THE NEW BOTTOM LINE

Bridging the Value Gaps that are Undermining Your Business

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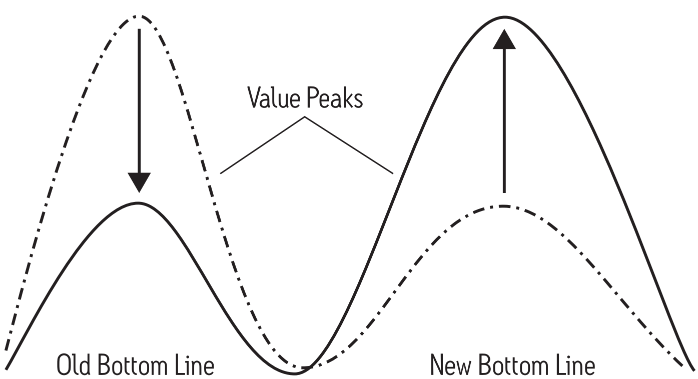
Designing value around people

Gondwanaland. You won't ever visit it, no matter how many frequent flyer miles you accumulate on your airline loyalty card. Gondwanaland was a massive continent that existed some 135 million years ago when Africa and South America were joined together as one, when Australia was part of the Antarctic, and when India was in roughly the same place as Australia is now.

However, continents drift. We humans don't notice such tectonic shifts because they unfold so slowly (usually about one centimetre a year). But as these huge land masses move they create huge tensions – tensions that can only be released through dramatic upheavals that transform the landscape. When continents drift apart, entire mountains can sink into seas or disappear into newly created valleys, for example, the Great Rift Valley of Africa. When they collide, huge new mountain ranges can be created, such as the Himalayas, which formed when India hit Asia.

This book suggests that something similar is happening in business. Long-maturing shifts in value – shifts that are all but invisible to those absorbed in the hectic hurly-burly of day-to-day bussiness life – are triggering an upheaval in the landscape. Old peaks of value are subsiding. New value peaks are thrust towards the sky. The value earth is moving under our feet. The old bottom line of corporate profitability is being superseded by a new bottom line, that of 'personal profitability' or 'value in my life'.

Figure 0.1 Our Value landscape is on the Move



VALUE IN MY LIFE

Whew! That's a bold statement. No more bottom line? No more *profit*? How absurd!

Of course, that's not what we are saying. Every organization has to cover its costs. Every business has to make a profit. But what we *are* saying is that the necessary requirements for doing so are changing. The title of this chapter says it all: companies need to start designing value around people.

That's not the same as saying 'design value around the customer' or 'find out what your customers want and give it to them', because 'the customer' and 'the person' are not the same.

Take a simple example. As a leading consumer marketing company Procter & Gamble is forever researching the needs of its target customers, mainly housewives. In such research it often ends up bumping its head against a fundamental problem: many of these housewives' greatest areas of need are not really addressed by P&G's products – or by those of its rivals, for that matter. One example, explains chief marketing officer Jim Stengel, is that often 'the head of the household – the woman who is leading the household – is feeling really stressed. She can't get enough time for herself.'[1]

Yes, P&G does its best to create ever better, more convenient, time-saving cleaning products. It may even send this housewife some CDs of stress-relieving music as a relationship building exercise. But when push comes to shove, all of P&G's horses and all of P&G's men cannot really touch her central need for stress alleviation. That's because P&G's operations and products are *not* designed to meet the needs of a *person*. They are designed to meet the needs of a *consumer*.

By definition, a consumer or customer is someone who buys what we make. So if you design value around the consumer, you are in fact designing value around your own offerings and your own operations. Helping people tackle stress however, requires a fundamental shift in focus – from the efficiency and productivity of the *corporation's* operations to the efficiency and productivity of the *person's* operations: how I spend my time, day to day.

But companies like P&G are not designed to do this. The very way they create value for consumers is by maximizing the efficiency and productivity of their own internal operations: by providing ever better quality products at lower cost. Anything that takes their eye off this ball actually compromises this role and threatens their survival.

The fundamental question, then, is how to address these neglected forms of personal value: forms of value that cannot be made in factories and sold in shops; that traditional 'value from our operations' companies cannot or do not want to address. How to help people maximize the value they make in their own lives in a commercially viable way? Here, we suggest, is where we'll find the next breakthrough in wealth creation.

And of course it requires a new type of business. Such a business has very different operational and infrastructure requirements. Its core assets are different: not so much corporate assets such as mines, factories, warehouses, offices, pipelines or shops but *personal* assets such as time, information, attention, money and emotion. It relies on different processes, driven much more by 'bottom up' flows of information from individuals to companies than 'top down' marketing messages from sellers to buyers.

It generates a different set of revenue streams and is driven by different key measures: not so much traditional corporate measures such as return on financial investment, corporate profitability or unit cost but personal measures such as value for time, return on personal information, return on attention and value for money (hence this book's title of 'the new bottom line').

And it builds different kinds of relationship. The new bottom liner earns his keep not so much by selling to the consumer but by acting as the consumer's agent, helping him and her deal with the world of outside suppliers. He builds a new level of 'on my side' trust. He treats individuals not so much as consumers or customers but as co-producers and investors of critical personal assets.

One way of seeing this shift is to stop thinking in terms of 'corporations' and 'consumers' as completely different entities, and to see each individual as a producer – a sort of private company in the business of making my life.

Instead of looking at me as a consumer of a particular product or service, let's look at me in the round, from a different perspective. Let's look at me as a company, for example. As an individual I do the same things as the biggest company in the world. I source inputs. I process them, using assets and infrastructure I have acquired – plus my own skills and labour – to produce more valuable outputs.

I plan ahead. I do administration. I do routine maintenance of my plant and equipment. I invest in this equipment. I face logistical challenges of moving people and things. I employ people (such as plumbers). I develop relationships with suppliers and trading partners. I search for, and use, information. I plan and deploy my financial resources, make savings, take out loans, deal with cash-flow issues, pay taxes, etc. I sell my wares (such as my labour) on the open market. And so on, and so forth.

I also plan ahead, set personal priorities and goals (many of them emotional), and devise strategies to reach them. But I do all these things alone, as an isolated, amateur individual. Unlike companies, I do not have complete, organized professional departments and armies of consultants to make sure these things are done as efficiently and effectively as possible. Enter the new bottom liner.

In simple terms, we see the emergence of three main forms of new bottom line business, each of which parallels the main functions of any business. The first function is sourcing inputs: in this case, helping individuals to source the inputs of their lives in the form of products and services. We call this function trading agency. The second function helps individuals maximize the efficiency and productivity of their personal operations – to 'make' their lives better and cheaper. We call this function solution assembly. The third main function is to help individuals realize maximum value in their lives: reaching personal goals, attaining personal and emotional fulfilment. We call this passion partnership.

Separately and together, we suggest, these three forms of new bottom line business model will act as catalysts of far-reaching change. They will unleash the pent-up stresses and strains generated by old bottom line firms and markets to transform the commercial environment for all consumer-facing firms, whether in manufacturing, retailing, media, financial services, utilities, services, or transport.

'The new bottom line' sums up the two key elements of this tectonic shift. First, that critical shift in the prime location of wealth creation from 'our operations' to 'my life'. And second: a related shift in the focus of alignment.

Traditional old bottom line businesses created the richest, most extensive and dynamic wealth creating system the world has ever seen. Wherever there are new economies of scale to unleash or new technologies to apply, this model still has enormous potential. For many firms, their best future lies in extending and deepening its benefits. Indeed, it's only because old bottom liners have been so successful at addressing those forms of value that they are good at addressing that we have the luxury to turn our attention to the forms of value that they cannot reach. The enormous successes of the old bottom line have created the foundations for a new leap forward, just as many years ago advances in agriculture created the foundations for an industrial age.

Agriculture did not decline with the rise of industry. It had to grow, in order to feed the towns. Likewise, traditional suppliers will not decline with the rise of the new bottom line. The best suppliers will soon discover that new bottom line models open up new opportunities for growth.

Nevertheless, when industry created a new centre of commercial gravity, agriculture did decline in relative importance. Agriculture now had to find a new role for itself within an industrial environment. Likewise, with today's old bottom line businesses.

Currently, old bottom line businesses simply assume they are the centre of commercial gravity. Their core 'value from our operations' imperatives drive them in a quest to align individuals to their own operational needs and goals. Employees work for the company; the company does not work for its employees. When the company goes to market, its fundamental aim to is to change consumer perceptions and behaviours to do what the company wants her to do: buy our products and services! The purpose of building a strong brand is precisely this: to get consumer perceptions and behaviours orbiting the company's offerings. And, of course, the underlying purpose of all this activity is to maximize the company's profits.

To be welcomed into my life, however, I have to be confident that you will align your efforts to my purposes and goals; that you will work to boost my personal profitability. If you do so efficiently and effectively, I may reward you handsomely. But from now on, your bottom line is dependent on mine.

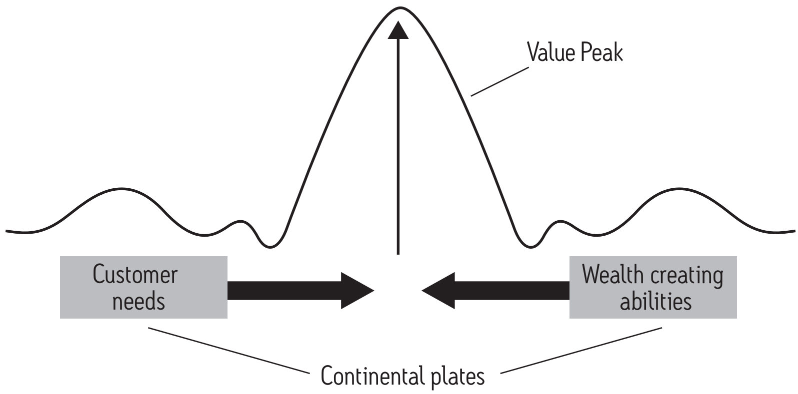
It's these two tectonic shits – in the operational location of wealth creation and the alignment of goals – that constitute the core of the new bottom line.

But why should these tectonic shifts be happening now? To see why, we need to look again at value peaks and the tectonic shifts that create, and destroy, them.

THE NEW HIMALAYAS

What, exactly, do we mean by 'value peaks'? A value peak occurs when a firm's (or supply chain's) productive ability (assets, infrastructure, skills, know-how, etc.) aligns as well as possible to people's needs and wants. It's when one tectonic plate – 'what I need' – collides with another – 'what you make' – to unleash the greatest possible wealth creation, given the circumstances prevailing at that time. This idea is illustrated in Figure 0.2.

Figure 0.2 When Tectonic Plates Collide



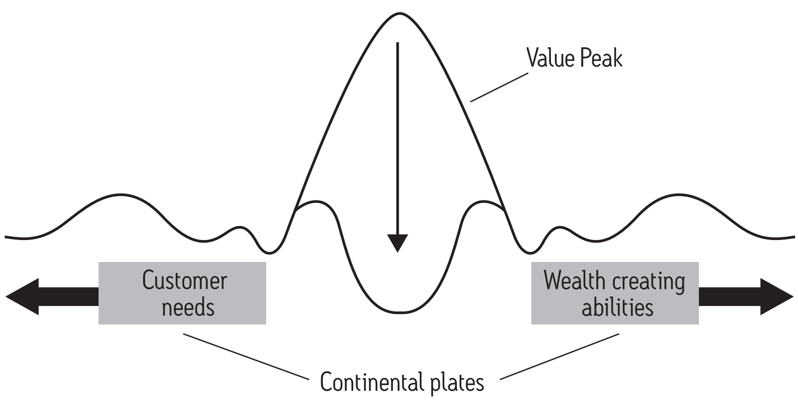
Different industries and products are continually climbing different peaks. Car makers cluster around one set of peaks connected by ridges of common attributes and technologies (with each individual peak representing, say, the 'best' SUV, off-road vehicle, classic sedan, estate, sportster, etc.). Cleaning products represent another cluster of peaks, and so on. Every company's ideal is, of course, to climb to the pinnacle of its particular value peak, where the alignment of what it makes to what its customers want is so perfect that profits flow quickly and easily.

Perfect alignment is very rare, however. Customer needs are always changing. So are economic circumstances. And technologies. And competitors' offers. So companies have to work hard just to avoid slipping down their value peak. The nightmare: to sink into a value valley – where the most important customer needs are not met and/or when productive capacity and assets are misdirected, misused, or neglected and left underutilized.

How to conquer your particular value peak is the subject of countless books. Quite rightly. But that's not our focus. Our focus is not the tops of those lofty peaks but their foundations. When we examine these foundations, we notice two things. First, just as rabbits, human beings, elephants, porpoises and dogs are all mammals, no matter how superficially different modern business models may be – manufacturing, retailing, banking, media, etc. – they all share the same old bottom line foundations and characteristics. They are part of the same mountain range.

Second, the very foundations of this *entire mountain range* are cracking and crumbling, as the tectonic plates upon which they rest drift apart. The big issue is not which individual peak happens to be higher, or which individual player is currently closest to his particular pinnacle. The big issue is that the mountain range itself is subsiding. And that's because the new bottom line needs of value in my life are moving centre stage – while old bottom line business models' capabilities, priorities and attention are focused elsewhere. As we've seen, this mismatch is not an accident. It is a product of the very nature of the beast. Deep. Long-term. Inexorable. *And with accumulating impact*.

Figure 0.3 When 'Tectonic Plates' Drift Apart



Hence the challenge we have set ourselves in this book: to show why and how this seismic transformation is occurring, what it means in detail, and how its problems and opportunities can be addressed so that both people and companies benefit.

We start out by identifying the parts of value in my life that traditional, old bottom line organizations are either *unable* or *unwilling* to meet – *the parts of value that old bottom line business models cannot reach*. 'Value gaps' we call them, and we identify seven of these in Chapter 1. They're all related to things we need to do to make our lives better, cheaper and simpler.

Also in Chapter 1, we identify 'seven deadly sins' that are driving old bottom line value subsidence. These are *systemic* problems: problems that are beyond the power of individual companies (who have to work *within* this system) to resolve; problems that are *insoluble* because they are a product of how the system itself works. Overcapacity is one example. It's a natural result of how competitive forces play themselves out. It's like the climate: it affects you, but you can't control it.

Another example is the ongoing crisis in marketing. A hundred years ago, roughly a quarter of all economic activity was taken up with the core marketing tasks of matching supply to demand and connecting buyers to sellers. The other three quarters was invested in actually making stuff. Since then, this 3:1 ratio of 'making' to 'matching and connecting' has been transformed into a 1:1 ratio. The costs of matching and connecting now account for a half, or more, of all economic activity.[2] The more efficient we become at 'making' the more complex and costly 'marketing' becomes.

This is why A.G. Lafley, CEO of Procter and Gamble now says that marketing has to be 'reinvented'.[3] And why his Unilever counterpart Niall Fitzgerald describes his company's current go-to-market costs as 'crackers'. Thanks to ongoing crises like these, we suggest, old bottom line value peaks are not only struggling to rise higher, in many cases they are actually sinking under the weight of their own accumulating costs and inefficiencies.

Incidentally, we take one important, underlying factor as read. New technologies are an inevitable part of this cocktail. New information technologies in particular are creating all manner of new opportunities, not only to cut costs but to change the way things work – by reversing the flow of information from buyer to seller, for example. As technologies, their impact has been discussed widely elsewhere. We don't bother repeating any of these discussions. We simply take this impact for granted and focus on how it helps to make new business models viable.

In Chapter 2, we explore the other side of the value gap coin. The most neglected, underutilized, undeveloped source of potential wealth creation today is what we call 'people assets'. We use the acronym OPTIMAL to list them: Operations or work, Passion, Time, Information, Money and Attention … in my Life. These OPTIMAL assets are the wherewithal with which we make our lives. But compared to the effort and attention that has been devoted to developing the value and productivity of *corporate* assets, they're still all but ignored.

Yet, we also discover that to fend off the consequences of value subsidence, today's major corporations desperately need access to these OPTIMAL assets – because *these assets are also becoming the key to corporate competitive edge*. Among employees, these 'people assets' include things like creativity, motivation and commitment. Among customers, it's their willingness to invest in a relationship and all that flows from such relationships: not only exchanges of money for goods, but exchanges of information, of value for attention, and so on.

What's more, unleashing the potential of these assets raises that thorny question of who is actually serving whom. In fact, we suggest, as owners and controllers of these OPTIMAL assets individuals – yes, individuals, are becoming the critical *investors*, investing their personal assets in companies, both as customers and employees. And as investors, they will only invest these assets when and where they are going to get an excellent return on their investment.

This, we suggest, is the dynamic driving the new value accommodation we call the new bottom line. In order to access my personal assets (as well as do traditional things such as win me over as a customer) companies need to start addressing 'value in my life' as well as 'value from our operations'. This requires climbing a completely different value peak. And that, in turn, requires new business models.

In Chapter 3, we look at the collision of these tectonic forces and examine new business models that can *both* address the seven key value gaps *and* unleash the potential of OPTIMAL assets. A new form of alignment, in other words, which brings together new dimensions of value, new *sources* of value, and new win-wins between buyers and sellers, to create new virtuous economic spirals. We also explore (in generic terms) how new bottom liners earn their keep. Basically it's from three sources: from people paying more (for more value); from improved ability to monetize personal assets such as information and attention; and from new economies of scale and efficiencies, such as slashing the cost of traditional matching and connecting.

While old bottom liners look *down supply chains*, from the point of view a seller trying to sell a product or service to a buyer, then new bottom liners look *up demand chains*, from the point of view of the individual trying to create value in my life. While the old bottom liner lives and breathes 'make and sell', these emerging business models are more concerned with 'sourcing and integrating'. In Chapters 4, 5 and 6 we turn our attention to three specific new business models. Roughly speaking, they address old bottom line value considerations of price, quality and emotional added value but as these apply to 'my life' rather than 'your product'.

The first of the three is *Trading Agents* (Chapter 4). To put it crudely, these are the consumer's professional purchasing department. Their job is to help buyers to buy, rather than help sellers to sell. They open up a completely new market: the market for 'go-to-market services' – services that help me maximize the value and minimize the cost of the stuff I buy (not just money costs, but time and hassle costs too). Crucially, they also have another – 'selling' – role. They help me take valuable personal assets such as information and attention to market, to maximize the value they can generate in the marketplace.

Solution Assemblers (Chapter 5) come next. Their focus is maximizing the efficiency and productivity of my personal operations, the things I have to do to 'make' my life. Things like running a home, keeping it replenished, organizing my personal finances, sorting out my personal transport problems, and so on. They add value by helping me spend less time and effort doing the chores I don't want to do, so that I can spend more time doing the things I do want to do. To do so, solution assemblers source and integrate the many different ingredients offered by traditional old bottom liners.

Passion Partners (Chapter 6) meanwhile help me maximize the returns I generate on my emotional investments. They help me to invest my precious personal assets – time, money, emotional commitment, the lot – in the things that really matter to me; and to maximize the returns I generate on these investments. In doing so, they help to unleash the full *economic* (as well as personal) potential of human emotions which have long been stunted and deformed by an economic system that was unable to recognize their true value.

Chapter 7 then takes stock. It examines some of the common characteristics of new bottom line business models. For example, instead of exchanging value along just one dimension (of money for goods or services) they trade in the many currencies of value in my life. Yes, value for money is important. But so is value for time, return on attention, return on information invested, returns on emotions invested and so on. We also see how the new business models 'reach back' into old bottom line value, subsuming what traditional brands have to offer, trumping them with new layers of value, and transforming the context within which they operate and go to market.

This brings us to the dilemma facing old bottom liners. They desperately need growth. They desperately want to get closer to their customers. To build brand loyalty. And so on. Yet a clear pattern of growth seems to be emerging. Fast, sometimes meteoric, growth is being experienced by companies that successfully address the key value gaps and rise to the challenge of personal asset productivity and maximization. Stagnation and value subsidence is the common theme among those failing to do so, as customers, employees and investors lose interest – a torpor broken only now and again as pent-up stresses explode in a new earthquake or avalanche, as a new bottom liner moves in for the kill.

The question is then: if I am an old bottom liner, how do I make the journey to these new value peaks and start climbing? If I'm a fish, how do I start breathing air? If I'm land-bound, how can I learn to fly? The trouble is, like jumping half way across a raging torrent, half-way houses are fraught with risk: there's a good chance you'll end up with the worst of both worlds. Somehow, old bottom liners need to build a bridge across the chasm generated by their very different business models, but how?

It won't be easy. But it can happen. There are many things that companies are *already* doing – things they originally started doing to make their *existing* businesses more efficient and profitable, which could be used for a new and different purpose: to 'reach out' to the new bottom line. Feathers weren't originally invented for the purpose of flight. They were originally invented for the purposes of thermoregulation: maintaining the right temperature. But they helped form a bridge to something completely new. Likewise, many of the things currently being 'invented' by forward-looking businesses could form the supports of a bridge to the new value peaks.

In Chapters 8 to 12 we look at five such potential bridge-building supports: use of information *from* the customer; organizing operations around customer, rather than corporate 'convenience'; organizing business partnerships around the requirements of the first two; becoming a company that works for its people; and building relationships by making marketing a service to the customer.

We show how the new bottom line throws each of these central business concerns of information, operations, partnerships, human resources and marketing into a new light, how current changes *begin* to address new bottom line considerations, and what further changes need to be made if they are to be successful.

But supports alone are not enough. They need to be brought together – connected – to actually build a bridge between point A and point B. That's the issue we address in Chapter 13: the need for a new, uniting vision of value that integrates and connects these different pillars to form a definite strategy for crossing from one value peak to the other.

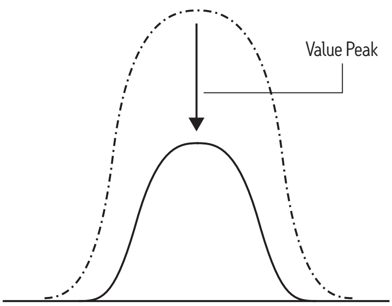
We believe the new bottom line represents a huge opportunity. But our purpose in examining the new bottom line isn't because we think it's a 'nice' or 'good' idea. It's because we think it's a simple, hard *fact*. As we said at the beginning of this introduction, those tectonic plates are shifting whether we like it or not: the ground is moving beneath our feet, whether we like it or not. No 'consumer-facing' business in whatever sector – whether it's manufacturing, retailing, media or financial services – is immune.

Threat or opportunity, there is only one question to answer. It is not *whether* to respond. It's *how*.

1

1. The Value Gaps

In many ways, this book is about reaching the parts of value that 'customer focus' can't reach. The diagram to the right sums it up. On the one hand, today's businesses are finding it ever harder to add extra value for their customers. In fact, in many cases their ability to add such value is actually subsiding. At the same time, there are also some huge value gaps: areas of 'value in my life' that are simply not being met.



We have, in other words, a growing disconnect between 'demand' and 'supply' – a disconnect that reaches right into the heart of business as we know it: the old bottom line.

'Be customer focused'; 'Get closer to your customers'; 'The secret of success lies in understanding consumer needs and meeting them'; 'Be more customer-centric'. If the number of times businesses used phrases such as these was any indication of the real state of affairs, there would be no need for this book.

In fact, they're part of the problem, not the solution. Nine times out of ten consumer-focus rhetoric is just a smokescreen for an all-pervading seller-centricity that is now so deep that it is all but unconscious. Consumer focus is a sophisiticated exercise in organizational narcissism, where the organization peers into a mirror – 'the consumer' – that reflects the organization's own needs and preoccupations.

TASKS FOR THIS CHAPTER

1. **Introduce the seven value gaps created by the old bottom line.**
2. **Show why the old bottom line's value peaks are subsiding.**

THE MYTH OF THE CONSUMER

In fact, there is no such thing as a consumer. When we look at the world around us, we see millions of *people* and yes, an awful lot of consumption. But no matter how hard you look, you will never find a 'consumer'. Because the consumer is a fictional entity invented by producers: 'the consumer' is a unit of demand for the producer's products.

When a soap company looks at me, it's not really interested in *me*. It's actually looking in a mirror – at a reflection of its own needs: its need to close sales. The only parts of me it is really interested in – that it really looks at – are those parts that affect the likelihood of me buying its soap. When it sees me, it doesn't see *me* at all.

The same goes for every product and service. When a car company looks at me, it's searching for a unit of demand for its cars. When a bank looks at me, it's looking for a unit of demand for banking services. When an airline looks at me, it sees a potential unit of demand for flights. When each and every of these companies 'focus on the consumer' they are in fact focusing on how to meet their own need to find a market for their products. In the process, I am fragmented into a thousand and one separate 'markets' – for beer, cheese, sneakers, make-up, deodorants, holidays, bank accounts and so on. And the real me disappears from view.

This would not be a problem if together all these companies addressed all my needs. But they don't. As members of the same 'family' of business beasts they share the same dimensions of value none of them address.

INTRODUCING THE NEW BOTTOM LINE

We think there are seven main gaps, as follows:

The seven key value gaps

1. Transaction costs
2. Integration costs
3. Standardization versus customization

4. Seller versus buyer-centric information
5. Functional versus emotional needs
6. Where economies of scale fail
7. Neglect of personal assets

1. Transaction costs

When a seller-centric producer of products (or services) thinks ‘price’ it naturally thinks in terms of the price it charges for its product – the money the consumer will pay for it. But view of the world ignores other dimensions of cost incurred by the consumer in the course of the transaction. The price of a packet of soap powder in a shop may be ten Euros, for example. But in order to acquire that packet of soap powder, I have to spend time and money travelling to and from the shop, searching for the product, queuing, paying etc. The real price paid by consumers for products and services is invariably higher than the monetary price levied by sellers. *Seller ‘price’ is just one element of buyer cost.*

Every year, for example, European spends approximately 34 billion hours shopping for groceries. Fifty-seven percent of that time is spent in cars and other forms of transport, and 43 percent is spent in shops. If you charged these hours at minimum wage rates, these transaction costs equal 20 percent of the total value generated by European grocery value chains.

Such buyer transaction costs tend to be ignored by sellers, for a number of reasons. First, they have zero immediate impact on the seller’s sales revenues or profits, so they simply don’t impinge on the seller’s consciousness. Second, specific ‘divisions of labour’ between buyers and sellers emerged in the mists of time and have become so ‘normal’ that we take them for granted. We just assume for example that ‘it’s the job’ of the shopper to shop. Because shopping is such a ‘natural’ part of everyday life, as consumers, we don’t stop to measure how much time, money or effort we invest doing it – or how good a return we get on this investment. Likewise, it’s the producer’s job to worry about his own costs, not other people’s costs.

Third, most attempts by sellers to reduce buyers’ transaction costs involve renegotiating these divisions of labour, which is complex and difficult. Usually it involves sellers taking on more work and cost, for very little obvious return. Just look at the difficulties grocery retailers have had trying to make money out of home delivery. Finally, it's often beyond any individual seller's ability to address these transaction costs. The soap powder manufacturer can't address my overall grocery shopping costs single-handedly, for example. Equally, an individual insurance provider will find it difficult to reduce the time I have to spend comparing different providers' policies.

In short, there are many excellent and deep-seated structural reasons why seller-centric marketers have not addressed consumers' transaction costs. But that's precisely the point. There's a big need out there, and it's not being met.

2. Integration costs

A frighteningly high proportion of today's value propositions take the form of *ingredients* to solutions rather than the solutions themselves. Take the simple example of a pizza. I can, if I want, go to a store to buy all the separate ingredients of a pizza (thereby incurring significant transaction costs). I can then invest a significant amount of further time and effort preparing these ingredients, putting them together, cooking them to get my desired end-result: a delicious, piping hot pizza, ready to eat. Alternatively, I can pick up the phone, order from a local pizza parlour and have it delivered right to my door.

This difference between buying a range of separate pizza ingredients and ordering a freshly made, home-delivered pizza sums up the difference between making and selling ingredients and offering complete solutions. Old bottom line businesses excel at making and selling ingredients – and avoid solutions – for a simple, basic reason. They are *asset-centric*. They make their money by investing vast sums in specialist, productive assets and by 'sweating' these assets to produce as much as possible. That's how they add value for consumers: by using these assets to drive up the quality and drive down the cost *of what these assets are best at making*. If you've invested your particular fortune in cheese making equipment, you live and breath the making and selling of cheese. Likewise, if you are in tinned tomato business, cars, airlines or retailing.