

## Comments by Bob Luddy

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**Ideas** are a concept. They don't become a business until **sustainable profit** is achieved.

Business operations require *knowledge* and many *skills*, which **must be mastered**. For instance, technical, accounting, finance, & business law.

The *philosophy* of business includes how you handle customers, employees, and suppliers, how you develop products and services for the users.

Amazon fast and free shipping is *philosophy*.

**Understand your market** - Bud Light, Target and others are getting burned because they do not really understand their own markets.

### Economics & Market realities:

- Says Law: "supply creates demand"
- Coase Transactional Costs
- Opportunity Cost, capital investment
- Bill Peterson: "Economics in a word is **Price**."
- Comparative advantage. Saudi Arabian oil, vs Fracking

EV's are Manufactured. Are moving toward all EV, but they may be **bankrupt** in a few years.

Apple is **fully integrated** with a huge **competitive advantage**.

At CaptiveAire we debate whether we make components or just assemble. How many plants should we have? Currently we have 7 sites with 11 Mfg. Plants.

What are the long-term implications of money decisions? *Bastiat*

On the merits of traditional vs modern methods in science & engineering:

"Compared with the advanced person who uses modern equipment, the *thinker* with a straight edge and compass may strike us as backward, or prehistoric. This impression is false and damaging to education. The person who learns to use the ancient tools is equipping himself or herself with the discipline: how to think most simply and directly, how to deliver the coup de grâce while arguing scientifically, how to disarm the skeptic, and how to design even better modern instruments for the graphics needed today",  
*Adrian Bejan, Professor of Mechanical Engineering, Duke University*