

Introduction: The Lemon

“When life gives you lemons, make lemonade.”

Life has a way of presenting lemons. They're everywhere—from the time you wake up in the morning to the time you go to bed, you probably encounter numerous lemons throughout the day. We do. Not only do we see them in our businesses but also in other places, but we cannot go to a store without seeing what could be made better. Lemons are any disruption from the status quo, from fumbling around with the toothpaste in the morning to getting mad about high gas prices on your commute to and from work. Depending on how optimistic you are lemons can be positive or negative. If your glass is half empty, you can let them derail you. To most, a lemon is a problem, but it is really an opportunity in disguise. If you're confident and optimistic, you can use them to your advantage. If you believe that all problems are waiting for a solution, then finding that solution is your opportunity to make something great happen, for you and people around you. Your messy toothpaste is an opportunity to create a better dispenser. And high gas prices are an opportunity to find a better fuel. In other words, all lemons present the opportunity to find a solution and make lemonade. You just need to take the raw components and turn them into something people can get excited about and will pay for.

The biggest obstacle toward success in business is taking the first step. All businesses start with an aha-moment—the entrepreneur sees a problem and sees an opportunity to create a solution. Just think of how many times you thought, “I could invent something to fix that.” Or, “I could start a business doing this.” And now consider how many times you've actually gone beyond that initial thought. Probably not very many, right? Well, our goal for this book is to help

you take that first step, and all the ones that come after it, so you can start your business and be successful at it.

The Return to Child-Like Optimism

Did you have a lemonade stand as a kid? For many, that's the first and only entrepreneurial endeavor. As kids, taking action to solve a problem is easy—it's an opportunity to do something new and fun. Kids have fun taking raw ingredients—the lemons, the sugar, and even the desire to realize an outcome—and making lemonade because they're creating something. So they head to their mothers' kitchens and get busy mixing lemonade, setting up a table out on the lawn, and charging a quarter for a drink. All they can think about is making enough quarters to buy a pack of baseball cards or a new toy or whatever. They're taking control of their own outcomes. At that age, there's no risk involved. If you don't sell any lemonade, you just pack up and try something else. But for most people, entrepreneurship ends in childhood. Why? Because as we get older, it gets riskier. Kids have no fear of risk—all the emotions and fears of failure that feel so strong in adulthood are virtually nonexistent. When we are young the future is totally outside of what we can predict. We look forward to tomorrow in the hope that it will bring us something new and exciting. As we get older, we assume we know what tomorrow will bring and find reasons not to be excited about that.

Taking action and making things happen is not only fun as a kid, it's also vital as adults. However, for most would-be entrepreneurs, that fear of failure is so strong it prevents people from even trying to start a business. What we need to do is stay child-like in a way that allows us to see the future as “what can be” not just “what is.”

People have ideas every day, but most don't act on them. Many would-be entrepreneurs get stuck thinking about what they don't have—they don't have the money to lease an office space, they don't have the money to invest in inventory, or they don't have whatever. They let the problem stop them, when really, if they got a little more creative, the solution would be easy to find. If mom didn't have lemons in her kitchen, a kid might make iced tea or Kool-Aid instead of lemonade. They wouldn't let that problem stop them; they'd just look for different ways to accomplish their goal. That's what business is—problem solving. And the more creative, the better. This fundamental idea is one that many people miss.

We have always been surrounded by entrepreneurship, even as kids. I (Ara) started a lawn-mowing company when I was a kid that I eventually passed down to my younger brother, who then passed it down to our youngest brother years later. And I (Nick) grew up watching my mother go out of her way to help the customers of her yarn store. The ladies in the community came in to buy yarn, but oftentimes they came in to be rescued, when they didn't buy enough yarn or they made a mistake on their knitting project. She built everything she did in that store around her customers, and they always came back. These earliest experiences sparked the entrepreneurial spirit in both of us.

We met when I (Ara) was working with a company that built web sites and applications for Dotcom startups. I (Nick) had a company offering notifications for deaf people and was Ara's customer. We kept in touch, tried different things, made lots of mistakes, and got involved in mentoring programs where we got to help other entrepreneurs with their businesses. Over time we realized that we approached business with the same type of optimistic, problem-solving mindset. So we got together in 2003 to start Omnilert, our current business, which provides emergency notification services. We started one of our main brands, e2campus, after reading

about a murder on a college campus. We realized that an emergency notification service, like we could provide, would have prevented this tragedy. And our passion for campus safety started from there. It was just the two of us, and we did everything in the beginning. But we combined our collective experiences to create a business that makes money and helps millions of people, and we did it in a very unconventional way.

We've worked with different business incubators where communities have created a place where small businesses can come together and share knowledge and resources, like office space, copiers, and fax machines. For the most part, places like this are feel-good conglomerates where people can get things that make them look like an established business, and the idea behind business incubators is really great. But for the most part, entrepreneurs don't need office space. They need partnerships, mentors, and advice about how to get up and running quickly and easily and without risking everything. They don't need help writing a business plan; they need the right mindset. After seeing so many people take the wrong approach, we knew we had to get our knowledge into the world so other entrepreneurs could benefit from it.

The Lemonade Stand Principles

Over the years we've watched the gap widen dramatically between those people we know who embrace challenges and those who don't. Once we realized that solutions are what most products and services provide, we understood the importance of working from the point of view that problems are good because then you get to solve them. You get to create the solution. But you need lemons to make lemonade. And all the principles we've put together in this book evolved from there. We not only apply these principles in our businesses, but also in our personal lives. It works great.

Although based on the images the lemonade stand conjures, you may have suspected this book would be about going back to a time when the entrepreneurial spirit was first awoken, and the idea of going into business was as simple as setting up a stand in your front yard, however, the Lemonade Stand Philosophy is actually about embracing problems and turning them into opportunities. It's about seeing all problems as big, juicy lemons ready to be squeezed and transformed into an innovative new solution.

Most people who go into business either have no idea what they're doing, or they're MBAs trying to apply what they learned in business school to entrepreneurship today. In either case, most aren't equipped with the right mindset to succeed as entrepreneurs in the modern business world. This book will lay out the fundamental principles of the next generation of entrepreneurship. It is not simply a how-to guide on starting a business—there are plenty of those books out there already. We want to leave you with a new perspective on life and entrepreneurship, like looking through “lemonade-colored glasses.” We want to give you the breadth of knowledge needed to handle any issue you'll face as a business owner.

The Principles are:

1. Optimism—You can't start a business and keep it going without it.
2. Embrace Problems—They will happen every day, no matter what. The way you handle them will make all the difference.
3. Outcome-Based Thinking—You can't just make an effort, you must focus on results every single day.
4. Do Not Compete with the Big Guys; Trail Blaze—Find a problem that hasn't been solved, and establish yourself as the leader in that space. Then the big guys won't be able to touch you.

5. Tell Your Story—It's not just about making money; make your business about something bigger and more important.
6. Sell the Experience—Customers don't buy products or services, they buy experience. Make their experience with you remarkable.
7. Be Resourceful—You don't need a fancy office and warehouse of inventory to open your doors.
8. Fund the Business through Sales—Forget the venture capital, you'll be better off on your own.
9. Build Your A-Team—Fill your business with self-motivated, innovative A-players to keep the organization moving toward the future.
10. Framework-Based Management—Guide the ship, don't manage the details, and allow your A-Team to achieve and work at their fullest potential.
11. Scale or Die—Don't wait until it's too late. Create systems that will work for you, no matter how busy you get.
12. Build a Movement—Tell your story, and inspire everyone else to talk about it too. Then look for other ways to support the cause.
13. Build to Last—Selling your Lemonade Stand could kill it and all its problem-solving power. Instead, design yourself out of the day-to-day operations so you can move onto bigger and better things.

Although some of these concepts go against everything you've heard about starting a business, they allow you flexibility and power that other long-held business principles don't. Using the Lemonade Stand Principles, your perspective will be shaped to welcome adversity;

solve problems to improve the world we live in; build a profitable, solid, customer-centric business; and constantly look for new lemons to squeeze and make lemonade. Keep in mind that some lemons are rotten, resulting in bad lemonade; but it is better to squeeze a lemon and get poor results than to let it rot away completely. Not all your business ideas will be good ones, but exploring them all, or at least the ones you find compelling, will eventually lead you to something great. This book is a foundation of concepts that will make you successful. If you know nothing else about business, this is a great start.

Making Lemonade

So why go into business in the first place? Why not get a job working for someone else? Well, first, owning a business is truly the American Dream. It offers freedom and security that you can't get from a job. Entrepreneurism makes people more self-reliant, which is much better than having 95 percent of the population employed by a huge corporate conglomerate like GM. Second, some people can't be satisfied working for someone else—they are natural entrepreneurs and owning a business is the only way to be happy. The final reason is that it moves society as a whole forward. Small, innovative businesses are good for the economy and make life better for everyone. Every little town would love to have a business incubator that fosters innovation. And the more innovators you have, the better off everyone will be.

Innovation happens in small businesses. Pixar and Disney is one example of this. Before Pixar, Disney's whole animation business was dying. They had stopped innovating. Then Pixar came along and made huge leaps in technological animation. When Disney started working with them, they went right back to dominating the animation film world. But they couldn't have done it without Pixar. This is why we're keeping our fingers crossed that some small inventor is out

there working on the next automobile technology, because the American big guys have stopped innovating. Their products aren't ready for the future, and they need someone to help them get back to the top of the automobile market. Innovation like that isn't going to come from GM, or Chrysler, or Ford because their decisions are guided by accountants and board members. They sell the same thing over and over, and innovation is generally far from their minds. Innovation is going to come from small business.

Squeeze!

We truly believe that the lemonade stand way is the only way to run a business. Our goal for writing this book is to inspire as many people as possible to go beyond holding the lemon in their hand. Even if just a few people take action and squeeze a lemon, then the whole country will benefit. America owes its greatness not to its laws and structure of government, but to the enterprising people who live under them. We are a nation of tireless risk-takers who ask nothing more than to be given a chance. A strong America is one where small businesses make up the lion's share of all employment opportunities and where the taxing and other laws are geared to promote business success. To reach that point on a large scale, aspiring entrepreneurs need true, solid business advice.

With every lemon, some risk is involved in finding the solution. But if you can overcome that fear of risk and execute anyways, then you can squeeze the lemon and make lemonade. America was founded on entrepreneurship and optimism that the world could be a better place. Without optimism, how else could people leave home and sail for months into the unknown? How could people arrive on a foreign continent and figure out how to survive? From the beginning of civilization, people have been squeezing lemons and making life better for

everyone. Even the American Revolution was an immense action to make lemonade. And anyone can do it. Successful entrepreneurs aren't special—they're regular people who embrace adversity where everyone else sits at home.

This book is the lemonade we've made from all the lemons we've encountered ourselves, and all the lemons we've seen other people encounter when they want to start a business but can't get past that initial idea. We wrote this book so you could see past all the lemons that stand between where you are now and where you want to be in the future. You can start a business. It can be done. If you're stuck with a lemon in your head—a problem that you want to solve—then stop thinking about all the obstacles and reasons why you can't make lemonade. You can do it the Lemonade Stand Way. This book will give you the strategies and mindset shifts necessary to make the entrepreneurial jump without risking everything. It will show you how to create a business you love, and how to have fun doing it. Let's make some lemonade!

Principle One: Optimism

“Perpetual optimism is a force multiplier.”

Colin Powell

Some people see the good in every situation; and others see only the worst. My (Nick's) grandfather was known in his little town for being a perpetual optimist. He was dirt poor, had seven kids, struggled every day to get by, and no matter what happened, his response was always: "It will be all right." He never wallowed in self-pity, or gave up trying to support his big family. Not everyone can see the world in this way. You probably know someone who always sees the negative side of every situation. If you're running through the airport trying to catch a plane and see that you have twenty minutes until it leaves, an optimist will think, "Whew, I have twenty minutes," and a pessimist will think, "Oh no, I only have twenty minutes!" Some people just seem to be born one way or the other.

My (Ara's) kids are the perfect example—they can look at the same situation and my daughter will see the positive while my son will see the negative. When my son's baseball team did their annual fundraiser, everyone on the team had to go door to door in their neighborhood and ask for money. To my son, this was terrible. He complained and tried everything he could think of to get out of it, telling us that no one would give him money anyway. My daughter, who is two years younger, had a completely different take. She made a sign that read, "Please tape your money here," and hung it on the light post in front of our house. She drew a smiley face with dollar signs for the eyes, and even left a strip of tape where people could attach their donations. This embodied child-like optimism—she really believed that people would leave their money just because she asked for it. To her, the answer was simple. And she sees every situation

that way. People are likely born a pessimist or an optimist; but those inherent qualities are strengthened one way or the other as we grow up.

How to Achieve Anything You Want

Optimism is the first principle of the Lemonade Stand Philosophy—the foundation—and in fact, the Lemonade Stand approach embraces sky-is-the-limit optimism. Making lemonade is impossible without optimism. Without it, nothing else we cover in this book will work. The dictionary definition of optimism is: A tendency to expect the best possible outcome or dwell on the most hopeful aspects of a situation. Anyone with an entrepreneurial spirit is, we believe, an optimist at heart. The desire to start a business, in and of itself, is optimistic. It's a belief that you can do something to better your situation and make positive change in the world. You have to believe that you won't lose everything and that you won't fail (and if you do, it will be okay), otherwise you'll never move forward from your aha-moment. So if you're reading this book, it's probably safe to say that deep down you expect the best possible outcome from your endeavors—otherwise you'd never think to start a business in the first place. You'd be too afraid to take a risk and leave your full-time job and regular paycheck. Your pessimism would make it impossible to conceive of any attainable success outside your current situation.

However, just because you're a natural optimist and you were born with infinite optimism, doesn't mean that your life experiences haven't tried to take this away from you. As young entrepreneurs digging through our mother's kitchen, it's easy to hold an outcome in mind and make decisions and take action to realize it. But optimism gets stripped away as we get older. We fail; people tell us, "Oh, you'll never be able to do that"; things get tougher; and we start calling it naiveté instead. We become more cautious, and lemons start looking less like

opportunities and more like problems. Almost like the glass ceiling, racial inequality, and other societal barriers, people—even the natural optimists—often think they can't succeed in business because there's some invisible structure holding them back. Or maybe as a child someone told them they would never amount to anything, and it stuck with them. If any of this sounds familiar, then you must put the negativity behind you and ask yourself the most important question in the world: Why not?

Although some people are never able to overcome their pessimistic nature, the optimists-at-heart can manage their learned pessimism and actually return to that child-like level of optimism with the abilities of an adult. The world has no limits. There are no limits placed on the level of success any one person can achieve, and there are no limits on the amount of money you can earn. Wealth and opportunity are endless. We are all born knowing this, but over time, as we grow up, we are told by everyone around us what we can and can't do. So many people lose that child-like optimism. But if you think about it, many of the most successful people in the world are like big kids. Their eyes still sparkle when they see something new and exciting, and they believe anything should be possible. They still see the world as a place of endless opportunity and unlimited possibility.

One of the biggest obstacles to success can be your own thinking. Some people, as most know, are pessimistic about everything. If you present an idea, the negative person responds with a list of reasons why it won't work. And every time an obstacle appears, they give up and say, "I can't start a business because I've never done it before," or "We can't improve service because we don't have the money to hire staff," or "I can't expand into new markets because the bank refused my loan application."

If any of those statements sound familiar, then consider this: if you've always got a list of reasons why not, then you'll never move forward. You'll never overcome any obstacles, and you'll limit the amount of success you can achieve. Pessimistic people check their inner child at the door, and then they never go anywhere because they don't have that enthusiasm and energy needed to drive the process. You've got to believe that tomorrow is going to be better than today, so your inner child must be alive and well. And you've got to be able to put all your problems in perspective.

In his book, *It's Only a Mountain*, Dick Hoyt, a father of a quadriplegic son with cerebral palsy, tells his family's story of learning how to look at life's challenges for what they really are. When his son, Rick, said he wanted to participate in a five-mile run to benefit a Lacrosse player who'd been paralyzed in an accident, Dick agreed to run the race while pushing him in the wheel chair. Afterward Rick, who was essentially trapped in a body that didn't work, told his dad that while he was running, he didn't feel handicapped. And since then, Dick, who was never a distance runner, has pushed his son through marathons, Iron Man competitions, and triathlons. He pulled him in a dinghy through the swimming stages, and rode with him on a special two-seater bike. They've even crossed the Rockies. The 2009 Boston Marathon was their 1,000th race. Talk about putting problems in perspective! The Hoyt's have shown that anything is possible. If every entrepreneur could approach business with that same sense of clarity and determination, they'd all be successful. After all, it's only a mountain. Any time you face a problem and hear a pessimistic thought rising in your mind, you can scale it down and put it in perspective. See the issue for what it really is: "It's only a _____."

The REAL Secret to Success

When you look through an issue of *Entrepreneur* magazine or read the business section of the paper, you're bound to see numerous business success stories. Everywhere you look, people are building and growing and making money and accomplishing their dreams. This is what every entrepreneur dreams of—success. When you face a challenge or something doesn't work the way you planned, you may look around and see all the successes and believe yourself to be inferior or limited in some way that the other guys aren't. On the outside, you may see only a person's achievements, but behind the scenes, every success includes some failures.

Thomas Edison is famous for his successes, but his list of failures is probably a hundred times as long. He failed thousands of times before getting the light bulb right. That's thousands of opportunities to throw in the towel, which is what most people would do. But Edison didn't view his failures as failures. He said, "I am not discouraged, because every wrong attempt discarded is another step forward." He saw every failure as an opportunity to try something else that might work.

Sustaining optimism is critical in business, particularly in the face of setbacks and failures. You have to realize that even failures bring you one step closer to success. If your competitor's press release gets picked up by *Newsweek* or if you lose a customer, you have to be able to look at the situation and see some opportunity in it. You could sit at your desk and brood all day, or you could figure out what you can learn to ensure it never happens again. Losing a client is a lemon, so think about how you can squeeze it. What valuable lesson can you learn? How can you adjust what you do and move forward even smarter?

Without optimism, you won't have the energy to keep going. Things get tough in business—getting it right can be hard. And you won't be able to see the opportunities in the

failures unless you can embrace adversity. In fact, you should seek it out; that's where opportunity for success lies.

Making Lemonade from Lemons

In most cases, there will always be someone around you to find faults in what you're doing. You might start talking about your business plans or your goals to friends and family and their feedback may be so negative that you feel like you're in front of a firing squad. We're telling you to ignore everyone else's negativity and focus on the positives. Negatives never get you anywhere. If you're trying to train an elephant to walk a tightrope, you have to make it a positive experience with praise and good treats. Otherwise the elephant won't ever do what you want. And if you want to be successful, you have to do the same for yourself—find the positive in everything, especially yourself. This can be difficult, for sure, and sometimes you really have to cling to whatever positives you can find. Even if you have unlimited stamina, some days are going to be hard. But if you keep looking for the positives, they will eventually outweigh the negatives.

Being successful is not about an execution of steps; it's about mindset. You don't become a great dancer by knowing the steps. There's an underlying set of moving parts that must align within you, and the most important one is mindset. You must change the way you think about yourself, about the obstacles you'll face every day, and about being in business. If you want to be a great dancer, you have to *be* a great dancer.

Principle Two: Embrace Problems

“Some look at the world and ask, ‘Why?’ I dream big and ask, ‘Why not?’”

Robert Kennedy

Over the past few years, empty, dark spaces in shopping malls have become a common sight. For many, this means foreclosure and bankruptcy. But one mall in St. Louis, called Crestwood Courts, embraced this problem and took a creative approach to solving it. According to an article published in the *St. Louis Business Journal* on May 1, 2009, the mall was in trouble and by early 2009 had lost two anchor department stores and several smaller retail tenants. In 2008, an investment group had purchased the mall (for a fraction of what the previous owner bought it for) with plans to redevelop it after the retail markets improved. In the meantime, they needed to do something to keep the place alive.

Sol Barket, one of the investors, saw an opportunity to not only breathe life in the mall, but also give back to the local arts community by making their empty space available for artists at drastically reduced rents. From that idea, ArtSpace was born and they filled nearly half the mall with arts galleries, dance studios, and work space for potters, sculptors, and other visual artists leasing the space at reduced costs. The arts community got inexpensive short-term leases and practical business experience, and the mall has gotten media exposure, increased shopper traffic, and even some new retail tenants.

"If you know you have vacancy and can't do long-term leasing, why not do something creative and get people in there for little or no rent?" Barket told the paper. Even though the mall hasn't made money on the artists' rent, they have helped keep their other tenants in business, creating lemonade for everyone involved.

Almost every single obstacle is, in reality, an opportunity. It's a chance to take a step forward, and do something new and innovative. It's a chance to solve a problem. The key is to figure out, the way Barket did for the St. Louis mall, how any given obstacle is an opportunity for you to move closer to your goals.

Arts organizations across the country suffer in weak economies because they lose charitable donations and corporate support. They end their seasons early, go into bankruptcy, and even close their doors altogether. I (Ara) am the president the board of a symphony orchestra in northern Virginia, and when the economy started falling apart in 2009, many in our organization panicked. We were running out of money, and many people thought we were doomed for sure. In the board meeting that February, all the members sat around the table trying to figure out whether or not to end the season early. So I suggested we try something different. Our goal was to raise enough money to keep the season going. Because the corporate sponsors were unable to support us, we had to think of another way to make that happen.

One of our key missions is youth outreach and music educational enrichment programs. So, we came up with the idea to work with the schools in the community to host a youth talent competition. We gained support from the schools, private music instructors, the media, and it was a lot easier to secure corporate sponsors for this type of event because in their eyes, it's much easier to support a youth talent competition than something perceived as a luxury, like the orchestra. And it worked—we raised the money and finished the season. But if the board hadn't been able to embrace the fundraising problem as an opportunity to do something different and fun, the season would have ended early. Now the talent show is in its second year and we plan on continuing it as an annual tradition in our community.

No matter what business you go into or what project you're working on, something will inevitably go wrong every day. Sponsors will back out, customers will get mad, vendors won't come through, a competitor will appear out of nowhere—things will fall apart. There's no way around this. Problems, small and large, are going to happen every day. But every time a problem arises, you have a choice. You can back down, defeated, and let your business close or allow the orchestra season to end early or let your competitor get the better of you. You can let the problem control you and your business, or you can take control and make something positive come out of it.

As long as you know what outcome you need to achieve—you have your ultimate goal in mind—then problems are actually opportunities to take a step forward. We'll talk more about outcomes in the next chapter, but if you know what your ultimate goal is—whether that's start a car wash business, keep 100 percent of your customers, or figure out a way to make more pizza in less time—you can find the opportunity to do something positive with every problem.

If you can't identify the opportunity in a particular obstacle, then maybe you're on the wrong path. For example, imagine you want to start a car wash, but you can't overcome the obstacle of finding enough money to lease the building. You've asked for loans, you've searched less expensive areas, and you still can't find a solution to make it work. Well, then maybe the car wash idea isn't right for you. If it were, you'd be able to find the opportunity in the obstacle. You'd realize that if you can't get the money for the lease, you could start an on-site car detailing business that serviced corporate office complexes, and then use the money from this business to fund the lease on a location later. Everyone sees obstacles differently. And if you hear yourself saying, "I can't do it, I can't do it," then perhaps it's time to try something else. If you can't do it, you can't do it.

Pick Your Lemon

When you're thinking about starting a business, you may experience an aha-moment and know for sure what you want to do. You may have a few ideas about what you want, but you aren't sure where to start. Or maybe you have no idea at all. One of the most wonderful things about going into business is that the choice is entirely yours. But you have to choose something that's important to you and gets you excited, otherwise you won't have the energy to follow through with it.

Business is always on our minds, often from the time we wake up to the time we go to sleep. And not because it's a shackle that forces us to do it, but because we have the great benefit of doing it. Therefore, we're better at our jobs because we enjoy them so much. High-performance athletes are athletes all the time, not just when they're competing. They are constantly thinking about what they're eating, what activities they're doing, and how everything will affect their performance. The same should be true for your business. Passion isn't something that turns on at 8:00 a.m. and turns off at 5:00 p.m. It's something you do all the time. We chose our lemon because we were so sure we could prevent murders like the one at Lehigh University in 1986, that we couldn't get it out of our minds. We were passionate about campus safety, and we still are, which is why we're still making the same lemonade we set out to make years ago.

If you're a professional, such as an accountant, for example, maybe you should start an accounting business. Or try something related to accounting, like consulting other accountants on how to run a better business. If you're not a professional with a specific skill set (and even if you are), you can really go anywhere and do anything you want. Maybe the reason you're starting

your business is to work from home so you can be with your kids. If that's your goal, you can narrow your choices down and start looking for home-based business ideas.

If you're unsure about what type of business you want to start, try keeping a lemon basket—a list of your lemon ideas. You probably encounter problems every day, when you're driving down the street or at work or whatever. You might be driving three towns away to get your car washed when you realize, “Hey, why isn't there a car wash in my town?” That's a lemon you can add to your list. Or maybe you just averted a head-on car accident while making a left turn and realize it might be beneficial for cars to have a front brake light. That's a lemon. Where I (Ara) live in northern Virginia, we have an old movie theater in town saw its best days a decade ago. But the town doesn't have a performing arts venue—if we want to see live music or a play, we have to go to D.C. That could go on the lemon list—turn the old theater into a performing arts venue so people don't have to drive so far.

Every time you see a problem like this, write it down on your lemon list. And you can even include non-business things you want to accomplish in your life, like bungee jumping or traveling to Africa—whatever you want. This practice helps keep you looking forward. People tend to think more about the past than the future. How many times have you heard someone say college or high school was the best years of their life? Few people think about solving problems in the future because they think the past was so much better. It should be the other way around. Tomorrow is always better than today. So think about what you want to accomplish, make your lemon list, and then when the time comes for you to start your business, you won't have to scratch at the air to figure something out—you'll have a list of problems and goals to choose from. (And if you can't find any problems you're compelled to solve, then you probably shouldn't be starting a business.)

Sometimes, even when you're interested in a particular lemon, it won't pan out for one reason or another. So maybe that front brake light thing wasn't the best idea—you'd probably have to petition car manufacturers to change their designs and lawmakers to change standards, which would take a lot of time. These are things beyond your control that you cannot move. A few years ago, when the housing market was booming, we had the idea to apply our instant notification system to the real estate. We'd shopped for homes before, and were frustrated by the fact that you could be on your way to look at a house, while the seller was accepting someone else's offer. We thought that if we could sell real estate agents a notification system, they could save everyone time by alerting their clients as soon as a property went on or off the market. Then the agent could list a house in seconds and arrange for a showing minutes after the sellers decided to list their house. It seemed like a great lemon to squeeze. But our customers weren't the end-users (in this case, the home buyers); our customers were actually the real estate agents, who would have to sell their clients on the system. After talking about the idea with a few real estate agents, we realized they were perfectly satisfied picking up the phone and calling their clients when a property went on the market, even if it wasn't as efficient. In other words, they didn't recognize the problem as painful enough to buy a solution. So even though our solution was unique and remarkable in many ways, it didn't fly and we had to keep looking. When this happens, you can't let it frustrate you. When you hit a dead end, turn around and try a different way.

The most important thing to keep in mind when picking your lemon is to understand that, whatever you choose, number one, you have to be passionate about it. It has to be something you can't get out of your head—something that keeps you awake at night. And number two, it has to be important to other people. A need or problem has to exist for enough people to sustain your

business. If no one cares about the problem you want to solve, then it's not much of a problem, is it? Once you find your lemon, you have to squeeze it, and that's where the real fun begins.

Take Action on Your Ideas

How many times have you been sitting around with friends or colleagues and heard someone say, "Hey, that was my idea! I should get credit for that." This happens all the time—people see a commercial on television or something an acquaintance has done—and feel entitled in some way because they had the idea. Even if they did have the idea first, though, they didn't do anything with it, which means they didn't actually contribute anything to the innovation.

An idea has absolutely no value unless it is acted upon. Unless that lemon is squeezed, it will die on the branch and produce no value to the world. This is a common misconception among would-be entrepreneurs: "All I need is a great idea, and then I'll be rich!" This is absolutely not true. Ideas are worthless until you do something with them, and no matter what you may hear or believe no investor with a fat checkbook is sitting around waiting for the next big idea to buy.

Consider this example: a friend of ours designed a step stool for her kids to use at the bathroom sink. It had handles so they could safely step up and a bar around three sides to help prevent them from falling off. When she built it, she had no intentions of mass producing it and selling it—she just needed a solution for her kids. But when her friends came over and saw it, they all wanted one for their kids too. They'd say, "Wow, this chair is great. I have to have one for my kids—you should make more and sell them." Our friend heard this so often that she started thinking about it. However, when she started looking at the steps she needed to take to produce and sell it, she thought the best way would be to get a patent and find someone to buy

the idea from her. She really expected someone to come along and say, “Great idea, let me give you a million dollars for it.” Although plenty of people think that’s how it works, let us assure that it doesn’t. Not at all. That would be like saying, “I’ve got this horse embryo bred from the finest race horses. It’s going to be a champion one day, so I’m going sell that sucker and make a fortune.” No you’re not—it takes years and years of training and effort to make any horse a champion, regardless of bloodlines. People don’t pay for ideas; they pay for results. You need test marketing or special manufacturing methods or something—not just an idea. If our friend wanted to make millions selling her stool to some big company, she had to prove it worked and people wanted to buy it.

You have to act on your ideas to make them valuable, which stops many inventors and entrepreneurs before they even start. When we suggested to our friend that she forget the patent idea and try to manufacture and sell it on her own, she said, “Oh, no. I can’t do that. I’m way too busy for all that.” Unfortunately, she couldn’t get past that obstacle, and to this day, her chair remains an idea. She couldn’t be convinced that manufacturing the stool and selling it wasn’t really all that much trouble at all. She could have taken the stool to a student and had it drawn out in CAD for \$500 or less. The next step would be to find a manufacturer who could produce a prototype and then make the chairs to order, which wouldn’t be a difficult connection to make. For almost nothing she could have a web site up and running and she could be selling step stools with almost no effort at all. How to make the chair was actually a lemon of sorts—an opportunity to solve a problem that people would exchange money for. But she only saw obstacles, no opportunities.

Those who squeeze will make the lemonade—they’ll get the credit, the results, and the money to show for it. When you don’t squeeze, you’ve got nothing. And no one is going to come

along with a million-dollar check for that. So take action on the ideas you have, do the legwork, and make results happen.

You've Got to Squeeze Lemons

No matter how well you think your ideas through and how well you plan, things will go wrong. Remember that opportunities exist in every problem—problems are simply lemons waiting to be squeezed. Make this your mantra: “Problems are opportunities.” They force you to make decisions. Embrace this. See each lemon as an opportunity to do something great and bring yourself one step closer to realizing your outcome. You cannot become a Lemonade Stand business owner if you don't welcome lemons. Seek them out and figure out how to squeeze them—exploit them, in fact. If you can't find a way to squeeze every lemon you encounter, then you'll miss opportunities.