

The Orange Capital Partners Principle Stack

Our Mission:

Generate Wealth by investing in fundamentally new concepts and engineering practices with large impact

By definition, fundamentally new concepts are unpredictable. Instead of obsessing about uncertainty and daily volatility, we base our investment process on principles that don't change of time.

Our principle stack builds on ideas from four books:

1. Zero to One by Peter Thiel

Principles:

- Competition is for losers; create your own niche instead of wasting resources fighting for existing markets
- Wealth creation is a logical consequence of evolving a new niche and becoming a legal monopoly
- Build something unique that other people don't even know they want because you're the only one desperate to find a solution
- Education is the accumulation of knowledge, not a rat race. Focus on finding your own path to agency and autonomy
- Invest your time and resources in something you are good at, something that others don't bother with, and where you can generate value for yourself. If you can't capture the value, don't bother

2. The Innovation Stack by Jim McKelvey

Principles:

- Innovation is not a choice, it's a necessity
- Create a company around a problem you personally care about. Don't bother about competition. Since the problem is not solved yet, you don't have competition
- Solving problems creates new problems. Keep solving them. This is how you build an innovation stack, which is your ticket to long-term sustainable differentiation
- Niches evolve, they're not found

3. The Innovator's Dilemma by Clayton Christensen

Principles:

- Disruption is not a goal. It's a consequence of the problems you're solving
- Competitive response is the yardstick of disruption. It follows the three stages of Schopenhauer's truth process: "First, it is ridiculed. Second, it is violently opposed. Third, it is accepted as self-evident."
- Disruption is the business equivalent of natural evolution. Incumbents cannot prevent, stop or slow it.
- The only way to successfully deal with the threat of disruption is to build an organization that inherently iterates and constantly looks for new and better ways to solve problems.

4. The Beginning of Infinity by David Deutsch

Principles:

- Wealth creation drives freedom, and freedom drives wealth; you can't have one without the other
- Knowledge is explaining problems in nature
- Like biological systems, knowledge evolves new niches and competes for validation by the environment
- In order to be unique, you have to exercise free will
- In order to exercise free will, you need agency and autonomy, i.e., you have to do something with impact and do it in your way, otherwise, it's not free
- Freedom, wealth and knowledge are tightly related to each other. Societies that optimize for all three will outperform.