# Projects and Companies

*Sam Altman*

--------------------------------------------------------------------------------------------------------
*These are my personal notes. It's **not** a full transcript of the essay/article. It's **not** an official summary.*
*If you like these notes I strongly encourage you to read the original source in the link(s) above.*
--------------------------------------------------------------------------------------------------------

It's far better to be thought of - and to think of yourself - <u>as a project than a company for as long as possible</u>.

| Companies | Projects |
|---|---|
| Companies sound serious | Projects have very low expectations |
| Acting as a company means lawyers, conferences, and finance stuff > less about building products | Projects also usually mean less people and less money > flexibility and focus |
| The clock is ticking and people expect results | You can experiment with ideas for a long time |
| This is a company, not a hobby, and you need to do something that sounds like a good, respectable idea | You're free to work on slightly crazy ideas |
| You're much more likely to work on something derivative but plausible-sounding crap | The risk of seeming stupid when something is just a project is almost zero, and no one cares if you fail |

The best companies start out with ideas that <u>don't sound very good</u>. They start out as projects, and in fact sometimes they sound so inconsequential the founders wouldn't let themselves work on them if they had to defend them as a company.

<u>Google and Yahoo</u> started as grad students' projects. <u>Facebook</u> was a project Zuckerberg built while he was a sophomore in college. <u>Twitter</u> was a side project that started with a single engineer inside a company doing something totally different. <u>Airbnb</u> was a side project to make some money to afford rent. They all became companies later.

All of these were ideas that <u>seemed bad but turned out to be good</u>, and this is the magic formula for major success.

But <u>in the rush to claim a company, they could have been lost</u>.  The pressure  from external (and internal) expectations is constant and subtle, and it often kills the magic ideas.

<u>Great companies often start as projects</u>.