

How to Create Value

Sep 16, 2021 by Jack Butcher

What is value?

According to The Oxford Dictionary, it's: "The regard that something is held to deserve; the importance, worth, or usefulness of something."

If we translate that to its application in the real world, it goes a little something like this:

To create value, you can:

- Do things people don't do. (non-specific, \$)
- Do things people won't do. (specific, \$\$)
- Do things people can't do. (ultra-specific, \$\$\$\$)

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For example:

- Mow lawns. (\$, easy)
- Run a lawn mowing service. (\$\$, difficult)
- Build a home maintenance service marketplace. (\$\$\$\$, very difficult)

"You get paid in direct proportion to the difficulty of problems you solve." — Elon Musk

Four ways to think about how value is perceived:

Psychological (make someone feel better)

"Maybe you'll play basketball a bit more like MJ if you buy these shoes with his silhouette on them."

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Monetary (make someone more money)

"Give me \$100, I'll make some smart investments and give you back \$108 next year."

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Functional (make someone more competent)

"Pay me a fraction of what it cost me to learn x, and I'll teach you how to do it."

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Social (make someone fit in better)

"Join this group of your peers to develop your network and find new opportunities."

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All bridges that need building.