

The definition of value in business

Tom Rochette <tom.rochette@coreteks.org>

November 2, 2024 — [36c8eb68](#)

1 Question

How is value defined in a business context?

2 Answer

For a solution to be valuable it must solve an actual problem.

If a need exist for the solution, then the solution must do one or many of the following:

- Reduce costs/time: reduce human resources needed to produce the same results
- Increase quality: Increase accuracy/repeatability of a process
- Solve a problem that could not be solved previously
- Have a significant impact on costs for improving an already solved problem
- Offer the ability to scale the process without having to scale the necessary human support linearly with the growth of the process
- Help with identifying the most important pieces of the business in order to follow the [80/20 principle](#)