Twitter Thread by Justin Mikolay ■



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A distillation of what @naval, @shl, and @benthompson said about the creator economy on Clubhouse this weekend:

Naval: To be a good creator, you have to be creative, and being creative means constantly creating things.

You’re not just creating something; creativity is who you are and what you do. You're always creating things in your domain. Nonstop. Constantly.

Naval: There's a tinkering mentality that can keep you ahead of the curve.

Most successful creators are tinkerers. They just play at the edges of their field on something that’s interesting to them, but they don’t do it with a strong motive. They’re genuinely interested.

Naval: When kids are playing, most of that time is “wasted.”

But once in a while, it will result in something that might be a hobby. And for an adult, it might be a vocation.

Naval: Everyone's curious about something.

Sometimes it gets drilled out of you, but humans are creative. Nobody wants to sit there and do nothing all day (that gets boring). A big part of success is finding your natural self-directed curiosity and following it.

Naval: Everyone has some personal curiosity and obsession that's driving them, and the beauty of the internet is no matter how strange that is, there's a bunch of people out there who are also into it, and it’s probably big enough you can form a business or audience around it.

Naval: Creative people have always been the ones who get to run things and get paid the most.

In the past, there were just were fewer creators. Now, many more people can participate in the creative act.

Naval: Not everyone is going to be a creator yet, but just because half the world can't be a creator doesn't mean you can't be.

Naval:

Step one was a creator on the internet.
Step two was a creator on the social networks.
Step three is a creator on the tools for cross-network monetization.

Naval: Above the Labor Economy and above the Capitalist Economy is the Creator Economy.

Beyond laborer and capitalist, the highest form is creator. Everyone's either creating code or media or products. In that sense, the Creator Economy is the apotheosis.

Sahil: It’s easy to get caught up in millions of followers, but 400 followers is an insane amount of people.

You'd fly to another city to speak at an event with 400 people. 400 people subscribing to your newsletter for $10 a month is a living for almost anybody in the world.

Naval: The inverse of your calendar is your creativity. Creativity begins with an empty calendar and it ends with a cluttered calendar.

Once your creativity is demonstrated, everybody wants a piece of your time. The tradeoff is you can no longer be creative.

Ben: Some people need time to be creative. I need to force myself into it. It doesn't work if I let myself sit around and wander.

For me, it’s the consistent disciplined application of thinking that leads to breakthroughs.

Naval: If you get enough advice, it'll all cancel to zero.

This is all meant to be inspiration. Don't take it too literally. You can't follow anybody else's path to success. It’s a single player game.

Naval: Other people aren’t going to give you the space to be creative.

You’re the most creative on your own or with one or two thought partners maximum. Once you get past that point, you're not going to be creative anymore.

Naval: Other people are going to fill up your time with well-meaning tasks.

They're not going to understand you need large blocks of alone time or with a partner. Brainstorming and coding and writing are largely solitary or at best pairwise activities.

Naval: If you want to be creative, you have to be in either a very small organization or you have to be ruthless.

You have to be downright rude about protecting your time so you can do solitary or pairwise work.

Naval: You have to be in a certain position to do this, but a useful hack when people ask you to do things is to say, “Actually, that's something other people can do, so you should ask other people to do that. Ask me to do the things that only I can uniquely do.”

Naval: When you list things only you can do, you focus on your strengths and what you enjoy.

Doing that helps people know when to ask you things. It builds your brand, it leans into your superpower, it’s more enjoyable, it puts you in flow more often, and it’s more efficient.

Naval: Success follows a power law distribution, but there are many power laws because you can compete on many different things.

Yes, only one person can be the top of the leaderboard, but you can have many, many leaderboards.

Naval: In the sense money is a single leaderboard, in the money game there will always be someone higher than you and lower than you.

But that's not necessarily a cause for alarm if you can meet your basic needs.

Ben: Some people miss that the internet inverts everything. You don’t have to differentiate by being clever.

Even if you’re only average, you can differentiate by talking about a particular topic and filling a niche. It’s an opportunity to be the only one doing something.

Naval: The internet economy isn't zero-sum; it’s status hierarchies that are zero-sum.

If you're overly concerned with the status hierarchy, you'll never be satisfied. But if you're fine with the wealth hierarchy and only need to hit a certain threshold, we can all get there.

Naval: In any given medium, there’s always an advantage to being first, to being a connoisseur, to figuring out which platform is going to do well, and to adopting it early.

Naval: I don't believe in self-promotion.

What the world craves is authenticity, and few people are authentic. Deep down, people know when someone is putting on a show. People crave truth and when they find someone who is speaking their truth, that’s naturally attractive.

Naval: Being authentic doesn't necessarily pay dividends in a way that can be easily measured and tracked, but it builds the single most important thing: credibility.

Naval: Product-market fit is a way of creating passion.

Some companies have product-market fit and the founder is passionate. Other companies don’t have it and the founders aren't that passionate. Then they find product-market fit and suddenly everybody's passionate.

Naval: The way to double down on your strengths is to be at the cutting edge of your domain.

When you find the hardest things in your domain, you can hone yourself against those and get even stronger.

Ben: Learn how to be in your particular moment.

If you fixate 5-10 years in the future, the danger is you succeed and end up in a place that’s not relevant or interesting.

Often when you get distracted by where you want to go, you don’t take advantage of the spot you’re in.

Naval: I don’t approach creativity by solving my way past a specific problem.

It's more about thinking and absorbing, walking around and learning. I don't know where the ideas will come from, but they’ll come.

Naval: Nobody knows how creativity works. You just follow your natural intellectual curiosity and load your brain with problems.

Next thing you know, you're connecting things together. Most ideas are nonsense, a few stick, you brand them and figure out how to execute on them.

Naval: You don’t engineer creativity, you foster conditions for creativity. When a cloud is heavy with rain, odds are it’s going to rain.

Naval: Some creative acts are solitary, some creative acts are impossible with just one person. So much of it is riffing back and forth.

Naval: Your only moment of power and knowledge is the present. And the present is your only moment to act.

That’s not to say you shouldn't have goals and plans, but if you stick too closely to them, you'll miss reality.

Naval: Life is more about navigating from the small set of options presented to you than it is top-down planning.

For every 100 companies I’ve seriously made an effort at starting, one has gotten launched. You're just constantly trying stuff and iterating.

Naval: David Deutsch says conjecture plus criticism drive science. Matt Ridley says trial and error drives innovation. Others say variation and selection drive evolution.

These are variations on a theme: try a lot of stuff, get feedback, see what works, and stick with that.

Naval: Even if it’s not necessarily true, it’s good to play with the idea that intelligence plus experience equals wisdom.

Wisdom naturally brings peace and peace naturally brings happiness. If peace in motion is happiness, we just need to give it some time.

Naval: Don't take yourself so seriously. We're just monkeys chattering.

I don't think of myself as a critical thinker. I'm just a person. If you're a critical thinker, that's a big mantle to bear.

Naval: The more seriously you take yourself and the more seriously you take your thoughts, the less at ease you're going to be.

Just go through life. Enjoy it. If you're healthy and have a roof over your head, you're doing great.

Naval: Startups are the Olympics of tech.

You're getting the brightest people in the world who've dedicated their lives to their craft. They work day-and-night and compete on a winner-take-all playing field, where #1 wins everything, #2 gets something, and #3 loses it all.

Naval: The tech industry's structure is formidable because the winning solution can make a billion dollars, there's no room for second place and half-hearted efforts.

You don't show up to build anything serious unless you're going all in with an A-class team.

Naval: If you care about an idea, you're going to need to work with the best people. No amount of money can hire those people.

They have to be just as passionate as you, and they have to be incredibly skilled. Why would they want to work with you in the first place?

Naval: Building isn't a money problem, it's a people problem.

You have to track down the top athletes in the space, then you have to convince them to work with you, then you have to convince them to spend their time on it, then you have to convince them they should keep you.

Naval: When people say, "I have an idea for a product, do you have a tech team to build it?" That's like saying, "I have an idea for a book, do you have an author to write it?"

The value is in the writing and the difficulty is in the creation.

Ben: If you feel the need to pursue work life balance, then you are not in work that is going to lead to great creative outcomes.

If you want to master something, it has to be something you're obsessed with. It has to be your life.

Naval: Work-life balance is nonsense. It implies work is suffering and life is relief. That just means you're in a bad situation to begin with.

When that happens, you need to get out of that situation and get to where you can control your own life.

Naval: It takes just as much effort to do well at a video game as it does to start a company.

Naval: If you find yourself craving holidays, that means you’re robbing yourself of a good day.

You eventually want to get to a point where Mondays are no worse and no better than any other day.

Naval: When you get away from the idea of work life balance, you get to a mode where your work is your life.

To use the old Robert Frost phrase, you unite your avocation with your vocation.

Naval: Pessimism is self-fulfilling.

When there are so many nonlinear upsides floating around, and you want to take bets until you find one that goes nonlinear, the proper philosophical approach is rational optimism.

Naval: A lot of people are spinning their wheels and spending a lot of time on make work, and the older you get, the better you are at declining work you know is useless.

Naval: 99 percent of the work we do is useless.

We still have to iterate our way to the one percent that’s useful, but in an ideal world where we were omniscient, we’d just cut our way to the one percent.

Naval: We have to do the work to build up expertise for the one percent that works, or we have to find the one percent that works through trial and error.

But as we get older, instead of taking 100 shots on goal to get to the one that works, we get better at narrowing it down.

Naval: A lot of judgment is just knowing what not to do in the first place.

The ability to say no and be correct is a superpower.

Naval: The ability to filter things out efficiently comes through experience, but if you're becoming more experienced and you aren't filtering projects and firing customers and declining working and turning away money, then you're not going to scale.

Naval: In the age we’re in, decisions get magnified 1,000 times, 100,000 times, or a million times. One person decides to code Facemash at Harvard and it becomes Facebook; the other person decides to code something you've never heard of because it was close but not quite.

Naval: Hard work is important to the extent it builds up judgment.

Eventually when you have judgment you should be saying no all the time.

Naval:

-Outsource anything that’s less than your aspirational hourly rate (labor leverage).
-Invest behind your decisions to multiply the force you’re exerting (capital leverage).
-Code, write, or make something with zero marginal cost of replication (product leverage).

Naval: The good and the bad with crypto is it’s going through a Cambrian explosion. Every possible scheme you can dream up and make money, where you recombine A & B & C and stir them together is being done and it's dizzying how fast it's moving.

The market is gonna try it all.

Naval: Crypto is very difficult to regulate without scaring it overseas or destroying it locally.

If you do that, then you pass up on the fruits of it, and the fruits of it are tantalizing. It’s like capitalism or tech. You can squish it in your country, but it will cost you.

Naval: It's hard to glibly describe crypto, but on one level it replaces networks with markets.

Where we had networks of abundance and didn’t know how to govern it, we did it with a dictator or a sovereign or a corporation. Now we have a way to do that with users in charge.

Naval: You could forego crypto, but then you're stuck in the old model or organization.

It's like being stuck in a form of communism when the rest of the world is moving to capitalism, and that difference will become more and more stark over time.

Naval: Each generation has to make a mental leap past the last one into where value is coalescing.

VCs only used to invest in hardware and the idea of investing in ephemeral software was ludicrous. The next thing comes along (crypto), and people think it's a hallucination.

Naval: Art on the wall only has value if other people think it has value.

Bitcoin only has value if other people think it has value. Art and bitcoin have value when people exchange it for things we agree have value.

Naval: Crypto is weird: you have to build wallets and private keys and tokens and curves. You're building with Legos and they're playing Minecraft. It's a different game.

Legacy companies will have to become new organizations built from first principles.

Naval: Crypto is incompatible with the legacy financial system.

It can interface at some points, and those points can be valuable, but those interface points are still on the edge of where

crypto operates. Crypto wants to operate in an all-digital, on-chain, all-crypto domain.

Naval: NFTs aren't the panacea some artists hope they are. There's support for NFTs because people think it's how artists are going to get rich, but that's not going to happen.

Everything in the world is a non-fungible token; it's fungibility that's rare.

Naval: The things we've made fungible are largely manmade and rare.

Almost everything you see in the manmade world is a non-fungible token. There's an infinite amount of art. The question is, how do you stand out?

Naval: NFT is too broad a term. It could be an item I pick up in a game, it could be a piece of land in the metaverse, it could be a name in the domain name system, those all have enforced scarcity. But pure digital art doesn't have enforced scarcity.

Naval: NFTs are an interesting innovation. But the vast majority of art is not going to make any money.

You still have to build a social consensus around your piece of art that it will hold value in a distinct way from the next 100 million pieces of art that have just shown up.

Sahil: Owning art is a status game, and because of that, it's unpredictable. It's hard to be successful at a status game because it's not up to you.

Other people have to agree the stuff you've created is valuable, even though it's not inherently valuable.

Sahil: If you want to make a living as a creator, build an audience around something you know.

That's the hard part, and NFTs aren't going to give you that part. The true non-fungible asset is your audience. You can't give it to anybody else even if you wanted to.

Naval: If the venture capital industry by and large hates it, you should do it.

Naval: VCs hate competition because they're selling a commodity product. Money is the ultimate commodity. It's branded by the Federal Reserve.

Your brand doesn't matter. VCs have the hardest sales job in the world: they have to brand money.

Naval: So much of VC is about status and signaling and condescension and appearing like you're in the right class.

VCs have developed a black art in creating, signaling, and transferring status on companies. If you see through that as an entrepreneur, you can get great bargains

Naval: These days investors get taken advantage of more than entrepreneurs.

20 years ago, it was mostly investors taking advantage of entrepreneurs.

Naval: The real competition for VC is coming from crypto. The largest angel investor base is in crypto: the market cap is approaching $2 trillion.

A lot of people who are happy to invest $100 million in a DeFi protocol and they wouldn’t know where to start with a YC company.

Naval: You want to have a small number of diehard fans and a small number of haters.

What you don't want is a large number of people who are half-interested.

Naval: Getting under 140 characters used to be the real art.

When you hone something to under 140 characters, it builds a Lego block you can then use for your thought patterns later.

Naval: The more it approaches poetry, the less translatable it is.

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