

Why You Need GRIT

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An overnight success... after 10 years of hard work!

That's the story for my founding XPRIZE, Zero-G and almost all my other companies. It's also the story of Airbnb, SpaceX, Instagram, Pinterest and most successful startups. People often forget how difficult it is to start a truly successful company.

Today's blog is about "GRIT"... one of the most critical attributes of being a successful entrepreneur.

So, what is grit?

Grit is refusing to give up. It's persistence. It's making your own luck.

Entrepreneurial success is almost always harder than you think and almost always takes longer than you expect. But that's also why it's fun. It's a challenge that you have to throw your whole life into, and when you get it right, the rewards are well worth the effort.

Let's dive in...

ENTREPRENEURSHIP IS NON-LINEAR... AND GRIT IS YOUR FRIEND

Let's look at the non-linear trajectories and sometimes crazy paths to success of a few well known billion-dollar companies: Airbnb, Instagram, and Pinterest.

First, Airbnb:

Here are some of my favorite highlights:

- Two co-founders can't make rent and decided to rent out their spare bedroom.
- They launched at SXSW in 2007 and only got TWO bookings.
- They had to sell Obama "O's" CEREAL at \$40 a pop to keep the lights on, a service that wasn't even remotely related to their core business.
- They were making \$200 a week for months and NOT GROWING.
- They pitched and were REJECTED by many VCs along the way.
- Thankfully, they stuck with it. Their little idea is now a public company with a market cap over \$90B.

Next, let's look at Instagram:

Some highlights:

- Kevin (co-founder) learns to code after work.
- He builds an app called Burbn that did everything from check-ins to photos.
- Didn't work, so he decided to just focus on photos and built a different app...
- It didn't work, so they went back to Burbn...
- Iterated again, scrapped everything, simplified, and renamed it Instagram.
- The photo sharing app was acquired by Facebook for \$1 billion. And it's now estimated to be worth \$100B.

And finally, here's Pinterest:

A few of my favorite highlights:

- In 2008, Ben (co-founder) hates his job, quits, but doesn't know what he wants to build.
- Built an app called Tote, and it flopped.
- Decided to try a new idea, a site for collecting things...
- Rejected by lots of investors.
- Makes 50 different versions of the site.
- Launches site and gets 200 initial users.
- Personally writes emails to first 7,000 users (whew!), and in doing so, finds his early adopters to be "moms."
- Pinterest is now a public company with a market cap over \$50B.

All these companies started as little ideas.

Then, through the combination of hard work, determination, experimentation, GRIT, timing, luck and a lot of drama, these companies stumbled their way to become billion-dollar powerhouses.

2 PERSONAL STORIES: ZERO-G & XPRIZE

In my life, over the course of 24 companies, this story has been the norm. Two of the companies I've founded or cofounded have taken 10+ years to really get going.

Here are their stories (in brief):

Zero-G Story:

In 1993 I wanted to fly on NASA's Zero-G plane... but as much as I tried, they told me no.

My response (as usual) was okay, screw it, I'll start a zero-g company myself. So... I did, along with Byron Lichtenberg and Ray Cronise, and in May 1993 we had our first

meeting with the FAA.

Their response? "What? YOU WANT TO DO WHAT? Put 30 people in an airplane, take off their seat belts, put the plane into a dive and have them float around the cabin? What, are you crazy?"

It took us 11 years of hard work, test flights, lobbying and outlasting bureaucrats to become operational, finally in September of 2004.

Since then I'm proud to say that we've flown over 15,000 people ranging from age 7 to 93, including the late, great Professor Stephen Hawking (giving the world's expert in gravity the experience of zero-gravity was the experience of a lifetime!).

XPRIZE Story:

I first read Charles Lindbergh's Spirit of St. Louis book in 1994. The idea of the XPRIZE came to mind and I started the Foundation.

And in May of 1996, without any prize money in hand, we announced the \$10M XPRIZE anyway under the Arch in St. Louis.

I thought for sure that someone would fund the purse. After all, you didn't have to pay the money until AFTER the prize was won.

But what occurred next was 5 years of continuous "NO's"... I pitched 150+ sponsors and potential donors who all said it was too dangerous, or that it would never work, or that spaceflight was only for governments.

Finally (long story), I met the Ansari family who funded the purse (we named it the \$10M Ansari XPRIZE in their honor), and a few years later on October 4th, 2004 the Ansari XPRIZE was won.

It took 10 years, from concept to Prize Award...

And after the first XPRIZE succeeded, things got much, much easier. Larry Page and Elon Musk joined our board of Trustees, and we started launching a lot more competitions.

And today, as we are hitting our stride with over \$250M worth of XPRIZES, the Foundation is now 27 years old!

TIMING, EXPERIMENTATION & ITERATION

It's rare for a company to "get it right" on the very first try.

Most companies and entrepreneurs need experimentation and iteration to really find product-market fit and strike a chord with the business.

And as I've said before, it's often about timing.

Here is the key: If you can survive long enough, and you are constantly iterating, experimenting, and improving your business, then eventually the timing will be right!

To get there, you need GRIT.

This was the case with all the companies outlined above.

If you believe in your vision, if you're building your company because it is part of your Massively Transformative Purpose (i.e. you're not just doing it for the money), then don't give up.

Keep trying, keep testing, keep iterating, and eventually you'll get it right.

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