# [How to Start a Startup](http://startupclass.samaltman.com/) by Sam Altman

# **Lecture 5: Business Strategy and Monopoly Theory (**[Video](https://youtu.be/5_0dVHMpJlo))([Transcript](https://genius.com/Peter-thiel-lecture-5-business-strategy-and-monopoly-theory-annotated))

## Name \_\_\_\_\_\_\_\_\_\_\_\_

## Task:

View the related video and reference the linked transcript. Download this document and answer the following prompt in the space provided. Complete responses using college-level writing are required. Submit the completed document to the Moodle site as either a .docx or .pdf file.

1. Who is Peter Thiel?

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1. Explain Peter’s formula for value using X and Y? What are the two options for having success?

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1. Briefly share his example of the airline industry versus Google search.

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1. What lie do you tell when you are a monopoly?

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1. What lie do you tell when you have stiff competition?

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1. Does Peter consider Apple, Google, Microsoft, and Amazon monopolies? Why or why not?

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1. How long did it take PayPal to get 25-30 percent market penetration with eBay sellers?

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1. Share one of Peter’s examples of technology monopoly companies that deliver massive value compared to the next best thing.

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1. Why are software companies specifically good at creating economies of scale?

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1. What is Peter’s concept of a “last mover”?

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1. What delusion do scientists have concerning the value of their work?

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1. How does Peter describe Elon’s success with Tesla and SpaceX? How is value created?

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1. In terms of X and Y, why is software seen as having such high value?

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1. Summarize Peter’s “Competition is for Losers” idea.

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1. Share Peter’s perspective on the competition inherent in education.

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1. What is Peter’s perspective on “Lean Startup”?

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