

Elon Musk says there's 'no such thing' as a business



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Billionaire entrepreneur Elon Musk seems to have his hands in every industry these days. You could argue he's one of the savviest businessmen around.

But when Musk sat down with Wait But Why's Tim Urban, he said something really surprising:

"I don't know what a business is," Musk **told Urban**. "All a company is is a bunch of people together to create a product or service. There's no such thing as a business, just pursuit of a goal — a group of people pursuing a goal."

This statement actually makes a lot of sense when you learn more about the inner workings of his companies. He runs a lot of businesses, but not in a conventional way.

For example, he started his rocket company, SpaceX, by first learning all he could about rockets, and then rounding up the most brilliant rocket engineers he could find.

He also didn't (and still doesn't) hire employees based on their degrees. Musk is more interested in qualities like raw talent, ability to work well with a team, and deep passion for the SpaceX mission.

If everyone at SpaceX fits that description, then it sounds exactly like a group of smart people working toward a shared goal — not necessarily how we typically define a business.

Another key element is that SpaceX builds almost every part of each rocket it produces. That's highly unusual for the aerospace industry, according to Urban. Most companies will specialize in building a few rocket pieces and then buy the rest from other companies.

Since SpaceX builds almost every part it needs, it can remain that same autonomous group of people working



REUTERS/Rebecca Cook

Tesla Motors CEO Elon Musk in Detroit in January.

toward a collective goal that Musk described. You can also argue it promotes more teamwork: SpaceX engineers sit right next to the SpaceX designers and manufacturers. Different teams sharing the same space is not typical of other companies.

Another characteristic that separates Musk's businesses from others is how much control he has over them.

"Some bosses are called micromanagers — at Musk's companies, his level of involvement earned him the term 'nanomanager,'" Urban writes.

That's because Musk has made himself an expert in a lot of areas. For example, when [something goes wrong](#) during a SpaceX rocket launch, it's often Musk who will brief the public on exactly what went wrong, down to the nitty-gritty engineering details.

So maybe Musk doesn't know what businesses are, but he's figured out a very effective way of running them.

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