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JOE SKIPPER/REUTERS

SpaceX founder Elon Musk after the first launch of a Falcon Heavy rocket at the Kennedy Space Center in Cape Canaveral, Fla., Feb. 6.

INSIDE VIEW

Elon Musk's Uncontested 3-Pointers

What does the Tesla and SpaceX founder have in common with Stephen Curry?

By Andy Kessler

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I have a suspicion that Stephen Curry and Elon Musk are the same person. First, as was said of Michael Jackson and Diana Ross, you never see them in the same room together. More important, they both dislike crowded spaces.

Mr. Curry, a two-time NBA most valuable player with the Golden State Warriors, has mastered the art and science of shooting 3-pointers. But a closer look at his stats reveals that he really likes to shoot *uncontested* 3s. Who wouldn't? Making uncontested baskets is a lot easier.

Mr. Curry often takes shots from several feet behind the 3-point line.

Defenders, figuring no one would be stupid enough to shoot from that far away, leave him open. And he makes baskets with surprising accuracy. At one point in 2016, he made 35 out of 52 shots from between 28 and 50 feet. Uncontested indeed.

Elon Musk's business strategy isn't so different: Go far enough into the future that there are no other competitors. Mr. Musk's first success was X.com, an email payment company. It merged with Peter Thiel's Confinity to form PayPal —and avoid competition. They had the market to themselves for a long time because fraud, especially from Eastern Europe, was so rampant on early internet payment platforms. They solved the fraud problem and enjoyed an uncontested market, eventually selling for $1.5 billion to eBay .

Then Mr. Musk headed further into the future. He took the nine-figure payout from PayPal and pushed ahead with SpaceX, Tesla and Solar City. Literally his last $20 million went to Tesla in 2008. "I was tapped out. I had to borrow money for rent after that," he later recalled. Private space launches, electric cars and rooftop-solar financing were all huge Muskian pushes into the future, where no one else dared play. Today, Tesla is worth around $60 billion. SpaceX raised money last summer at a $21 billion valuation. Mr. Musk is no longer borrowing to pay his rent.

Quite impressive, even though I find all the handouts offensive. When I see someone driving a Tesla I greet him with, "You're welcome." When he inevitably asks for what, I roll out the long list of subsidies: a $465 million Energy Department loan in 2009, a $7,500-a-car income-tax credit from the feds, $1.3 billion in incentives from Nevada for a factory, and more. Removing competition by racing to the future is one thing. Seeking special treatment to boost your advantage is cheating.

Mr. Musk still pushes the boundaries. Some ideas will work and some will go up in flames, maybe literally. Work is progressing on the sonic-speed Hyperloop transportation system. The Boring Co., which Mr. Musk founded in 2016 to undertake the project, proposes to dig tunnels under cities fast—and to reduce costs by a factor of 10. For some reason, the Boring Company recently presold 20,000 flamethrowers at $500 each, complimentary fire extinguisher included. The entrepreneur is even funding a "neural lace," a still theoretical brain-to-computer interface. Is a holodeck next? All these ideas are far-fetched, but they're mostly uncontested.

In his 2014 book, "Zero to One," Mr. Thiel badmouths competition. "Tolstoy opens Anna Karenina by observing: 'All happy families are alike; each unhappy family is unhappy in its own way.' Business is the opposite. All happy companies are different: each one earns a monopoly by solving a unique problem. All failed companies are the same: they failed to escape competition." Google founder Larry Page agrees. "If you're not doing some things that are crazy, then you're doing the wrong things." I agree, as long as there are market forces to allow competition from anyone who dares.

The future is almost always uncomfortable for everyone except the leading risk taker. What's the catch? Even an innovator has to be right in betting that there's a market for his innovations. Sometimes there is no competition because the risk takers are dead wrong. But Mr. Musk has been right, as have Messrs. Thiel and Page.

Mr. Page reportedly once told a venture capitalist, "You know, if I were to get hit by a bus today, I should leave all of it to Elon Musk." He later explained to Charlie Rose he liked Mr. Musk's idea of going to Mars "to back up humanity." Good luck with that. But then again, I would love to see them try. Like Mr. Curry's 3s, it will certainly be uncontested.

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DADO RUVIC/REUTERS

INSIDE VIEW

A Better Way to Make Facebook Pay

A simple law—'Users own their private data'—would make social media great.

By Andy Kessler

Facebook has been on fire lately—but not in the way it usually is. Its stock is melting and congressional grandstanding (i.e., hearings) about privacy and security begins Tuesday. Facebook is a threat to democracy and society, critics now argue. I've lost track of how many professors are demanding the feds regulate or even break up the social-media giant. Don't they teach classes anymore?

Apple CEO Tim Cook joined the pile-on last month: "I think that this certain situation is so dire and has become so large that probably some well-crafted regulation is necessary." Be careful what you wish for. Sure, no one wants Russian bots controlling their minds, but targeting consumers' minds based on detailed demographic information isn't new. Bud Light has perfected it. Dilly dilly.

Techies have an expression for Facebook's model. It's "free as in beer"—in the sense of costing no money. You pay in other ways. I propose a simple fix. Let's flip the whole thing—make it about property rights, 21st-century style. America was built on property rights. Congress can deliberate for 90 seconds and then pass the Make the Internet Great Again Act. The bill would contain five words: "Users own their private data." Finis.

Contrast this with the European Union, which adopted its General Data Protection Regulation in 2016. It is more than 250 pages of confusing rules, exceptions and fines. But it doesn't change the flawed model of today. It only adds regulations that make the situation even more confusing.

What would the world look like under the Make the Internet Great Again Act? If you upload to Facebook photos from your last beach vacation—though please don't—you still own them. But if I go to your page, zoom in to see whom you're drinking with, click on a nearby ad, message you about it, or even "Like" it, that information about me should remain private too. I should still own it. Same for whatever I search on Google or buy on Amazon. I control it.

Facebook would store this info in a virtual locker, and users would control access. The social network already has this data. It simply needs to corral it into two billion virtual lockers. It'd take an overnight hackathon to implement, really. Each user could then share or not.

But if you don't share, Facebook can't do its magic and provide a robust News Feed. It will be all cat videos, all the time. Similarly, Google can't provide pertinent search results, which, like prizes on "The Newlywed Game," are selected especially for you.

You're going to want to share. Here's the good news: Facebook is going to pay you to share. Then they'll turn around and charge you a similar amount to cover the cost of servers, electricity, coders and Mark Zuckerberg's hoodies. This way they can still show Wall Street the profits it expects. Worth it? Your call.

Now users' wants and desires are no longer free for the taking, even though nothing, except who owns the data, has changed. At last, consumers get an economic proposition to decide how to use services like Facebook. Put a price on it. Facebook can still anonymously aggregate collective likes and interests so advertisers can reach people with similar tastes. That's what TV networks do. But every time someone opens your locker to determine your individual wants, money changes hands and you get some of it.

This is where it gets fun. Facebook would provide a sliding scale for sharing. The more information you deem shareable, the more you earn. In effect, it becomes a revenue-sharing arrangement with advertisers that want to reach you. If you don't mind the barrage of ads, share away and a virtual wallet inside your virtual locker grows and grows, probably to be spent on new Facebook services like games, music or videos. Real competition in a real marketplace, rather than the charade of today.

Your locker would also contain a trust component, to combat fake news and to pay trusted content creators, like, say, The Wall Street Journal. To flag fake news and clickbait Facebook recently added an information button to links and will soon verify political ads, with insight about the source. Next, they need a trust factor or score determined by an algorithm with human input. As Facebook runs out of new global users, they can squeeze out more revenue per user. A business model with an upside.

This virtual locker holding your data can be easily implemented at Google and Amazon. Where it's especially needed is with consumer-facing apps like Uber and Airbnb. As more voice-activated Amazon Alexa-like devices enter more homes—Facebook for good reasons recently delayed introducing theirs—it's critical that the industry, or Congress, set rules on who owns the data from everyday conversations. It should be simple: I own it, you can rent it.

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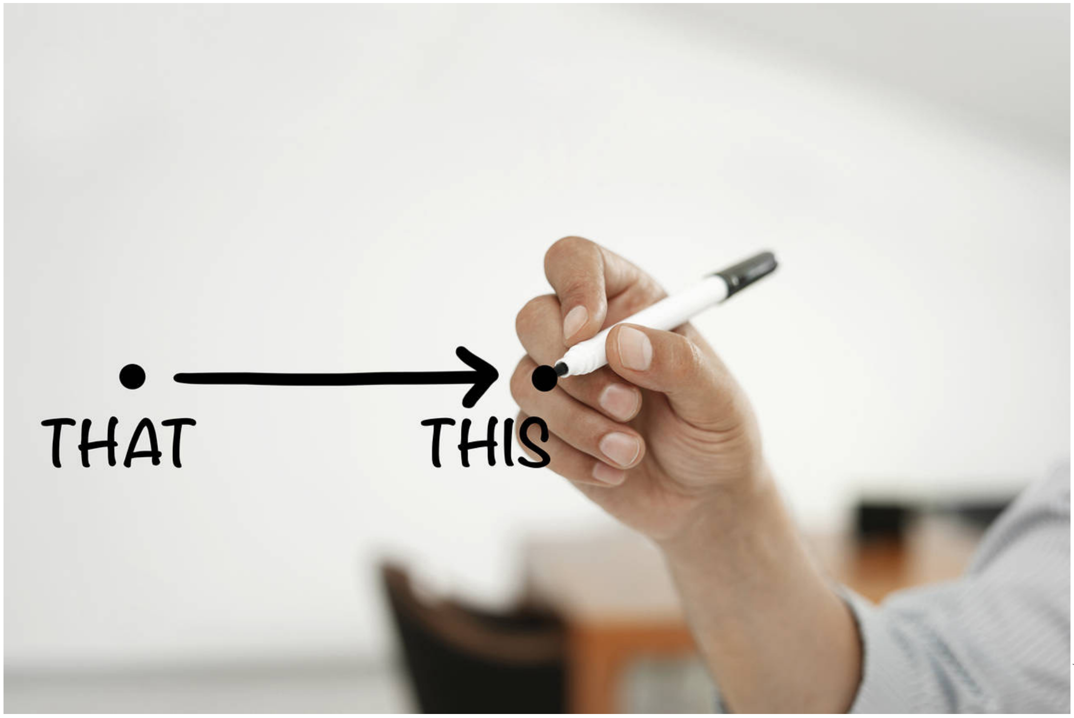

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INSIDE VIEW

Advice to New Grads: Scale or Bail

Want to change the world? Don't bother volunteering—get a real, 'boring' job.

By Andy Kessler

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Dear Grads: How can you make an impact on this world? Michael Keaton told Kent State students, "I'm Batman." Ronan Farrow encouraged Loyola Marymount's class of 2018 to "trust that inner voice." Human-rights lawyer Amal Clooney told Vanderbilt grads last week, "Courage is needed more than ever."

Maybe you're looking for something less vacuous than warmed over "Wizard of Oz" themes? If so, put down your JUUL vape pen, unplug from "Fortnite," tuck in your "I Am the Change" shirt, and listen up. Scale or bail.

Many of you graduates *think* you want socially conscious careers—giving back, fighting injustice and making a difference. "Well, you know, we all want to change the world." You want to reduce inequality, end poverty, comfort the homeless, expand human dignity. Guess what? Me too! But you're going about it the wrong way.

Some 44% of millennials believe they do more to support social causes than the rest of their family, according to the 2017 Millennial Impact report. If you're volunteering at shelters or working for most nonprofits, that's all very nice, but it's one-off. You're one of the privileged few who have the education to create lasting change. It may feel good to ladle soup to the hungry, but you're wasting valuable brain waves that could be spent ushering in a future in which no one is hungry to begin with.

There's a word that was probably never mentioned by your professors: Scale. No, not the stuff on the bottom of your bong or bathtub. It's the concept of taking a small idea and finding ways to implement it for thousands, or millions, or even billions. Without scale, ideas are no more than hot air. Stop doing the one-off two-step. It's time to scale up.

I hear you talking about food deserts and the need for urban eco-farms to enable food justice. You certainly have the jargon down. You can hoe and sickle and grow rutabagas to feed a few hungry folks, but then it's really all about you. A better option: Find a way to revamp food distribution to lower prices. Or reinvent how food is grown and enriched to enable healthier diets. Call it a Neo-Green Revolution.

Don't spend all your time caring for the sick. Prevent disease. Gene therapy, early detection and immunotherapy can change the trajectory of disease because they scale. Don't build temporary shelters. Figure out how to 3-D print real homes quickly and cheaply. Why tutor a few students when you can capture lessons from best-of-breed teachers and deliver them electronically to millions? That's scale.

Scale is about doing more with less. From just an idea, you really do get something for nothing. It's about the productivity increases that create wealth. There is too much talk of sustainability, the fight over slices of a pie, zero-sum games. That's the wrong framework. You need sustainability only if you stick to one-off moves.

Perhaps you're doubtful. You've been drilled to fear a dystopian future. Relax; the world is not going to hell in a Whole Foods handbasket. "The

Handmaid's Tale" is not a documentary. Technology exists to enable scale. Only with productive jobs can you figure out which problems are important and have a fighting chance to scale and solve them.

I know what you're thinking: A "real" job sounds boring. Your business-intelligence analyst title won't sound as interesting at EDM festivals compared with your friend's project to raise $10,000 and clean up a few tenements in a Rio de Janeiro favela. But I can guarantee you're the one having real influence.

Everyone asks, "What do you do?" If you're employed in a business that scales—and most "boring" jobs are—tell people you're solving global poverty. Because it's true. You'll be more significant than selfish socially conscious conspirators. They get psychic gratification while you get the job done.

I understand that you're young and striving for a purpose—intentional inclusivity, whole self, intersectionality, detoxifying oppression, whatever. Great. Keep that fire in your belly. But when you see oppression, think opportunity. Channel that energy to change the stagnant status quo through scale in education, banking and especially government.

If you don't think I'm credible, you too can listen to Bono. As he told Georgetown students a few years ago, "Entrepreneurial capitalism takes more people out of poverty than aid." Of course it does. Want to change the world? Stop doing one-off volunteering and scale up.

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JOHN MINCHILLO/ASSOCIATED PRESS

INSIDE VIEW

General Electric's Long Unwinding

The company turned out to be a hedge fund masquerading as an industrial giant.

By Andy Kessler

I had only one question after seeing General Electric tossed from the Dow Jones Industrial Average: What took so long? Yes, GE used to be revered by Wall Street. Investors would explain to each other that GE was 1% of the U.S. economy. As the company went, so did the U.S. But its stock peaked in 2000, and GE has been a failing industrial giant ever since. This underlying reality was hard to see through the smokescreen of its finance business, GE Capital.

I remember when HarperCollins, which had published a book of mine, announced it would be publishing a book by former GE CEO Jack Welch and his wife. I immediately called my publisher and complained in mock horror, "I thought I was your hedge fund guy." He didn't get it. I explained that he should forget about turbines and locomotives. GE was basically a giant hedge fund—a bet on its finance unit, which contributed half of GE's profits.

Jack Welch played Wall Street like a fiddle with his decadeslong record of consistent earnings. His CFO, Dennis Dammerman, even told Fortune magazine in 1997, "We have a lot of diverse businesses, and when you put them all together they produce consistent, reliable earnings growth." Wall Street believed it. A colleague once told me that Mr. Welch would get up in front of Wall Street analysts and toy with them. He'd joke, "Well, you guys are saying that 'we might not meet our earnings estimates this quarter because of this or that.' Wait, why are you writing that down? I'm telling you what you are saying, only write down what I am saying, which is that we deliver consistent earnings growth."

Dammerman further admitted, "We're going to take these large gains and offset them with discretionary decisions, with restructurings." I've seen it. I invested in technology companies only to see GE Capital come in and write big checks. It's an old corporate accounting trick—some called it a honey pot, others a cookie jar. When the investments went public, GE could time the sale of stock for when it needed to book additional profits to make up for a shortfall elsewhere. Jeffrey Immelt took over as CEO at the end of 2001 and kept the Welch legacy going, growing assets at GE Capital to more than $500 billion for a globally expanding business of loans, leasing, factoring, equity finance and insurance.

Mr. Welch had a famous leadership lesson—be No. 1 or No. 2 in any business, or get out. Sadly, as a hedge fund, it was dead last. During the 2008-09 financial crisis, its honey pot was destroyed. GE even took $3 billion from Warren Buffett to meet short-term obligations. Mr. Immelt and GE have been unwinding this hedge fund ever since.

The Securities and Exchange Commission complained about GE accounting in 2009 and earlier this year. Once investors figured out the game, GE stock sold off—meaning its access to capital shrank. That's what markets do.

By 2015 the GE Capital selloff accelerated. Commercial lending went to

Wells Fargo , real estate debt to Blackstone . John Flannery took over for Mr. Immelt last summer. In January 2018, GE announced a $10 billion loss, including a $6.2 billion charge to shore up its insurance business. It also announced plans to sell off $20 billion more in assets. It's still a great company, but the unwind continues.

As for the Dow Jones Industrial Average, indexes are not the economy. GE was the last of the original members of the Dow, which included the American Cotton Oil Co. and the Distilling & Cattle Feeding Co. Things change slowly and then quickly. The U.S. is no longer an industrial powerhouse. But who cares? Investors chase profits rather than revenues. The U.S. has successfully given up large low-margin businesses in favor of high-margin moneymakers.

Speaking of which, there's lots of chatter about breaking up the tech giants: Amazon needs to spin off its cloud business. Apple should split into a hardware and software company. Facebook has to jettison WhatsApp. And Google, well, it should voluntarily reduce its presence in advertising.

Like GE once did, Apple and Amazon each represent around 1% of the U.S. economy. But only Apple is in the Dow. It's a pretty good bet that in 10 years, and certainly in 20, these companies won't be the dominating players they are today. I can identify the seeds of destruction already planted at Apple, Amazon, Google and Facebook. No need to break them up; the market will take care of that for us. Just ask GE.

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INSIDE VIEW

Anything Good Takes Exactly Five Meetings

From deals to dating, you should pitch yourself piece by piece, building to the close.

By Andy Kessler

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I was headed out of the office with a stack of papers I spent all week preparing. My boss stopped me at the door and asked, "What are you doing with all that junk?" I was trying to sell a company. "It's the first meeting, right?" Yeah. "Don't be an idiot. Leave all that stuff here." But . . . "Don't dump it all now. You need something to talk about the next few times you meet." I looked confused. "Listen," he told me, "everything good takes five meetings."

I was mad, but he was right. Everything—and I mean *everything*—takes five meetings or at least five touch points. Deals, interviews, promotions, club membership, dating.

They have something you want, and you have something they want. But you can't just come out and ask for it. Like poker, you never lay all your cards on the table. Reveal them slowly. Sadly, no one has the patience anymore.

We were all taught by Blake, Alec Baldwin's character in "Glengarry Glen Ross": "A-B-C. Always be closing." As he berates an entire Chicago real-estate office, he brags, "I can go out there tonight with the materials you got, make myself fifteen thousand dollars! Tonight! In two hours! Can you? Can you? Go and do likewise!"

Two hours? That's so 1992. A recent Comscore study shows millennials have an attention span of five seconds. That's less than goldfish. (Sounds about right.) Everyone's in such a hurry these days. Likes, 1-click buying, retweets, Amazon Dash order buttons, binge watching, keyless ignition.

Slow down! Buy at first click? Don't do it. Trying to close at the first meeting? It's too soon. You're leaving too much on the table. "Always be closing" is plain wrong. Yet the flip side is also true: If it takes more than five meetings, you're never going to close the deal. Move on. Here's what each meeting looks like:

The Sniff: This is the initial meet and greet, grip and grin—like two dogs sniffing each other. Make a good first impression, but do not sell. Instead, demonstrate your pedigree and search for any common links: schools, people, music, '67 Camaros—there's always something. And keep this meeting short. Coffee. Drinks. Thirty minutes tops in their office. Hint at something big and then find an excuse to get the heck out of there—you only want to leave a scent. You'll leave the target thinking of you, and if you're any good, a reason to meet again.

The Story: The second meeting is the most important. This is when you tell tales. When asked, "So what's up with you?" just casually look around and say, "Yeah, I'm working on this really cool thing." That's it. Ninety-nine percent of the time, the other person will be hungry to hear it. People love stories, so wind one up. Embellishments? Yes. Hyperbole? Sure. Just don't lie or you're toast. The target leaves thinking about your story.

The Data: It's finally time to bring that giant stack of papers or pitch deck. Make the numbers prove your story. Bring pictures, or your résumé or details about your life. The target will leave thinking about how to get involved with your project.

The Ask: Can I invest in your company? Will you hire me? Dinner Thursday? You've now popped the question—so here's where you cheat. People don't trust their own judgment and therefore can't make up their own minds, but they do trust others. So you also need to have pitched your story to someone else they know. A mutual friend, boss, underling, it doesn't matter, just someone else. Invariably, the two will talk about your idea, and the third person will confirm all the positives of the deal. Then, all that's left to do is . . .

The Close: When can I start? Sign on the dotted line. I'll pick you up at 6. Because you took your time—five meetings or touches—of course the answer is yes. If it weren't, you would have been shut down at step two or three. You and the target both leave satisfied.

I hate meetings—all dreadful, dull and dead time. Since it's 2018, every meeting doesn't have to be in person. But get together at least three times. And the other two better be meaningful contact: a videoconference, a long phone call or an extended email or text exchange. Minimize shortcuts if you want to maximize your impact.

I've asked a lot of people if they've experienced this same Rule of Five. Almost to a person, they look surprised, then squint their eyes and scrunch up their nose like you're probably doing right now, and think about it. All come back saying "Yup, all the deals and things that have worked have taken five meetings." No more, no less. Go and do likewise!