

## ***How to Design an Offer***

***+ Assess, Deconstruct and Anticipate***

***Why do Offers exist? What is their importance, utility and worth?***

***... to Survive, Adapt and Live a Good Life***

Offers exist as a fundamental and linguistic social action ...

... to produce a profitable transaction.

They exist to enable people to make money.

People “make money” -- or earn a living or become rich --

... to afford the help we all need to take care of our most fundamental human concerns

... e.g. housing, food, transportation, medical care, family, play, etc.



### ***What is money?***

Money is HELP people need in the form of offers, practices, narratives and strategies,

... including goods and services

... to take care of their (1) human, (2) financial, (3) marital, (4) career and (5) business

... concerns, situations, capabilities and strategies

... or, to fulfill their intentions

... that others find helpful, or valuable enough, to pay for.

Businesspeople and businesses “make money”,

... when they make a “profit”

... or increase their capabilities to fulfill their intentions

... making transactions.

The more offers businesspeople make and accept offers,  
... and transact using (1) barter, (2) trade, (3) currency, (4)  
exchanging favors or (5) gifts,

... and the more profitable each one is,  
... the more money they make to fulfill their financial intentions  
... and live with Dignity.

### ***An Offer is a social, legal and political agreement/TVAL***

An offer is “***social***” because a transaction is produced between people and increases the capabilities of both parties to fulfill their intentions, or take care of their CSCS.

Transactions enable entire societies to exist.

They make it possible for individuals, families and societies to survive, adapt and live a good life.

They are “***legal***” because societies make up rules, or obligations,

... that constitute what is (1) required, (2) forbidden and (3) allowed when transacting,

... that Buyers and Sellers must follow to maintain trust.

They are “***political***” above and beyond legal rules because the more profitable offers are made and accepted in a society,

... the higher the standard of living is likely to be for everyone.

Offers are not “things”. They are *commitments* made and accepted, or declined, freely between people who trust one another.

The more businesspeople establish *superior* identities of trustworthiness, value, authority, leadership and dignity,

... the more likely their offers will be accepted

... and they will increase their value and incomes.

An Offer is a *conditional promise* ...

... made to produce a *Transaction*

... for the sake of *making money*,

... or *improving one's capabilities* to fulfill intended outcomes taking care of CSCS, or concerns, situations, capabilities and strategies,

... especially to earn a living or become rich.

## *Offer*

### *A conditional promise*

*I promise to make “Promise A”,*

*... on the condition that ...*

*You make “Promise B” to me in return*

At this level, businesspeople learn that an offer is always *two* promises (minimally),

... and it's their “obligation” to design both

... in order to make money literally and directly.

***An Offer is a legal, political or social obligation***

Offers include **5 promises** Sellers and Buyers agree to fulfill to one another ...

***Sellers promise to:***

1. Fulfill Conditions of Satisfaction for the help
2. Deliver the goods and services
3. Transfer ownership

***Buyers promise to:***

4. Accept delivery
5. Pay a purchase price

To *double* their productivity, value and incomes,

... IR#4 Businesspeople and Businesses need to be able to Design and Execute all 5 promises using their computers, the internet and Networks of Capabilities easily and quickly.



### ***When Selling ...***

#### ***Offers are Presented with 3 Actions***

1. Summarizing the Buyer's *intentions* to produce outcomes,

... or to take care of their CSCS

... and offering further conversation to bring them into existence

2. Establishing one's identity of trustworthiness, value, authority and leadership

... by sharing one's history of *scarce and highly-valued accomplishments*

... in the domain of action or concern

3. Making a Proposal

## ***Designing Offers***

***(1) Strategic and (2) Competitive***

***(3) Fresh, (4) New, (5) Highly Valued***

***... and (6) Scarce Relative to Demand***

To *design* and *execute* an ***Offer*** ...

... to execute *The Aji Source Fundamental Strategy* effectively, strategically and competitively,

... every part of the Offer must be complete and coherent with reality's operations

... and each of the 12 Competitive Design Concerns needs to be considered and designed.

Together, the commitments enable businesspeople to design steady streams of Offers that are:

***Fresh***

Recently made

***New***

Seen or experienced for the first time

***Highly valued***

Very important, or consequential, to people's CSCS, or to fulfilling their intentions

***Scarce relative to demand***

In short supply relative to those who want the help

... it *triggers* human beings

... to accept the offer quickly (lowest possible transaction costs)

... and to increase their willingness to pay a premium (highest possible purchase price)

The part, or portion, of an Offer that is “fresh, new, highly valued and scarce” is called its ***Marginal Utility*** or its ***Marginal Value***.

***\*\*Axiom of Power:***

Human beings are animals who have evolved to survive in the moment, first, and then to adapt to life’s always changing situations (threats, obligations and opportunities), second.

When *any* offer of help has Marginal Utilities that are (1) highly valued *and* (2) scarce relative to demand,

... they *compel* Buyers

... to accept the offer quickly (lowest possible cost of sales or transaction costs)

... to increase their willingness to pay a premium (highest possible purchase price).

Computers, the internet and the Networks of Capabilities they make possible,

... make designing and executing steady streams of fresh new offers, practices, narratives and strategies

... in as little as 15 minutes

... easy, technically.

Highly-valued Marginal Utilities drive action in the marketplace.

*Aji* uses 4 categories of innovations to design and assess how Marginal utilities will drive action...

<i>Minor innovations</i>	Are pleasing and drive little action with customers and competitors
<i>Substantial Innovations</i>	Are never ignored by customers and competitors but don't always drive immediate acceptance
<i>Major Innovations</i>	Are always accepted by customers and trigger immediate responses from competitors
<i>Radical Innovations</i>	Are impossible for customers or competitors to understand with their common sense or common business knowledge and required rigorous DMRVP and Business Narratives to explain

This is one way *Aji* helps businesspeople and businesses *double* their productivity, value and incomes.

Part #5 of The Strategy shows businesspeople how to design their own steady streams of fresh, new OPNS.

The first four parts of The Strategy provide the background knowledge needed to use Part #5.

***Here are the 10 fundamental commitments businesspeople must design and execute every time they design a new Offer.***

***An Offer*** is a set of ***10 fundamental commitments*** ...

... and ***the actions to fulfill those commitments satisfactorily.***

***#1 - Unspoken Backgrounds of Obviousness:***

Economics	Manufacturing, Distribution, Sales, Expansions/Recessions
Politics	Laws and Cultural Norms
Demographics	Populations and Characteristics that affect, or create, Human CSCS
Technology	New Human Practices made possible using new tools and knowledge

**#2 - *Intentions and Ambitions*** to produce outcomes in or with  
Current Concerns, Situations, Capabilities and Strategies  
(Exposition/Resolution or Denouement)

**#2.a - *Concerns (all are in aji.com)***

***Human (13)***

***Marital (12)***

***Financial (6)***

***Career (12)***

***Business (22)***

The reasons people think and act to produce an outcome.

Fundamental Concerns exist at all times and under all circumstances, e.g. housing, food, transportation, medical care, play, family and dignity

Specific Concerns exist in specific circumstances and are always variations of Fundamental Concerns.

\* All Fundamental Concerns are on *aji.com*.

## **#2.b - Situations: Competitive and Uncompetitive**

## *Sources of Changing Situations: competition, technology, economics, demographics, politics*

<i>Threats</i>	Thwarted intentions, physical harm
<i>Obligations</i>	<p>To keep existing opportunities to fulfill intentions</p> <p>To produce new opportunities to fulfill intentions</p> <p>To avoid avoidable costs and risks</p>
<i>Opportunities</i>	<p>Real, physical organizations and structures</p> <p>... including people and knowledge, money, identities, roles, organizations and freedom</p> <p>... that can be used, or exploited, to advance action in order to fulfill intention</p>

### **#2.c - *Capabilities: Design and Execute OPNS strategically and competitively***

Offers “HELP” people increase their capabilities to fulfill their intentions by:

1. *Assisting, or working with them*
2. *Doing it for them*
3. *Lowering their costs*
4. *Making it possible*

**\*\* *Capabilities are knowledge,***

***... or the ability to produce an intended outcome in a given set of circumstances.***

***Superior Capabilities = Competitive Advantages***, e.g. first to market or increased complexity to produce superior capabilities

People use tools, or artifacts, to amplify and change their capabilities to fulfill their intentions to produce outcomes.

Every time tools improve, or a new tool is invented,

... the “space of possibilities” in which people think and act to fulfill their intentions to produce outcomes is disrupted

... until they invent a way, or a new technology, to exploit the tool.

People invent new technologies, or human practices,

... in order to design and create tools

... to amplify their capabilities to fulfill their intentions.

*In competitive situations,*

*... new tools start competitions to invent how to use them*

*... to produce outcomes that are highly valued and scarce relative to demand*

*... most effectively, strategically and competitively!!*

## #2.d - *Strategies*

*Strategies are action plans.*

They are **commitments** to produce an outcome, or strategic objective,

... by performing a **sequence of tactics** (practices used to execute a strategy)

... to produce a **sequence of situations** (threats, obligations and opportunities)

... to advance action until **the strategy's commitment, or objective, is fulfilled.**

In IR#4's rapidly changing competitive situations,

... *Aji* has businesspeople use a Fundamental, Competitive Strategy

... as a framework, algorithm, “technology” or set of basic instructions

... to design and execute their Specific Competitive Strategies.

***Notes:***

Businesspeople and businesses cannot “be strategic” in IR#4

... when using their computers and the internet

... no matter how hard they try

... *until* they know the NEW strategic and competitive intentions  
their computers enable them to fulfill

... *and* the practices, or new business skills, needed to fulfill those  
intentions

They may know, for example, the general strategic intentions to build  
a house,

... start with the foundation, then the framing, then the wires and  
pipes, and finally the roof...

... but until they know *Aji’s* new *strategic intentions*

... needed to *double* productivity, value and incomes

... using computers, the internet and Networks of capabilities

... strategically and competitively

... ***they cannot think or act strategically in IR#4’s rapidly  
changing, intensely competitive, increasingly complex and  
technologically advanced competitive situations***

*Fundamental Strategies* are action plans that work at all times and under all circumstances

... by anticipating every concern, situation, capability and strategy (CSCS) businesspeople will encounter in IR#4

... to fulfill their financial, career and business intentions.

They are used in medicine, science, flying, law and construction.

*Specific Strategies* are action plans that work in specific circumstances to produce a specific outcome,

... and are always specific variations of fundamental strategies.

*Competitive Strategies* such as how to Design an Offer, or Business Narrative

... intend to produce outcomes whose value to judges -- customers, employers, employees, colleagues and vendors -- is superior to the value produced by competitors.

*Non-competitive Strategies* are action plans that work, or that are effective.

*Competitive, Fundamental Strategies* such as *The Aji Source Fundamental Strategy*,

... are action.

### **#3 - *Thwarted Intentions or Breakdowns that interrupt action***

Adversaries: Competitors, Technologies, Economics, Politics, Demographics, Physics

Biology (age, gender, health),

Natural Occurrences, e.g. the weather and natural disasters

... or other Sources of Problems / Costs / Risks

### **#4 - *Competitors' Offers:***

*Deconstruction*      Parts, Properties and Competitive Design

*Assessment*      Trustworthiness, value, authority, leadership (TVAL)

*Anticipation*      Given current CSCS and what new tools and knowledge make possible

## **#5 - Time, including Situation that Starts Action**

Amounts of Time

Start Times

Deadlines

During an Opportunity (seasons, end of the year)

Velocities of Production (Speed)

Coordination

## **#6 - Criteria and Standards to assess TVAL and Dignity (e.g. dress)**

*Seductive* (pleasure) and/or *Compelling* (force)

*Marginal Utilities*: Fresh, New, Highly Valued, Scarce Relative to Demand

Effects of *Innovations* on Customers and Competitors:

Minor, Substantial, Major and Radical

*Reality*: Fantasies, Possibilities and Opportunities

\* **Criteria** constitute what exists that needs help

**Standards** are used to measure the degree of help to assess relative value and satisfaction.

**#7 - *Existing Commitments (always!)***

+,-

Help or Hurt?

Cost / Risk / Benefits and Resistance to Change

**#8 - *Existing Practices (always!)***

Cost / Risk / Benefits and Resistance to Change

**#9 - *New Offers: (Are Commitments)***

*5 Legal Promises*

*5 Properties:* Complete, Coherent, Effective, Strategic and Competitive

*12 Competitive Design Concerns*

**#10 - Story of Fulfillment → Satisfaction to Buy Again (low cost)**

*Rising Action / Strategy:*

*Speaker*

*Champion*

*Major Actors*

*Minor Actors*

Adversaries (#3 above)

Current Situation (all other parts)

Situation that Starts Action (#5 above)

*Resolution*

*Denouement*

***Practices:***

***1. Deconstruct your Current Offer***

What are its Marginal Utilities?

Minor, Substantial, Major or Radical?

Improve its Marginal Utilities.

***2. Design a New Offer w/ Marginal Utilities***

Make all 4 types of Innovations for practice

What are examples of Minor, Sub, Maj or Rad Innovations?

***3. Deconstruct and then Assess*** the value of a competitor's offer's marginal utilities

***4. Anticipate the Offers of Help your Customers*** will want next given changes in technology, competition, economics, politics or demographics,

... and then those your Competitors are likely to produce next for the same reasons

5. ***Design your Employment Offers*** from the employer's and then the employee's point of view
6. ***Design the new Offers*** you will make to build your Networks of Capabilities

How will you help them execute The Strategy, whether they know it or not?