The point being now is the greatest time in history to be a creator, to be an entrepreneur, to be a marketer. I've been a marketer for my entire adult life. It's never been greater than it is right now. And so here's the big thing that I would share. If you're somebody for whom you want to make an exponential difference, you want to innovate, you want to create new value where there wasn't, you want to have a legendary career where you can look back on your career and go, you know what, I was part of this and that and I was on this team and now is the greatest time in history. And what I would say to you is the future needs you.
Welcome to Lenny's podcast, where I interview world-class product leaders and growth experts to learn from their hard-won experiences building and growing today's most successful products. Today, my guest is Christopher Lockhead. Christopher is a 13-time number one best-selling co-author, including books like Play Bigger and Niche Down. He's also a popular podcaster, co-creator of the excellent sub-stack category Pirates, and is best known as the godfather of category design. He's also an advisor to over 50 venture-back startups and a former three-time public company CMO. In our conversation, we dig deep into all things category design, including what exactly is category design, why in order to build a legendary business, it's so essential to build your own category versus trying to become the best in an existing category. Also, how to actually go about creating your own category, a ton of examples of companies that did this well and didn't do this well and what we could learn from them, plus a ton of practical frameworks, including something Chris calls the better trap. Also, why he thinks product market fit is a very dangerous idea. Chris is such a character and has such a blast speaking with Chris. With that, I bring you Christopher Lockhead after a short word from our sponsors.

Christopher, thank you so much for being here. Welcome to the podcast.
Lenny, it is my absolute joy and let me say in case my ADHD brain forgets,

I love all things Lenny. You're doing a great job, buddy. I'm honored to be here
and there's so many people in the entrepreneur, startup, marketing world who are scam artists,
shysters, pieces of shit, idiotic porn, hustle porn stars, yelling stupidities.
There's a lot of idiocy in the world in which you travel and I travel and you, sir,
stand out. You're making a difference. The conversations you're driving, the content you're
creating, you're fucking awesome Lenny and I'm really stoked to be here with you.
Damn. What an intro to my own podcast. I'm bad at accepting compliments. I'm just going to accept
that and I appreciate that, man. No, you need to get it. You are a beacon in an ocean of crapola.
You are incredible. Well, enough about me. I really appreciate it. I was preparing for our
conversation and usually what I try to do when I prepare for conversations is I read
everything the person has written and it was very challenging with you. You have two podcasts.
You have at least six books. There's probably more I missed. You have a newsletter.
You tweet a lot. It's probably a lot of other stuff I didn't get to and so you made my job
very difficult preparing for this podcast but also very worthwhile. I'm excited to begin.
I apologize for that. The other thing I noticed is I was browsing your website
and it was hilarious because you have all these testimonials of your book and podcast
and you have a lot of negative reviews like off-putting or very disappointing or absolute crap.
I'm curious why you chose to do that as your website testimonial wall.
Well, and I believe I'd have to check with Steve Osler, the founder and publisher of
Podcast Magazine, but I believe I'm the only podcaster in history to run a full-page ad in
Podcast Magazine with just negative quotes in it, so a couple reasons. Number one,
can we all just have a sense of humor about this stuff? It's my way and the name of our team,
yet we're sort of a company but we're more of a band, is category pirates. Clearly,
if you're called category pirates, you're probably trying to have a little bit of
fun with this stuff. Part of it is just trying to have a sense of humor with people.
The second piece of it is for a lot of entrepreneurs, marketers, creators, innovators of any kind,
we live in this fear that when we launch our thing, whatever our thing is,
that we will be criticized by the world and that we will be made fun of. And if you've ever
authored a book or done a podcast or done anything built a product, a software product,
built any kind of a product, that you feel is part of you and most innovators, creators,
software developers, artists, of course entrepreneurs feel that way because they put
themselves into this stuff. And when somebody criticizes us, many of us are devastated and I
have been in the past too. I'm a person just like anybody else. And what I realize is, fuck them.
Anybody who's trying to do anything exponential, anybody who's trying to break and take new
ground,
anybody who's trying to radically innovate, anybody who's trying to design and dominate
new categories of the way we live, work, and play gets criticized. Picasso was called stupid,
the Beatles were called terrible, Elvis was called terrible. I just wrote recently a little bit about
hip hop. I was listening to Rick Rubin on Barry Weiss podcast, excellent episode, excellent. She
does a great job with them. And he was talking about how ridiculed hip hop was in the beginning
and it got banned and it's the number one category of music in America today. Anyway, so that's also
part of it is to just sort of say, hey, look, this is some of the shit people have said about
our work and my work. And I'm going to just put it on display because this is going to happen to

all of us. And then I guess Lenny, the third reason is in the creator world, broadly, there's a lot of people who are breaking their arms, patting themselves on the back. And look, I understand why we have to tell people about why they should pay attention to us and so we use our credentials or our awards or our downloads or our books. I understand that and I do a little bit of that too. However, come on, let's just not take ourselves so seriously.
Amazing. I could definitely use more of that skill of not taking negative feedback seriously. And I love the idea of just embracing it and showing people what people don't like.
Why not? I mean, look, you're incredibly successful. And if somebody says something negative about you, okay, great, fuck them. They're not your people.
Fuck them. There we go.
I didn't know who you were until Substack and I saw your logo, the fiery logo, and there was something endearing about your logo. And the other thing that's great about you from a
radical differentiation kind of marketing perspective is you call yourself Lenny.
And when I talk about you, I don't know your fucking last name. I mean, I sort of know it, but I don't really, you know what I mean? Yeah, it's actually, I was telling, I was at the gym this morning and I was telling my buddy that we were doing this and I said, oh, I'm going on Lenny's podcast. He says Lenny who? And I said, it begins with an R. I don't know. Everybody just calls him Lenny. And so the fact that you are yourself, you don't play a character, you're not a douche, but you know, you're just a person being trying to be successful in the world and help others, right? Yeah. That's a very powerful thing. And I think one of the things that is insidious about influencers, hustle porn stars, part of the business model is creating the perception of superiority, right? The reason Grant Cardone and Ty Lopez and all these douchebags pose in front of planes and all this garbage, right? Is they want you, the Kardashians are the queens of this, right? They want you to look at them and go, oh, wow. Don't I wish that I was them? And so these folks are in the create and monetize envy business. And you're the opposite of that. And I think the legendary educators in the native digital world are the opposite of that. Anybody who's creating separation, anybody who's putting themselves above, anybody for whom there must be, I must be the leader and you must be the follower. You know, that's the business model of a massive amount of people in the native digital world, right? And we reject that and I know you do. Absolutely. We've already gone way off track, but I love it. I'll just say one thing and then we'll get back on track.
The reason I called my newsletter, Lenny's newsletter, is because that was the default recommendation subs that gave me when I signed up. They're just like, call it this. And I'm like, okay, because I don't know. I didn't have no plans to actually be doing this long term.
And then it just stuck. And then I brainstormed for weeks and like, I need a real name on this thing. And I just couldn't think of anything that I like. So I'm just like, all right, I'll just roll with it. And then when the podcast launched, I tried so many ways to call it something else so that it would push the whole naming in a different direction. It wasn't about me, but I couldn't think of anything better. So I'm just rolling with it at this point. Well, an interesting thing is, even though the branding of the shit has your name in it, it's not about you. That's the irony, right? Megan Markle gets canceled.
Why? Because it's about her and it turns out she's infinitely uninteresting.

I've consumed enough of your content to know that the cool thing is, yeah, it's called Lenny, but it's actually, you know, you are not trying to impress all of us with how awesome you are in front of a fucking plane or a bunch of, you know, scantily clad people or I don't know what.
It's true. Well, I'm enjoying this podcast. You're very kind to me. Let's talk about the kind of the meat of what I want to chat about, which is your bread and butter category creation.
It goes without saying you're a big fan of creating your own category versus what most people try to do, which is try to compete in an existing category. So just to kind of lay a little foundation, you just explain what this actually means, this idea of category creation for people that have heard this idea and this term, but don't really know what it means.
It turns out that in business, most people, and in life for that matter, make an unquestioned, unconsidered, undialogued, unthought of decision that they don't know they made.
And the decision they make is what I'm going to do is I am going to compete in a market with demand, with a better product slash service slash brand, maybe a better business model, maybe a better set of growth hacking ideas that I learned on the Lenny podcast.
And when the world gets my better, the world will beat a path to my door.
And if you go on to Amazon right now, Lenny, there's roughly 100,000 marketing books.
And I think I'd have to double check, but I think there's about 60 or 80,000 business strategy books.
And of course, me and my collaborators, we haven't read all of them, but like you and like many of us in business, we've read many of the tomes, the Bibles out there. And there's an interesting thing about virtually all of them. That's what they're about. It's about how to compete and win.
Well, here's the aha. Nobody legendary ever did that. Not a one. We all know who Bob Marley is.
We don't know who the 17th greatest reggae musician or band in the world is.
We all know who Pablo Picasso is.
We don't know who the fifth greatest cubist artist is. And so wherever you look in life, whether it's in the business world, people who drive social change, artists, creators of any kind, the people that we tend to admire the most are the people who broke and took new ground.
And the aha here is the category makes the product. The category makes the brand. The category makes the company. So I'll give you the data and then I'll fully answer your question.
So here's the data. We did an analysis for our first book where we studied every venture backed tech company in the U.S. from 2000 to 2015. And we asked a question that to the best of our knowledge had never been asked before. And we went to Stanford and we asked a bunch of professors
this question and they said, we don't know this. You're going to have to do it yourselves.
So we did and incidentally had it peer reviewed and published in the HBR. And if you've ever gotten data published in the HBR, then you know what it's like to have a journalistic proctology exam.
Anyway, here's the net of it. In tech market categories, on average, one company earns two thirds, 76% to be exact, of the total value created as measured by market cap and or valuation. So not market share, which is important. Market cap as measured by the value of all the companies in the category. So you take a category, you add all the company's value together, and you say what percent goes to the leader, the category queen or king, and what percent goes to everybody else?
One company, two thirds of the economics. So the aha here, Lenny, is when we make the unquestioned,
unconsidered, undialog decision that we didn't know that we made to compete, we have unwittingly

said, we're going to fight for the 24%. And it's the distinction or delta between create demand and capture demand. So we prefer the term category design. And I can explain why design instead of creation, we don't have anything against creation, but creation creates a confusion in people's mind. When people hear category creation, because most people in business, most people in tech are strongly oriented to product, what they think you said is first to ship a product that has X features. So when most people say category creation, that's what they think. They think they didn't create the set of media category, my space did. Or if you've been around for a little while longer, geo cities did. And so category creation, category design does not equal first to ship a product with a set of features. Okay, so what does it equal? Here's the aha. Just like you can design a product, just like you can design a company, culture, business model, you can actually design a market. And in so doing, you create a new distinction in value for people that didn't exist before. I'll give you a simple example. If I could own any product in the world right now, I think I'd probably want to own Purell. And there's a great thing about the company that makes Purell. The company's been around for a very, very long time. And they're owned by the original family that created the company. And their original problem that they were solving is it was a husband and wife team, and they were working in a factory. This was 80 plus years ago. The company, by the way, is called Gojo Industries. Gojo. And Gojo is a portmanteau putting their two names together. I think it was, maybe it was Gloria and Joseph, or I'd have to double check the husband and wife team's email, excuse me. But the company's called Gojo Industries. And I think the granddaughter runs it today if I'm not mistaken. Anyway, so the gal, the wife said, this bar soap is disgusting. It's full of crapola. It's hairy. It's full of man nastiness. So the solution to washing your hands called a bar of soap was a disgusting, inappropriate solution for her.
So she reimagined the problem, not as how do I wash my hands, but as how do I wash my hands without a disgusting bar soap. And Gojo Industries created a whole new category called liquid soap. And in most restaurants, most corporate bathrooms, most airport bathrooms, if you start paying attention, you'll see the Gojo logo on the squeezy thing that you pull when you go to get the soap. So unlike most innovators and entrepreneurs who get obsessed with the solution, and I understand why. We all love our shit. We all love our product. If you want to talk to me about our shit, I want to talk all about it. We could do a 12 hour deep dive on all your content and how you built the newsletter and the pot, right? And then you'd love it. It'd be great. We all do. Because if you're a creator of any kind, entrepreneur, innovator of any kind, you love the thing you're creating, of course. However, Gojo focused on the problem, not just the solution. So they say obsessed with the problem. And then they ask a different question, which is, how do I wash, quote unquote, my hands in the absence of water?
And of course, the answer to that question is a new category called hand sanitizer.
And the dominant brand, of course, is Purell. And so the aha here is the company that designs the space and gets it to tip its scale. And when I say designs the space, what I mean is specifically, gets a meaningful percentage of the world to agree with their definition of a problem set, which then leads to their definition of a solution set. The company that does that at any kind of scale wins. And so the number one question for any entrepreneur or any creator at all is, do I want to compete for 24% of an existing market category? Or do I want to create my own where if I can execute, I will earn two thirds of the economics. That's the decision

that most entrepreneurs make that they don't know that they made. And at its heart, the category design is about the most radical kind of differentiation. So most companies actively seek comparison. If you go to most, well, most, if you go to many software companies website right now on their homepage, you'll see a Gartner report or a Forrester report on their homepage. You'll see ads and or content that say, here are three competitors and a list of features and there'll be 25 features. And then there's us and there'll be 125 features. And they're actively inviting comparison. You even hear it in ads. If you listen to what marketers say, Lenny, we say the stupidest shit don't take our word for it. Anyway. And so the legendary innovators over time, they did not compare their innovation to the past. They broke and took new ground. They wanted to be irreplaceable. They wanted to be so much value in the minds of customers that not only were the switching costs horrible, switched to what?

To kind of follow this thread a little bit. Companies that you're pretty familiar with, maybe just like a rapid fire sharing of their category to give people kind of a concrete sense of what does even mean to like have a category. Okay, let's go. It's becoming obvious that they basically all came up with a different category that they wanted to win. And so Gong comes up as an example. I don't know if you know about Gong. I think they do. So it's basically like sales analytics is what they pitch. This is the first thing you can ever do to understand how your sales team is doing. Is there anything you know more about their approach? Yeah, I know the space very, very well. And they did something incredibly smart so that they were a little later in the space than some others. And so there were a whole bunch of companies in today which you could broadly refer to as the revenue space, right? And you know, in the spirit of full disclosure, I'm familiar with Clary. I'm good friends with Andy. I know the team. I've done some work with them. So, you know, all disclosure. Clary and a handful of others in the beginning started to create the space that ultimately became RevOps. And the interesting thing that Gong did very smart was as RevOps started to emerge, they were smart enough to realize that revenue was going to be a big new important space. That CRM didn't actually do it. That ERP didn't actually do it. BI didn't actually do it. And so there was this sort of emerging set of thinking around we need a different approach to revenue. They were smart enough to realize that if they went for the whole enchilada, it's not credible from a startup that you're going to go build, that you're going to show up and say, we have a suite that's equivalent to that of SAP, just for this other area. So they picked off a very tight part of a broader emerging category and they executed incredibly and they dominated that part. But here's the mistake they made.

In all new mega categories, they start like this. This is exactly what happened in CRM. I could walk you through the history if it matters. But there were companies in support. There were companies in help desk. There were companies in sales. There were companies in marketing. And there were a whole bunch of sub niches underneath that. There was a point in time in the Salesforce automation category. When that was a standalone category, that some of the hottest companies in that category were sales configurator companies, a further down niche. And so as these mega spaces emerge over time, no one company can fulfill the needs of a customer. And so there's all these niches. The mistake that Gong made as well as the vast majority of others in that space is they stayed in their micro niche. So the strategy in the beginning that was genius and

exactly what you should do as a startup, all of a sudden, when they didn't expand and set the agenda, the design for the big category, they got fucked because now they're niched. And there's a big learning in this, Lenny, which is if you're a company that's already up and running and you're winning, and let's say you're becoming the category queen in your space, every entrepreneur, every CEO faces a fascinating moment if they become successful in the first five years or so, which is they realize their biggest barrier to growth going forward is their current category. Because you can only be as big and successful as your market category. And so you have to continuously expand the vision for the category and continuously build on that. And if you don't, and somebody else frames, claims, and names the bigger agenda, the bigger agenda, as has been the case, and look, I'm biased, as has been the case with Clary, Clary's crushing everybody in this space right now. And
the gongs and all the other players are now in this horrible position,
which is they basically only have two choices. One, they can stay in their niche,
which is what most players do, and they argue best to breed. Oh, well, we're the best,
you know, revenue carbidinulator, and you could go buy an end-to-end revenue platform, but if you do that, you won't get the best functionality in the carbidinulator space, so buy our revenue carbidinulator. That doesn't work. Microsoft proved it over 30 years ago, and we could talk about that if you want. So you either stay in your niche and get diminished over time, or you up level, and you go to play for the whole enchilada. The problem is for them and all the others in the space who didn't do that, if they were to do it today, well over a year after Clary did, they're just a Clary copycat. And so basically, you either go compete with Clary for who can be the category king, or you stay in your niche and get diminished over time. And if you're going to go compete with the company that is laying down the category design that's picking up the most momentum for the overall market, you better know how to do, you know, a sort of fifth Dan Blackbelt
category wars. Kind of following that thread. There's like a bunch of threads I'd love to follow, but something I definitely wanted to touch on is give this concept of the better trap, which is where most people go, where they try to be the better solution in an existing category. And just to kind of reinforce that point, what have you seen? What have you learned about just why that is often and maybe always the wrong approach? Okay, so let's take a very current example, threads. We just wrote about this. When threads came out, and I can show you all the headlines if you want to see them. New York Times, never mind TechCrunch, you know, all these places,
Twitter killer, Twitter killer, Twitter killer, Twitter killer, right? And at the time, there's all this discussion of Musk and Zuck having a UFC cage fight and all right. So there's all this build up into the launch of threads. And there's all this supposed Twitter hate and quote unquote, everybody's leaving Twitter. All right. So threads comes out. What happens? Threads surpasses GPT is the fastest growing app ever. Oh, now the headlines line here coming. This is it. Zuck's a genius. It's incredible. And oh, by the way, this sits inside one of the newer stupid axioms in Silicon Valley. So this is a side note. But when somebody says something in Silicon Valley, that enough people think, oh, yes, that's smart. They just parrot it. They don't actually think about it. So there's a there's a current thinking in Silicon Valley. And this was real loud as threads was coming out. This was the reason why threads was the Twitter killer.

What you need, Lenny, is brand and distribution. That's what you need, especially distribution. Well, I would assert to you that threads had the greatest distribution advantage of any new piece of software ever launched. If there's another one that has a greater distribution advantage, I'd like to know what it is. That seems right. It seems right.
Okay. So massive distribution. Incredible. Easy up and on. Incredible. Free product, not even freemium. Free. Awesome. And Facebook meta. You tell me, one of the 10 most powerful brands in tech? Absolutely. How many users does Facebook have today, Lenny? Do you know? Over a billion. Okay. So how many billion person apps have there been in history of apps? None. Right. I think. Legendary brand.
The greatest distribution advantage in history. Yeah. What happened?
It cratered. It's gone. I mean, it's still there. But nobody's there. They're launching the rope client soon. So they have another shot. Oh, yeah. Now, why? Why did that happen?
Why did one of the richest people in the history of the world, who's potentially one of the smartest people in the history of entrepreneurship and tech, fail so miserably when the entire world said he was going to kill, quote unquote, Twitter. And after the initial quote, success of threads, everybody said that's exactly what was going to happen. And now all those experts are surprisingly quiet. So the legendary Kevin Manning said that category design is a new lens on business. It's a different lens. It sits next to the product lens. It sits next to the competition lens. But it is equally important. So here's what happened with threads.
They attacked an existing, well-known, well-understood, incredibly well-defined problem with a direct copy. They even were celebrating that it was Twitter just better. I mean, they said virtually those words. So known existing problem with a known existing solution that was quote unquote, better and integrated with the rest of the meta shit, quote, everybody checked it out and everybody went away. Why? Here's the aha. Problems create categories.
And you either have to A, solve a new problem or B, reframe name and claim an existing problem in a, I'm going to use these words on purpose, very different way. And if you reframe the existing such that people see it in a different way, that's when they'll be open to a new solution.
But the mistake is the embosses is on the wrong syllable. The embosses is on the product because we live in a world where just like the availability of oxygen, we believe the best product wins. Zuckerberg is going to blow in excess of a billion dollars on threads and it will fail.
It already has failed because you can't take an existing problem with an existing solution, launch exactly the same shit, tell the world it's better and have the world embrace it because the problem makes the solution the other way around.
So classic advice on these lines is if you're say 10 times better than the existing product, you have a good chance at getting people to care and having success. Is there a line of just like it's the same thing but 10 times better or do you have to in your experience reframe and I want to talk about that. But let's just look at the evidence. So we could agree that Jeff Bezos is not a dumb person. Yes. Yes. So do you have an Amazon Fire phone? I don't. Neither do I. Why not? I'm very happy with my iPhone. Right. And so Bezos launched a better product and nobody bought it. And the reason nobody bought it is the problem and therefore the solution that you think you're solving with your iPhone is solved with your iPhone.
Hmm. When was the last time you enjoyed a Red Bull Cola?
Not once. Yeah. So Red Bull made exactly the same mistake that Zuck just made with threads.

What Red Bull believed was we built one of the greatest brands in the world,
which they have, but they didn't understand why. The category made the brand,
not the other way around. Energy drink made the category. Right. So there you go. Oh, great.
We can put our brand on anything and it'll fail. So let's make Cola.
They lost a bazillion dollars. It's reported that Microsoft lost somewhere between $400
and $1 billion in Microsoft stores. Did you ever go to a Microsoft store, Lenny?
I walked by them in the mall and I don't think I've ever entered.
Well, they look exactly, if you remember, they look exactly like an Apple store.
Yeah. And Bomber famously told the team, when the Apple stores took off,
he famously told the team, go to the Apple stores, study everything they're doing,
and let's copy it exactly. Google that shit. It's out there. Well, it didn't work. Why?
Why? Because you can't attack an incumbent category queen unless you frame, name, and claim
a new or different problem. Because when the existing problem is well understood
and the existing solution is well understood, there's no need for a new solution.
Even if people, quote unquote, hate Twitter, didn't do anything to Twitter.
And now Zuck's going to have to write off probably over a billion dollars on threads.
And the funny thing is, Lenny, this just keeps happening over and over and over.
Venture capitalists in the next five years will blow at least half a trillion dollars in the AI
space alone on me to demand chasing existing category competing startups that have a 10x
better product. No one cares. And look, we're all going to sit here and watch them do it.
And we, category pirates and those of us in the category design world, will say told you,
and they're just going to keep doing it. More importantly, because the big companies in many
cases can afford to continue to fail and make this mistake. The tragedy in this is how many
legendary, innovative products never got to see the light of day because the inventor,
the creator, the entrepreneur believed in the product but didn't know that every solution
has to fit into a problem of value for people. And so, their innovation went nowhere.
Let's talk about how to actually go about designing a category. You've used this phrase a
few times and that may be the best lens to approach it. If not, we can go edit from a different
direction. But this idea of framing, naming, and claiming, how do you do that? What's that process
like? Great question. So, it starts somewhere where most people don't want to start.
And that is the first law of category design is thinking about thinking is the most important
kind of thinking. Thinking about thinking is the most important kind of thinking.
So, if you're going to think about thinking, we have to sort of define thinking.
Now, the minute I start down this path, there's a meaningful percentage of people whose eyes
roll and go, here comes some bullshit, right? Just tell me how to do the SEO, Lenny. Where's
the SEO or where's the whatever the fucking tactical thing is, right? Okay. So, the first thing we
have to do is break down thinking. So, Roger Martin is considered to be the greatest management
thinker or certainly one of them alive today. We were lucky enough to have him on the podcast
when his last most recent book came out, which if I'm remembering correctly is called The New Way
to Think. People call him The New Peter Drucker. And here he describes it as effectively as anyone
I've ever heard. And he at a high level, and this is me paraphrasing, so give me some license, but
he's the source. At a high level, there's two kinds of thinking. Reflective and reflexive.
And now this is my editorializing. What most people think is reflective thinking is actually

reflexive thinking. So, what's reflex versus reflective? Reflex is simple. You go for an annual checkup, yes? I should be. Well, have you ever had a doctor whack your knee with the little pink? Oh, yeah. And your knee goes, whoop. I do. And she's testing your reflexes. And that's an involuntary thing. When you're sitting on the doctor's table and your legs are hanging like a little kid and she goes whack, your leg just does this twitch, right? So that's a reflex.
And reflexive thinking is very, very powerful. You have a driver's license, I'm guessing. I do.
And when was the last time you were in a vehicle driving? Yesterday.
And if you're out on the road driving and somebody cuts you off, what are you likely to do?
I get a little upset and then I keep driving. But I would assert, Lenny,
you do something before you get to that. Oh, I guess I try to avoid hating this car.
Yes. And maybe you swerve, maybe you hit the brakes, maybe you do both. My point is this,
the car cuts you off and we instantly, no thinking, react in order to save our lives,
not damage our vehicles, not hurt anybody else. We didn't think about that. We literally just reacted.
Well, that's the way people think about most things. So I say to you, hey, Lenny,
let's talk about guns and abortion and immigration rights in America.
Now, you have opinions about those things, right?
As do I. Most people don't challenge their own thinking. Most people say don't to go.
Now, why do I think what I think about abortion? Where did I learn that? What do I really think about abortion? What do others think about abortion? Are there smart people in the world that I admire who are more educated and experienced in this field that have meaningfully different opinions than my own? Oh, there are. Okay. Well, why is that?
Et cetera, et cetera, et cetera. We don't fucking do that. We say our opinion on abortion is the opinion on abortion. And in the United States of America and the political domain, we say, and anybody who thinks differently is trying to kill America, right? That's not thinking.
So reflexive thinking is, hmm, what do I really think? Why do I think that?
And in the business world,
most people unconsciously assume the future is a continuation of the past.
That's not what legendary entrepreneurs do. Legendary entrepreneurs don't just think they know the future is going to be different because they're designing that different future.
And the problem they are focused on matters to them so much that the fact that the problem continues to persist makes them bat shit crazy, right? RJ at, or is it RJ or JR? I can't remember now at the founder of Rivian, obviously Musk at Tesla. These guys are obsessed. It drives them insane. They don't understand why we're not all in EVs already. And so my friend, Mike Maples, the legendary venture capitalist from Floodgate says the greatest entrepreneurs are visitors from the future telling us how it's going to be. And the reason many of them are so irascible is because the fact that the present is not already at the future that they see makes them insane.
And so the point being, legendary entrepreneurs and creators make the future different. They literally are in the design different futures business. So can I tell you a story?
Please. So we're friends and we've done some work with the guys who created Lomi.
And Lomi is the first kitchen appliance in 20 years to earn a spot on the kitchen counter.
So A, it's one of the fastest growing new consumer items in the last 20 years. And B,
if you think about your kitchen counter, do you have a toaster?
Yep.

Coffee maker?
Yeah, I don't drink too much coffee, but we do have any other devices on the kitchen counter?
We got a rice cooker. And the rest is hidden, hidden away.
Perfect. So what's Lomi? Lomi is the category designer of the smart home compost, composter.
So imagine a device that's sort of one and a half or twice the size of a good size toaster.
And what Lomi does is you take your food scraps and it turns out that depending on whose numbers you want to believe in America, we throw away somewhere between 40 to 60% of our food.
And it turns out that food garbage, food waste, is some of the most damaging to the environment.
Okay, so what does Lomi do? You take your food scraps, you dump it into Lomi,
you fill that shit up. Lomi's got a button on the front, you press that button.
And what used to take three to six months to compost gets composted in three to six hours.
And it even, this is weird, it smells good to me.
Okay, so Lomi did not say that we're better garbage, that we're different garbage,
that we're better recycling. What they said was we are a different way of solving this huge problem.
And they use both personal motivation, nobody likes throwing out garbage, nobody likes a big mess in their kitchen, et cetera. And an altruistic vision, which is, and oh, by the way, if we do this, we will do something that governments here to for have not been able to do, which is take a massive amount of environment hurting gases out of the atmosphere. And it turns out, because of global climate change, that we're creating more and more sand and we have a dirt crisis. Well, Lomi dirt has been shown to be amongst the most nutrient rich dirt in the world.
So here is a company with a breakthrough technology that truly makes a difference in the world with a business model that allows them to build a highly profitable high growth business.
And the way they got there was by designing a new category and showing the world why by making room in your tight kitchen for this new device, you'll make a difference for your family and the world. And if all they had done was what by way of example, Dean Kamen did when he launched
the segue, which is, isn't this cool? Nothing would have happened. So my point is, the Lomi guys designed a product, a company, and a new market category. They created demand out of nothing for I think the average price is around 400 bucks. The sum total of the market for smart home composters when they launched was fucking zero. And their vision for the new category was so compelling, Jay-Z was one of their first investors. Wow. Okay, so I have their side up. So thinking about this framework of frame it, name it, claim it, they framed the problem in this unique way of like, is it the framing of the problem or framing of a solution? How do you, that framing step was the best way to think about that. So there's something in category design called languaging, which is the strategic use of language to change thinking. And a mistake that a lot of entrepreneurs make is they use old language to describe their new thing. And we can't use so much new language that nobody knows what the fuck we're talking about. So we have to meet the category where it is and bring them forward. But we have to create new language. And here, can I share with you one of my favorite, most recent favorite category design stories in this regard? Please. So you've been on an elevator, yes? Yes. Have you ever looked at the floor and seen a logo on the floor of the elevator? I can't recall. I imagine it. Well, if you do, you will more than likely see this name, Otis. Yeah. Otis Elevator. Yeah. Most people don't know

why Otis is the category queen of elevators. Well, here's why. Alicia Otis invented the elevator. Now, pre-Alicia, there were no skyscrapers. Because how could you get to the top floor? How could you build the top floor? Et cetera, et cetera, et cetera. So when he creates the elevator, there's no known problem for it to solve. So he demonstrates it. People think it's cool. He shows it at like fairs and shit, because the big problem with prior elevators was they would crash. And so he built this safety system to catch them if the wiring would crash. And the category name he actually used, Lenny, he called it the safety elevator to address the current problem in the space, which is, I don't know. People still went, okay, that's interesting. But like, why do I need a safety elevator? It's a solution with no problem. So what does he do? Languaging. And in category design, one of the breakthroughs is this thing called a point of view, which helps you frame, claim, and name a problem and educate the world on why they should move from the way it is to, we call them photos from two, a new and different way. So Alicia has to make the market. There's zero demand. It's what many of our smart VC friends call a $0 billion market, which is what you want. So what does Alicia call it? The vertical railway. Beautiful. And people understand what a railway does. It moves people in shit this way. And he said, well, great, we've now got a vertical elevator that moves people in shit this way. And if you have a vertical elevator, vertical railway, a vertical railway, thank you. You can have a new category of building. This is no different than anybody today, for example, in the technology space, who's building a new part of the technology stack for AI. So if you've got a new important security layer for AI that enables a new kind of highly secure AI application, from a languaging perspective, if you just use existing languaging, you'll be like Alicia in the beginning where people go, that's really cool, man. Fuckin' A. Didn't think that was technically possible. It's like you're broken gravity, dude. Incredible. Don't know why we'd ever need this. See ya. And he goes, wait a minute, wait a minute. What if it was a vertical railway? Oh, well, what could we do with a vertical railway? And so this is why thinking matters. The way you think about the problem, the way you frame, claim, and name the problem, one of the core tenants Lenny in category design is listen to the words. Listen to the words. And when you listen to the words, you will hear things that you don't normally. And so he created new languaging, what in category design is called a point of view, to frame, claim, and name a problem, which is how do I move shit up and down versus across land. And in so doing, open people's, the aperture of people's minds created what you could think of as new mental scaffolding for a whole new kind of innovation. And thanks to Alicia Otis, we have tall buildings. I really like this idea of languaging. Are there any other examples come to mind of awesome examples of languaging in action that worked out? I got a bazillion of them. Okay, another one of my favorites. When Starbucks first starts, a coffee is 10 cents. So you sit there and you go, well, we can't make money at 10 cents. That doesn't make sense, right? Unit economics don't work for what we're trying to get done. If the ASP in the industry is 10 cents, we want to have an ASP of three bucks. Fuck. Well, here's the aha. It's very hard to charge three bucks for a thing that everybody currently pays a quarter for if you call it the same thing. So they create new languaging. They teach, they literally teach consumers new language. That's why you and I walk into Starbucks and say, I'd like a double grande latte, please. Well, 25 years ago, that was not languaging that you and I used. And they use it as a mechanism for radical differentiation and radical value

slash price differentiation. And they made up the fucking word. It sounds kind of Italian, venti. But the truth is, by the way, it's a milkshake, but that's a whole other conversation. They're the number one milk seller in the country. They're a milk company, not a coffee company, but that's, again, a whole other conversation. The point being, if you want to charge three bucks for something that here to four has been 10 cents or a quarter, change the language. And you know, at Starbucks language, like where I live, there's a shit ton of new hipster independent coffee shop type places where they, you know, paint the Mona Lisa in your latte before they give it to you and all that shit. If you walk into one of those hipster places and ask for a double grande latte, the super hipster gallery guy behind the counter with the nose ring and shit is going to give you a bit of a drizzle because you're using Starbucks languaging in their location. And that's the other breakthrough. And this is really important in the technology industry. The company that creates the languaging for the category wins. Oh, you see that today. Open AI. Not that long ago, you did not hear the term large language model. Correct? Correct. That was not a term we were talking about. That's right. And today, the entire industry is talking about LLMs. Yeah. Here's another thing that they created. Training data. Well, those of us who've been around for a long time, we understand what data is. We know what a database is. We know what data in motion is. We know what data at rest is. We know what structured data is. We know what unstructured data is, et cetera, et cetera. We know, even if I'm not a data expert by any stretch, but I've been in the industry for 37 years, I know some shit about data. We'd never heard the term training data.
And I'm still, frankly, looking for a breakthrough in languaging to describe it to people, because I think when most people realize the difference between data slash content and training data, there's a massive breakthrough that can occur there. The languaging is still not sufficient, but we're getting there. New languaging creates new thinking. And a demarcation point in language creates a demarcation point in thinking, which can create a demarcation point in perceived value. And she who changes and or creates net new value perceptions wins.
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Round to surround yourself with leaders from tech's most innovative companies. Build relationships, be inspired, take action, visit round.tech slash apply, and use promo code Lenny to skip the waitlist. That's round.tech slash apply. I think you've made a very compelling case for why people should design a new category to give people one more tactical tool for coming up with and figuring out the category they want to go after and framing it and even naming it. You mentioned this idea of having a point of view. Maybe that's the best way to approach this question, or maybe there's another

framework of just how can people best think through and spend time thinking about what this new category they should be creating ends up being. Great question, Lenny. Two things, at least. First, spend more time on the problem than the solution. There's a very early stage security startup I'm working with right now in the AI space that's doing absolutely mind-boggling things. The founders have incredible backgrounds with large transaction systems and deep security and just incredible company. I had a call yesterday with the founder and some folks on the product team just getting an update on where they're at and this and then the other. We're starting to want to talk to people externally. We raised a seed round. VCs are coming. They're very interested. Anyway, we're slowly starting to want to come into the world and begin to have a conversation. The founder CEO sends me a text yesterday and says, I'd like you to, if you're open to it, have a call with so-and-so. He's a very important person, knows a lot about our space, blah, blah, known him for a long time. I said, well, what's the purpose of my, it sounds wonderful, why? What's the purpose of my conversation with so-and-so? The founder literally said to me, I would love it if you would be willing to invest some time in listening to some of our customers to hear from their perspective what the problem is and what the solution could be, not just from me and our team. That is a founder who's obsessed with the problem.

So, that's the first piece. The second piece of advice I'll give you comes, I mentioned Mike Maples. So, he's got a very powerful way of kind of framing this. He calls it backcasting as distinct from forecasting. You're nodding your head. You're familiar with this.

Yeah, I've read this in Wellington in the show notes. It's amazing.

Yeah. So, here's the idea. What most people do is, you and I are entrepreneurs, we have this idea for product, this problem we can solve. We think we're going to be bazillionaires. We think we're going to help a lot of people. We think we're going to have a lot of fun. And so, we have at it. And whether we realize it or not, the mental scaffolding we use goes like this. Lenny and Christopher are sitting here now. We have these big dreams. We think, let's say, five years out into the future. What do we want it to be? How do we go through all the dreams? And then, we ask ourselves, most of this is subconscious, and then it shows up in business plans and other things. What do we need to do to get from here to there? Right? Have you ever done any backcountry hiking, Lenny? Yeah, I have. Yeah. So, if you and I were going to go on a four or five-day trip in the Sierras, we would have a start point, right? Yeah, absolutely. And we'd know where we were coming out, right? Mm-hmm. And we'd have waypoints along the way, yes. Yeah. And we, because we knew we were going to be out four days or six days or whatever, we would try to plan our food appropriately. Absolutely. And the whole plan would be predicated on, we're going to start here, and we're going to end here. And what do we need to do to get from where we start to where we end, yes? Mm-hmm. Now, when going on a backcountry hike, that's a very

smart fucking thing to do, because if you've ever been on a backcountry hike, and you're four days in, only to realize you don't have enough food, that's an experience you don't want to recreate. Okay. It turns out that while that's highly effective for a hike, it is intergalactic disaster for a startup. Here's why.

Your point of reference is everything. Thinking about thinking is the most important kind of thinking. So when we do it that way, mentally, we are standing in the present, which is an extension of the past. And we're saying, what do we need to do to go from this present to the different

future we want? And what are the obstacles in the way? Here's the mental scaffolding. So that's forecasting. Here's backcasting. We do an exercise. We abandon everything. In category design, you get taught to what's called reject the premise. So I reject everything about the way that it is, all of it. You and I now envision this future five years out, and everything's gone incredibly. It's exceeded our expectations. We make that true in our minds. We write out, we brainstorm out, what's it going to be like? What kind of technology are we selling? What are we doing for customers? How big is our company? How many people? And then we say, okay, standing in that future five years out,
looking back to the present, what did we do to make this different future happen?
That's category design. That's how you unshackle yourself from the past. So one of the biggest disservices in our industry is this word disrupt. Unless we're going to go disrupt the insurance industry. Well, if you're disrupting something, by definition, your reference point is the something. And when your reference point is an existing thing, your reference point is the past.
If we want to be able to think in unconstrained ways about a radically different future, the more we drag the past forward, the worse off we are. So what reject the premise teaches us is, let's forget everything we know and start fresh. My friend, the legendary designer, John Bielenberg, does this course on innovation and design with kids in university. And it's a, he does this multi-week exercise. And the objective of the exercise, Lenny, is design a bicycle. That's the objective. And there's only one design point. It cannot be rideable. And the reason John makes him do that, his philosophy, he calls it thinking wrong. That's his sort of version, if you will, of reject the premise. The reason for it is, when you take away the premise, it must be rideable, you open up the aperture for legendary new thinking, radically different possibilities, radically different futures. And so this is the mistake that many, many entrepreneurs make, is whether they realize it or not, what they're doing is incremental better.
And they're fighting for market share, fighting for existing demand with something that's incrementally better. And the reality is, that's why most entrepreneurs fail.
Now, you can fail doing the exponentially different. It sounds medically insane to say, what you want is a $0 billion market. However, as crazy as it sounds, it's the only thing that leads to meaningful success. And the proof is in the data.
Yeah, you talk about this in your writing that on the surface, it feels very hard and expensive to design a category, build a category, convince everyone this is a new problem.
But your point is, there's no other option, really, if you want to build a large business, is that right?
Correct. And the other thing is people say, oh, it's really expensive and it takes a lot of time. As compared to what? So you've lived a lot of your life in the product world, yes? As have I. Well, if you ask smart VCs, if you ask Brian Roberts at Venroc, the number one health care tech investor in the world, I believe he says it's eight to 10 years for a product to really have some maturity and be really stable. And I don't know whether he's right or not, but he's a super smart guy. We know how long does it take to create a legendary culture. How long does it take to get a legendary innovative business model to really hum? You know, so it's really hard. Well, so is building a product, so is building a company, so is raising VCs, so is doing sales, so is doing marketing, so is doing HR.

If you want to be easy, go work at the fucking DMV. That's kind of point A. Point B is the reality, Lenny. When you look at it, the vast majority of innovation comes from startups. So people say, only big companies can do this. Listen, my collaborator, partner Eddie Yoon, is the Obi-Wan Kenobi of Category Design in the Global 2000 arena and particularly on the consumer
side. And he will tell you that most of these major companies, and he's worked for, you name a big food company, you name a big beverage company, he's worked for many of them. They fail miserably. And so the reality is, six people with a small investment from a rich uncle can stand something up that has the potential to be worth $3 trillion, because that's what Apple is. And I sat there with Don Valentine and asked him about why he signed the check to Steve and Steve. And he said it was the stupidest use case he ever saw. The use case was a stay-at-home mom keeping track of her recipes on the Apple personal computer. This is the stupidest use case ever.
However, Don could see the potential in the category and in the guy's willingness to go get after it. And so for a VC, if you're going to raise money, the VCs who invest in early-stage mass potential companies are the ones who see your different future.
Kind of along those lines, I had this note that you had this quote around product-market fit, and it's kind of this hot take that product-market fit is a very dangerous idea.
I'd love for you to speak to that, because I think most people are in the opposite camp, but it's the only thing that matters. Why do you think it's such a dangerous idea?
So, and there's a bunch of these product myths. Product-led growth is another one.
But let's go to product-market fit. And God bless Mark Andreessen. He's the guy that framed it. And Kevin just wrote a really super thoughtful piece on why it's backwards, and I'm happy to send that to you if you want. Kevin Manning, genius. Here's the a-ha. Again, category design principles. Listen to the words, product-market fit. Product-market fit. Now, let's think.
Okay, so what there is for me to do is find a way to fit my product into a market.
Pretty simple way to determine or to distill product-market fit, right?
And what product-market fit has come to mean is we're a brew pub. You and I want to start a craft beer place like everybody else on the West Coast. And we're going to make a bunch of samples and shit. And we're going to feed those samples to our friends and to our ideal customer profile that I learned from Lenny, right? And if enough people amongst my friend group and my ideal customer group say, that's a yummy IPA. I like it. Then we're going to build it. And then if people start buying that IPA, we have quote unquote, and these are the words people use, achieved product-market fit. Okay, well, threads achieve product-market fit faster than any product in the history of the world. Here's the aha. Categories make products, not the other way around. And so what you want is you want to design a market category for your product, not fit your product into a market category. And the problem is our industry, like many others, but the tech industry is full of product bigots, because they really, really, really, really, really believe, like they believe in the availability of oxygen, the best product wins. They really believe it. And they believe what marketing's job is, is could you go put a demo on our website? Let's get a demo. Can we get a viral video that's a demo? Because once people see how much better, faster, cheaper, smaller, bigger, whatever, our thing is they're going to buy it and they don't. What they buy is a new insight around a problem slash opportunity that requires a different

solution. That's what they buy. Here's another simple example. I don't know what I hear right now a lot. What we need now is a story. We need a story brand. The number one thing you can do in marketing as a startup founder is to share your startup founder journey. Share your journey, right? This is all the shit we're hearing, right? We've been hearing this bullshit for a while.
Well, guess what? No one gives a fuck about your journey. They really don't. You know what they care about? Themselves, their problems, their needs, their opportunities. For our books, No Leopard, we did the first ever comprehensive data science research ever done using Nielsen data to study nonfiction books. And we know that because that's what Nielsen told us. And we had to sign an NDEA that would choke a horse in terms of what we can say and can't say about the data. But one of the things we wanted to understand is what categories of business books sold and which categories didn't and why. We can get into all that if you want. But here's the aha.
Guess what the number one category of business books, nonfiction books is by a mile.
Oh my God. Sales, marketing, marketing sales. No. Personal growth. Okay. That makes sense.
I'm self-help. And self-help. And number two, personal finance.
Biographies are like way down on the list. So the point being, no one cares about our product. No one cares that it's 25 megaflips faster, cheaper, whatever, they don't care. You know what they care about? Them, their needs, their wants, their problems. And categories are about customers and their wants, needs, problems, and opportunities. Branding and marketing is about our product. And the greatest innovators in the world don't stop at innovating product or technology.
They design a new innovative market category where they stand alone.
We're definitely going along, which I expected. And we've actually gone through most of the questions I had, but I have just a few more to kind of close out the conversation.
One is positioning. That's something you hear a lot about. How do you think about positioning versus category? Are they essentially the same thing? Is positioning just a way to phrase and describe your category? How should people think about that? What positioning today is or has become
is essentially, how do I tell a story about my shit in a unique way, in a compelling way?
That's really what people mean when they say positioning. The part they never stop to consider, again, listen to the words. Positioning as it relates to what?
Because you quote unquote, again, listen to the words and fucking think. You position against competitors, right? How do we position against the competitors? That's a phrase people use.
So the question is, what are you positioning against? And the answer to that question, almost all of the time is competition. And so if you're doing positioning in that context, you just decided you're fighting for 24% of the demand designed by somebody else.
And we think in the tech space where one company earns two thirds of the economics, if that's your starting point, you fuck yourself from the start.
And so to put it simply, positioning in the modern context is for losers.
That is to say, people who are fighting over the 24%.
So that's positioning.
I love it getting spicy over here.
Well, it's factually correct. People go, oh, okay. So are you mean to tell me that in tech, one company doesn't take two thirds of the economics?
Okay, believe that.

Okay, believe that. And you can believe gravity doesn't exist. It does.
But you can believe whatever. You can believe that bigfoots are installing
misters on 5G towers to make us all sick if you want. You can believe anything you want.
It doesn't make it true, right? What's true is one company wins and everybody else gets fucked.
That's what's true. Look at any space you want. You want to go back to your list?
We can go through the list, right? And so positioning has become
sort of category design for the cowards, right? It's like, well, I know that we could really
be as radical as to create our own space. So let's just see if we can
carve off our little little niche over here. Okay, great.
A big part of positioning just to kind of expand on this a little bit is
differentiation, differentiating yourself. People always talk about the importance of
differentiation. Do you see that as the same kind of potential pitfall? Or is that also,
or how do you think about differentiation? Okay, so this is really, really powerful.
So in category design, we don't compete period full stop.
At the brand to brand or product to product level.
Category designers do compete, but not against the product, not against the company,
not against the brand. Category designers compete against the status quo.
So here, let me be specific. There's a category called cycling.
You look like you might be a bike or Lenny, are you?
Very, very casually, mostly an e-bike.
Those are really fun, aren't they?
They're so fun. Mountain bike, yeah.
So, but you've been on a mountain bike, you've been on a road bike,
you've gone out with friends, done this, right?
Yeah. Anybody who bikes on any kind of regular basis has been in an accident.
And if you bike on a real regular basis, you've been in an accident with a vehicle
that was not caused by you. That's true for every person I know
that rides a bike on any kind of regular basis, myself included.
So all of a sudden, a new category shows up. And that new category is called indoor
or biking classes. And the category designer is a company called Spinning.
And they say, hey, biking's great. It's an incredible source of exercise,
but you don't want to get killed doing it. So come take a class.
And what they're doing when they do that, they're competing category to category,
not brand or product to brand. And that's a strategy that's called damming the demand.
So what does a dam do? There's a bunch of water running in the direction.
A dam takes that water, stops it and moves it, does something to it, interrupts it and changes it.
So here's what Spinning does. They say, why risk your life on a bike
when you can take a wonderful class and not have to worry about it and get your exercise.
So what dam the demand Lenny is, is you thought you wanted this, but what you really need is that.
Then what happens? The next iteration in that space comes from Peloton.
Again, when Peloton launches, they don't say, hey, our bikes are better than Spinning bikes.
Our bikes are 12 megaflips faster, cheaper. They don't do any of that shit. They don't
shit on Spinning. They don't attack Spinning. They don't attack road biking mountain. They

don't do any of that stuff. They say, why drive to the gym when you could do it at home? They dam the demand for Spinning. They don't compete against it.
And they reframe the problem called, how do I get a great workout in a group environment without getting killed? And they achieve that massive success. And I can give you many other examples. The mistake is competing directly product to product. The enemy is the status quo. That is to say the way it is now. So if you go back to Lomi, the enemy, the way it is now, the status quo is, A, nasty garbage in your kitchen that stinks and smells and gets all over the floor that you have to drag to the green bin and then the squirrels and the fucking raccoons eat it. That's the personal upset. And the environmental one is we're destroying the planet. No, by the way, rather than destroy the planet, why not create this super awesome compost dirt? And that's in category design. We call that a from to, a Frodo. And so category designers are leading the world from the way it is to a new and different way. They're not saying my carbon regulator is better than their carbon regulator. Here's a simple example. This is another reason the word disrupt doesn't work. So Les Paul is the innovator of the electric guitar.
Today, most guitar players have an electric guitar and an acoustic guitar. As a matter of fact, most guitar players have more than one, very few guitar players, some but very few said, oh, now that the electric guitar is invented, fuck the acoustic guitar. Very, very rare. So the net new category called electric guitar, as opposed to the prior category, acoustic guitar actually increases the overall guitar tam, doesn't disrupt shit. So in that case, you're actually creating net new demand. In the Peloton example, you're both creating net new demand, and you're getting your start.
And this is where I think a lot of the discussion that you have in a lot of your work, Lenny, around growth is really powerful, because what's really going on when growth works is effective digital damming of demand. That's what's really going on when it works.
I think somewhere maybe you wrote this dam the tam. That's an awesome phrase. If you haven't, that's a you should use that damming the tam, adding increasing the tam. So you have a number of books you put out. I will link to all these play bigger, I think was your first niche down, is the other, and your newest book, I believe is your newest book is the 22 Laws of Category Design. So maybe just as a last question, can you just share a few of these laws, maybe two or three of your favorite laws from the book, just to give people a sense of the book?
I think we talked about law number one, which in a lot of ways is probably the most important. Another one to think about is something we call the magic triangle, which we've touched on, but maybe not explicitly, which is in order to build a legendary company, you've got to get product, company, and category right at the right time. And so some people hear the category design discussion, and they think it's like somehow pejorative to product as if product doesn't matter. The reason for category design is because we love the products.
Products fail because they don't get category designed. And so I think the aha of the magic triangle is product, company, and category are equal in importance. And so getting that right, I think is very powerful. And I'm just riffing off the top of my head. I don't have it in front of me. Another example is lightning strikes versus peanut butter. So what most marketers do is they take their marketing budget for the year, they quarterize it, and maybe there's slight variance in the quarters, but essentially it's a similar amount of spend. And they do campaigns, and they do quote, unquote, keep the lights on, and maybe they launch a product, and maybe they have a big

push around the product, and they're trying to drive the funnel, and they're trying to deliver sales or deliver leads or what, you know, B2B or B2C, it doesn't matter. And that's what they do. And what they don't realize, Lenny, is that approach, that peanut butter approach is predicated on a almost 100 year old mental scaffolding and marketing called a reach and frequency. And what reach and frequency was about, which it was, I want to get my shit in front of the most amount of people, the most often possible. And if you listen to sort of a lot of the shysters and hustle porn stars, the Gary VDs, and this is the worth.
Are you going to release 400 pieces of content today on every platform?
I mean, all this stupidity, right? That's just a re-swizzle of reach and frequency from over 50 years ago in the new medium, right? Well, it turns out reach and frequency doesn't work. And so, because the number of marketing messages we get is massive, there are experts who say we get up to 60,000 a day, whether it's, you know, logos on coffee cups or ads on the internet and everything in between. And so, it's virtually impossible to stand out in a reach and frequency mode. Now, I'm not saying you shouldn't be doing keep the lights on marketing. Of course, you need to keep the lights on marketing. But here's what the lightning strike model and category design teaches us. I'd rather matter for one week a year than be irrelevant for the rest of the year. And so, what we did candidly, Lenny, was we ripped off Hollywood's model for launching movies. We said, hmm, what if you did that as a software company? What if you launched a thing, be it a product or something else, the way Hollywood launches a movie?
And so, what a lightning strike is about is getting very, very clear. If you go back to your IPC thing or ICP thing, who's our ideal customer? Where is that customer? Where does she hang out? Ideally, in the digital world first, one of your recent episodes, I was listening to your the growth hacker gal or how she went on to Reddit and stuff, you know, that's a well-known strategy. And I love that strategy. Go hang out where they are, put something provocative and engaging in front of them and matter in that moment. So, the idea of a lightning strike is, if you're in our target audience for that day or that two days, we're going to be all over you. We're going to be undeniable. And so, we put a disproportionate amount of our effort. If we're in B2B, probably one to two lightning strikes a year. If we're in B2C, two to three, one a quarter, if you're like a really big company, it's hard to pull off one a quarter, if you're a smaller company. And much more than that, it's not a lightning strike. It starts to blur back into peanut butter. But that is a very powerful concept on the execution side for marketers that's different. The other thing I'd say and probably should have started here.
So, I'm a three-time public company CMO. I've advised over 50 venture-backed companies in category design and marketing. Guess what? I've never seen in a marketing plan ever.
What's that?
Word of mouth. This boggles our minds, those of us in category design, because WAM is, was, and always will be the most powerful form of marketing. And in the native digital world, WAM can spread in a way that was never possible on the analog world for all the reasons we all understand. So, if you take the concept of a lightning strike, then you take the concept of a category point of view that is all about frame naming and claiming a problem.
And then there's one other concept I'll introduce. It sits next to your ideal customer profile. It's what in category design we call super consumers. So, it turns out that in most categories,

roughly 8 to 10% of the buyers are responsible for the vast majority of the profits. And more importantly, they are the zeitgeist. They are the thought leaders in the industry. They are the customers, the users, the purveyors of whatever the thing is that others look up to as sort of being the ones to admire, the ones to aspire to, the best practices, et cetera, et cetera.
That's a super consumer. Okay. So, in category design, when you understand who your supers are, ID, i.e., your ideal customer profile, you understand where they are primarily in the native digital world. How do we go hang out and remind me what that gal's name was? I thought she was awesome. Meltem. Meltem Koran Berkowitz. Meltem. Meltem. M-E-L-T-E-M.
What a name. That's a great name. Anyway, I thought Meltem was awesome. She's absolutely on point. So, we know who our ideal customer, a.k.a., super consumers are. We know where they hang out in the native digital world. We have a radically compelling, different point of view about framing, claiming, and naming a problem that, if we do effectively, will resonate with them.
That's why we spend time crafting that POV. So, we evangelize the problem. We participate in a native digital community where they already are, and we do it from the perspective of not a marketer,
not a seller, an educator. We're teaching people about a new and different way to think about an existing problem or a problem they hadn't thought of that when they have an aha moment, because we articulate it well with our point of view. They go, oh, tell me more about that problem, right? As they do that, we take an education standpoint, mental kind of framework to it.
We open them up, we participate, and sooner or later somebody says, huh, tell me again what you do,
and bam, away that we go. And here's the aha. When you understand supers, you understand the targeting. You understand a radically different point of view, reframing the problem, presenting a radically different solution. Well, guess what? It's the ultimate growth engine. And you can grow for a very small amount of money. You could send email to 300 people and drive a breakthrough in sales.
Why? Because when you take this approach, you're not just driving near-term revenue, very, very important. You're driving WOM. A big part of why you want to have a point of view that can be articulated very quickly is marketing's job is to put the right words in the right mouths and to get that WOM to scale. And so when we have a category POV that's about them, not us. Remember, brands are about us. Categories are about customers, right? We care about what they care about. And so when you have a powerful category POV, that drives WOM. And when you do
that in the native digital world, you get a tremendous amount of uplift from native digital viral WOM. And category design is the only business strategy whose primary execution focus starts with WOM. What an awesome way to wrap up our conversations. Basically, a very tight go-to-market strategy is kind of what you just shared. For folks that want to dig further, I'll just share a few of the places they could learn more. And then you'll, at the end, I'll ask you to point people. But you have an awesome substack, categorypirates.substack.com.
If you have your books, which I think may be the best way to, I guess you tell me, is to find them as go to yourlastname.com, lochead.com, l-o-c-h, head.com. Is that right? Yeah. And of course, you can go to categorypirates.com. Okay, even easier. Amazing. So we have the lightning round coming up. Is there anything else you want to share as closing words or advice before we get

to a very exciting lightning round? Yes, I do. Okay, let's do it. So I'm 55 years old, Lenny. I started my first company when I was 18. I got thrown out of school. I don't have a GED. And I've been in the tech industry the whole time. And the first thing I would share is anything's possible. Don't listen to anybody who shits on you. I would chat on as much as you could possibly imagine. I have four or five different learning differences, ADHD, dyslexia, dyscalculia, blah, blah, blah, blah, blah. I was told I couldn't read. I was certainly told I couldn't write. I've written 14 number one fucking bestsellers, etc., etc. And so my point is, if you're somebody for whom you want to spend your professional time working on the exponential difference as opposed to the incremental better, which I got to believe is a meaningful percentage of the people who consume your shit. If you want to work on the incremental better, incremental better is important.

I want the Boeing engineers working on the incremental better. I don't want the air traffic control system that's the exponential different. No. And a lot of incremental improvement over time can be exponential. So I don't, you know, if you're a product manager and you're running a highly successful product with a massive install base and you're looking at your next rev and you're trying to figure out of the 472 features that you could build, you know, what are the 26 that really matter? And you want to go talk to your customers to find out what those incremental improvements are and to stack rank them and do all that good. You know, PRD, MRD, IUD, all that shit. There's a big place in the world for all of that. It's incredibly important. That's not category design. So with that said, I think, Lenny, we're at the greatest time in history for our industry. I think all the indicators show that the amount of innovation that is going to happen in the next five years will eclipse the amount of innovation that happened in the last 20 years. It's accelerating. AI is insanely exciting, dangerous, concerning. Do we need to focus on the downside? Do we need to be smart? Do we need to be thoughtful? Do we need to learn? Do we need to work with regulators and legislators? Absolutely. Could it go horribly? Sure. But that's always true. AI feels a little bit different, but it's always true. And for the record, the Luddites are always wrong. The point being now is the greatest time in history to be a creator, to be an entrepreneur, to be a marketer. I've been a marketer for my entire adult life. It's never been greater than it is right now. And so here's sort of the big thing that I would share. If you're somebody for whom you want to make an exponential difference, you want to innovate,
you want to create new value where there wasn't. You want to have a legendary career where you can look back on your career and go, you know what? I was part of this and that and I was on this team
and now is the greatest time in history. And what I would say to you is the future needs you. Most people are not working on the exponential different. And so the future of our world requires that the innovative people, that the entrepreneurial people stand up, take advantage of these incredible technologies. And a lot of people, particularly in my age group, Lenny, shit on millennials, Gen Z, what are lovingly referred to as native digitals. Absolutely not. I'm inspired by them. And I think the next generation of our entrepreneurs will be our greatest generation
of entrepreneurs. So my point is now's the time. The future needs you. Don't listen to any of the bullshit. I don't care what the boobirds say. Absolutely go for it because there's never

been a greater time to design and dominate new categories of innovation than right now.
I love that message. You're just passion and energy for creating and inspiring as it comes through really clearly in all your writing. And so I love hearing it in person. With that, we've reached our very exciting lightning round. What are two or three books you've recommended most to other people? Richard Bach, Illusions. And then in terms of business books, I'll share with you one, because I know people recommend all the same shit. I'll share with you one that I think it may still be in print, but if not, it's easy to get. Mark McCormick's What They Don't Teach You at the Harvard Business School.
So on the personal side, Richard Bach, Illusions. And for one that you may not have heard of, Mark McCormick, What They Don't Teach You at the Harvard Business School.
What is a favorite recent movie or TV show that you really enjoyed?
Oh, right now we're watching Designing Anna or Inventing Anna or whatever that's called.
So that's been fascinating to watch. I think it's been incredibly well done.
What a wild story that one. What is a favorite interview question you like to ask candidates when you're hiring people? So there's actually two. And I'll start with this second most important interview question, which I think is the most important question, but in a job interview setting, for me, it's the second most important. And that is, is there anything else? And you know, this is a podcaster. I end every single one of my podcasts with, is there anything else? And the interesting thing about that question, you can spend three hours with somebody talking about very important shit, you can think you got all the detail, you could have asked all the questions about the technical architecture and the campaign and the distribution and I don't know what, right? And at the very end, you say, hey, Susan, you know, before you rap, is there anything else? And often Lenny, the most important thing for that person to communicate comes out then. Like it happens so often, it's bizarre. I use that in medical situations, family members in the hospital, going for an operation. Okay, Doc, tell me, I tell you all this shit, is there anything else? I will tell you that eight times out of 10, the most important thing about the surgery with your loved one will come after that question.
I will even use it during a conversation as we transition from various different points.
So in an interview situation, maybe you're asking somebody about their background, you might say, well, is there anything else about your background? I think you think I should know.
It's the most powerful open question. But in an interview, job interview situation, it's my second favorite. My first favorite is, so Lenny, are you legendary?
You want me to answer that?
You can if you like or not. No, I will.
But the answer to that question is always radically illustrative. I'm not looking for anything. I'm looking for your answer. Some people will say yes, and they'll tell you why.
Some people will say, well, that's a big word or whatever they're going to say.
But it is a purposely provocative question with one of I think the most powerful words in the English language because I want to get a read on that person and how they respond to a purposely provocative question about themselves. Amazing. Okay, just a couple more questions.
What's a favorite life motto that you like to repeat to yourself or share with other people?
If you're lucky enough to make it to the top of a mountain, throw down a fucking rope.
And for me on that, Lenny, I'm somebody who has had and continues to have a radical amount of

love and support in my life. When I was young, I started with nothing and I got thrown out of school and I didn't know until I was 21 because when I was young, learning differences weren't a thing. And by the way, the way most of the world and education system deals with learning differences is completely fucked, but that's a different conversation. It's definitely improved, but it's nowhere near what it needs to be. And so I just think that we should never be held back by those views of others. Right? And so we need to be unencumbered.
I love it. Final question. It's kind of a dumb question, maybe to lead to something fun.
You're a category pirate. Do you have a favorite real pirate?
I have actually a lot of favorite pirates. I'll tell you about one of them. His name is Tony Etherington, but virtually nobody calls him Tony. Virtually everybody calls him Doris.
And Doris is a legendary surfer and surf explorer from the Gold Coast of Australia.
And I went on my first ever boat tour surf adventure in Indonesia with Tony.
There's a horrible story I'm thinking of telling you.
Anyway, you haven't been with a real pirate until you've been in Stormy Seas at night with Doris smoking cigarettes, drinking Jack Daniels in the bridge, thinking maybe we're going to die, but this guy's probably not going to let that happen. And so Doris Etherington would be one of my top pirates of all time. And he's got the voice and he's got the attitude.
When I was having problems surfing, he would say to me,
All right, it doesn't get down, mate.
Always smoking a cigarette. He's like, I'd smoke long if we can have sickies out there.
He goes, you battle out. Wait for the biggest way.
I may do it and get right out of it.
And so in our world, get right up on it has become an expression for,
you know, kind of go for it. So I think we can all heed the words of Doris and get right up on it.
I love that this question leads to something fun and interesting.
Chris, thank you so much for being here. This conversation was entertaining and insightful, spicy, fun, funny, everything. I hope there would be two final questions.
Where can folks find you online if they want to learn more and keep reading?
And then two, how can listeners be useful to you?
Probably CategoryPirates.com is the simplest spot to go.
And how listeners can be useful to me.
Yeah. It's what we talked about a moment ago. The future needs you.
And the future needs the people who have the courage to make a difference.
Because the people who are different are the ones who have made the biggest difference every time. And we live in a world where we are rewarded for our sameness, for fitting in.
Our education system teaches us what we're trying to do is find our place in the world.
And listen, some of us do. I know people who wanted to be a vet from the time they were kids.
And that's the path they chose. And they became vets. And they love it.
And they're wonderful people. And they have great careers. And they make a giant difference.
And they've always known and fucking A. And so if you're somebody for whom you have found your place in the world, congratulations, that's awesome. And we also know, particularly in the innovator, entrepreneur, trader, marketer world, many of us, there was no place.
And so my hope is that you either find your place, or if you realize there's no place for you,

that you further realize that you can make your place in the world. And fundamentally, that's what category design is about. It's about making a distinct, unique place in the world for yourself, for your product, and for your company, because the people who are different make the biggest difference. And so the great thing that people can do for me is to go into the world and make a different place for themselves in a way that delivers massive value to others. Beautiful. Chris, thank you again so much for being here.
Lenny, bless you. I love all things Lenny. Thank you.
Thanks, Chris. Bye, everyone.
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