

PRINCIPLES AND MECHANISMS

John Rossman, author of **Think Like Amazon: 50 ½ Ideas To Become A Digital Leader**, talked on Economics For Entrepreneurs about identifying principles of business growth, and then devising mechanisms to implement those principles. People need tools, not just principles. Below we break down some of the principles John discussed and mechanisms to implement them for your business.



Principles	Mechanisms
<p>High-throughput innovation</p> <ul style="list-style-type: none"> • Systematic way of innovating 	<p>Establish and advance a large portfolio of small bets (think big, bet small)</p> <ul style="list-style-type: none"> • Continuous testing, refinement, learning • Prototype, launch, scale, integrate • Failures? Yes: scientific testing failure = learning
<p>Achieve the clarity for major projects that will align the organization around the mission.</p>	<p>Write a detailed narrative for the project covering all the details of purpose and goals, development, launch and growth.</p> <ul style="list-style-type: none"> • Complete thinking = complete sentences and paragraphs. • Writing is hard – identifies what you don't know and are unsure of. • Provides clarity to all those in the organization on the project team.
<p>Imagine the future</p> <ul style="list-style-type: none"> • It's the great challenge entrepreneurs are tasked with. 	<p>Future Press Release</p> <ul style="list-style-type: none"> • Imagine writing the press release about how the world has changed a year after your successful launch.
<p>Scaling the fundamentally unscalable.</p> <ul style="list-style-type: none"> • You know what to do but don't have the people to do it. • There's just too much detailed implementation required. 	<p>Other People's Work</p> <ul style="list-style-type: none"> • What incentive structure can you design so that others will do the manual work for your platform? • Define processes and metrics and build a tool for others to do the work.

At Economics For Entrepreneurs, we present the same approach for businesses: identify principles of economics that can be applied to support business growth, and provide mechanisms (we call them “tools”) for implementation. Here are a couple of examples from our work so far:

Principles	Mechanisms
<p>Value is subjective</p>	<p>Gather data about how individuals experience value in different ways:</p> <ul style="list-style-type: none"> • Contextual in-depth interview tool for empathic diagnosis (click here) • Value learning process map (click here) • Employ a Subjective Value Cycle system (click here)
<p>Austrian Capital Theory: Capital allocation must dynamically reflect customer preference changes in the market.</p>	<p>Use our 3-step Capital Analysis tool (click here)</p>
<p>Entrepreneurs bear the burden of future uncertainty.</p>	<p>Use the following tools we've created to help:</p> <ul style="list-style-type: none"> • Know which type of uncertainty you face (click here) • Choose the appropriate decision-making approach (click here)

Utilize Principles of Austrian Economics To Grow Your Business.

Economics For Entrepreneurs is a project of the Mises Institute, to demonstrate how the application of economic principles helps entrepreneurs succeed.

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