

**PROFESSOR:** As we start the process here, it's critically important to remember what a business is all about. We're not trying to win a science fair, we're not trying to win some sort of intellectual debate. We are trying to start a new venture. And when we think about a new venture or a new business, it's important to simplify this down.

The single-- there is one single and necessary and sufficient condition for a business-- one single and necessary sufficient condition for a business. It is not a business plan. It is not a CEO. It's not a mission statement. It's not a product. It's not even some sort of market analysis. The single necessary and sufficient condition for a business is a paying customer.

Everything that we do in a business drives to the point where we have a customer that will give us money for our product, our offering. And that's very, very important. Sometimes I have students that come in and say, let me explain to you about my nano-oscillation technology with carbon fiber tubing and the like. And I don't understand what they're talking about, but I look through their whole plan, and I don't see a very important thing in their plan.

I see it's going to be a 100 times better than the current technology. It's going to reduce the cost by 50% of power consumption. But I point out to them is, you really need to speak to a friend of mine that-- and they say, who is that? A friend of mine whose kid is in the business. And they say, what kind of business is he in? I said, he's in a business that takes lemons. They say, what does he do with the lemons? I say, he squeezes the lemons and he puts sugar and water in it and he makes lemonade, and he gets someone to pay them for it.

And he said, [INAUDIBLE], what are you talking about? Are you insulting me? No. I'm trying to make a key point here is-- until you get a paying customer, you do not have a business. So it's not about how great your technology is. It's not about how wonderful your idea is. It's not about how well you write your business plan or whatever else you do. It's about getting paying customers, and getting many of them, and doing so in a profitable manner. So that's what we're going to focus on here. We're going to start with the customer and we're going to build the business back from that.