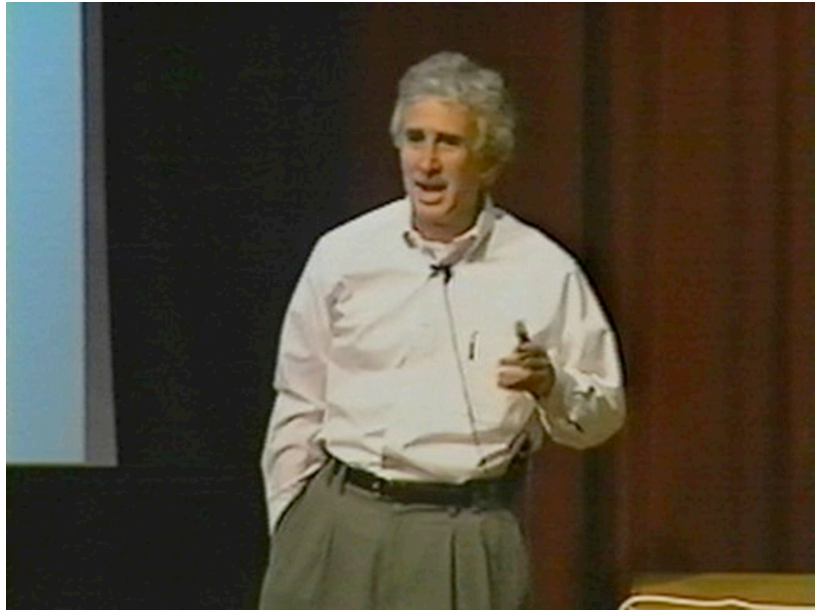


URL: <https://stvp.stanford.edu/blog/videos/businesses-must-have-customers>

Number 7 in Frank Levinson's Top 10 Things You Must Have to Start a Business. Levinson believes you should take stock of your company and determine what it is that you really need. He is an advocate of using common sense and realizing the main thing you need is customers.



Transcript

The next thing you need is common sense.. I'm not a PowerPoint jock in case anybody wonders where all the distills and I don't know how to do that, but a couple of things.. So businesses must have customers.. They got to have products, sales, profits and taxes to be paid.. One of the nicest things and there's a good story.. When Jimmy Carter was president, they did a study to find out which were happier, rich folks or poor folks.. Guess what? It's the rich guys.. All those movies of happy poor dancing people.. So you've got to have profits, you've got to have taxes to be paid.. What don't you need? We've talked about this a little bit but, you don't have to have CFOs..

They don't help at all.. Early on when you're developing products, all you're doing is spending money.. Just get an Excel spreadsheet.. Get a Quicken.. It's not a hard.. A little checkbook keeps track of it all.. You really don't need VPs of anything.. If you've got VPs, you got guys with egos instead of guys that are going to want to drag this thing home.. You don't really need market studies.. You need customers..

We're going to talk about customers every time so it'll get old.. You don't need ad campaigns because you probably don't have any products and if you had products, you'd show them to customers first and then you tell them what's right and what's wrong.. You definitely don't need a website.. I know that you're going to pay all through these business plans for 25,000 but the business plans that are best come from your customers first.. They come from interacting with people, interacting with standards bodies, listening to what's the pulse of what's going on, not knowing what you're going to do.. I knew what I wanted to do with Netek.. I had this vision.. I raised money.. I wrote a business plan.. We executed it..

I got axed.. So this is a list of things and I'm sure there are more.. It's not that some of them are wrong.. It is that they come too early.. Finasar is 14 years old.. We were profitable all 14 years.. We have grown as I'll show you later at nearly 100% a year for 14 years.. We had a CFO six months before we went public.. It's not needed...