

Moats.

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During fundraising, every start-up eventually finds their white whale of a question. A single question that continues to pop up over and over. For [us](#) it was “what is your moat?”

I was surprised to hear this. Most investors I see on Twitter pride themselves on being liberal arts interested polymaths. They often explicitly apply military strategies to entrepreneurship e.g., the famous OODA loop.

I love military history too! So I thought I'd give back to the community. What is a moat? Our old friend Wikipedia is more than serviceable:

“A moat is a deep, broad ditch, either dry or filled with water, that is dug and surrounds a castle, fortification, building or town, historically to provide it with a preliminary line of defence.”

Here's a moat...



It's the water part around the big building in the center. And here's another one...



I used to LOVE moats as a kid. Every time we would go to the beach I would build a sandcastle. The ultimate and final addition to any good sandcastle was a tiny moat. In hindsight, that was dumb. A sandcastle's ultimate enemy is water! And I was bringing it unnecessarily close. But I digress.

Moats make a lot of sense...for a medieval castle trying to defend itself from armed invaders. There's the obvious reason: moats make it harder for people to scale the walls. And then there's the non-obvious reason: moats make it harder for people to dig *under* the walls.

Notice that I didn't say they *prevented* people from scaling the walls. That was on purpose. Because I'm a writer and I get to choose the words I use. Every castle falls eventually. You can only make it harder. It's almost like...moats are temporary.

Even Wikipedia is careful here! "Moats provide castles with a *preliminary* line of defence."

Bear with me though.¹ This isn't just about moats. It's about technological advances throughout all of human history. Offense *always* outpaces defense...eventually. That's why cybersecurity is a trillion dollar industry and that's why you don't see people walking around in full plate armour any more.



This guy would drown if he walked into a moat. But his 'metaphorical moat' was the armour he wore. And that 'moat' was made obsolete by cannon fire, bullets, and armour piercing arrows.

I actually find walls much more interesting than moats. They have a fascinating history. At first, people made them as tall as possible. You can probably guess why. But a tall wall has a lot of problems. It's expensive to build and hard to maintain. More importantly, unless you make it suuuuper wide, it's relatively easy to knock over with a cannon ball.

That's why castles looked like this in the 1400s...



But like this in the 1500s...



People found that a low shallow dirt wall would much more effectively absorb the impact of a cannon ball. Simple dirt was better than beautiful, tall stone! Who would've guessed?

There's something else here that's pretty cool. Do you see those angular chevrons that aren't connected to the core facility? Those are [ravelins](#) and get this...they are *designed to be taken by the enemy.* If you look closely, you'll see that they have an open back, making it incredibly exposed to the inner defenses. So there's another fun counterintuitive insight here. Not only is dirt better than stone in some cases, but sometimes letting something go is better than defending it.

This essay serves almost no purpose except to say that metaphors, when taken too far, suck. But that doesn't mean they're not fun!

And by the way, our company DOES have a moat. But it doesn't even matter what that moat is! What matters is that we have the agility and insight to keep building new moats. To understand when a cheap dirt wall is better than a high stone wall. To see the change and adapt!

1| If you're reading closely, you'll notice I used "bear" instead of "bare." That was also on purpose. I went to a school that had a bear for a mascot and thought it would be funny to write that. It wasn't.