Twitter Thread by Erik Torenberg



Erik Torenberg
@eriktorenberg

1/ Some initial thoughts on personal moats:

Like company moats, your personal moat should be a competitive advantage that is not only durable—it should also compound over time.

Characteristics of a personal moat below:

> I'm increasingly interested in the idea of "personal moats" in the context of careers.
>
> Moats should be:
>
> - Hard to learn and hard to do (but perhaps easier for you)
> - Skills that are rare and valuable
> - Legible
> - Compounding over time
> - Unique to your own talents & interests https://t.co/bB3k1YcH5b
>
> — Erik Torenberg (@eriktorenberg) November 22, 2018

2/ Like a company moat, you want to build career capital while you sleep.

As Andrew Chen noted: https://t.co/GClupyMUO6

> People talk about \u201cpassive income\u201d a lot but not about \u201cpassive social capital\u201d or \u201cpassive networking\u201d or \u201cpassive knowledge gaining\u201d but that\u2019s what you can architect if you have a thing and it grows over time without intensive constant effort to sustain it
>
> — Andrew Chen (@andrewchen) November 22, 2018

3/ You don’t want to build a competitive advantage that is fleeting or that will get commoditized

Things that might get commoditized over time (some longer than others):

https://t.co/SgrfSnriHr

> Things that look like moats but likely aren\u2019t or may fade:
>
> - Proprietary networks
> - Being something other than one of the best at any tournament style-game
> - Many "awards"
> - Twitter followers or general reach without "respect"
> - Anything that depends on information asymmetry https://t.co/abjxesVIh9
>
> — Erik Torenberg (@eriktorenberg) November 22, 2018

4/ Before the arrival of recorded music, what used to be scarce was the actual music itself — required an in-person artist.

After recorded music, the music itself became abundant and what became scarce was curation, distribution, and self space.

5/ Similarly, in careers, what used to be (more) scarce were things like ideas, money, and exclusive relationships.

In the internet economy, what has become scarce are things like specific knowledge, rare & valuable skills, and great reputations.

6/ Some examples of personal moats:

https://t.co/z4wTRxMYWL

> @tylercowen: specialize as a generalist, decades writing+reading all day.@eladgil: invest in dozen+ unicorns then write handbook.@tferriss: big loyal following through unique content over a decade.
>
> Lots of ex of ppl doing hard things that only they can do in the same way. https://t.co/72jgGCeQNG
>
> — Erik Torenberg (@eriktorenberg) November 22, 2018

7/ Litmus test: If there is a Quora post with step by step instructions on how to do something, or if a lot of people have done it, then it’s likely not a durable personal moat.

If there’s a playbook for it, then how defensible is it?

(Unless you're the world's best at it.)

8/ Think of the moats described earlier:

How do you invest in 10+ unicorns like @eladgil?

How do you build a mega captive audience like @tferriss?

How do you become an encyclopedia like @tylercowen?

No playbook.

9/ How do you find out what could be your personal moat?

Ask others: What's something that's easy for you to do but hard for others?

AND very difficult for people to reverse engineer?

10/ Something that has high barriers to entry (e.g need to do 1 of below):

- Have the right relationships
- Be willing to risk social disapproval
- Get good at something w/ no playbook.
- Pick something that isn't big now, but it will be in the future

https://t.co/ZTdTyqMKHh

> What fields/sectors/skill-sets look dumb or weird right now, but in a few years may look mainstream or much bigger than they are currently?
>
> Examples: playing video games competitively, cannabis, or bitcoin in 2012.
>
> — Erik Torenberg (@eriktorenberg) November 27, 2018

11/ What is some tangible, yet wildly generalized, advice?

A) Discover what you can be great at. Align it w/ what could be important in the future.

B) Get so good they can't ignore you.

C) Leverage super power to build other assets, but not too soon:

https://t.co/vFUBBJhsiN

> Optimizing on building your network before having a rare & valuable skill/knowledge base is like focusing on growth before product-market fit. https://t.co/yiR08W9Pq5
>
> — Erik Torenberg (@eriktorenberg) November 29, 2018

12/ In tech, the cleanest (albeit, hardest) way to build a personal moat is to start a successful company.

There are other ways, but they just take longer.

A future tweet storm will be on how to build career capital without doing so.

13/ All thoughts, questions, and other examples of personal moats are appreciated.