



Stanford eCorner

Importance of Money

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Video URL: <http://ecorner.stanford.edu/videos/1712/Importance-of-Money>

Agassi talks about the importance of money and its role in shaping the way entrepreneurs think about their businesses. An entrepreneur should not build a company to make money, he emphasizes.



Transcript

The importance of money. Everybody ask me the same question now that I quit, "So, what does money mean to you?" I continue to say the same thing, money is like air. If you guys go into business in order to make money, you're already in the wrong business. But if you think about the meaning of money, you don't sense air, there's a lot of air around us right now. It's really hard for us to sense it. When do you sense air? When you got no air. When you're in a vacuum, you'll appreciate air. Same thing happens with money. You'll sense money when you don't have it. We sensed money on those, that evening, the first time because I had two weeks worth of salaries to pay that evening.

After I had to bargain a lot, I basically put all my money into the company. That night, I bargained with my dad that we'll keep on going for two more weeks. I went out the window on the balcony and there was a full moon and I told myself, "I got enough money for the moon, the moon goes out, I go out." And that's when you count the money. Not on any other day. It doesn't matter afterwards. There's only one guy that will be really, really happy when you make a lot of money, that's your private banker. Because after a certain amount you can't spend it but he makes more money every time you make more. So, think of money as your time measurement. And think of yourself as walking in a desert. Entrepreneurs are optimists by nature.

We will walk into a desert with half as much water as we need to cross the desert knowing that we will find more water some way on the path. And it's not always true. You always think you can do it all with less money than what you really need. And how many venture capitals are in the audience? That's their business model. They know that you're an optimist. As a matter of fact they cater to it. And they are great friends of yours. Throughout the process they have water. And you don't.