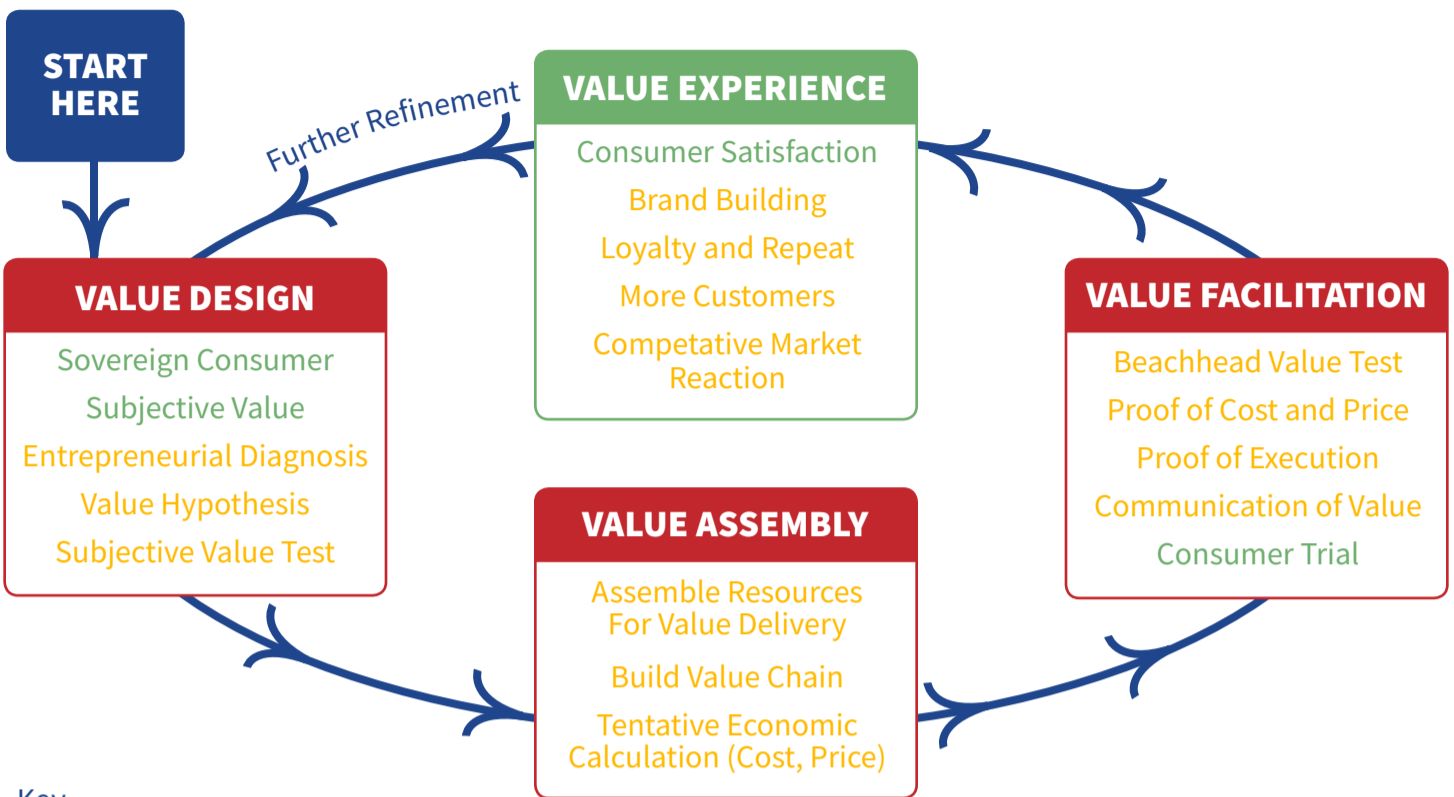


THE SUBJECTIVE VALUE CYCLE

A model for entrepreneurs to understand subjective value and let it drive business development.



Key

Green = Consumer Activities

Red = Entrepreneur Activities

Yellow = Entrepreneurial Tools and Methods

VALUE DESIGN	VALUE ASSEMBLY	VALUE FACILITATION	VALUE EXPERIENCE
<p>The consumer is sovereign – decides what has value.</p> <p>Value is subjective – a feeling, 100% in the consumer’s mind.</p> <p>Entrepreneur uses empathy to deduce consumer wants and needs.</p> <p>Entrepreneur makes a diagnosis, and then a hypothesis of what will bring the consumer an experience of value.</p> <p>The hypothesis (a concept, or an MVP) can be tested for validation.</p>	<p>The entrepreneur now identifies and assembles resources to produce and deliver the good or service to bring value to the consumer.</p> <p>This is a unique new specialization – no costs or prices are given.</p> <p>The entrepreneur makes a tentative economic calculation – an estimated price and an estimated cost.</p> <p>If a profit seems possible, the entrepreneur proceeds.</p> <p>Some testing may be possible at this stage.</p>	<p>The entrepreneur takes the unique value proposition and the product / service to market.</p> <p>Ideally a beachhead market value test – the highest potential customers.</p> <p>Customers provide proof of price; implementation provides proof of cost.</p> <p>Execution proves the functioning of the value chain.</p> <p>Marketing (communicating value) is a vital element.</p> <p>Consumer trial is proof of value.</p>	<p>Consumers try the offering and experience satisfaction and therefore value.</p> <p>Entrepreneurs can communicate the story broadly and build trust in the value proposition.</p> <p>Triers repeat and become loyal; more consumers join.</p> <p>The market never stands still – both customers and competitors change.</p>
			<p>FURTHER REFINEMENT</p> <p>The process continues its cycle.</p> <p>The entrepreneur practices continuous dynamism.</p>