin · GEICO

Selling the Same Car Insurance, Why Could He Be Cheaper and Earn More?

Selling insurance, especially car insurance, had a customary way for decades. The insurer sold policies to customers through agents spread everywhere, and the agents took a hefty commission from each policy. This model put a big chunk of middleman cost right into the price. But Leo Goodwin's GEICO did two “off the beaten path” things, letting it sell car insurance cheaper than others, while earning more itself.

An insurance veteran who knew the trade

Goodwin deeply understood the insurance business. Before GEICO, he worked in insurance and knew its pricing, risk, and cost structure inside out. That foundation let him see the costs in the traditional model that could be cut or optimized. Around 1936, he and his wife, with their own modest savings, founded GEICO from scratch.

Move one: cut out the middleman

He saw that traditional insurance sold through agents, and the agents' commissions were a big part of the cost. If you could go around the agents and sell policies straight to customers (say, by mail), that big middle cost could be saved. Part of the savings went to the customer as a cheaper premium, and part became your own healthier profit. That's the wisdom of “direct to customer,” applied to insurance.

> ? **Think about it:** If a thing has a “commission-taking middleman” tucked in, and you go around them, selling straight to the customer, what happens?

Move two: only pick “safer” drivers

The cleverer move was the second. He knew an insurer's profit depends heavily on how much its customers get into accidents. The safer the customer and the fewer the claims, the more the company earns. So from the start he specially picked people who were statistically safer and had fewer accidents, like government employees and the military (the name GEICO points to its earliest customers, “Government Employees”). This group was stable overall, with a low claim rate, so insuring them meant less money paid out.

Rolling a virtuous snowball

Cutting commissions plus picking low-risk customers made GEICO's overall cost far lower than rivals. Low cost let it price premiums cheaper. Cheaper, reliable insurance naturally drew more thrifty, quality customers. More customers, more controllable risk, and cost spread even thinner. This snowball of “low cost, low price, more good customers, lower cost,” once rolling, grew bigger and bigger.

A money secret hidden behind

Behind this business hides a deep secret common to insurance, the “float.” The insurer collects premiums first, and claims often come in the future, so a big pile of “money not yours for now, but usable to invest” settles in between. A well-run insurer whose underwriting earns is basically “investing with other people's money.” GEICO's “low cost plus picking low-risk customers” model exactly ensured healthy underwriting profit, so it's no surprise Buffett later took a fancy to it and bought it.

? **Think about it:** “Collect money first, and only maybe pay it out later.” If you use that big pile of money well in between, isn't that powerful too?

Others like him

A few won in insurance with “a smarter way.” Some used AI and a beautiful app to perfect “sell straight to the customer, cut cost with tech.” Some made “understand each person's risk finely and price it” their signature, taking on niche markets others dared not. Some deep-worked the stable, quality group of military members and families. They all understand insurance's core is fine management of “cost” and “risk.”

The Big Lesson

GEICO shows two clear roads to “cheap and profitable.” One, cut out the expensive middleman, connect straight to your end customer, which can bring both “lower price” and “higher profit.” Two, pick your customers. Not all customers are equally valuable, and smartly focusing on lower-cost, lower-risk, quality customers can hugely improve a business. To make a business better, look at whether your value chain has a middle link to cut, and which type of customer is truly worth focusing on.

My Notes

CASE 54 Michael Bloomberg

After Getting Fired, He Built a Machine Everyone Rushes to Install

In Wall Street's trading floors, almost every desk holds a certain terminal. Its interface is complex and plain-looking, and one year's subscription costs tens of thousands of dollars, scarily pricey. Yet this pricey, un-“sexy” machine is something nearly every finance person can't do without, and they willingly pay the high fee year after year. And Michael Bloomberg, who created it, started out pretty miserably. He was fired by the Wall Street firm he'd worked at for over ten years.

A fired partner

Bloomberg worked over ten years at a top investment bank, rising to the high post of partner, with a deeply firsthand understanding of what traders do daily and what they need most. In 1981, his company, in a merger, fired him. For a man past forty in a high post, it was a heavy blow. But as a partner, he left with a sizable severance. He didn't use it to enjoy life, or find another high-paying job elsewhere. He decided to use it to do the thing he knew best, and saw the biggest pain in.

A pain point he'd lived

That pain was this. Back then, for a trader to get and analyze all kinds of financial data (like bond prices and yields) was extremely hard, inefficient, and full of obstacles. Data was scattered, hard to get, and hard to compare. And for a trader, whether he could grasp this data fast, accurately, and fully directly decided whether he could earn. It was an extremely rigid, high-value need, yet the market then had no tool that met it well.

? **Think about it:** Might your deepest, most valuable chance hide exactly in the field you know best, and the hardships you've lived through yourself?

Integrate everything into one machine

With that severance, he hired tech talent and built the “Bloomberg Terminal,” a machine made for finance people. It offers real-time, massive, globe-covering financial data. It offers powerful analysis tools. It has the latest news built in. Later it even integrated messaging, so finance people could chat and do business on it. It became a “one-stop” platform. Use it, and you hold a huge information edge. Don't use it, and you may fall behind in competition.

Why is this business so steady

Its steadiest quality lies in two things. First, “rigid need plus high value.” The finance people it serves crave information intensely and are extremely rich, so the tens-of-thousands-a-year fee is trivial against the help it brings, so they're willing and able to pay. Second, extreme “stickiness.” When the whole industry uses the same terminal to see data and even message each other, everyone around you uses it, so you almost can't not use it, or you're cut off from the circle's information and connections.

? **Think about it:** If “everyone around you uses it,” doesn't that make you need it even more too?

Others like him

A few built steady businesses by “deeply serving a high-value professional group.” Some are Bloomberg's biggest rival in financial data, also offering global finance people real-time data and analysis. Some are called “the Bloomberg of China,” a standard nearly every finance person there can't do without. Some focus on giving fund managers and analysts research tools. They all understand that meeting a professional group's rigid need to the extreme is itself a super-steady, super-profitable business.

The Big Lesson

Bloomberg gives us two lessons. First, the best startup chance often hides exactly in the field you're in, and the pain you've lived, because “you are your own user,” you know better than anyone what to make. Second, business needn't serve as many of the masses as possible. Finding a group with a “rigid need, high value, and willingness to pay,” building them a tool they can't do without, and making that market deep, thorough, and irreplaceable, is often a steadier, more profitable business.

My Notes

CASE 55 Earl Bakken · Medtronic

He Wasn't a Doctor, Yet Built a Life-Saving Machine Doctors Couldn't

Saving people, we usually think, is a doctor's job. But there's a kind of "life-saving thing" doctors themselves can't build, precise medical devices. A patient with a heart problem may need a machine to regulate their heartbeat, and however skilled a doctor is, without such a reliable device they may be helpless. Earl Bakken was the man who built life-saving machines for doctors. He wasn't a doctor. He was a technician who repaired electronic equipment.

Starting from a garage repair shop

Bakken was obsessed with electronics. The company he founded, Medtronic, started anything but grand. In 1949, it began as a tiny repair shop in a garage, fixing all kinds of medical electronic equipment for hospitals. But this "repair shop" identity gave him something precious. It let him stay close to hospitals for a long time, dealing with doctors, and seeing with his own eyes the equipment troubles doctors hit in treatment.

Close to the user

He wasn't an inventor imagining things in a lab. He was someone soaked in the clinical front line every day, who could hear a doctor grumble, "if only there were a device that could do this." The key to understanding him is here. His real strength wasn't being smarter than others. It was being close enough to his users, doctors and patients, close enough to catch, in real time and precisely, their most real, most urgent needs.

? **Think about it:** To make something truly useful, do you shut yourself in a room and rack your brain, or get close enough to the people you serve?

A power outage forced out a life-saving machine

A widely-told version is moving. Back then a heart surgeon used a pacemaker, for patients with heart-rhythm problems (especially infants), that plugged into a power outlet and ran on the grid. It had a fatal flaw. If the power went out, the machine stopped, and a patient depending on it for their heartbeat could die. They say one outage really took an infant patient's life, and the doctor, heartbroken, urgently needed a pacemaker that didn't depend on the grid, ran on batteries, and was small and reliable.

In weeks, the world's first

As the technician who serviced this hospital for years, Bakken was right there, and heard this urgent need first. And he happened to have the skill to solve it. So he went back to his garage, and, they say in just a few weeks, built the world's first small, battery-powered pacemaker you could wear on your body. That machine solved the fatal pain, and saved the patient's life.

Reusing this model again and again

That garage-built pacemaker was just the start. Medtronic did the same thing consistently after. Products weren't dreamed up behind closed doors, but grew from doctors' and patients' real, urgent needs. Wherever a doctor faced an unsolved problem, that was Medtronic's direction. From the heart, to nerves, to diabetes, it grew step by step from that humble garage repair shop into one of the biggest medical-device companies in the world.

? **Think about it:** A “product calculated on an assembly line,” or a “thing made to solve a real pain right in front of you.” Are they worth the same?

Others like him

A few saved people by using technology from real clinical needs. Some hugged local hospitals' real needs and made monitors and other devices for domestic replacement. Some made surgical robots to help surgeons do fine operations. Some focused on cochlear implants that let the deeply deaf hear again. They're all the same, starting from a real pain, and building a reliable solution with technology.

The Big Lesson

Medtronic's plainest, most powerful lesson boils down to one line. Get close enough to your user. Bakken could build a life-saving machine doctors couldn't, not because he was smarter, but because he was on the front line, and could hear, first and precisely, the most real, most urgent need. To make something truly valuable, the most important thing often isn't racking your brain, but finding a way to get close enough to your users, close enough to see their struggles, hear their complaints, and feel their most painful, most urgent problem.

My Notes

CASE 56 Andrew Dudum · Hims & Hers

Those “Too Embarrassing to See a Doctor” Worries Hide a Big Business

Some health problems, people clearly care about and want to solve, but because they're hard to talk about, they'd rather endure and delay than feel too embarrassed to see a doctor. Hair loss. Certain private health worries. Emotional problems. Registering at a hospital and telling a stranger doctor face to face is, for many, too awkward to face. So a huge, real need stays suppressed by those three words, “too embarrassing.” Andrew Dudum's Hims & Hers eyed exactly this need hidden behind embarrassment.

Seeing the “invisible wall”

Dudum sharply noticed a phenomenon. So many health needs get “hidden” because of shame. People are privately anxious and eager to solve them, yet in public feel too shy to mention them, let alone see a doctor. He realized that what stands between these people and “solving the problem” is often not a lack of solution, but that “embarrassment” and “hassle.” Having to go to a hospital, wait in line, and speak to a stranger doctor face to face.

Tear down the wall, and the need pours out

If there were a way to let people go around these shrink-back barriers, and privately, conveniently, with no mental burden, solve the problem, how much long-suppressed need would it release? What he really sold, more than products and consultations, was the ease and dignity of “solving a private problem with no embarrassment, no burden.”

? **Think about it:** A need that “clearly exists, but goes unmet because of some barrier,” might it hide a huge market behind it?

Weapon one: private and convenient

It moved the whole process, from the public hospital, to the private phone. A person anxious about hair loss needn't awkwardly register and face a doctor. He just, on his own phone, privately finishes an online consult and gets a prescription, and the product ships discreetly to his door. Using remote consultation and online delivery, it went around all the face-to-face awkwardness that makes people shrink back.

Weapon two: make it less shameful

It didn't package itself as a cold, sickly medical institution, but made the brand stylish, clean, friendly, even a bit cool. It talked about these once-shy topics in a relaxed, open, unhidden way, as if to say, “these are all normal, nothing to be embarrassed about.” This “de-shaming” posture itself hugely lowered people's mental barrier.

Weapon three: an ongoing subscription

Problems like hair loss and chronic health management often need long, ongoing medication and care. Hims & Hers uses a subscription to auto-ship the product on a cycle, so users needn't face “buying” anew each time, but can manage the problem easily and steadily. This fits the nature of such needs, and brings the company stable, ongoing income. It started from men's health, then kept expanding to women's health, skin, mental health, and more “hard to talk about” areas.

? **Think about it:** Beyond the “visible needs” everyone's meeting, can you notice the ones “hidden away because of some barrier”?

Others like him

A few caught this kind of need with online, private ways. Some nearly compete head-on, also using remote consults to help men with unmentionable troubles. Some integrated online consults, e-prescriptions, and drug delivery, so people solve health problems privately without leaving home. Some thoughtfully serve women's health needs at particular stages. They all do the same thing, tearing down the wall standing before a real need.

The Big Lesson

The cleverest thing about Hims & Hers is this. The key to its earning wasn't how unique its product was, but that it saw, and tore down, an “invisible wall” others ignored, the wall built from embarrassment and shame that shut countless people with real needs outside. When you watch a market, beyond the visible needs everyone meets, notice the hidden ones that “clearly exist, but go unmet because of some barrier.” Whoever can precisely spot the wall blocking users, and tear it down, can catch a suppressed need that pours out. (This involves health services, for case analysis only. For specific health issues, follow a doctor's advice.)

My Notes

CASE 57 Swanson & Boyer · Genentech

One Bold Phone Call That Started a Whole New Industry

In university labs, some incredibly advanced, remarkable scientific discoveries are born. But often they stay in the lab, in the papers. Scientists prove "this is possible in principle," yet often no one turns it into a real industry that benefits the public and creates huge wealth. Between frontier science and real industry lies a huge gap. But two people forcibly turned a frontier science still lying in the lab into a whole new industry. And it all started with one bold phone call.

A businessman, and a scientist

The story has two heroes. One is Robert Swanson, a young venture investor then only in his twenties, sharp, business-minded, full of ambition and drive. The other is Herbert Boyer, a brilliant biochemist, and a co-inventor of the game-changing technology that could "recombine" genes. One understood "how to turn it into a business," the other "what's possible in science."

The phone call that changed everything

Their meeting came from Swanson taking the initiative. The young man sharply sensed that the gene-"recombining and using" technology Boyer and others invented might hold huge commercial potential, that it could maybe be used to mass-produce precious protein drugs humans urgently need. So this then-unknown young man boldly phoned this scientist, hoping to meet and talk about the chance to commercialize the technology. They say the two, over a casual beer, hit it off, and decided to start a company together. In 1976, Genentech was born.

? **Think about it:** A chance no one else has dared imagine, would you wait for someone else to move, or dare to make that "bold phone call"?

He saw a bridge others didn't

Swanson's strength was seeing a bridge others didn't, a bridge connecting "frontier science in the lab" with "a real industry that benefits the public and creates wealth." Back then, gene-recombination technology, to most people (including many scientists), was just a deep breakthrough sitting in the lab. But Swanson foresaw that if it were used to mass-produce protein drugs humans urgently need but can barely get (like insulin), it would create an unprecedented, huge industry.

A "golden pair," each indispensable

But foresight alone wasn't enough. To cross the gap from science to industry, you must have two indispensable abilities at once. Understand the most advanced science (or you don't know what's possible or how to do it), and understand how to organize it into a business, how to raise money, manage, and take it to market. These two almost never come in one person. Swanson and Boyer's pairing filled both perfectly. Boyer was the science engine, and Swanson the business steering wheel and nerve.

From “possible” to “real”

What they set out to do was unprecedented. Use gene recombination to “command” bacteria, so these tiny lives, like microscopic factories, would make the precious proteins humans need. In principle, that was the direction Boyer's science pointed to, but to really make it, and steadily mass-produce it, they had to cross countless engineering and practical hurdles. They succeeded, using the technology to make man-made insulin and other precious drugs. It proved for the first time that this frontier science wasn't just a concept, but an industry that benefits millions of patients and holds huge value, and thus started the whole new “biotech” industry.

? **Think about it:** Discovering a science, or truly turning it into a usable, life-saving product, which step is harder, and more valuable?

Others like them

A few walked this road of “commercializing frontier life science.” Some bet on another frontier technology (mRNA), turning it into vaccines and drugs. Some rose in the same era as Genentech, turning frontier science into a series of drugs treating major diseases. Some, in China, gathered top scientists and capital to develop cancer drugs and other innovations. They all act as the precious bridge connecting “science” and “industry.”

The Big Lesson

Genentech's deepest lesson hides in that “scientist plus businessman” golden pair. Many chances to create huge value are born exactly at the meeting point of “frontier knowledge” and “business foresight.” Watch for the frontier knowledge and research that's “already proven possible, but not yet well turned into an industry or product.” It may be lying quietly in labs and papers. You needn't be the genius who discovers the science, but if you have the foresight to commercialize it, or can be the bridge connecting “someone who knows science” with “someone who knows business,” you can help start a whole new world. (This involves biomedicine, for case analysis of wealth-creation methods only, not medical or investment advice.)

My Notes