

Business

“It is a mutually beneficial trade of value between two parties”

- You can charge more to a business based on the amount of value that you bring to the business
- A business is basically a bunch of those mutually beneficial trades at almost every step of the way which is the basis behind each transaction that happens between businesses.
- A business market is simply a group of people with the same pains/desires. So for example, a person selling apples might notice that in the evening at a certain location there are a lot of people looking for apples. Those groups of people are a market.
- You price your products/services based on the amount of value that you bring. That is why some items are more expensive than others due to the amount of value that they bring or the perceived value they bring a person. For example: A steak is more expensive than an apple because of people's perception that a steak is more valuable than an apple therefore they will be willing to pay more.
- People also are willing to exchange value for something if they perceive that they will benefit more from the trade than the other person, this is why that person is willing to pay more for that steak as he perceives he would get more value out of paying for that steak which is his hunger is satisfied and that a steak would taste a lot better than an apple.
- Things are also priced proportionately to the amount of effort required to achieve the desired outcome. This is why things that are hard to do, reward more in the long run compared to easy things which are not valued as much. A steak costs more than an apple due to the amount of work that also goes into getting one piece of steak from a cow which is a lot harder than an apple which simply grows on trees with little to no care.

Value Equation:

Value = Dream Outcome x Perceived likelihood of success ÷ Effort & Sacrifice x Time Delay

- Top of the equation refers to how valuable something is perceived as, for example if you sell a big dream and make it more likely that this dream is achievable, then the value of that product/service goes up massively
- Things that can affect the value of this product/service is the bottom of the equation where the person has to pay a certain price to achieve this goal, for example: If the top half of the equation has massive value, but now I say that it'll take 5-10 years before you can achieve it and it costs 2x the value of the top of the equation, then the offer doesn't

look as attractive as it did before. You can mitigate this by reducing the bottom half to make the offer seem even more attractive.

- You can use this to structure new deals as a customer climbs the value ladder that your business has to offer where you structure new deals at new points in the value ladder: for example: your value item that has no price (e-book) only requires their email address is valuable as now you can start moving that customer into your world as a brand and as a business.
- Make the price the person has to pay, worth it. This is the quickest and easiest way to move them up the value ladder.
- Some people perceive value differently to others. An example is; someone might value a salad more than french fries due to the different types of benefits that they may receive from that product/service. A person who is active and fit may prefer the salad due to the health benefits that they gain from eating the salad whereas the average person may opt for the french fries as they are just looking to satisfy their hunger with something that tastes good. Same applies to business owners who may value different things to others where a business owner might value lowering his expenses over increasing his revenue, some business owners prefer to increase their revenue no matter how much they spend on expenses as long as the revenue is increasing to look attractive to potential investors, some business owners prefer profit etc.,.

Two levers to Success

Find a way to bring lots of value to the existing customer base

- Find more ways to bring value to existing customers by adding different parts in the ladder that the customer can climb to using the value ladder.
- This will allow customers to spend a lot more money with your business therefore allowing you to generate more money per customer.

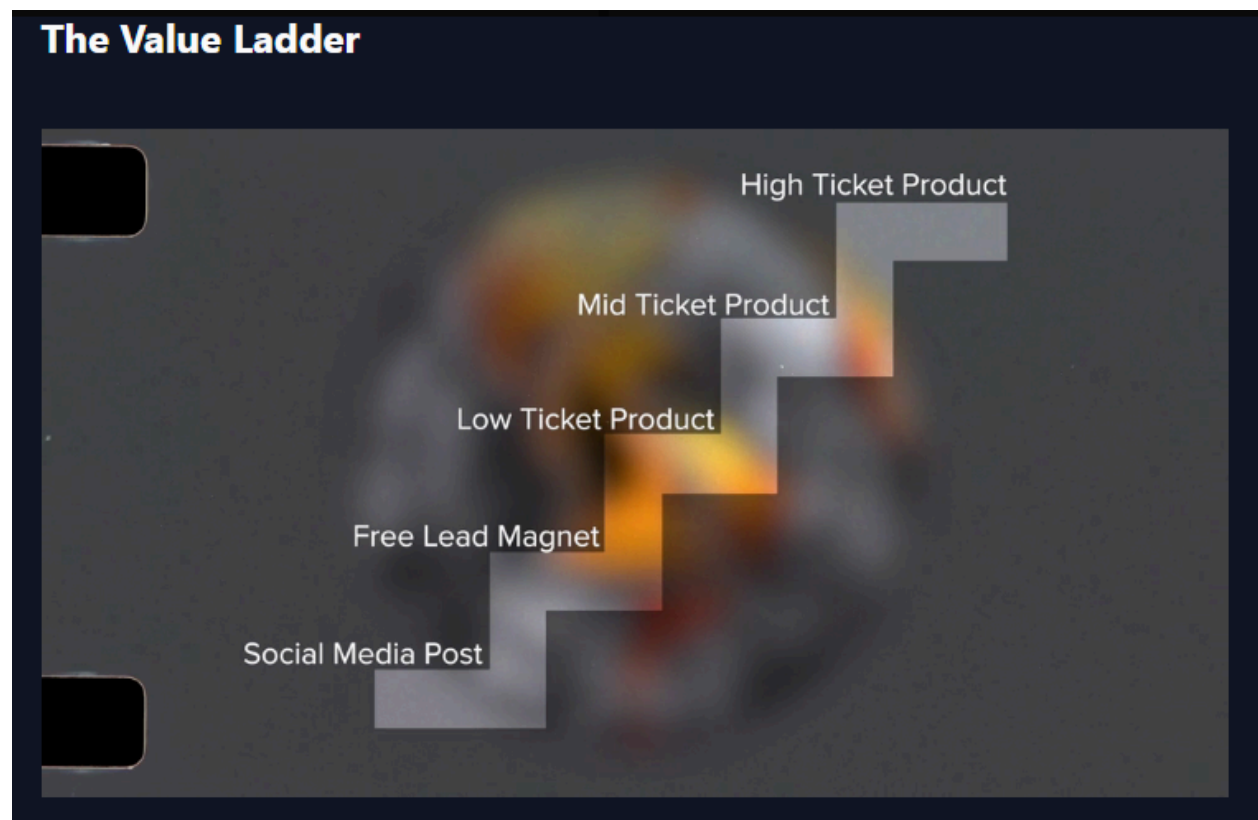
Find a way to bring new people into your business

- A business cannot survive without customers, you need to find unique ways of acquiring customers for a business that will allow the business to grow.
- Find ways to stand out in the market and to be different from other businesses. You can also do the same thing as other businesses but at a better advantage to the customer. You don't have to come up with a new idea, you can always improve upon an existing idea.

You need to use both to your advantage, they work in coherence, without one or the other, your business will die.

- A business will not grow if it has a small customer base and lots of value, they will be stuck at their current point
- A business will not grow either if it has lots of customers but no way to add additional value to its current business.
- You need both to be able to scale and grow as a company. Use these two levers to your advantage to add value to your business

Value ladder



This is how you take people through your business to maximize the amount of money that they spend. You typically reel them in through social media, generating curiosity and may take them to your website where they sign up for a newsletter. After taking major interest they may buy the low ticket item which is typically \$1 - \$100. Next they scale higher and higher on the ladder where they eventually spend thousands and thousands of dollars based on the value that you're bringing them.

The higher percentage of people that you take up this ladder means that you're providing more value to people therefore earning more money for the business. This will enable you to get the most amount of money out of your customer per customer.

Get feedback from customers for each step of the way, looking at areas at which you can increase value and bring more and more people up the value ladder. Look at points of where most of the customers are stuck on the ladder and think of how you can incentivize them to climb the ladder.

Also when talking to business owners, go through with them the products/services they have available for customers to buy. This will help identify if they need to introduce a mid-ticket or high-ticket item to their business as they are leaving money on the table. Look for opportunities to help introduce the idea of having a mid-ticket to high-ticket item for these business owners.

Markets

A market is basically a bunch of people who have the same pains/desires as one another

- They all have a problem that needs solving, so for example a person who tries to lose weight using a vegan diet, that is a particular market and a particular niche.
- Some markets are bigger than others due to more people having the same problem that needs solving.

You need to find a way to service these people as a business.

- As a business it is your job to solve these people's problems for them by giving them what they want.
- The market rewards you for what you give it, not what you think the market wants. The market doesn't care about what new product you may have, if you don't service the market's needs you are not rewarded for this.
- Find more ways to service their problems in order to receive more money back by providing more value to the market than your competitors.
- The better you understand your market, the higher chance you have of impacting them on a deeper level causing them to take action.