



## *Value*

*(\$400k - \$4m)*

The first thing about value ambitious businesspeople need to know is that it is an abstract concept. It can't be perceived. It isn't objective or obvious. And, it isn't common sense. But, it is practical.

Value describes the way human beings think and act to assess the importance, utility and worth of an offer, practice, narrative or strategy, or good or service, before they buy it to determine which provides the best help to take care of their fundamental and/or specific human, financial, career or business concerns.

More about this in a moment...

Trying to understand value when it is an abstract notion has a number of implications that are very important *strategically* to ambitious businesspeople.

The first and most important conclusion is that the notion of value has to be learned because it isn't concrete, objective, permanent or perceivable.

This means no one can understand value with their common sense.

It also means that people who try and figure it out with their common sense will come to the *wrong interpretations* every time, which partly explains why businesspeople who persist in relying on their common sense instead of *learning* how to think and act *strategically* can't make enough money to qualify as "earning a living".

The next thing to know is that measuring your value or the value of your business is an incredibly easy assessment to make.

The amount of income people produce is the exact measure of their value. Personal income reveals the aggregate dispassionate assessment customers of all kinds, including employers and colleagues, make about the importance, utility and worth of their offers. That's it.

But there is one significant difference, and it is huge, between how businesspeople used to correct or improve their value to increase their income during the industrial revolutions, which ended in the 1980's when personal computers were introduced, and the way it needs to be done today.

During 250 years of industrial revolutions, businesspeople could increase their value and income with their common sense, hard work and determination to succeed.

Today, in the most complex, rapidly changing, competitive and technologically advanced global marketplace in human history, businesspeople must *learn "strategic knowledge"* that enables them to steadily increase their value and income over time instead.

### *The importance of value*

As I started to explain, annual income is the true representation of an ambitious businessperson's "value" in the marketplace.

It is the aggregate amount of money customers, employers, employees and colleagues are willing to pay -- minus cost of sales and the expense of fulfillment -- for the "value" of the offers, practices, narratives and strategies that ambitious businesspeople are able to make and fulfill satisfactorily.

In a marketplace with billions of competitive offers that set minimal and mediocre "standards of value", annual income represents an ambitious businessperson's value in the context of all other offers customers, employers, employees and colleagues can accept.

Ambitious businesspeople who can produce competitive advantages and "superior value" with new, *uncommon*, *strategic* and *superior* offers and practices can earn top 1% annual incomes.

***Value is an abstract, philosophical interpretation.*** (It isn't obvious.)

To make an assessment of value, people must have a philosophical understanding of human and business concerns, as well as knowledge of current "Standards of Mediocrity" set by *common* offers and practices.

Value is not objective, perceivable or permanent.

It is not "obvious"; nor is it *common* sense.

Capacity to make assessments of value produces significant competitive advantages for ambitious businesspeople.

It enables them to assess current “Standards of Mediocrity” -- *common*, normal, ordinary or typical conditions of satisfaction met by current offers and practices -- so the new offers and practices they produce are *superior* to them.

It enables them to assess the value of offers and practices made by competitors, customers, employers, employees and colleagues.

***It is not possible for ambitious businesspeople to produce and maintain top 1% annual incomes and enterprise values throughout 40 years of their career without superior knowledge of value.***

***But it is possible to perform in the bottom 99% of the marketplace without any knowledge of value at all.***

This is because the *common* offers and practices made there are *common* sense and learned by rote without interpretations of their meaning, relevance and value to people or businesses.

And, they are “priced” by customers and employers, rather than valued.

### *What is Value?*

**“Value”** is an *interpretation* businesspeople make about the importance, utility and worth of an offer or practice to help them avoid threats, fulfill obligations and exploit opportunities to take care of their human and business concerns so that they can fulfill their personal ambitions and business missions for survival, freedom and living a good life, or success.

Here is the same explanation spread out and organized:

**“Value”** is an *interpretation* businesspeople make about the:

<i>Importance</i>	Consequences
<i>Utility</i>	Practical usefulness taking care of concerns, producing situations, acquiring capabilities or executing, improving or producing strategies
<i>Worth</i>	Return on Investment after costs: time, energy, money and lost opportunities

... of an *offer* or *practice* to help them ...

Avoid *threats*

Fulfill *obligations*

Exploit *opportunities*

To take care of human and/or business *concerns*

... so that they can ...

Fulfill their personal *ambitions* and business *missions*

... for survival, freedom and living a good life, or success

### ***What is an offer?***

An “***offer***” is a “conditional promise” of help.

Businesspeople who make an offer announce their willingness to make and keep a promise to those who make them the promise for compensation they request.

They say,

I am willing to make you “Promise A”

... *if or on the condition that* ...

You make “Promise B” to compensate me in return

When people *design* an offer, they design the promise they will make (Promise A) and the promise for compensation (Promise B) they request in return.

When people *produce* an offer, they first constitute an offer's DESIGN.

Second, they CRAFT the offer to give it “real properties” by making the promises “real” and specific so it can be spoken by a person who makes or sells it and listened to appropriately by a listener so that it will be accepted.

Third, they SPEAK the offer so that listener's -- customers, employers, employees and colleagues -- agree to accept Promise A and make Promise B in return to compensate them.

Fourth, they FULFILL their promise and produce the situation that triggers compensation.

Fifth, they PRODUCE SATISFACTION so that customers are willing to accept promises in the future for lower costs.

### ***What is a practice?***

A “*practice*” is a “named action” such as manufacturing a toy or increasing profitability by 10%, to take care of a concern, produce a satisfactory situation or acquire a capacity to think and act effectively.

“Offers” are a category of practice.

That is, all offers are practices but not all practices are offers.

There are unlimited other categories of practices such as producing a balance sheet, making a hot fudge sundae or driving a car.

“Producing an offer” is the name of a practice that accomplishes exactly what its name describes. It means a person designs *conditional* promises of help and compensation, crafts them, speaks them and produces a transaction, fulfills their promise and receives compensation, and produces satisfaction so that future offers are welcome.

Trying to produce top 1% annual incomes is not a practice. It has no name because no one knows what “trying” means.

Selling is a practice of speaking an offer to produce a transaction. The name of the practice is “selling”.

It is a name because the meaning of selling is known.

People who earn bottom 99% annual incomes often learn *common* selling techniques by rote without learning the meaning, relevance and value of selling, or the linguistic operations involved. This makes it impossible for them to produce new, *uncommon*, strategic or superior offers.

For those who do not know the meaning of selling nor have the skill to perform it, selling does not name whatever they are doing because they do not know what the name means. Therefore, it is not a practice for them. The word “selling” is simply an utterance or sound people make with which they are familiar.



Incompetent businesspeople who name what they are *trying* to do without knowing its meaning or having the skill to do it, such as saying they are selling without having studied the discourse or mastered the skills, are arrogant, naïve or foolish, and thwart their ambitions to earn top 1% annual incomes.

Repeating a *common* utterance has nothing to do with knowledge, and people's incomes always reveal the truth of their knowledge.

***All goods and services are “practices”***

A “computer” is an artifact that we can describe *as if* it exists independently of human action or a named practice, *but this is a false claim*.

*A computer is how it is used.* Or, it is not a computer. *It is something else.*

For instance, a person who uses a computer as a door stop, for instance, has a door stop, not a computer.

A person who uses their computer to perform *common* tasks has a computer that will help them produce too little money to live a good life no matter how powerful it is.

When “business laborers” use a computer to make *common* offers that generate bottom 99% annual incomes, they do not own the same machine as ambitious businesspeople who use it to:

***Learn uncommon knowledge,***

***Communicate superior interpretations,***

***Coordinate*** powerful actions or design, craft, speak, fulfill and

***Produce*** satisfaction with new, *uncommon*, strategic and superior offers

... that generate top 1% annual incomes, even if the model numbers are identical.

Artifacts are *always* practices. No other possibility exists for human beings because we cannot think any other way.

An artifact such as a hammer is either a practice for us because we “hammer” with it or we know it to be a practice for another purpose, such as a weapon or piece of junk.

Computers are, in fact, whatever people *do* with them. They “are” the practice they enable, require or allow.

A computer that does not work is “junk”, and junk is a practice, or named action. What do we do with junk? We ignore it, or we throw it out. We don’t use junk.

A computer that holds down paper is a “paper weight”, which is the practice of keeping paper in place when the wind is blowing.

A computer we use to hit an attacker in the head is a “weapon”, which is a practice.

Services are also practices, but most people grasp this fact intuitively.

Services are commitments people make to perform practices that

Take care of a concern

Produce a satisfactory situation

Acquire a capacity to think and act effectively

Execute, produce or improve an action plan, or strategy

... for another.

A service *is* how it is used, which determines how it is “named”.

Customers of “pool cleaning services” use this service to keep their pool clean and do not rob banks.

If a pool cleaner wearing a pool cleaning uniform robs a bank, they are no longer a pool cleaner. They are a bank robber.

Businesspeople use “accountants” to account for their transactions, commitments and financial obligations, and not to make offers to their customers.

Ambitious businesspeople earn top 1% annual incomes when the services they offer are *uncommon*, strategic and superior.

### ***What is Importance?***

**“Importance”** is an assessment about the *consequences, outcomes or results* that an offer or practice produces.

The more significant a consequence is to taking care of a concern, producing a satisfactory situation or acquiring a *capacity to fulfill personal ambitions or business missions*, the more important and *valuable* it becomes.

Since outcomes and results are “interpretations” rather than objective, perceivable or obvious “facts”, ambitious businesspeople must explain them. They use “Business Narratives” to explain the description, meanings, relevance, value and purposes of an offer’s or practice’s importance to concerns, situations and capabilities to trigger the interpretations of value they seek.

### ***What is Utility?***

**“Utility”** is an assessment about the usefulness or practical outcomes and results of an offer or practice.

The more practical an offer or practice is for producing important help to take care of a concern, produce a satisfactory situation or acquire a capability to think and act effectively *to fulfill personal ambitions or business missions*, the more useful and *valuable* it becomes.

Since usefulness and practicality are not objective, obvious or perceivable with our senses but are interpretations we make with language, ambitious businesspeople explain an offer’s or practice’s utility.

Ambitious businesspeople use “Business Narratives” to explain the description, meanings, relevance, value and purposes of an offer’s or practice’s utility to help people take care of their concerns, produce satisfactory situations or acquire capabilities for effective thought and action.

### ***What is Worth?***

“***Worth***” is an assessment of relative returns on costs -- time, energy, money and lost opportunities.

People and business *always* have limited resources and spaces of possibility. This is a fact of life.

They have limited money and opportunities (resources) they can exploit.

They have limited time and energy (spaces of possibility), which restrict or set boundaries on what they can think or do to take care of their concerns, produce satisfactory situations or acquire capacities for effective thought and action.

The higher an offer’s or practice’s returns on its costs for *fulfilling personal ambitions or business missions*, the more worthwhile and *valuable* it becomes.

To cope with limitations that *always* exist and make it *impossible* for us to accept every offer or practice to take care of our concerns, produce satisfactory situations or acquire the capacities we need, we make choices.

We make the most effective choices to fulfill our personal ambitions and/or business missions by making assessments about what will produce the best returns for our most important concerns.

Since “worth”, like importance and utility, is not objective, obvious or perceivable with our senses but is an interpretation we make with language, ambitious businesspeople explain an offer’s or practice’s worth.

Ambitious businesspeople use “Business Narratives” to explain the description, meanings, relevance, value and purposes of an offer’s or practice’s worth. They provide interpretations of important human and business concerns, and of how the returns on limited resources and possibilities compare to those of *common* offers and practices.

Since *common* offers and practices provide no marginal utility and are not owned or scarce relative to demand, which means supply is not controlled relative to demand, “buyers” -- customers, employers, employees and colleagues -- can find them anywhere and are indifferent to their value.

They “price” them, which is much less costly than learning how to assess value and then performing the practice.

This forces businesspeople who make *common* offers and perform *common* practices (“business laborers”) to compete against one another by lowering their prices, which is why they earn bottom 99% annual incomes.

Business laborers trigger indifference to their value with customers, employers, employees and colleagues, which is why their offers and practices are “priced”.

For offers and practices to be “valued”, they must be:

<i>Owned</i>	In the possession of someone who controls their supply
<i>Uncommon</i>	Scarce relative to demand
<i>Strategic</i>	Capable of fulfilling a plan of action, or of making a new and more powerful plan of action possible
<i>Superior</i>	More important, useful and worthwhile than <i>common</i> ones offered or used at the same time

### ***Business Narratives and Value***

Business narratives are a category of narrative called *action* narratives, or “plots”. They are *action* stories, not poetry or fiction, whose interpretations and commitments are in the domain of business.

Like all *action* narratives they have a beginning, middle and end,

... which are called their exposition, conflict, rising action, resolution and denouement.

To produce willingness to assess value and force customers, employers, employees and colleagues to increase their willingness to pay a premium, ambitious businesspeople produce new, *uncommon*, strategic and superior “Business Narratives” about the *importance*, *utility* and *worth* of their offers and practices.

The more effectively the business narratives of ambitious businesspeople constitute their offer’s importance, utility and worth, and produce realization that their offer is also *uncommon*, *strategic* and *superior* to *common* ones,

... the more the narratives compel customers, employers, employees and colleagues to assess their value, or trigger assessments of value spontaneously.

When ambitious businesspeople who already know how to design, craft and speak *superior* business narratives, produce a new business narrative, they stress the marginal utilities of their offers and practices that are *superior* to *common* ones.

They stress their ownership, which means their control of supply relative to demand, and their capacity to come up with even more valuable marginal utilities in the future.

They establish *superior* identities of trustworthiness and value by speaking about past accomplishments that demonstrate and display their *superiority*, so the value of their offers and practices is worth trusting and considering.

They show how their offers and practices enable customers, employers, employees and colleagues to fulfill strategies, or make new and more powerful action plans possible, in order to achieve results consistent with their personal ambitions and/or business missions.



If ambitious businesspeople are forced to rely on the judgments of their customers, employers, employees and colleagues because they are unable to produce new “Business Narratives” of their own, their intentions will be thwarted.

Why?

Their intentions are thwarted because value is not a “thing”. It is not objective, obvious or perceivable. It must be spoken and listened to in a narrative of concern.

Value is an interpretation about importance, utility, worth, threats, obligations and opportunities in the context of ambitions (sets of commitments) and requires great skill to produce.

People unskilled in assessing value -- which is most people earning bottom 99% annual incomes, and many in the top 1% as well -- rely on their “backgrounds of obviousness” to assess value. Backgrounds of obviousness are a person’s or culture’s *common* sense.

People who rely on *common* sense and *common* knowledge are not up to the task of assessing *uncommon* or *superior* value. This is because they rely on *common*, ordinary, typical, normal and *mediocre* criteria and standards to make their judgments.

Therefore, when designing, crafting and speaking new business narratives of *importance*, *utility* and *worth* about their offers and practices, ambitious businesspeople must pay special attention to *anticipate* their customers’, employers’, employees’ and colleagues’ backgrounds of obviousness.

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