

Aji

An IR#4 Business Philosophy

An Excerpt of Chapters One and Two

TOBY HECHT

Aji

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About the Author

TOBY HECHT is founder of The Aji Network, a business education company that, for over 30 years in a complex, rapidly changing and intensely competitive computer-driven global marketplace, has championed businesspeople's ability to "earn a living" with annual incomes between \$400k and \$4m. He is a businessman, as well as a teacher and student of philosophy, history and linguistics; business and leadership; military strategy and martial arts. He has been a top 1% performer for decades.

Following graduation from Tulane University, he moved to California where he and his wife and business partner, Linda, started their business careers. Together, they have founded and operated three successful companies.

Mr. Hecht began writing in his 30s when he set out to read, deconstruct and summarize common knowledge found in more than 60 classic business texts used in courses offered by Stanford University. He used what he learned to begin writing and teaching uncommon, "strategic knowledge" needed to perform in the top 1% of a newly evolving, computer-driven, knowledge-based economy.

Mr. Hecht served as "key faculty" at General Electric's Crotonville Business School, the #1 corporate business school in the country, for six years and consistently ranked as the top instructor in his field. He consulted several businesses that subsequently sold, earning the owners \$8m to \$30m.

In the 30 years since he founded The Aji Network, his third business, he has taught nearly 4,000 ambitious businesspeople how to compete for and earn annual incomes, capital-at-work and enterprise values that are high enough to enable them to live a good life throughout their entire lives, including 25+ years of unemployment during their old age. He is the designer and principal teacher of The Aji Network's courses, programs, workshops and conferences. He has authored more than 1300 papers, produced more than 400 talks and lead over 350 conferences aimed exclusively at enabling students of The Aji Network to earn annual incomes of \$400k to \$4m.

Today, Mr. Hecht lives on a ranch in California with his wife and dogs, and continues to design, write and teach for The Aji Network.

FROM THE AUTHOR

Why “Aji”?

THE FOCUS of my career for almost 40 years has been on earning a living or becoming rich in The Fourth Industrial Revolution (IR#4) for the sake of being able to survive, adapt to life’s always changing circumstances and live a good life with my family. I’ve fulfilled my intentions by helping over 4,000 businesspeople fulfill the same intentions for their families.

In a marketplace full of loud, political, competing, shallow, misleading, obvious, angry, cynical, disingenuous and often meaningless arguments about what should be important to businesspeople, earning “enough money” to fulfill my marriage vows and commitments to my children has been my ideological and moral center.

My business philosophy and my businesses have always been a *practical* manifestation of the vows I made to my wife, Linda, the day we married, and later of the commitments we both made to avoid becoming a financial burden on our children and their spouses when they became adults. Nothing else makes sense to me.

How could I let someone I care about deeply, whom I’d promised to love, honor and cherish in front of our families and friends, and who gave me her trust, casually face a future in which she and I would run out of money during our old age?

How could I raise children and then thoughtlessly compel them and their spouses to support Linda and me, reducing their ability to take care of their own children?

This may sound corny, simplistic or hopelessly naïve to people who feel there are more important and sophisticated intellectual, social, entertaining or political agendas than earning and saving enough money to live a good life with my wife while raising our children *and* during our old age. But I’m unapologetically simpleminded and idealistic when it comes to taking care of my wife and children. It’s what I promised them I’d do. It’s my most important, practical and dignified commitment. It gives my life meaning.

From my childhood memories, as well as my common sense, I know that real life without enough money is harsh, inescapable and miserable, and not an adolescent, television or political fantasy that can be ignored, trivialized or dismissed. When people run out of money, *practical breakdowns* and *chronic financial stresses* grab hold of them, dominate them, wear them down, trigger despair, thwart their intentions, make them sick and ruin their lives.

Without “enough money” it isn’t possible for human beings to survive, adapt to life’s always changing circumstances or live a good life, especially when they are old. They can’t afford the goods and services we all need to take care of our most fundamental human concerns, such as housing, food, medical care, transportation, family, play and dignity.

Many businesspeople, reporters and politicians act as if this claim can be denied or ignored and isn’t important enough to speak about. They act as if businesspeople and their spouses can somehow live good lives without burdening their children or suffering chronic financial stresses in their 70s, 80s and 90s when they run out of money.

The claim is the truth.

Knowing this made it impossible for Linda and me to ignore the consequences of any business or financial actions that would thwart our intentions to earn enough income to take practical care of our children and ourselves. And it drove us to learn so we could increase our competitive advantages, productivity, value, income and savings.

Even in our twenties we began to realize the financial actions we would have to take throughout our careers to earn and save “enough money” to avoid betraying our commitments.

When we met with our accountant at that time, the truth about how much money we really needed to earn *and* save began to unfold. We took a big gulp as she told us the financial truths we faced without a pension if we wanted to live a good life together until we were at least 90 years old.

She said we needed to save at least 20% of our pre-tax income in after-tax dollars just to get started, which meant we had to save roughly 50% of every paycheck. Then she told us we’d need to readjust our thinking after we had children. Yikes!

The new financial obligations the IR#4 marketplace had produced were a real shock to both of us, of course. We were raised in The Third Industrial Revolution (IR#3) “to get a job” and use hard work, determination and common sense to earn a living, end of story. After we got a good job everything was supposed to simply work out as we wanted it to. Neither of us was raised to

be financially responsible for our old age. Because no one ever spoke about this financial obligation, we never saw it coming.

Despite the shock, it did not occur to us to deny the truth. Denying it to have what we wanted when we were young and strong in favor of running out of money when we were old and weak seemed absurd, immature and undignified.

What would we say to one another when the moment of truth arrived as the math predicted it would? What would we say to our children and their spouses the day we ran out of money?

Where was the dignity for a married couple, or any adult, in pretending to be “fine” financially when we were not yet able to earn or save enough money to live a good life together our entire life?

Our commitment to deal responsibly with our newly discovered financial situation produced deep and real adult meanings for our finances, marriage, parenting, careers and businesses. At the same time it stressed us.

It meant our conversations together and with our friends and business colleagues, including customers and investors, were real, practical, adult and responsible. This made them deeply meaningful, which mattered to us, rather than shallow, immature, irresponsible, superficial, full of entertaining, political and intellectual distractions, and certain to produce suffering for everyone in the future.

Later we discovered that our willingness to accept and deal with financial realities honestly, honorably using our best efforts, and straightforwardly without pretention, produced respect and admiration with our children, which was also very important to us.

It's no surprise to any of us that the baby boomers who blew off their financial, marital and familial obligations are the generation most disliked by their children, are divorcing in record numbers and face a future in which they are certain to run out of money before they die if they live a normal lifespan.

We saw this coming and didn't want to be part of it.

To our surprise, our seriousness created a group of friends and customers who were equally serious and unable to tolerate denying their financial obligations to their spouse and children.

To our even greater surprise, simply having character to accept the truth about our financial situation and dealing with it practically as best we could and with dignity produced a degree of trustworthiness, value, authority and leadership that created competitive advantages and opportunities to make a great deal of money with these friends and customers.

Now they, too, are rich and very, very happy about it.

Shortly after we opened the first chain of retail computer stores in Silicon Valley I found myself in the situation I invented “Aji” to solve. I needed to earn a living. I had to use my computer to do it. And, I was clueless about how to think about it.

I had two advantages that helped me solve the problem.

First, it was easy for me to see that businesspeople who had degrees in computer science and used mainframe computers to help businesses make money bought their personal computers “strategically”, which is how they had to use them in order to make money for their employers. They knew how to choose the computer and software programs that could best help them design and execute action plans to build their businesses and make money.

And, second, it was just as easy to see that regular businesspeople with no knowledge of computers whose orientation was task-oriented, labor-based and commonsensical would never be able to compete against the “strategists” successfully. How could they when they thought learning how to operate their new software programs was “cool” and all they needed to learn?

But it wasn’t until the internet appeared that I began to have the insights I needed to see how to exploit personal computers’ strategic and competitive possibilities.

I’ve already spoken about *the first insight*:

Businesspeople can’t count on employers and the government to be responsible for their survival the last 25+ years of their lives, as they did in IR#3. Now businesspeople are responsible for funding their old age, as Linda and I recognized almost 40 years ago.

Businesspeople need to accept that the *meaning* of “earning a living” has changed in IR#4. This change requires them to learn new ideas and skills to be able to succeed.

Adults who are serious about taking care of their spouse and children need to change their thinking and practices immediately to increase their productivity, value and incomes to include saving enough money to afford 25+ years of unemployment during their old age.

The longer they delay learning how to increase their incomes, the harder it becomes every day to recover.

To survive, adapt to changing circumstances and live a good life with their spouse throughout their entire life in IR#4, businesspeople need to earn *and* save enough money during their 40-year careers to afford the goods and services we all need until we are at least 85-90 years old.

The math to calculate how much money is enough to afford 25 years of old age with one's spouse is so simple and compelling Linda and I just assumed everyone we told would thank us because it would help them avoid suffering, chronic financial stresses and despair later in their life.

Nope. But we found the integrity, courage and commitment of the businesspeople who did thank us very appealing.

The second insight makes *strategic* and competitive sense of computers and the internet but is a bit difficult to grasp at first because the philosophy and concepts needed to explain it are new, and because they only work with computers and the internet.

They are not difficult to learn, but they are a very, very different way of thinking about how to make money in IR#4.

They form the basis of “Aji”, which is a business philosophy whose intent is to help businesspeople earn a living or become rich in IR#4 to take care of their families.

I call the philosophy “Aji” after the term used in the 4,000-year-old game of strategy, Go, to mean “having the potential to win”. (I explain more about “Aji” in the introduction to the book.)

The second insight is this:

“Regular businesspeople” — business owners, executives, managers and individuals — can and must learn how to exploit the new *strategic* and competitive possibilities computers and the internet bring into existence to earn a living or become rich in the same ways large global competitors do, such as Apple, Amazon, Facebook, Microsoft and Google.

Everyone with a computer is now free technologically to design and execute *their own* fresh, new, highly valued and scarce offers, practices, narratives and strategies, including goods and services, to fulfill their financial, career and business intentions.

For the first time in history businesspeople have a tool they can carry with them wherever they go and use autonomously, *strategically* and competitively to increase their

competitive advantages, productivity, value, incomes and savings, and fulfill their new financial obligations.

To use computers and the internet to compete successfully, businesspeople also need to have a competitive fundamental strategy and the strategic knowledge to execute it *effectively, strategically* and *competitively*.

I began inventing “Aji’s” two components, (1) *The Aji Source Fundamental Strategy* and (2) *The IR#4 Strategic Knowledge* needed to execute it, shortly after opening our computer stores in Silicon Valley. I have been refining them for the past 30 years.

We have shown for decades, and with thousands of businesspeople, that they can double their incomes if they learn “Aji”, or how to execute a competitive, fundamental strategy ... and quit using IR#3’s labor-based business knowledge, task-oriented work ethics and reliance on common sense.

“Aji” has helped Linda and me meet our financial obligations many times over. As businesspeople in our networks began to see how well Linda and I were doing financially, they began to ask us to help them meet their financial intentions and aspirations.

We were happy to tell them about “Aji”, or how to use their computers and the internet *strategically* and *competitively*, instead of with task orientation.

They never expected to hear what I told them about a completely new business philosophy that enables businesspeople to compete successfully in the top 1% of the marketplace to produce incomes between \$400k-\$4m and that only works with computers and the internet.

Their financial, career and business success using the philosophy formed the foundation for our next business, The Aji Network, where over the past 30 years we’ve helped thousands of businesspeople take care of their spouse and children meaningfully and with adult dignity.

I hope you can use “Aji” to help you take care of your family, too.

Using This Book to Learn “Aji”

IN THIS BOOK I explain “Aji” so businesspeople, and entire business organizations, can learn and use it to increase their productivity, value and incomes significantly using the assignments in Chapter Seven.

It’s very important Readers keep in mind that “Aji” is a new *business philosophy*.

It is an entirely new interpretation about business, which means it contains an entirely new set of *ambitions, moods, language, interpretations, distinctions, intentions, commitments* and *practices*.

No one understands what they are learning, at first. It’s that new.

Since “Aji” exists in businesspeople’s language before it can be used in the marketplace to increase productivity, value and incomes, I urge Readers to notice and use the new language and practices as much and as often as they can.

If you are a business owner, executive or manager, and you are ready to use “Aji” with your employees, focus on learning The Strategy and the *meanings* of the new language first. Have everyone use them throughout the day, every day.

To help businesspeople I use many of the most fundamental distinctions and practices in “Aji” *recurrently* throughout the book to show how they are used to take care of different business concerns, situations, capabilities and strategies. I also *repeat* many of them to make explanations, reading and learning easier, and put in lots of white space for note taking.

Occasionally, businesspeople who read to understand instead of to learn, or who are not used to how I write to learn, instead of to understand, react to the recurrence, repetition, white spaces and lists as if they are a mistake or should not be there. The purpose of each of them is to lower the costs and increase the convenience to learn “Aji” using Chapter Seven.

CHAPTER ONE

Aji, an IR#4 Business Philosophy

*How to earn a living, or become rich,
in The Fourth Industrial Revolution*

INDUSTRIAL REVOLUTIONS capture people's attention because they are dramatic and affect everyone in ways that surprise and delight, as well as threaten, frighten and harm. Most people already know they produce great success and happiness for some businesspeople and their families at the same time they produce failure, despair, financial stress and chronic suffering for others.

They are called revolutions because new technological, competitive and financial pressures “overthrow” an older technology in favor of a new and better one.

If businesspeople join the revolution and adapt their work, career and business to it, they can use the new technology competitively to earn enough money to live a good life.

If they fail or decline to adapt so they are unable to “earn a living”, or make enough money to avoid running out of it during their old age, they and their families suffer harsh consequences that produce anger, resentment and disrespect. At the same time the consequences make living a good life impossible.

The difference between the revolution's happy stories and unhappy ones depends on the choices businesspeople and their spouses make to adapt and learn as the competitive threats, obligations and opportunities that constitute the marketplace change around them.

We are now living in The Fourth Industrial Revolution (IR#4).

It is the most rapidly changing, competitive, complex and technologically advanced global marketplace in history, and it is organized around the ubiquitous use of computers and the internet, including new devices, peripherals, applications, robotics, AI, etc. (When I say “computers and the internet” throughout the rest of the book I’m including all of them.)

New, unrelenting and increasing technical, financial and competitive pressures are forcing people and businesses to reorganize how they think and act in the marketplace to earn a living, become rich or fulfill their financial, career and business intentions.

The Third Industrial Revolution (IR#3), which was organized around the use of transistors, ended around 1980 with the introduction of personal computers. Later, with the introduction of the internet and browsers, these new tools became multi-purpose, learning, communication, coordination and production tools, as well as *the best moneymaking tools ever invented*.

They are *radically* different tools from the single-purpose tools they replace — calculators, landline telephones, radios, faxes, copiers, etc. — which means businesspeople can’t understand the new *strategic* and competitive possibilities they bring into existence with their common sense or IR#3 business knowledge. (More about this in Chapter Four.)

Even though personal computers have been around for 40 years, they remain “new” in the sense that the overwhelming majority of businesspeople continue to look at them in “old” ways, or as if they are single-purpose, task-oriented machines. They have not yet learned how to use them *strategically* or competitively enough to earn a living when that includes saving enough money to afford 25+ years of old age.

•• I use the words “*strategic*” and “*strategically*” frequently.

I use “*strategically*” to mean “with action plans” and “*strategic*” to describe anything — such as computers and the internet — that can be used to execute, improve or invent new action plans.

Businesspeople and businesses who know how to use computers and the internet strategically and competitively are making a great deal of money, or high IR#4 Incomes. At the same time, they are gradually shutting down markets for IR#3 businesspeople and businesses. Even though these businesspeople work in IR#4, they continue to use IR#3 work ethics, labor-based business knowledge and common sense and can’t compete successfully enough to “earn a living” or become rich in IR#4, according to decades of widely reported income and savings reports. I name them IR#3 businesspeople.

I call the much higher incomes between \$400k-\$4m that businesspeople are able to produce when they use their computers and the internet strategically and competitively, rather than with task orientation, “IR#4 Incomes”.

They make it possible to live a good life with one’s spouse while raising a family *and* saving enough money to avoid running out of it during 25+ years of old age by doubling productivity, value and incomes.

IR#4 has brought forth a new world

IR#4’s operations and new, rapidly changing competitive situations are straightforward and not difficult to understand. But, this doesn’t mean they are simple, obvious, objective or perceivable with human senses or common sense. They’re not.

IR#4 needs to be explained for the same reasons other fundamental business notions, such as trust, money, value, friendship, dignity, leadership and competition, need to be described.

They are abstract ideas, interpretations and characterizations about people, business culture and different ways of being, which are not concrete things we can see, hear or point at, such as rocks, clouds, flowers or birds. Because they are abstract doesn’t mean they aren’t practical or of vital strategic and competitive importance to businesspeople.

Global competitors gave rise to IR#4 by using computer-driven machines to produce fundamental competitive advantages, increased productivity, superior value and high “IR#4 Incomes”. The financial and competitive pressures they created have generated our intensely competitive global marketplace. This has changed the nature and operations of the competitive threats, obligations and opportunities regular businesspeople face every day.

The meaning of earning a living has changed in IR#4

Not realizing this leads to disastrous consequences for individuals, marriages and families.

The marketplace's transition from IR#3 to IR#4 is clobbering IR#3 businesspeople and their families financially ... in slow motion and in ways they cannot perceive or understand.

Too many of them still do not realize their incomes are far too low to avoid running out of money before they die because they have not yet included the millions of dollars they really need to save over 40 years to afford 25+ years of unemployment during their old age.

Their incomes and lack of savings remain normal for IR#3 even though it ended around 1980, when competitive pressures began driving pensions that included lifetime healthcare out of the marketplace. This is avoidable given their new tools can be used to double their productivity, value and incomes.

All thought and action are, *fundamentally*, an expression and manifestation of *people's intentions to*:

1. Survive, or avoid chronic financial stresses that once triggered in old age, or as retirement approaches, cannot be fixed.
2. Adapt to life's constantly changing circumstances.
3. Live a good life with their spouse until they are at least 90 years old by having enough money to take care of life's practical concerns at least.

This means "earning a living" must fulfill these purposes. "Earning a living" with IR#3 incomes does not fulfill them in IR#4.

Today the amount of money required to qualify as "earning a living" for businesspeople who have no pension with lifetime healthcare is at least 60% higher because it needs to enable IR#4 businesspeople to:

#1 – Afford their "immediate expenses" while they are raising their family

and

#2 – Save enough money to survive, adapt to changing circumstances and live a good life with their spouse through 25+ years of unemployment, or old age, or until they are at least 90 years old

Businesspeople who intend to retire with their spouse with an income of \$200k in today's dollars, for example, need to have \$5m saved and invested passively.

This means most businesspeople need to stop declining to learn. They need to join the revolution with enthusiasm, learn “Aji” and roughly double their incomes to begin saving enough money to live a good life with their spouse for their entire life.

IR#4 businesspeople's inflation-adjusted total career incomes need to be at least 60% higher to afford the additional 25+ years, or *9,125 days*, when they and their spouses are no longer able to work because the extra 25 years is 60% more time businesspeople need to fund during their careers.

My customers come to financial conclusions thoughtfully and prudently. They agree that \$200k is the minimum annual income needed today to survive, adapt to life's always changing circumstances and live a good life without triggering chronic financial stress and “financial whack-a-mole”, which makes people sick, ruins their lives and shortens their lifespans.

This amount of income isn't politically correct, I know, for IR#3. But it is the truth for IR#4 and will increase with inflation by 50% every 14 years.

My customers seeking advice from financial experts reach the same conclusion.

To produce a \$200k annual income for old age today — without accounting for average 3% inflation — businesspeople using The 4% Rule need \$5m saved and passively invested. Because of inflation that amount will grow to \$7.5m in 14 years.

Passive investing, which is endorsed by Warren Buffet, is a low-cost method to invest savings to return enough to cover expenses in old age (5%-8% historically). The 4% Rule is the maximum percentage people can withdraw from their savings to minimize the chance they will run out of money before they die.

When businesspeople earn high IR#4 Incomes so they can live a good life now with their family *and* save enough for their old age, the financial stresses triggered by the threat of running out of money are reduced and eventually ended. Everyday life starts to look much better, including marriages and parenting, as the financial threats that exist in everyone's future until they've saved enough money begin to evaporate.

When businesspeople become rich — exciting new territory for most of them — they begin to produce distance between themselves and running out of money, which is also exciting, at the

same time they have the opportunities to take better than satisfactory care of their family's concerns. This makes everyone happy.

So far, though, many businesspeople with obsolete IR#3 business skills are not fighting what is happening to them very aggressively, according to income and savings reports, even as other reports assert some know quite well that they and their spouse aren't making or saving nearly enough money to avoid running out of it in their old age.

Every hour businesspeople don't earn "enough money" makes their situation worse and even more debilitating. The amount they need to earn and save to recover goes up steadily while the time to earn and save "enough" grows shorter.

To increase their competitive advantages, productivity, value, incomes and savings enough to earn a living or become rich in IR#4, IR#3 businesspeople must learn radically new ways to think and act in the marketplace.

They need new ideas, language, strategic intentions and tactical business skills.

They need to be able to exploit the new strategic and competitive possibilities brought into existence by computers and the internet, rather than shut them down with task orientation.

Because these new possibilities, and the ideas I use to explain them, have never existed before, businesspeople need to grasp and use a completely new set of (1) *ambitions*, (2) *moods*, (3) *language*, (4) *distinctions*, (5) *interpretations*, (6) *intentions*, (7) *commitments*, (8) *practices* and (9) *outcomes* to produce very high IR#4 Incomes. (I explain these in the next chapter.)

These radically new ways to think and act in the marketplace are contained within "Aji".

Those who are worried and upset about their financial situation can use "Aji" to increase their value, incomes and savings, and begin reducing financial stress.

"Aji" is a new business philosophy that helps businesspeople "win" in IR#4's new world of constant and radical change

Business philosophies are *interpretations* about how to compete successfully to make money in a marketplace. They explain how to use existing tools to amplify or expand businesspeople's

abilities to compete successfully enough in the marketplace's competitive situations to earn a living or become rich, or to fulfill financial, career and business intentions.

The business philosophies associated with industrial revolutions, such as "Aji", are a special category.

They are new interpretations that specify how and why to "overthrow" old business management philosophies and knowledge that exploited the competitive possibilities of less capable categories of tools (single-purpose tools) in favor of a new and better business philosophy and knowledge that exploits the competitive utilities of new categories of more powerful tools (computers and the internet).

When the nature and operations of tools change *radically*, as happens with industrial revolutions, businesspeople are compelled by financial and competitive pressures to notice the new financial challenges and problems they face, but that doesn't mean they understand what is causing them or what they need to do to fix their situation or increase their capabilities. The causes and fixes are never obvious.

Radical change means businesspeople cannot use their common sense or current business knowledge to figure out how to exploit the new competitive capabilities computers and the internet make possible.

Instead, an entirely new business philosophy such as "Aji" with *new competitive intentions and skills* to fulfill those intentions needs to be invented and explained.

Radical change creates two classes of businesspeople and businesses.

The first group has a great deal of fun and works enthusiastically and passionately to invent the new tools. They are the first to invent and understand the new business philosophy required to exploit the new competitive capabilities the tools make possible.

In the process of using them to make money they transform the marketplace's notions of competitiveness, productivity and value in ways that make "old" or traditional business knowledge and skills mediocre, stale and obsolete.

The second group resists change or is simply ignorant about their financial situation. They suffer and are left behind. They're the ones others write about later who are unable to make enough money to afford old age.

They continue to use their obsolete business skills until financial and competitive pressures force them to realize they can't earn a living or become rich, or fulfill their financial, career and business intentions, unless they learn and adapt.

The baby boomers are showing us that by the time they were ready to accept the truth that they needed to save for their old age it was too late to recover. Individuals and couples can't save the millions of dollars required to afford 25+ years of unemployment during the last 10 years of their career.

“Aji’s” Design and Intentions

I began designing my new business philosophy more than 30 years ago after opening the first chain of retail computer stores in Silicon Valley, which was the most competitive personal computer market in the world at the time.

In fact, I designed a way to sell computers to make it easy for customers who had never seen a personal computer to grasp their operations and utilities experientially. Because my business was able to sell high quantities of computers at a premium price as a result, computer manufacturers and distributors ranked my retail computer business #1 in the country and requested my business plans.

I designed the philosophy for my personal use so that I could compete successfully using our computers. I found it impossible to cope with the rapid-fire daily release of new hardware, software programs and peripherals into the marketplace. I couldn't keep up with the opportunities they created. No one could. I got overwhelmed by their speed, complexity and unrelenting newness. Their steady arrivals in our store provided daily streams of fresh, new goods and services I could exploit to produce competitive advantages, increased productivity and value, and very high incomes ... if I only knew how to do it.

I needed a new philosophical approach to make sense of what was happening *practically, strategically and competitively*.

Later I refined and expanded my philosophy to include the new strategic and competitive capabilities made possible when businesspeople use their computers with the internet.

I named my business philosophy, “Aji”, after a term used in the 4000-year-old game of strategy, GO, which I studied seriously for several years. It means “having the potential to *win*” because the same meaning can be used when looking at businesspeople’s careers or businesses.

“Winning” in IR#4 means to be able to compete successfully enough to earn a living or become rich in order to survive, adapt to life’s always changing circumstances and live a good life with one’s family in the most challenging, competitive global marketplace in history.

“Aji” includes two components that work together:

#1 – *The Aji Source Fundamental Strategy* (The Strategy), a 12-part competitive, fundamental strategy, or action plan.

I introduce each of the 12 parts in the next chapter.

Chapter Six contains more complete explanations.

#2 – The *IR#4 Strategic Knowledge* needed to execute The Strategy effectively, *strategically* and competitively.

You will find enough bite-sized pieces of Strategic Knowledge throughout the book to begin to use “Aji”.

To succeed in IR#4, businesspeople act all day, every day, to:

Fulfill the strategic intentions of a competitive, fundamental strategy, such as *The Aji Source Fundamental Strategy*.

Learn and *practice* the tactical skills of *IR#4 Strategic Knowledge* needed to fulfill The Strategy’s 12 *strategic intentions*.

- “*Strategic intentions*”, such as earning a living or becoming rich by age 60, are commitments to produce strategic objectives (outcomes) using an action plan, or strategy.
- The word “*strategically*” in “Aji” means IR#4 businesspeople are executing action plans that include intentions to increase their productivity, value, income and savings every day so they are able to survive, adapt to constantly changing circumstances and live a good life with their spouse and children *until they are at least 90 years old*.

Together, these two “Aji” components enable businesspeople to fulfill their financial, career and business intentions using their computers, the internet and *Networks of Capabilities*.

“*Networks of Capabilities*” are colleagues, employers, employees, customers and vendors located anywhere in the world who share ambitions to earn a much higher IR#4 Income that enables saving enough money for 25+ years of old age. They think, learn, design and act together to increase their competitive advantages, productivity, value and incomes in order to fulfill their financial, career and business intentions.

IR#4’s “*Networks of Capabilities*”, which form to increase capabilities and incomes, are not the same as IR#3’s “*Networks of Convenience*”, which form to reduce costs. (More about this in Chapter Four, Difference #6.)

With its completely new set of *ambitions, moods, language, distinctions, interpretations, intentions, commitments, practices* and *outcomes*, which I explain in the next chapter, “Aji” enables a standard of design, execution, speed, complexity, strategy and competition that was not possible using single-purpose tools in IR#3.

When learning “Aji” keep in mind that it is a new way to think and act to make money that couldn’t have existed, or even been imagined, before personal computers and the internet were invented. Even now, it isn’t obvious or commonsensical to businesspeople ... until they start using it.

For example, when businesspeople learn “Aji” and take a few minutes to reflect, they can see that large, public businesses with widely viewed websites, such as Amazon, Apple, Facebook, Google, Netflix and Microsoft, are all executing The Strategy right in front of everyone, even if they use different words or names to describe their action plans.

The marketplace’s underlying operations guarantee this. Once businesspeople see it for themselves and realize the power of what they are not able to see with their common sense, or intuitively without having to think or learn, there is no returning to task orientation, busyness and certain financial failure in the future.

Why IR#3 Business Skills No Longer Work

The Third Industrial Revolution (IR#3) was organized around the use of single-purpose tools — adding machines, landline telephones, radios, tractors, copiers and many more — processes and

procedures, task-oriented work ethics, incremental improvements, common sense and labor-based business knowledge.

Almost 40 years have passed since the introduction of personal computers, and IR#4 continues to gain speed and momentum. Yet, far too many businesspeople are still naively treating computers, the internet and IR#4 casually as if buying a computer and learning how to operate it with their common sense, determination to get the job done and IR#3 business skills is all they need to do to compete successfully.

This IR#3 approach does not work with computers and the internet in IR#4 to earn a living or become rich because it negates their strategic and competitive possibilities. It ignores their nature and operations, and the strategic and competitive capabilities they make possible.

Computer-driven tools and the internet belong to an entirely different category of tool than single-purpose tools. To use them competitively enough to earn a living, or become rich, businesspeople need to quit using obsolete business skills and learn a new business philosophy.

Computers are multi-purpose, learning, communication, coordination and production tools, as well as *the best moneymaking tools ever invented* when businesspeople know how to exploit their new strategic and competitive capabilities, which is what a new business philosophy such as “Aji” shows them how to do.

Simply learning “Aji”, or reading Chapter Six, which explains all 12 parts of The Strategy, reveals why and how IR#3 business skills are no longer competitive. They can’t be.

To be sure, a computer with its applications can be used as a collection of fancy, cool and very fast single-purpose tools, making IR#3 businesspeople very happy ... except for their far too low incomes and savings.

Their incomes reveal the truth about their inability to use their computers competitively.

They reflect their inability to compete successfully against global competitors who are using a completely different sort of business knowledge with their computers to out-compete and marginalize IR#3 businesspeople, who find themselves in jobs and markets where they can’t make and save enough money.

Thinking and acting as if computer applications are a cluster of single-purpose tools useful for completing many tasks, such as emails, searches, spreadsheets or drawings, makes it impossible to use computers *strategically* or *competitively*, or as they can be used, to make enough money to qualify as earning a living.

For almost four decades global competitors — IR#4 businesspeople who know how to use their computers and the internet strategically with Networks of Capabilities anywhere in the world — have made a great deal of money. Together they have produced new criteria and standards for identities of trustworthiness, value, authority and leadership in the marketplace that IR#3 businesspeople cannot match with their “old” business knowledge and task orientation.

Instead of new goods and services being released every 12-18 months as they were in IR#3, global competitors design and execute new ones in minutes, hours or days.

The speed of change, increasing complexity, intense global competition and ever more powerful computer-driven tools and the internet are gradually shutting down markets for IR#3 business skills, work ethics, offers, goods and services, and commitments. That’s why businesspeople who are still relying on their common sense, task orientation and labor-based business knowledge can’t make and save enough money to afford 25+ years of old age with their spouse.

As markets for IR#3 business skills, goods and services continue to shrink because they are too simple, obvious, mediocre and lack competitive advantages and value, it’s easy to see why global competitors have begun to resist hiring or promoting IR#3 businesspeople. The pressure will continue to grow as IR#4 evolves.

To be fair, IR#3 business skills were invented to exploit single-purpose, production and communication tools, long before IR#4 began.

They weren’t invented to use computers, the internet and Networks of Capabilities *strategically* or *competitively*.

They are not suited to exploit how computers need to be used in a rapidly changing and intensely competitive global marketplace to earn an IR#4 living or to become rich.

Competing in IR#4’s new competitive situations is a new challenge that dignified adults take seriously

It isn’t an inconsequential, trivial or casual game.

The global marketplace is real life. It’s not political, financial or intellectual fairyland, where life works the way people want it to. Couples don’t pay a steep price for behaving stupidly in this

fantasy world, where they can trivialize or ignore the life-threatening consequences created by not earning and saving enough money for their old age, as if the consequences are not real or worth talking about.

In IR#4's intensely competitive situations businesspeople have no entitlements or protections from superior competitors who make offers to their customers from their computers throughout the day. To earn a living and take care of their spouse and children, they are compelled to produce superior value relative to IR#4's most ferocious and successful global competitors every day using whatever competitive skills they possess.

This is a much more serious competitive challenge than normal businesspeople faced in IR#3.

Being casual with it, or declining to take it seriously, is self-defeating in many ways that are undignified for an adult and produce suffering.

To fulfill financial, career and business intentions in IR#4, therefore, isn't an inconsequential game to engage in casually. The outcomes can't be ignored or dismissed when they appear. The global marketplace is real and working in it produces real, practical and financial consequences for businesspeople and their families that wise businesspeople take seriously.

Chronic financial stress is triggered when people finally accept they will run out of money, even though that day is years in the future.

When it is triggered and grabs hold of people, it dominates every aspect of their life and cannot be ignored, avoided or escaped.

What's at stake for businesspeople and their spouse, especially if they fail to save enough money, makes learning a new business philosophy that explains how to think and act successfully in IR#4 worth taking seriously.

The global free marketplace is a massive, rapidly changing constellation of winner-take-all competitive situations.

It isn't like popular or political culture that pretends life is fair, that people are special without having to earn it, that they are entitled to be taken care of, that money is unnecessary, that if we ignore or deny the financial problems are real they will go away and that businesses and governments care about them even if they have no money.

To fulfill the financial commitments businesspeople make to their spouse and children, as well as to their future in-laws, grandchildren, society and themselves — which is, fundamentally, to

make enough money to survive, adapt to changing circumstances and live a good life — they are compelled by marketplace, competitive and financial realities to adapt to changing circumstances whether they want to or not.

Accepting this gracefully and seriously, as well as ambitiously, enthusiastically and passionately, is adult dignity and the nature of business in IR#4.

“Aji” is very competitive in IR#4’s rapidly changing competitive situations

It enables businesspeople to compete successfully in the top 1% of the marketplace.

For more than 30 years leading The Aji Network, I have helped over 4,000 businesspeople use “Aji” — *The Aji Source Fundamental Strategy* and *IR#4 Strategic Knowledge* — to compete successfully in the top 1% of today’s rapidly changing, increasingly complex, intensely competitive and technologically advanced global marketplace,

... or roughly *double their productivity, value and incomes.*

I have helped business owners, executives, managers, salespeople and individuals from small, medium and large businesses earn annual incomes between \$400k-\$4m.

I focus on producing these accomplishments in the top 1% of the marketplace with the most competitive businesspeople because doubling their incomes establishes, or proves, the competitiveness of “Aji” for business owners, executives and managers in global businesses.

But “Aji” can be used by businesspeople regardless of their initial income if they are able to understand (1) the meaning of The Strategy’s 12 *strategic intentions* and (2) how to design fresh, new *offers, practices, narratives* and *strategies*, including goods and services, which is the strategic knowledge needed first to fulfill The Strategy’s intentions.

Businesspeople who accept the costs and uncertainties of change, instead of resisting them, and resolve to quit IR#3’s labor-based business knowledge, task-oriented work ethics and reliance on common sense, can increase their incomes to where they need to be to earn an IR#4 Income. But that’s only if they “pivot” towards learning and using a competitive, fundamental strategy such as *The Aji Source Fundamental Strategy*, and the *IR#4 Strategic Knowledge* needed to execute it.

Beginning to learn The Strategy's 12 new *strategic intentions*, or The Strategy, takes about *20 minutes*.

Learning how to think and act with the *tactical skills* (IR#4 Strategic Knowledge) needed to fulfill those intentions in ways customers, employers, employees and colleagues notice out loud takes about *100 days*.

And after two years of learning and using "Aji", my students already performing in the top 1%-5% of the marketplace *increase their incomes by 85%* (our all-time average for the two-year time period over 30 years).

Over the past 5 years our rolling average, which includes 10 classes, has increased to 149%, according to our students' reports, which means businesspeople are more than doubling their incomes using "Aji".

Return on their investments for the two-year period are 662%, our all-time average, and *976%* for the past 5 years' rolling average.

I designed "Aji" and this book to help these businesspeople

I designed this book for businesspeople who intend to be dignified adults, serious about taking care of their spouse and children, and their future in-laws and grandchildren, by accumulating "enough money" to avoid running out of it before they die.

With the book I intend to help them understand why the IR#3 approach is obsolete, stale, mediocre and uncompetitive in IR#4 so they can use Chapter Seven to get started using "Aji" to earn a living and develop their networks of colleagues, employees, employers, vendors and customers.

I designed it for *IR#4 businesspeople* who are learning *IR#4 Strategic Knowledge* and using a competitive, fundamental strategy such as The Strategy, but who don't fully understand all of the *practical, strategic and competitive* differences between IR#3 and IR#4.

And, I designed it for *business owners, executives and managers* who will benefit by understanding clearly how and why they need to hire IR#4 businesspeople, or have their IR#3 businesspeople pivot towards learning "Aji", to avoid thwarting their financial, career and business intentions.

The book also enables business owners, executives and managers to begin building “strategic coherence” in their business organizations by teaching The Strategy’s new strategic intentions to their colleagues, employees, employers, vendors and customers.

- I explain “strategic coherence” in Chapter Three.

How to Use “Aji” and This Book to Produce Superior Outcomes

The Aji Source Fundamental Strategy is the first of two components that constitute “Aji”. It includes the twelve new *strategic intentions* that computers and the internet make possible and that have never existed because businesspeople lacked the tools needed to produce the possibility.

Businesspeople learn this component first.

You will find three different versions of The Strategy in the book, and two assignments you can use to learn “Aji” and build your Networks of Capabilities at the same time:

- #1 – Use the *one-page version* in Chapter Two or Chapter Six to see The Strategy at a glance and to stay oriented in the sequence when you read the longer versions.
- #2 – Use the *high-level Preview version*, also in Chapter Two, to begin to learn the strategic intentions of the 12 parts and their meanings.
- #3 – Use the *longer version* in Chapter Six to begin using The Strategy and learning some of the new tactics, or *IR#4 Strategic Knowledge*, needed to fulfill The Strategy’s intentions for your networks of colleagues, employees, employers, vendors and customers, and yourself.
- #4 – Use Chapter Seven’s two assignments to learn “Aji” and build your Networks of Capabilities at the same time.

You and your colleagues, employees, employers, vendors and customers can *begin using the knowledge in this book immediately, or at any time*, to execute The Strategy to increase your productivity and value, and theirs,

... by using the recommendations, assignments and instructions in Chapter Seven.

The many bite-sized pieces of *IR#4 Strategic Knowledge* in the book, the second component of “Aji”, will help you begin to produce these superior outcomes:

Earn very high IR#4 Incomes

Think and act effectively, strategically and competitively enough to produce tactical, strategic and fundamental competitive advantages and use them to increase productivity and value

Produce steady streams of highly valued and scarce (1) *offers*, (2) *practices*, (3) *narratives*, (4) *strategies* and (5) *accomplishments* that can be used strategically with Networks of Capabilities

Establish identities of *superior* trustworthiness, value, authority and leadership

Hold highly compensated leadership roles

Build competitive business organizations

Anticipate future competitive threats, obligations and opportunities

The Book's Contents

From the Author presents my personal reasons for designing “Aji” and writing the book.

Using This Book to Learn “Aji” offers suggestions about how to use the book to learn the philosophy’s new strategic and competitive intentions and business skills.

Part One – Introduction

Chapter One, “Aji”, an IR#4 Business Philosophy, (this chapter), presents the book’s intentions for individual businesspeople and for business owners, executives and managers.

It explains that to earn a living or become rich in IR#4 requires new *strategic intentions* and *tactical business skills*, different from those sufficient to earn a high IR#3 income. This new set of intentions and skills is called “Aji”.

It explains the consequences to IR#3 businesspeople who do not “pivot” away from IR#3’s practices and toward IR#4’s, the consequences if they do “pivot” with “Aji”, why IR#3 business skills no longer work, and the proof that “Aji” enables the production of top 1% incomes.

Chapter Two previews *The Aji Source Fundamental Strategy*.

It contains a one-page version of *The Aji Source Fundamental Strategy* and a longer *high-level “Preview” version*.

Together they begin to explain the new *ambitions, moods, language, distinctions, interpretations, intentions, commitments, practices* and *outcomes* used in “Aji” to produce much higher IR#4 Incomes.

Part Two – The strategic and competitive differences between IR#3 and IR#4

Chapter Three explains *two fundamental differences* between IR#3 and IR#4 that present The Big Picture.

It explains how businesspeople in IR#3 were able to make the parts of their lives and careers a unified whole to fulfill their intentions — called “operational coherence” — using processes and procedures.

In IR#4 businesspeople must accomplish operational coherence by making sure every part of every specific action plan they design and execute works together as a unified whole — called “*strategic coherence*” — using “Aji”, not processes and procedures.

This lets businesspeople see that learning how to use their computers and the internet to make very high incomes requires new thought and action that is challenging, meaningful, interesting, stimulating and dignified.

Chapter Three also explains the nature and operations of IR#4’s rapidly changing, complex, intensely competitive and technologically advanced competitive situations compared to IR#3’s slower-paced world.

Chapter Four explains *six practical, strategic and competitive differences* between IR#3 and IR#4:

1. The *tools* businesspeople use in IR#4 to produce competitive advantages, superior value and very high incomes are radically different.
2. The *strategic* and *tactical skills*, or the business *knowledge*, needed to compete successfully in IR#4 are different.
3. Understanding “*real*” money is essential to earn much higher IR#4 Incomes.
4. *Adult dignity* is important for *making money* in IR#4 and *making money* is important for *adult dignity*.
5. *Work ethics* in IR#4 are different and are called *Ethics of Power*.
6. *Careers, or Identities*, are different in IR#4.

Part Three – Learning and Using “Aji” to Earn a living or Become Rich

Chapter Five explains what a competitive, fundamental strategy such as *The Aji Source Fundamental Strategy* is, how it is organized, how it works and how to use it with the business skills (*IR#4 Strategic Knowledge*) needed to execute it.

The Strategy is a Master Plan for designing specific competitive strategies. The chapter includes the *12 Competitive Design Concerns* and *5 Properties* IR#4 businesspeople use to design competitive strategies.

This is helpful for businesspeople in their personal careers when they are beginning to learn how to use “Aji” to change their task orientation to a strategic and competitive one.

It’s helpful for business owners, executives and managers when they begin to use “Aji” to pivot their business organizations towards IR#4 so they can fulfill their financial, career and business intentions.

Chapter Six presents an explanation of each of the 12 parts of The Strategy that businesspeople can use to get started in their career and/or business.

It explains each of The Strategy’s 12 *strategic intentions* in some depth and gives some of the tactics (*IR#4 Strategic Knowledge*) needed to begin to execute it.

Chapter Seven contains two assignments that enable businesspeople to use the book to learn “Aji” individually or with Networks of Capabilities to begin increasing their productivity, value and incomes.

The first assignment helps individuals use the book to pivot.

The second helps Networks of Capabilities, or entire business organizations, work together in person or online anywhere in the world to learn “Aji” with the book.

CHAPTER TWO

A Preview of The Aji Source[®] Fundamental Strategy

THE AJI SOURCE FUNDAMENTAL STRATEGY *is a top 1% competitive, fundamental strategy.* It exploits the new strategic and competitive possibilities created by computers and the internet.

The Strategy is deeper, more complex and robust, and more ferociously and directly competitive than businesspeople imagine when I introduce it. Its fundamental simplicity and lack of drama is deceptive. It doesn't shout at businesspeople for their attention. It develops their strategic intentions and tactical skills firmly, gently, skillfully, quietly and powerfully as they use it.

At first, it appears as a simple list of 12 new strategic intentions that flow in an elegant sequence to steadily increase businesspeople's competitive capabilities and advantages, productivity, value and incomes. It makes a new kind of intuitive sense and also appears very easy to learn, which is true.

But nothing like its *ambitions, moods, language, distinctions, interpretations, intentions, commitments, practices* and *outcomes* could exist, or even been imagined, in IR#3 because single-purpose tools, such as elevators, printing presses, lathes, lifts and scientific test equipment, cannot be used to execute The Strategy.

This chapter presents brief explanations of each of these distinctions before introducing The Strategy.

Because "Aji's" philosophical underpinnings about human beings, strategy, competitive situations, competitive advantages, knowledge, tools (computers and the internet), business concerns, dignity, identities and making money are totally different from IR#3's business

knowledge, there is much more to “Aji”, and The Strategy, than businesspeople usually suspect.

Plenty of strategic and competitive knowledge exists outside this book whenever you or your networks are ready to learn it. I’ve written more than 1,300 essays and produced more than 400 videos that explain and deepen The Strategy’s (1) *descriptions*, (2) *meanings*, (3) *relevance*, (4) *value* and (5) *purposes*, as well as the IR#4 Strategic Knowledge needed to execute it.

The Strategy is *fundamental*, which means the claims, distinctions, interpretations and practices used to execute it apply to literally every (1) human, (2) financial, (3) career and (4) business *concern, situation, capability* and *strategy* needed to compete successfully in IR#4 with computers and the internet.

Because it is fundamental, *its parts, or 12 strategic intentions, can be presented simply on one page*. This makes beginning to learn The Strategy for individuals, as well as entire business organizations, surprisingly easy. It only takes about 20 minutes to get started learning the 12 strategic intentions.

The Preview Version of The Strategy in this chapter is a useful introduction. It is short and presents brief explanations of the 12 strategic intentions, as well as The Strategy’s most fundamental, strategic and competitive tactics (IR#4 Strategic Knowledge).

When businesspeople first learn the tactics, they say they are simple, straightforward and make intuitive sense even though they are completely new.

Once businesspeople understand the meaning of each of the 12 strategic intentions, they begin using them immediately because they are obviously superior to IR#3’s task orientation. Income and savings reports show clearly, and conclusively, that IR#3 business knowledge is uncompetitive and obsolete in IR#4.

They see that The Strategy can open completely new opportunities for them to use their computers to make money and increase their competitive advantages, productivity, value and incomes. They could not imagine these opportunities when using IR#3 business knowledge.

Knowing the meanings of the strategic intentions also makes it easy for business owners, executives and managers to start using The Strategy with their employees and colleagues, or to pivot them towards IR#4’s strategic and competitive knowledge to increase their productivity and value.

The strategic and competitive fun really begins, my students report, when they increase their abilities to use The Strategy to produce fresh, new highly valued and scarce offers, practices, narratives and strategies (OPNS), including goods and services, *and* help others increase their abilities.

As I said earlier, this takes about 100 days when I teach “Aji”.

Use Chapter Seven to Learn “Aji”

When you are ready to use the book to begin to build your Networks of Capabilities and higher IR#4 Incomes, instead of simply reading it,

... please use the assignments and instructions in Chapter Seven.

It includes two “Aji Assignments” you can use individually, or to develop your networks of colleagues, employees, employers, vendors and customers, to increase your competitive capabilities, advantages, productivity, value and incomes.

Even if you have not yet committed to learn “Aji”, I recommend you read the assignments now so you see how they work.

Reading the coaching, instructions and questions will show you a way to think with and learn “Aji”. This is a version of “autonomous competitive learning”, which is a new IR#4 competitive practice. (See Chapter Four, Difference #2, for a complete description.)

The Strategy uses and produces new ambitions, moods, language, distinctions, interpretations, intentions, commitments, practices and outcomes that could not have existed or been imagined in IR#3

Businesspeople must know their IR#4 meanings, though, before they can use their computers and the internet to fulfill financial, career and business intentions in IR#4.

In Chapter Three I explain how this knowledge differs in IR#4 from that in IR#3.

In Chapter Seven's assignments you and your networks begin to notice, observe, assess and develop all of these competitive capabilities.

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Aji's 9 New IR#4 Distinctions

Ambitions

Life, Financial and Business Ambitions in IR#4 are significantly different than those required of IR#3 businesspeople who had pensions that included lifetime healthcare.

They are commitments to produce *practical* situations in the future, especially financial ones, to survive, adapt and live a good life with your spouse until you are at least 90 years old.

IR#4 businesspeople are different from businesspeople using IR#3's obsolete business thinking and will learn "Aji" happily to increase their incomes and savings. This is because their ambitions include earning enough money to live a good life with their spouse while raising their family *and* saving enough to avoid running out of money during 25+ years of old age.

The only realistic, or practical, way to produce IR#4 Incomes and the amount of savings needed to live a good life today and throughout 2-3 decades of unemployment, requires most businesspeople and their spouses to have a deeply meaningful commitment to their futures. This drives *planning* and *execution* to earn enough money every day.

As the baby boomers are in the process of discovering, they can't save enough money — about \$5m today — during the last 5-10 years of their career when they finally accept that old age and saving enough money are real and inescapable concerns.

Now that they can no longer ignore this consequence, as they did for decades, running out of money before they die has become their number one fear.

Moods

Moods are interpretations that are ungrounded narratives about future possibilities to live a good life, accompanied by body sensations.

To earn a high IR#4 Income, new moods that are not task-oriented, labor-based and commonsensical are needed to think and act differently with computers and the internet in IR#4's new competitive circumstances.

In “good moods”, such as *ambition, wonder, enthusiasm* to take care of family and *passion* about life, we look forward to a good future, our bodies feel lit up and energetic, our willingness to learn and engage in competitive situations is high, we are attractive to others who are serious, and we are productive.

In “bad moods”, which were widely tolerated in IR#3, such as *cynicism, casualness, pride, denial* and *arrogance*, the future looks like suffering, pressure and unrewarding hard work, and we will never earn and save enough money. Our bodies feel depressed and our actions reflect how we feel. Our bodies ache and feel tired, we lose confidence and are often irritable, we have to fake it or work hard to pretend we are interested, committed and happy, we are not attractive to others, and we are resigned about our work and future.

Different moods, such as ambition or despair, create different degrees of *willingness* to think and act to fulfill ambitions and work with networks effectively, strategically and competitively.

Casual moods and pretensions, such as nonchalance or flippancy about having enough money in old age with one's spouse — common in IR#3 — reduce businesspeople's willingness to quit relying on their common sense. They prevent them from being serious about increasing their productivity, value and incomes, and make them unattractive to colleagues, employees, customers and vendors who are serious about taking care of their families.

Serious moods, such as resolution, enthusiasm and passion to take care of one's spouse and children — required in IR#4 — increase businesspeople's willingness to adapt and learn “Aji”, as well as increase their dignity, identities, satisfaction with their work and incomes.

Chapter Seven's assignments will help you and your networks begin to notice, observe and assess your moods.

Language

With language — words and stories — people explain and constitute their reality about life, family and business, what they care about in the present and future, and how they need to think and act to fulfill their financial, career and business intentions.

We use words and stories to explain the nature, meaning and operations of business, how important it is to take care of our spouse and children, and practical abstractions like value, trust, leadership and money.

“Aji” is language — a business philosophy — that explains how and why to produce much higher IR#4 Incomes.

Language enables businesspeople to speak and write the stories, plans, *distinctions*, *interpretations*, *intentions* and *commitments* needed to produce the *outcomes* that fulfill their financial, career and business intentions.

All knowledge exists in language, including “Aji”. Learning and using new knowledge requires businesspeople to learn new words and concepts to use in the marketplace every day, all day.

Just as surgeons, airplane pilots and accountants use different language to enable them to think and act effectively to fulfill their commitments, businesspeople need different language to work with different tools to produce much higher incomes in IR#4.

Anything businesspeople don’t know how to talk about, or can’t talk about, doesn’t exist for them, including strategy, design, competitive advantages, high IR#4 Incomes and savings for 25+ years of old age.

Distinctions Distinctions are words or phrases we use to distinguish, notice, observe and assess what is in our environment, or what we are experiencing, such as “red”, “expensive”, “valuable”, “competitive”, “comfortable” or “risky” so we can fulfill these intentions:

Speak and write descriptions, meanings, relevance, value and purposes needed to think and act effectively, strategically and competitively

Design, and then explain, fresh, new *offers*, *practices*, *narratives* and *strategies* that are highly valued and scarce relative to demand and that can be used strategically, instead of with task orientation, to increase productivity, value and incomes

The distinctions, or words, needed to work effectively, strategically and competitively with computers, the internet and Networks of Capabilities in IR#4 are new and completely different from those needed in IR#3 to work with and around task-oriented single-purpose tools, such as typewriters, grain elevators or copiers.

They are part of “Aji’s” IR#4 Strategic Knowledge and enable the production of much higher IR#4 Incomes.

Interpretations Interpretations are assessments, judgments or explanations about human, financial, career and business *concerns, situations, capabilities* and *strategies* that constitute the criteria and standards people use to design how they will fulfill their intentions, ambitions and commitments.

To compete successfully enough in IR#4 to earn a very high IR#4 Income, businesspeople learn how to make entirely new interpretations about the possible strategic and competitive uses of computers and the internet to create tactical, strategic and fundamental competitive advantages.

Intentions Intentions are commitments that we make to ourselves to produce outcomes.

We often have intentions without realizing it — such as living a meaningful life or never running out of money with our spouse — until the moment they are thwarted and we find ourselves suffering.

It is important for businesspeople to know, and always remember, their *ultimate fundamental financial intentions*, or *how much money they really need to have saved by age 60* to avoid falling so far behind it is impossible to recover.

New tactical, strategic and competitive *intentions* that couldn't have existed in IR#3 are needed to earn a living or become rich in IR#4.

Commitments Commitments are declarations or promises to others to cause specified outcomes by a specified time.

They are social actions that reveal practical virtues and vices, make real money, are essential to coordinate action and to live a good life, and trigger public identities of trustworthiness, value, authority and leadership.

Fundamental commitments include promises, requests, assessments, assertions and declarations. More complex commitments include offers, strategies, complaints and apologies.

Some commitments are much more strategic, competitive and valuable than others. New commitments to produce new outcomes in new timeframes — such as having enough money saved by age 60 — are needed to compete successfully enough in IR#4 to earn a living or become rich.

“Aji” enables businesspeople to design and execute the commitments needed in IR#4 to double productivity, value and incomes. IR#4 businesspeople do this by committing to design and execute steady streams of new, fresh offers, practices, narratives and strategies (OPNS) that are highly valued and scarce relative to demand.

Practices

Practices are actions we name for the same purpose we give names to people, streets, animals or buildings: to identify them in order to drop the costs to locate and use them.

We give actions names to drop the costs needed to *learn* how to perform them, *communicate* about them, *coordinate* thought and action to fulfill them, and *produce* new outcomes with them.

The completely new business practices and skills in “Aji” exploit the strategic and competitive possibilities of computers and the internet to build effective, strategic and competitive capabilities to earn much higher incomes.

Named actions, or practices, such as “taking inventory”, “making a sales presentation”, “driving to work” or “sending a text” are descriptions of actions that have become so well-understood culturally that their descriptions have become their names. This is important because when people know the names of important practices, such as selling, leading and designing, they can think and act together to learn them, communicate about them, use them or locate colleagues or employees who know how to perform them anywhere in the world.

Unnamed actions, which are not practices, such as “I’m working to become rich”, “I’m thinking about it” or “I’m working to build my identity, value or income”, are vague descriptions whose meaning we’re unsure of; that is, we don’t know exactly what actions people are performing, if any, when they make these claims.

To succeed in IR#4, businesspeople need to learn “Aji’s” sets of brand new tactical and strategic practices that I introduce in this chapter and explain in more detail in Parts #5 & #6 of Chapter Six.

Each set of practices has its own name, e.g.,

Designing a competitive strategy

Holding a highly compensated leadership role

Anticipating new competitive threats, obligations and opportunities

Outcomes Outcomes are the results of action to fulfill intentions or take satisfactory care of human, financial, career or business concerns, situations, capabilities and strategies.

Different categories of outcomes produce different strategic and competitive possibilities and opportunities to produce high IR#4 Incomes.

“Aji” avoids the production of (1) *task-oriented outcomes* used in IR#3 with single-purpose tools because they stop strategic action and generate incomes that are too low in IR#4.

“Aji” enables the design and execution of outcomes that are (2) *effective*, (3) *tactical*, (4) *strategic*, (5) *competitive*, (6) *ultimate* and (7) *existential* because they can be used to produce high IR#4 Incomes.

1. “*Task-oriented outcomes*” end strategic action, rather than advance it.

They are the result of completing a task, getting a job done and moving on to do it again.

They do not help execute, improve or make a new strategy possible. In fact, they often get in the way or drive up costs to execute new competitive strategies.

2. “*Effective outcomes*” fulfill businesspeople’s intentions.

3. “*Tactical outcomes*” are the situations resulting from coping with threats, fulfilling obligations and/or exploiting opportunities so action to fulfill a strategy advances and improves. They are used to execute, improve or make a new strategy possible.

Part 5 of The Strategy, Design and execute steady streams of Offers, Practices, Narratives and Strategies that are fresh, new, highly valued and relative to demand, begins building the skills to produce tactical outcomes.

This is The Strategy's *Tactical Pivot*.

4. "*Strategic outcomes*" are the situations produced by performing a sequence of tactics. They are the result of executing a strategy and can be used to improve a (larger) strategy or make a new one possible. They are usually intended to help fulfill ultimate strategic outcomes such as having enough money saved and invested by age 60 or the outcomes produced by a group or sequence of strategies.

Part #6 of The Strategy, Build powerful Networks of Capabilities, begins building the skills to produce strategic, competitive, ultimate and existential outcomes. This begins The Strategy's *Strategic Pivot*.

5. "*Competitive outcomes*" are superior, or more important, useful and worthwhile, than those produced or promised by competitors.
6. "*Ultimate outcomes*" are the final outcomes, or results, of (1) nested, (2) sequential or (3) parallel strategies that are designed and coordinated by business owners, executives, managers and individuals to produce ultimate outcomes, usually in careers and businesses,

... such as earning and saving enough over a 40-year career to live a good life in old age, becoming rich, or taking care of the business's and employees' concerns for their futures.
7. "*Existential outcomes*", such as taking financial care of one's spouse and children, make businesspeople's lives meaningful and worthwhile from their point of view.

Each of The Strategy's 12 intentions listed on the next page are fulfilled with IR#4 ambitions, moods, language, distinctions, interpretations, commitments and practices to produce IR#4 outcomes.

The Aji Source® Fundamental Strategy's

12 Strategic Intentions

- Part #1: Constitute *satisfactory* Life, Financial and Business Ambitions
- Part #2: Learn *superior* Philosophies of Care and Competition
- Part #3: Accumulate “IR#4 Strategic Knowledge”
- Part #4: Practice Ethics of Power
- Part #5: Design and execute *a steady stream of fresh, new* Offers, Practices, Narratives and Strategies (OPNS) that are highly valued and scarce relative to demand
 - ° The Strategy's “Tactical Pivot”
- Part #6: Build *competitive* Networks of Capabilities: colleagues, employees, employers, vendors and customers
 - ° The Strategy's “Strategic Pivot” *begins*
- Part #7: Increase autonomies, or freedoms
- Part #8: Produce *highly valued* and *scarce* accomplishments
- Part #9: Establish identities of *superior* trustworthiness, value, authority and leadership (TVAL)
- Part #10: Hold *highly compensated* leadership roles
- Part #11: Build *competitive* business organizations
- Part #12: Anticipate *future* threats, obligations and opportunities

How The Strategy Works

The Strategy's objective is to enable businesspeople to earn a living or become rich in IR#4 using computers, the internet and Networks of Capabilities to think and act effectively, strategically and competitively, instead of with task orientation.

At the same time, it also enables businesspeople and complete business organizations to quit using IR#3's work ethics, skills and business knowledge.

To help businesspeople reach this objective, The Strategy enables production of these interim objectives:

It enables businesspeople to improve their *competitive capabilities* so they can produce (1) fundamental, (2) strategic and (3) tactical *competitive advantages*, increase their *productivity* and *value*, and earn *high IR#4 Incomes* needed to survive, adapt to changing circumstances and live a good life until they are at least 90 years old.

1. *Fundamental competitive advantages* are competitive situations that can't be beaten.

They include (1) being first to market, (2) designing offers that are seductive and/or compelling, and (3) producing increased capabilities with complexity.

They are produced with "strategic competitive advantages".

2. *Strategic competitive advantages* are produced with superior competitive capabilities and are used to produce fundamental competitive advantages.

They are used to design and execute superior strategic intentions and tactical skills.

They are competitive practices IR#4 businesspeople use to design and execute competitive strategies whose outcomes are fresh, new, highly valued and scarce relative to demand. These include knowing the strategic and competitive importance of competitive learning or being able to build and work with powerful Networks of Capabilities.

They include knowing how to execute The Strategy effectively, strategically and competitively and being able to design a new competitive strategy (1) *easily*, (2) *effectively* and (3) *fluently*.

They are produced with “tactical competitive advantages”.

3. *Tactical competitive advantages* are used to produce (1) *strategic* and (2) *fundamental* competitive advantages.

They are competitive capabilities, or narratives and practices, that enable businesspeople to “change situations”, or to cope with the competitive threats, obligations and opportunities in every new IR#4 competitive situation so they *advance action* and/or *make progress* to fulfill their financial, career and business intentions.

They include being able to design a fresh, new (1) *offer*, (2) *practice*, (3) *narrative* or (4) *strategy* (OPNS) that is highly valued and scarce relative to demand.

This is Part #5 of The Strategy.

These are new competitive capabilities, or business skills, in IR#4 and are made “possible” technically by computers and the internet. Businesspeople can’t exploit them until they learn strategic and competitive knowledge, or “Aji”.

The Strategy is an action plan with 12 parts

The Strategy uses a sequence of tactics to produce a sequence of strategic and competitive situations that progress to fulfill The Strategy’s objectives, which are to make money.

Beginning with businesspeople’s ambitions, or a business owner’s, executive’s or manager’s financial, career and business intentions, businesspeople fulfill each of The Strategy’s 12 strategic intentions in sequence every day, all day, to continually increase their competitive advantages, productivity, value and incomes, until their ambitions and/or intentions are fulfilled.

Once businesspeople understand how to fulfill *fundamental strategic* and *competitive intentions*, and how to use them practically to increase their competitive capabilities throughout the day, such as how to make money directly with their computers and the internet or how to establish identities with their business narratives, they naturally and spontaneously use the knowledge to design and fulfill their *specific intentions* to earn a living or become rich.

Because The Strategy is fundamental, complete and coherent with reality's operations, businesspeople discover that *everything fundamental* they need to know or learn to earn a living or become rich is located in "Aji's" two components:

#1 – *The Aji Source Fundamental Strategy*, which are "Aji's" 12 strategic intentions

#2 – *IR#4 Strategic Knowledge*, which is used to fulfill The Strategy's intentions

Fulfilling any of the strategic intentions in the sequence of The Strategy makes fulfilling the next strategic intention possible.

The better IR#4 businesspeople become designing fresh, new OPNS (Part #5), for example, the more attractive and capable they become to produce and work with IR#4 Networks of Capabilities (Part #6).

Since all 12 parts have businesspeople increase their competitive capabilities and Networks of Capabilities throughout the day, each use of any part of The Strategy increases businesspeople's capabilities to execute the entire Strategy even more strategically and competitively the next time.

In other words, using "Aji" produces a "virtuous circle" of power that continually accumulates and increases businesspeople's and businesses' competitive capabilities as the marketplace evolves around them.

That's why their competitive capabilities, productivity, value and incomes, or profits, go up so quickly and reliably once they begin using it.

Using "Aji" enables businesspeople and business organizations to make progress building their strategic and competitive capabilities throughout the day, no matter which parts they use, which is not possible with single-purpose tools because the single outcome they can produce thwarts strategic and competitive progress.

Over time as businesspeople's strategic and competitive skills naturally increase with practice, their abilities to fulfill each of the 12 strategic intentions grow until they can execute each of the 12 parts:

1. *Easily*, or without effort
2. *Effectively*, or so they fulfill their intentions

3. *Fluently*, or so they can explain what they are doing

The Strategy also makes it possible for individuals, as well as business owners, executives and managers, to *diagnose breakdowns, weaknesses, failures* and *thwarted intentions* by moving backwards through The Strategy.

For instance, when businesspeople are dissatisfied with their *identities*, which is Part #9 of The Strategy, they can look backward at Part #8 of The Strategy to see if they are producing steady streams of *accomplishments* that are valuable and scarce enough to trigger their identities into existence for others.

If they lack accomplishments, they can look back at Part #7 to see if they have sufficient *autonomies* to produce them.

And, finally, The Strategy enables IR#4 businesspeople to *deconstruct* how competitors are using The Strategy, or trying to, so they can *anticipate* how they will try to use it in the future.

The Aji Source® Fundamental Strategy

Its 12 Strategic Intentions

Some of its IR#4 Strategic Knowledge

Here are brief descriptions of the 12 parts, or strategic intentions, of *The Aji Source Fundamental Strategy*, a competitive, fundamental strategy for earning a living, or becoming rich, in IR#4.

Use the one-page version you saw earlier in this chapter to help you stay oriented in the sequence while you read through the parts and see how they work together as a coherent whole.

Knowing the part that preceded the part you are reading and knowing the part that follows will help you understand each part's strategic meanings in the sequence.

Part #1: Constitute *satisfactory* Life, Financial and Business Ambitions

Designing one's financial, career and business ambitions is essential in IR#4. Because this was not the case in IR#3, this skill and its meanings, or why it is important, were never invented. How to design and execute Life, Financial and Business Ambitions strategically isn't common IR#3 business knowledge.

Ambitions are essential to living a good life with one's family in IR#4.

They launch thought and action to take care of future concerns. Without ambitions in IR#4, businesspeople and their spouses drift aimlessly through their careers and businesses, reacting to each new situation without thinking or acting to earn or save enough money for their old age.

They shape and direct the (2) *moods*, (3) *language*, (4) *distinctions*, (5) *interpretations*, (6) *intentions*, (7) *commitments*, (8) *practices* and (9) *outcomes* businesspeople produce every day.

Ambitions represent businesspeople's intentions to take *practical* care of their *human concerns*, such as having enough money to afford goods and services we all need to survive, adapt and live a good life. Failing to take care of these concerns produces suffering, chronic financial stress, illness, family problems and early death, and makes it impossible to live a good life.

Ambitions also take care of *existential concerns*, which make people's lives worthwhile and meaningful from their point of view, such as taking care of their spouse and children, being a dignified adult, or making a difference in society. Failing to take care of these concerns produces existential despair later in life.

Business missions for business owners, executives and managers that contain a "moral cause" serve a similar purpose.

Serious, meaningful and practical ambitions, as well as financial, career and business intentions, counter the casual, weak and uncompetitive aimless drift in IR#3 careers and businesses that cause businesspeople to continue to produce incomes and savings that are too low to fulfill their financial intentions in IR#4.

IR#4 businesspeople constitute their Ambitions to create the:

1. *Commitments*, or declarations about, the financial and competitive situations they will cause in the future to launch thought and action that is effective, strategic and competitive
2. *Directions*, or the plans and instructions that specify who needs to act, what actions need to be taken, where action needs to happen, when the action is needed, why the action is needed and how to produce it
3. *Velocities*, or speed of production needed to build their value, incomes and savings enough to afford their immediate expenses *and* save enough to avoid running out of it in old age
4. *Focuses*, or what they need to pay attention to in order to execute The Strategy effectively, strategically and competitively, with their everyday commitments and actions

To make ambitions *effective*, *strategic* and *competitive* now requires businesspeople constitute them in a coherent, strategic sequence so they work together as a *deeply meaningful* and *unified whole* over their entire career.

Let's be real. *Planning* is the only way to build enough income and savings for decades for two people to survive, adapt to changing circumstances and live a good life for 25+ years of unemployment during old age.

No one earns, saves and invests millions of dollars casually or spontaneously during their 40-year career for their old age with their spouse so they have enough money to avoid running out of it.

And, as the baby boomers are showing us, businesspeople who blew off their financial obligations for their old age during the first 25-30 years of their career can't fix their financial situations during the last 5-10 years.

Businesspeople and their spouses either *plan* to earn and save enough money with dignity, and execute their plan rigorously, enthusiastically, lovingly, passionately and with discipline, or "it doesn't happen".

Here is the sequence in "Aji":

#1 – *Life* Ambitions →

#2 – *Financial* Ambitions →

#3 – *Business* Ambitions

Life Ambitions are designed by businesspeople and their spouse *first* to specify the goods and services they will need to pay for to get the help they need to take satisfactory care of their most fundamental human concerns throughout their entire lives. The four most costly concerns businesspeople and their spouse must be able to afford when they are old are also the very last ones they will give up: (1) housing, (2) medical care, (3) transportation and (4) food.

Businesspeople and their spouse can also design life ambitions to take care of other existential concerns over their lifetime, such as being a dignified adult, leaving a legacy for their children, making a difference in their community and avoiding becoming a financial burden on their children, in-laws and grandchildren.

Financial Ambitions are designed by businesspeople and their spouse, *second*, and are predetermined by businesspeople's Life Ambitions.

That is, to fulfill their Life Ambitions while they are raising their family, as well as during 25+ years of unemployment during their old age, businesspeople and their spouse need to produce “enough” income and savings.

Financial Ambitions specify how much income businesspeople need to produce every hour, day, week, month, quarter and year for the rest of their career to earn *and* save enough money to afford the goods and services specified in their Life Ambitions.

Any income and savings gaps that appear after comparing what’s needed with what has been and can be produced in IR#4 are actually “Knowledge Gaps”, rather than a failure to work hard enough. These ambitions also specify the amount and value of the IR#4 Strategic Knowledge businesspeople need to learn using “Aji” as quickly as they are able.

Career and Business Ambitions are predetermined, *third*, by businesspeople’s Financial Ambitions, which are predetermined by their Life Ambitions.

They specify the roles, jobs, careers or businesses IR#4 businesspeople need to produce.

This includes the ones they must quit, or never accept, because their low value and incomes will thwart fulfilling their Life, Financial and Business Ambitions.

•• I call these IR#4 Hot Dog Stands and explain them later.

Even when businesspeople succeed in the moment, which worked in IR#3, they discover they cannot succeed, ultimately, to make and save enough money to fulfill their intentions to live a good life with their family in IR#4.

Constitute your Life, Financial and Business Ambitions with your spouse *now* so the outcomes you commit to produce as you read the book, as well as the financial consequences you intend to avoid in the future, are deeply meaningful to both of you.

Make sure your ambitions are as (1) complete, (2) coherent with reality’s operations, (3) effective, (4) strategic and (5) competitive as possible. (You can deepen your understanding of these distinctions in Chapter Five.)

This is a new IR#4 obligation and time matters.

The sooner you begin acting to fulfill it with your spouse, the more likely you will succeed.

Here's the mechanism:

Every moment you and your spouse wait to increase your incomes and savings,

... the amount of money you need to earn and save to recover goes up

... while the time you have to earn it becomes shorter.

Part #2: Learn *superior* Philosophies of Care and Competition

Ambitions in Part #1 enable businesspeople to design the *commitments, directions, velocities* and *focuses* they need in order to know what philosophies, exactly, they need to learn.

Without serious and deeply meaningful ambitions, businesspeople lack intentions to increase their productivity, value and incomes, or to learn anything, and have no idea what they could learn that would matter anyway.

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A business philosophy such as “Aji” is a two-part interpretation.

The first part explains the thoughts and actions needed to live a good life or to fulfill an intention, such as a commitment to compete successfully in IR#4 to earn a living or become rich.

The second part explains what is and is not real, and how businesspeople can know this because it's never obvious or perceivable. Keeping busy and being too busy to learn were *real* competitive capabilities in IR#3, for example. They aren't in IR#4.

“Aji” constitutes the new competitive capabilities that are “real”, or that are effective, strategic and competitive in IR#4, to earn high IR#4 Incomes.

IR#4 businesspeople learn “Aji's” *Philosophies of Care*, or 53 *fundamental concerns* — 13 human, 6 financial, 12 career and 22 business concerns — which need to be taken care of satisfactorily at all times and in all situations to avoid failure and suffering, and to fulfill their intentions to survive, adapt to changing circumstances and live a good life.

Human concerns include housing, transportation, food and medical care, which are the most expensive and essential, by far, as well as family, play, dignity, spirituality, etc.

Financial concerns include how much income and savings you really need to retire (savings need to be 25x the income you need), how quickly invested savings will grow (8%), how much inflation will reduce its value (3%) and the maximum you can withdraw annually without running out of money (4%).

Career concerns, which are “Aji”, include (#1) ambitions, (#2) philosophies, (#3) strategic knowledge, (#4) Ethics of Power, (#5) OPNS, (#6) Networks of Capabilities, (#7) autonomies, (#8) accomplishments, (#9) identities, (#10) leadership roles, (#11) business organizations and (#12) anticipations.

Business concerns include constituting your fundamental offer, designing and executing competitive strategies, building capital structures, selling, managing, leading, designing fresh new offers, practices, narratives and strategies (OPNS), and making profits.

IR#4 businesspeople also learn *Philosophies of Competition* in Part #2 of The Strategy, or the thoughts and actions that are required, forbidden and allowed in order to “win” tactically and strategically in IR#4’s competitive situations to produce a very high income using computers, the internet and Networks of Capabilities.

These are methods of accumulating greater relative capabilities than one’s competitors to produce outcomes that are highly valued and scarce relative to demand in order to earn a living or become rich. They are interpretations and practices used to produce and maintain tactical, strategic and ultimate competitive advantages needed to make money by winning competitions or producing transactions.

Examples of competitive thought and action include making every offer, practice, narrative or strategy, including goods and services, (1) *fresh*, (2) *new*, (3) *highly valued* and (4) *scarce relative to demand*,

... which means to “Aji” them (yes, I use “Aji” as a verb, too), or to endow them with the “potential to win”

... by designing *marginal utilities* and other competitive advantages, such as speed to market.

- “*Marginal utilities*” are new capabilities at the “margin” or edge of an offer that make the offer superior to competitors’ offers.

Minor, substantial, major and radical marginal utilities exist. Each triggers different reactions from customers and competitors that need to be anticipated strategically.

Philosophies of Care and Competition make knowing what to learn, why to learn it, how to learn it and when to learn it, possible.

This enables businesspeople to accumulate meaningful, relevant and valuable IR#4 Strategic Knowledge (Part #3) and produce autonomous competitive learning, which is an IR#4 Ethic of Power (Part #4).

Part #3: Accumulate “IR#4 Strategic Knowledge”

Ambitions in Part #1 are needed first to produce the *commitments, directions, velocities* and *focuses* needed to produce high IR#4 Incomes.

Philosophies in Part #2 are required because they specify what is and is not real as well as what needs to be cared for and how to fulfill financial intentions in rapidly changing, complex and intensely competitive situations.

Together, businesspeople’s ambitions and philosophies reveal The IR#4 Strategic Knowledge they need to learn to fulfill their financial, career and business intentions.

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“Aji” has two components: (1) *The Aji Source Fundamental Strategy (The Strategy)* and the (2) *IR#4 Strategic Knowledge* needed to execute it.

IR#4 Strategic Knowledge is the set of *tactical* and *strategic skills* needed to fulfill the 12 strategic intentions specified by *The Aji Source Fundamental Strategy* effectively, strategically and competitively enough to produce high IR#4 Incomes.

Tactical skills, such as how to design and speak a business narrative seductively and/or compellingly, are used to change competitive situations — or avoid competitive threats, fulfill competitive obligations and/or exploit competitive opportunities — to advance action in order to execute a strategy, improve one or make a new strategy possible.

Businesspeople use “IR#4 Strategic Knowledge” to execute The Strategy throughout the day — instead of using task orientation to get the job done — to increase their competitive advantages, productivity, value and incomes in order to fulfill their financial, career and business intentions.

IR#4 Strategic Knowledge is based in fundamental mechanisms, laws and principles coherent with reality’s operations, and the equally fundamental human, financial, career and business *concerns, situations, capabilities and strategies* they create.

Reality’s operations include (1) *physics*, (2) *biology*, (3) *linguaging*, (4) how *social systems* such as businesses, economies, political systems or *cultures* operate, and (5) *individual human behavior*.

Mechanisms are usually machines to businesspeople but they include anything that works “mechanically” in physics, chemistry, etc. Sometimes mechanisms are the smallest parts of a machine that enable it to work, such as an airplane’s landing gear, and sometimes they are the entire machine, or the airplane itself.

Mechanistic explanations are *cause and effect interpretations* of how physical, biological, linguistic, social or individual systems operate to produce an outcome or change a situation.

Individual, or *simple mechanisms*, such as a band saw, signal switches on a car or a match to light a stove, are binary. That is, they can be operated in only two ways, usually on or off, or right or left. Or, we can say their mechanism of operation is binary because when a tool produces only one outcome, it is either being used to produce it or it is not.

Complex mechanisms, such as mechanical watches, human beings, manufacturing or business organizations, are arrangements of smaller binary mechanisms that work together to produce a natural or intended outcome.

Laws are rules, quantitative or not, about what is (1) required, (2) forbidden or (3) allowed in order to produce an outcome, or change a situation, such as how to compete successfully to produce high IR#4 Incomes.

Laws explain how a *physical, biological, linguistic, social or individual* system operates when the underlying mechanisms are too complex to understand or explain.

Principles are named explanations of complex, but fundamental and repeatable mechanisms or laws whose outcomes are predictable. They explain how large physical or social systems, such as the weather, games of chance, economies, businesses or markets, work to produce outcomes.

The Principle of Marginal Utilities explains one of the fundamental biological and marketplace mechanisms that determine purchase prices.

It asserts that people assess the value of an offer, practice, narrative or strategy (OPNS) only at the margins or edges.

The “*margin*” is the portion of an OPNS that is *uncommon*, new or scarce relative to demand.

The Strategy uses the *principle* of “adult dignity” to create identities of superior trustworthiness, value, authority and leadership to make money when building a career.

IR#4 Strategic Knowledge is a collection of tactical and strategic *ambitions, moods, language, distinctions, interpretations, intentions, commitments, practices* and *outcomes* that enable businesspeople to advance thought and action to:

1. *Execute* competitive strategies
2. *Improve* their competitive strategies
3. *Design* fresh, new, highly valued and scarce strategies

Some of “Aji’s” IR#4 Strategic Knowledge is universal or used in every part of The Strategy.

This includes how to manage moods to be in ones of ambition; how to practice “autonomous competitive learning” every day, all day, with Networks of Capabilities by always knowing what to learn and why; and how to design, craft and speak Business Narratives so they are always complete, coherent with reality’s operations and competitive.

Some strategic knowledge is specific to each of The Strategy’s 12 parts.

This includes how to design a fresh, new offer, establish a superior identity or make a highly compensated leadership offer.

IR#4 Strategic Knowledge, and not IR#3's task orientation, is used throughout The Strategy to "Aji" every offer, practice, narrative and strategy (OPNS) businesspeople design and execute so each one's marginal utilities are:

- | | |
|-------------------------------------|--|
| 1. <i>Fresh</i> | Made recently, full of energy and rigor, pleasant, clean, pure and "cool" |
| 2. <i>New</i> | Has never existed before, different from recent OPNS, reinvigorated, better and advanced |
| 3. <i>Highly valued</i> | More important, useful and worthwhile than competing OPNS |
| 4. <i>Scarce relative to demand</i> | Insufficient supply relative to demand from Buyers |

Every OPNS in IR#4 is designed and executed to produce a monopoly that triggers formal and informal auctions that compel customers — including employers, employees, colleagues and vendors — to:

1. Buy quickly (low cost)
2. Increase their willingness to pay a premium (highest possible purchase price)

... if only for a week or a single meeting.

Part #4: Practice Ethics of Power

IR#4 Strategic Knowledge in Part #3 is required before businesspeople can design and execute Ethics of Power to produce high IR#4 Incomes.

The more IR#4 Strategic Knowledge businesspeople learn, the more capable and competitive their Ethics of Power become, and the more their productivity, value and income increase.

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Ethics of Power, such as establishing *superior* identities and acting with dignity, rather than pride, are strategic and competitive business and social practices. They replace IR#3's task-oriented work ethics in IR#4 and are nothing like them.

Their purpose is to produce greater relative power to think and act competitively in the marketplace to produce highly valued and scarce outcomes.

They have nothing to do with completing tasks, processes and procedures, or "getting the job done" effectively and efficiently.

Rather, they are directly competitive, which many serious businesspeople find refreshing.

They are standards of conduct, or ways of being and acting *individually* and *socially* based on Philosophies of Care and Competition, and IR#4 Strategic Knowledge (Parts #2 and #3). They specify what actions are *required*, *forbidden* and *allowed* in order to produce, maintain and increase tactical, strategic and fundamental competitive advantages when executing The Strategy.

They are new IR#4 "*strategic* and *competitive* ways of being in the marketplace".

This means they orient businesspeople to use action plans with computers, the internet and Networks of Capabilities throughout the day to increase fundamental and specific competitive capabilities in the marketplace.

This does not mean they complete tasks, while working alone or with others, to fulfill the same basic financial, career and business intentions and commitments for decades. (You will find a list of Ethics of Power in Chapters Four & Six.)

Thinking and acting as competitive principles specify, rather than working hard to get the job done effectively and efficiently, is a new way of *being in the marketplace* that is competitive when working with computers and the internet in the most rapidly changing, complex, competitive and technologically advanced global marketplace in human history.

Being arrogant, a lone ranger, entitled, task-oriented, labor-based, prideful, commonsensical, distrustful, small-minded, petty and unappreciative are *ways of being* that are *not* consistent with Ethics of Power in IR#4. They existed and were tolerated in IR#3.

In IR#4 these *ways of being* are not tolerated, or allowed, for three reasons:

First, to produce high IR#4 Incomes strategically using Networks of Capabilities businesspeople need to be in moods that enable them to move into action to learn *first, fast*

and *persistently*, which is an axiom of power, rather than thinking about it and feeling free to decline.

When IR#3 businesspeople are in bad moods and want to “think about it”, rather than learn “Aji”, or anything else, immediately, they make themselves costly and unattractive to those who are serious about their financial futures and families. They slow down action, which makes it mediocre and late to market at the same time.

Second, bad moods, such as cynicism and nonchalance about global competitors or about making enough money for old age, thwart the production and development of competitive Networks of Capabilities and the fulfillment of financial, career and business intentions in IR#4. This is especially frustrating to business owners, executives and managers.

Third, because of computers and the internet and the dawning acceptance that businesspeople need to earn enough income to fund 25+ years of old age with their spouse, serious IR#4 businesspeople have little trouble finding others who are willing to accept their invitations to learn when local colleagues decline.

Part #5: Design and execute *a steady stream of fresh, new Offers, Practices, Narratives and Strategies (OPNS)* that are highly valued and scarce relative to demand

The Strategy’s “Tactical Pivot”

Ambitions, Philosophies, IR#4 Strategic Knowledge and Ethics of Power in Parts #1 - #4 are needed before businesspeople can learn and produce highly valued and scarce OPNS effectively, strategically and competitively enough to build their Networks of Capabilities (Part #6) and produce high IR#4 Incomes.

They produce the foundation of deeply meaningful strategic intentions and tactical skills required to organize and drive strategic and competitive thought and action in the top 1% of the marketplace.

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In IR#4, businesspeople compete to make money throughout the day designing and executing fresh, new *Offers, Practices, Narratives and Strategies (OPNS)* individually and with Networks of

Capabilities, rather than by proxy and vaguely with labor-based work ethics, processes and procedures.

This is how they increase their productivity, value and incomes.

The first four parts of The Strategy make designing and executing fresh, new OPNS that are highly valued and scarce relative to demand possible and straightforward. It's not possible to design or execute new OPNS without them.

Here are brief explanations of OPNS:

Offers are announcements of willingness, intentions or desires to make and fulfill a commitment to help people, businesses or governments fulfill their intentions, or to take care of their human, financial, career or business *concerns, situations, capabilities or strategies*,

... or exchange goods and/or services, in return for a purchase price, or to produce a transaction to "make money".

Practices are named actions used to fulfill intentions and/or produce an outcome, such as selling, accounting or designing.

Business Narratives are stories about offers, practices and strategies in the marketplace that are compelling and seductive, and used to communicate and coordinate thought and action to produce a highly valued outcome.

To produce high IR#4 Incomes these narratives are (1) *complete*, (2) *coherent* with reality's operations, (3) *effective*, (4) *strategic* and (5) *competitive*, and contain an exposition, conflict, rising action, resolution and denouement.

Strategies are action plans, or commitments to perform a sequence of tactics to produce a sequence of situations that progress towards fulfilling the strategy's tactical, strategic, ultimate and existential objectives.

Why is being able to design and execute fresh, new offers, practices, narratives and strategies (OPNS) so important strategically and competitively?

Because businesspeople who are serious about earning a living or becoming rich cannot allow their competitors to develop the skill to produce OPNS whose value is superior to their own and that are first to market.

When OPNS are highly valued and scarce relative to demand they are “real money”. But, when they are ordinary, typical, common or mediocre, as are those produced with IR#3 business skills, they thwart businesspeople’s intentions to earn a living or become rich. It is too easy for customers or employers to bid down their prices and profit margins.

I explain “real money” and how to make it using computers and the internet in Chapter Four.

The greater the number of fresh, new, highly valued and scarce-relative-to-demand OPNS IR#4 businesspeople have in their inventory to sell, the more able they become to make enough money to fulfill their financial, career and business intentions.

Part #5 contains The Strategy’s “*Tactical Pivot*” for earning a living or becoming rich in IR#4.

A “*tactical pivot*” is a set of *practices* businesspeople are able to turn to and use (1) easily, (2) effectively and (3) fluently as *tactics* to execute a strategy the same way drivers execute about a dozen tactics when they drive their car to the grocery store, e.g., steering, braking and using their lights.

IR#4 Strategic Knowledge contains many tactical pivots that can be used to fulfill each Part’s intentions to make money, but only one *fundamental* tactical pivot is necessary to begin executing The Strategy to fulfill all 12 strategic intentions: The Strategy’s Tactical Pivot (Part #5).

To *get started* using The Strategy’s Tactical Pivot, which takes about 100 days of learning and practice, businesspeople and businesses learn the first four fundamental tactics found in Part #5.

They are *how to design a fresh, new* (1) *offer*, (2) *practice*, (3) *Business Narrative* and (4) *competitive strategy (OPNS)* to increase productivity, produce competitive advantages, superior value, identities and leadership roles, and to make money.

“*Executing*” OPNS involves another set of important tactics within The Strategy’s Tactical Pivot – crafting, speaking (or selling), fulfilling and producing satisfaction with OPNS.

Once businesspeople learn these skills — The Strategy’s Tactical Pivot — they are ready to begin working with or building their own Networks of Capabilities to increase their incomes.

Part #6: Build competitive Networks of Capabilities: colleagues, employees, employers, vendors and customers

The Strategy’s “Strategic Pivot” begins

The Strategy’s “Tactical Pivot” in Part #5 must be learned before businesspeople can open up their strategic and competitive opportunities starting with their Networks of Capabilities.

Learning these 4 Tactical Practices changes “everything” for businesspeople, including how they use their computers and applications and how they think and act to make money. It opens completely new opportunities to earn a living or become rich that could not exist or be produced using IR#3’s single-purpose tools and business knowledge.

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Networks of *Capabilities* (NWC) are an essential “Source of Power” in IR#4 for businesspeople and businesses to increase their competitive advantages, productivity, value and incomes. Working with strategic and competitive networks is the only way to keep up with the speed, complexity, competitiveness and technological changes that appear in the marketplace throughout the day and use them to produce high IR#4 Incomes.

They are not to be confused with IR#3’s widely used Networks of *Convenience*, which are local and exist to keep costs down, rather than to increase competitive capabilities, identities, productivity, value and incomes.

IR#4’s global Networks of *Capabilities* are IR#4 businesspeople’s customers, employers, employees, colleagues and vendors who share their (1) *ambitions* to make enough money to live a good life with their spouse until they are at least 90 years old and (2) *strategic knowledge*.

IR#4 businesspeople who form NWC are natural and unnatural allies who find it effective, strategic and competitive to think and act together to continually increase their competitive capabilities to execute *The Aji Source Fundamental Strategy*.

NWC are built purposefully and strategically around businesspeople's competitive capabilities, not casually for the sake of people's convenience as was normal in IR#3. They also form spontaneously around IR#4 businesspeople whose ability to help others fulfill their financial, career and business intentions with "Aji" is effective, strategic and competitive.

NWC will not form around businesspeople who are *not serious* about their ambitions and who are prideful, pretentious and arrogant, rather than appropriately humble, ambitious and dignified. They won't organize around businesspeople whose *moods* are weak or who are casual about earning a living, threats posed by rapid change and intense competition. They are shut down when businesspeople are unappreciative or unpleasant, when their *knowledge and practices* are mediocre and uncompetitive, and when the *outcomes and income* they produce are as ordinary as those of IR#3 businesspeople.

IR#4 businesspeople develop and use Networks of Capabilities (NWC) to help them design, produce, execute or improve their OPNS in ways that were impossible using single-purpose tools in IR#3 and to open new strategic opportunities to earn high IR#4 incomes.

The fresh, new OPNS businesspeople learn to produce in Part #5 are used to attract and build their competitive NWC.

Without them businesspeople remain trapped in IR#3's Networks of *Convenience* and continue to produce incomes that are far too low, which I explain in Chapter Four, Difference #6.

Part #6 is the first of seven fundamental strategic and competitive intentions of The Strategy's Strategic Pivot.

A "*strategic pivot*" is a set of *intentions* businesspeople fulfill in sequence, turn to and use *easily, effectively* and *fluently* to produce strategic and competitive outcomes that are highly valued and scarce relative to demand.

"*The Strategy's Strategic Pivot*" is a set of 12 *fundamental strategic and competitive intentions* businesspeople fulfill in sequence beginning with their Ambitions, turn to and use *easily, effectively* and *fluently* to execute The Strategy in order to make money all day, every day.

The Strategy's Strategic Pivot begins with the intention to fulfill *seven fundamental strategic intentions* effectively, strategically and competitively.

These are Parts #6 - #12 of The Strategy:

- #6 – Develop *superior* Networks of Capabilities
- #7 – Increase autonomies
- #8 – Produce highly valued and scarce accomplishments
- #9 – Establish identities of *superior* trustworthiness, value, authority and leadership
- #10 – Hold highly compensated leadership roles
- #11 – Build competitive business organizations
- #12 – Anticipate future threats to avoid, obligations to fulfill and opportunities to exploit

Part #7: Increase autonomies, or freedoms

The ability to build competitive Networks of Capabilities (NWC) in Part #6 creates exploding strategic and competitive opportunities to produce high IR#4 Incomes that IR#3 lone rangers cannot imagine.

Building NWC is required before businesspeople can increase their autonomies so they can compete successfully in the most rapidly changing, competitive, complex and technologically advanced global marketplace in history.

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Autonomies are freedoms or the absence of unwanted limitations and constraints on thought and action to earn a living or become rich.

Businesspeople who are stuck in their commitments, business knowledge, jobs or roles, which was normal and effective in IR#3, lack the freedoms they need to adapt quickly to rapidly changing competitive situations. Their lack of IR#4 Strategic Knowledge to build and maintain their autonomy thwarts their ability to fulfill their financial intentions, or to produce high IR#4 Incomes.

“Aji” enables businesspeople to fix this fairly easily as they execute The Strategy.

Having sufficient everyday autonomy is a new IR#4 strategic business concern. It is needed to compete successfully, to adapt hourly or daily to IR#4's rapidly changing competitive situations and to significantly increase their productivity, value and incomes.

IR#4's competitive situations appear and change every few minutes, hours or days when competitive pressures and marketplace drifts — changes in technology, politics, demographics or economics — compel competitors or manufacturers to continually release new OPNS.

IR#4 businesspeople's NWC make it possible to increase their autonomies by helping them to increase fundamental competitive advantages:

1. Compelling and seductive designs
2. Speed to market
3. Complexities that increase capabilities, productivity and value so that they can compete successfully.

The reverse is also true, and essential to accept. Working alone or with networks that rely on IR#3 business knowledge and common sense shuts down autonomies and opportunities to produce high IR#4 Incomes. It keeps businesspeople using IR#3's obsolete work ethics, e.g., working hard, getting the job done and being too busy to learn anything new.

Businesspeople building their NWC in IR#4 increase the autonomies of their colleagues, employers, employees, vendors and customers with the new OPNS they design.

Each IR#4 competitive situation that appears throughout the day whenever businesspeople or their competitors produce a fresh new OPNS is a new set of:

1. *Competitive threats* businesspeople and businesses need to avoid
2. *Obligations* they need to fulfill
3. *Opportunities* they need to exploit to fulfill their financial, career and business intentions.

Each one is the result of new knowledge.

Each one requires competitors to learn, invent or design new knowledge quickly in order to remain competitive, which “Aji” enables.

In IR#4, new competitive situations appear and evolve every day, all day, and are the result of numerous innovations from many sources.

Producing and maintaining autonomy to adapt to changing situations in order to survive is a *fundamental* requirement of all living things from bacteria to redwood trees to elephants, and includes businesspeople and their families, as well as businesses.

Freedoms produced with “Aji”, strategic and competitive tool use and Networks of Capabilities enable IR#4 businesspeople to adapt to changing competitive situations throughout the day effectively, strategically and competitively so they are always in the best position to fulfill their financial, career and business intentions.

Part #8: Produce *highly valued* and *scarce* accomplishments

Autonomies in Part #7 are required before businesspeople can produce steady streams of fresh, new, highly valued and scarce accomplishments with Networks of Capabilities in IR#4’s rapidly changing competitive situations.

As businesspeople increase their autonomies, opportunities present themselves to use “Aji” to produce steady streams of fresh, new, highly valued and scarce accomplishments that can double their productivity, value and incomes.

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Producing steady streams of highly valued accomplishments that are scarce relative to demand is a practical and strategic necessity in IR#4 because rapid change negates the strategic and competitive value of “old” accomplishments quickly.

Therefore, IR#4 businesspeople use their design skills from Part #5, Networks of Capabilities from Part #6, and increased autonomies from Part #7 to produce steady streams of fresh, new, highly valued and scarce accomplishments needed to make money and build their identities.

This immediately distinguishes them from IR#3 businesspeople who work to “get the job done” without awareness of, or commitment to, outperforming competitors’ OPNS to produce the same outcomes, more or less, throughout the day using the same IR#3 business knowledge, work ethics and common sense.

Highly valued accomplishments that are scarce relative to demand are outcomes whose *importance*, or ability to produce consequences, practical *utility* and relative or absolute *worth* are compelling and seductive.

They are also the only real proof of superior trustworthiness, value, authority and leadership that exists for human beings.

Part #9: Establish identities of *superior* trustworthiness, value, authority and leadership (TVAL)

Before businesspeople can establish identities of *superior* trustworthiness, value, authority and leadership (TVAL), which are required to produce high IR#4 Incomes, they need the ability to produce steady streams of highly valued and scarce accomplishments in Part #8.

The more accomplishments they produce, the more compelling and seductive become the Business Narratives they can use to establish *superior* TVAL.

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IR#4 businesspeople build and use their identities of superior TVAL throughout the global marketplace with their computers, the internet and Networks of Capabilities.

Their superior identities help them increase their productivity, value and incomes.

They produce *monopolies* and *auctions*; increase their tactical and strategic competitive advantages; lower their costs and risks; and increase their revenues, incomes and enterprise values.

Identities are characterizations of businesspeople’s virtues and vices in IR#4 competitive situations to produce valuable help, or OPNS, seriously, reliably and expertly. They help customers and networks assess businesspeople’s relative value in the marketplace to make money.

To the extent businesspeople's TVAL identities are superior and are known in the marketplace, customers — including employers, employees, colleagues and vendors — “trust” that the costs and risks of accepting their offers will be low while returns will be higher than normal.

When IR#4 businesspeople's identities reveal their TVAL are superior and scarce relative to demand because of the steady streams of highly valued and scarce accomplishments they produce, customers find themselves confronted by a monopoly that compels them to:

1. Accept their offers and buy quickly (low cost)
2. Increase their willingness to pay a premium (highest possible purchase price).

Part #10: Hold *highly compensated* leadership roles

Superior identities of trustworthiness, value, authority and leadership established in Part #9 are required before businesspeople are asked and able to hold highly compensated leadership roles or earn high IR#4 Incomes.

Once businesspeople can produce superior TVAL their networks *ask* them to lead. They don't have to insist, push, shove or charm people, to get the opportunity.

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IR#4 business owners, executives, managers and individuals hold highly compensated leadership roles to *amplify their IR#4 Strategic Knowledge* with followers who accept their (1) interpretations and (2) requests for coordinated thought and action in situations the followers don't fully understand.

Highly compensated leadership roles are highly valued and scarce offers IR#4 businesspeople make to HELP customers, colleagues, employers, employees and vendors fulfill their financial, career and business intentions in IR#4's rapidly changing, complex, intensely competitive and technologically advanced situations.

IR#4 leaders make money by helping people in their networks avoid new *threats*, fulfill new *obligations* and exploit new *opportunities* (in that order) so they can make enough money to survive, adapt and live a good life.

IR#3 businesspeople who don't, or can't, help others fulfill their financial intentions because they insist on continuing to rely on task orientation or their common sense instead of learning strategic knowledge can't hold highly compensated leadership roles in IR#4.

They can't build or participate in IR#4's Networks of Capabilities because they have nothing to offer in return for their help except common IR#3 business knowledge that is obsolete, uncompetitive and thwarts everyone's financial intentions.

Part #11: Build *competitive* business organizations

Being able to hold highly compensated leadership roles in Part #10 is necessary before businesspeople can build competitive business organizations.

As their leadership skills grow because they are able to help customers, colleagues, employers, employees and vendors fulfill their intentions in different situations, their opportunities open to design, build and use business organizations to fulfill their financial, career and business intentions, even if they don't own them.

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Competitive business organizations build, collect and use “capital structures” to produce and increase competitive advantages, productivity, value and incomes.

The more *effective*, *strategic* and *competitive* businesspeople make their capital structures and the outcomes they use them to produce, the more success they have making money.

IR#4 business owners, executives and managers build competitive business organizations to:

1. Build or gain access to the organization's “*capital structures*”

— e.g., (1) *human capital*, (2) *capital equipment*, (3) *capital inventories*, (4) *operating capital* and (5) *financial capital*, which are explained in Chapter Six.

Competitive business organizations use “capital structures” to *amplify* their competitive capabilities to make money.

2. *Amplify their leadership skills* and *IR#4 Strategic Knowledge* with Networks of Capabilities.

3. *Anticipate* future *threats* to avoid, *obligations* to fulfill and *opportunities* to exploit.

IR#4 business organizations are arrangements of people who can work together using *action plans* and *capital structures*, designed using The Strategy, to make and keep highly valued commitments. As an organization they *learn, communicate, coordinate* thought and action, and *produce* fresh, new OPNS *together* to fulfill their financial, career and business intentions.

These arrangements and coordinations produce “strategic coherence” to bring forth “operational coherence” for the business.

I explain these concepts in Chapter Three.

Competitive organizations include teams, groups, departments and entire businesses who learn The Strategy and IR#4 Strategic Knowledge and work together to “make money” with fresh, new OPNS.

Part #12: Anticipate *future threats*, obligations and opportunities

Businesspeople only acquire the resources and capabilities to anticipate future threats, obligations and opportunities so they can continue to produce high IR#4 Incomes in the future when they own or participate in a competitive business organization, described in Chapter Six, Part #11, or build a powerful Network of Capabilities, explained in Chapter Six, Part #6.

Having a business organization enables businesspeople to exploit their collective strategic knowledge to anticipate future competitive situations. This is an essential competitive advantage in IR#4’s rapidly changing competitive situations.

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“Anticipations” mean businesspeople can think and act in advance of new competitive situations.

This enables them to increase their strategic and competitive capabilities as they need them to fulfill their financial, career and business intentions and their Life, Financial and Business

Ambitions with high IR#4 Incomes. They are strategic and competitive assessments and actions performed before new threats, obligations and opportunities appear.

The value of anticipating the appearance of new threats, obligations and opportunities is to increase the amount of *time* businesspeople have to design and produce fundamental and unbeatable competitive advantages with freshly designed OPNS in IR#4's rapidly changing and intensely competitive situations.

The ability to anticipate is important because the steady streams of fresh, new OPNS that appear in the marketplace throughout the day negate the value of "old" OPNS very quickly, in a few minutes, hours, days or weeks.

Competitive business organizations anticipate competitive, economic, technological, political and demographically driven changes and pressures to increase the time they have to produce their competitive advantages and prevent their competitors from being "first to market" with their OPNS.

IR#4 businesspeople and their Networks of Capabilities anticipate future *competitive* (1) *threats* they need to avoid, (2) *obligations* or duties they need to fulfill and (3) *opportunities* they need to exploit in order to open and keep open their opportunities to compete successfully in IR#4's rapidly changing competitive situations to produce much higher IR#4 Incomes.

End of the Excerpt