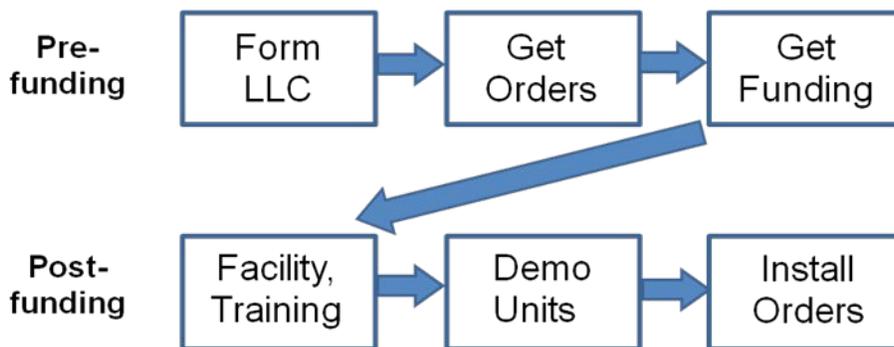


Tasks to Start a Factory

The steps to starting a solar factory as a new business begins with setting up the LLC partnership with Focused Sun. An easy and inexpensive way is to go through an incorporation company like Legal Zoom that you can find online. If you register the LLC in the same state as you will be operating, state and local incentives can be easier to obtain.

As an LLC you are a corporation that can legally engage in commerce (buying and selling). The next task is getting orders. By getting 50 pre-orders, you can see whether it's going to be easy or hard to sell Focused Sun modules. A five member team should be able to get half those orders by selling to friends and family. When you approach potential customers, use the key selling techniques (fear, greed and guilt).

Also try to pick easy orders first. This usually means wealthy homeowners that 1) want to help the environment, 2) have a swimming pool or hot tub that the modules could heat, 3) have high electricity bills because they consume a lot of electricity or 4) have propane or heating oil for water heating. Banks like having wealthy people as your customers because they pay their bills on time. Last, for wealthy people the price of the module isn't a portion of their house price; their decision to buy isn't as difficult.



After getting those first pre-orders, get your funding. This will require that you write a business plan before you approach investors. The biggest question investors have in a new product is whether it will sell. As venture capitalists say, "Will the dog eat the dog food?" With 50 pre-orders, investors have confidence the product will sell.

Once you get funding your factory can begin in earnest. You can begin to set up your facility, lease your van, buy and set up your production equipment. With those pre-orders in hand, you can also begin making modules for demonstrations – or buy kits of components if your facility is lagging.

Training is most important. First you must learn how to make the modules, then install them and finally learn to service and maintain them to give a long life and a happy customer. If you have a building trades background, you'll catch on quickly; if not, you may require more training to be

proficient in these tasks. Training is done at the Focused Sun facility in Las Cruces, NM and lasts 2 to 4 weeks depending on experience.

After training, the next task is to install demo units. Your salesman will need demo units to sell new customers. They show what the modules look like, how they operate and how they are installed on a house or building. Your facility will need several demo units. Other demo units are installed on team members homes. There is no better way to understand how modules operate than to service and maintain your own.

The last task is to begin installations on those 50 pre-orders you already have. You want these first systems to go smoothly. Your cash flow depends on having happy customers that will tell others about how well the system works, how much they are saving and the few problems they have had. Meanwhile your salesman is using these “reference sites” as a way to sell new customers.