

How startups create wealth

4010 L07 pt1 - How Startups Create Wealth - <https://youtu.be/crvoLvvV4o0>

4010 L07 pt2 - Risk in Startups - <https://youtu.be/6IS2IKkpVBE>

From Amazon S3 - for download (same as youtube videos)

4010 L07 pt1 - How Startups Create Wealth

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News

1. Faster download using Merkle Trees <http://news.mit.edu/2019/vault-faster-more-efficient-cryptocurrency-0124>
2. SEC issues No-Action letter to IMVU - classifying VCoin as a "digital asset" not as an investment.

Wealth = Leverage times Measurement

Economics of Wealth in a Startup

"Leverage" * "Measure ability" = Wealth

1. How Startups Create Wealth
2. What is your time worth
 - \$102,204 (\$115,831 with MS in Computer Science) per year in 5 years
 - 2x - you work twice as hard (80+ hrs a week)
 - 3x - you are 3 times as productive because you "skip the BS"
 - 3x - you work on something important - an actual technology with productivity benefits
 - 18x as much This means 18 x 100,000 = 1.8 Mill a year = for a couple of years.
3. What are the risks
 - Bad product market fit
 - Can't raise capital
 - Wrong people
 - Business Fails

4. Leverage is Technology

- Leverage is New financial instrument
- Leverage is Other peoples money
- Leverage is compounding of interest

5. Measure ability is Smallness

6. Fallacies

- Fixed pie fleecy (I win you loose)
- I can't sell
- FOP / FOF / FOS
- Security Blanket
- That you should "avoid" risk

7. Where is block chain in this

- Financial Instruments
- Productivity in Industry
- Supply Chain
- Financial Cleaning
- Shared Data

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