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# The Business Quest: Seeking Scarcity

Economics has been described as the study of scarcity. Successful businesses tend to ask, "What is scarce?" "What can I provide that people need and don't have enough of?"

Often a very local or very targeted answer, e.g. "Dry cleaners are scarce in my part of town" can lead to a profitable small business.



At the other end of the scale, massive opportunities arise for those who can answer the question, "What is scarce – not just in my part of town, but globally?" As production efficiencies have made manufactured goods more commonly available than ever, good answers to that question themselves become scarce. There appears to be a SCARCITY SHORTAGE!

# A REALLY Big One Is Going Begging

But scarcity will always be with us. In fact, right now there is something that is desperately needed, massively in demand on a global scale, and very VERY scarce.

The common belief is that this item is scarce because it cannot be produced in sufficient quantity. Like gold or diamonds, widespread production and availability is just not possible.



We know, however, that this particular scarce item is actually quite producible – and YOU can have an important role in the production and marketing of this very scarce and very much needed product.

### What Is It?

What is scarce is...

#### AUTHENTICITY.

"The Internet Is Broken" proclaims the title of a recent MIT Technology Review cover story, while Stanford University's Clean Slate Initiative explores the idea of scrapping the existing Net and starting over.

Spam brings us phishing attacks that deliver malware that in turn builds botnets. Fraud and predation pervade the everyday online experience. Identities – and cash – are stolen in batches. As the information security industry assures us "we're working on it," people grow ever more wary of their Internet experience even as they come to depend upon it more and more.

In his groundbreaking book, Quiet Enjoyment, Wes Kussmaul adds to the roster of acknowledged threats a major, unacknowledged attack on our privacy: database table joins that put new power into the hands of those who destroy plunder our privacy in order to gain wealth and power by aggregating personal information and manipulating our perceptions, all while trying to make us believe that their privacy policies have some kind of significance.

But Quiet Enjoyment doesn't dwell on the problems. Rather, it proceeds directly from analysis to a solid, comprehensive solution called the Quiet Enjoyment Infrastructure. You don't believe there's a comprehensive solution? Do as Dan Geer suggests and "Read this book."

If we frame the problem statement as providing authenticity before security, we see that mankind has developed over centuries a superb set of methods and procedures for addressing it. New digital "construction materials" combined with these old processes will deliver precisely what we're looking for: privacy, security, reliability, and authenticity.

Authenticity works where security technology has failed us.

The Quiet Enjoyment approach will deliver authenticity to a world that desperately needs it. But we at The Authenticity Institute can't do it all ourselves. The solution calls for new enterprises, both commercial and noncommercial; and it calls for practitioners of new professions.

Help build a future where children are safe from online predation and adults are free to live their lives in the safety and privacy that Quiet Enjoyment provides.

Authenticity will take hold through the involvement of critical-thinking, visionary, focused people like you. If you want to make a difference - not just in the world but in your own life - read on.

### MEETING THE NEED

# MIT Technology Review / Identity is the Foundation of Security

"The Internet Is Broken" proclaims the title of an *MIT Technology Review* cover story, while Stanford University's Clean Slate Initiative explores the idea of scrapping the existing 'Net and starting over.

Spam brings us phishing attacks that deliver malware that in turn builds botnets. Fraud and predation pervade everyday online experience. Identities – and cash – are stolen in batches. As the information security industry assures us "we're working on it," people grow ever more wary of their Internet experience even as they come to depend upon it more and more.

Underneath our security problems are problems of inauthenticity. Our real problem, the root problem is, inauthenticity.

People are not who they say they are.

Sites are not what they claim to be.

Hackers broadcast spam and malware under your name from your computer – from your THERMOSTAT!

How do we solve problems of inauthenticity? Very simply: We solve problems of inauthenticity with the proven tools and construction materials of authenticity.

Authenticity Works Where Information Security Technology Has Failed Us

It gets better:

When you solve problems of inauthenticity, you solve a lot of other problems as well. Security is just one of them.

With authenticity, our information systems will be much more manageable, effective, reliable, and easy to use.

Can we have authenticity?

Yes, absolutely.

Mankind has developed over centuries a set of methods and procedures to solve problems of inauthenticity. Those methods and procedures fit nicely with today's information technologies.

Historically, an authenticity infrastructure consisted of duly constituted public authority (e.g. notaries, justices of the peace, consular officials, building inspectors, etc.) and a means of conveying that authority (notary seals, wax seals, affidavits, oaths, jurats, professional licensing documents, etc.)

After all these years, authenticity is still the solution to problems of inauthenticity. On the Internet, however, we need a better means of conveying authenticity. And indeed we have it.

We could call it an authenticity conveyance infrastructure. Or we could call it what its late twentieth century inventors named it... It was named Public Key Infrastructure.

So if Public Key Infrastructure is so good, then why hasn't it solved all of our information technology problems? Here are ten reasons why....

Before you go into that, what is Public Key Infrastructure?

We'll explain by way of example.

You're probably aware that thieves attempt to steal the account numbers and PINs from bank ATM cards by placing fake card slots on ATMs.

If those were PKI cards and machines, such captured information would be worthless. You see, a machine based on PKI presents a puzzle to the card, which contains a computer chip and a secret number that never leaves the card. After the user enters the correct PIN, the card tries to solve the puzzle. If the ATM receives the correct solution, then it knows the card must contain the correct secret number.

Of course, the next puzzle presented by the machine will be different, so a solution to an earlier puzzle is of no use.

If you'd like to learn more details about this fascinating thing that has been called public key infrastructure, go to authenticity.ac

If you'd like to learn why its very name is part of the reason for the problem, then click **MORE ABOUT SCARCITY** to see the next slide...

### [TEN REASONS WERE HERE]

- o PKI, if done right, offers something better...
- o If you apply reliable identities, building codes, professional accountability and architecture to PKI, you can build a very secure and effective online office building where you can keep your confidential information and have your meetings in quiet confidence.
- o These
  - Are very old concepts. Information technologists are not used to relying upon the concepts from the 19<sup>th</sup> century.
  - Involve things that are way outside of what information technologists are used to judging and managing.
  - Imply a complete departure from the examine-the-bit-streams approach to security. Complete departures can be seen as risky to careers.
- The application of some very old concepts to PKI can make it solve big problems. If you're a stockholder in a company with an information technology department, you may want to call your company's attention to QEI.

Over the centuries we have learned a lot about how to make our homes secure and reliable.

Let's see how we can apply that knowledge to those online spaces where we spend more and more of our time- our *information* homes if you will...

Suppose your home had been built with secret passageways that you didn't

know about

Suppose that every day, various intruders would enter through those passageways, open your file cabinets and place files in your folders. Sometimes they'd install devices in your rooms that would report back to them what you're up to.

That could never happen in your physical home, of course. City hall's building codes, building inspectors and occupancy permits would never permit such an obvious breach of the principle of quiet enjoyment in our homes.

But in an information home where you spend more and more of your time – your computer or phone – that's exactly the way it works. The title files are called "cookies." (Could they have chosen a friendlier, less alarming, sneakier word than "cookies"...?)

It's true, we often let trusted cleaners, childcare people, and neighbors caring for our pets and others enter our homes when we're not there.

It's also true that cookies and automatic software updates in our information homes can be helpful.

But what set of ordinances and rules govern the placing of cookies and nosy software in our information homes?

And where do we find a city hall to make and enforce them?

And how would we know that those claiming to be trusted friends and service providers are who they say they are?

Take a look at the answers to these other questions in

# **Individual Membership Section of The Authenticity Alliance**

Learn More (link to authenticyalliance.org)

### MORE ABOUT SCARCITY

In famous letters from 1775, Abigail Adams implores her husband John to do something to increase the manufacture of straight pins. Things like that serve to remind us how precious in years past were pins, nails, paper and for that matter all manufactured goods.

That has certainly changed. It takes sixteen hours of labor to assemble a Maxima in Nissan's plant in Smyrna, Georgia. You can get a computer motherboard with processor and memory for less than one hundred dollars; a two terabyte hard drive for 120 U.S. dollars. Retail.

Now think for a moment what's inside that motherboard and hard drive. Consider the immense number of components, the ridiculously miniscule dimensions and tolerances involved in making those components.

Item by item, process by magical process, manufacturing technology is obliterating scarcity. If there's any item that can't be made cheaply and with high quality today, just wait a few years.

Economics has been described as the study of scarcity. Ever since people started making and bartering goods and services, the fundamental assumption has been that everything involved in that process, from raw materials to labor, is scarce.

But production technologies (much more than cheap Asian labor) have reduced not just manufacturing costs but also agricultural costs and other production costs to the point where the cost of many goods, including food, are based almost entirely of the cost of packaging and distribution.

As we all know, retail prices are not necessarily related to production cost. As manufactured goods became less scarce in the twentieth century, their retail price was increasingly driven by branding. Branding is the creation of demand through the manufacture of awareness.

The awareness economy began with 19th century mass magazines and peaked at the end of the 20th century, when mass media - broadcast and print - was at its most powerful. The means of building a brand - communication to large audiences - became the new scarce item.

Mass awareness will always be somewhat scarce, as the human mind can absorb a finite number of marketing and branding messages. Targeted awareness, however, has become another victim of the scarcity shortage. Craigslist and similar matchmaking channels have nearly completely disintermediated the matching of needs with availabilities. On the Web it's fairly easy and inexpensive to reach a tightly targeted audience with a targeted message. Targeted awareness, once the guarded asset of large advertisers, is now available to the smallest marketer.

Yes, the scarcity shortage has claimed another victim, the awareness industry. Awareness is no longer a scarce commodity, hence the decline in traditional print and broadcast media.

Does this mean that the scarcity shortage prevails everywhere, that everything we need or want is in abundance?

Of course not. Scarcity will always be with us. It just takes different forms as time marches on.

The most perceptive among us will always recognize new places where scarcity has popped up.

[This section repeated from homepage] Successful businesses tend to ask, "What Is Scarce?" "What can I provide that people need and don't have enough of?" Often a very local or very targeted answer, e.g. "Dry cleaners are scarce in my rapidly developing part of town" can lead to a profitable small business.

Massive opportunities arise for those who can answer the question, "What is scarce not just in my part of town but everywhere?" As production efficiencies have made manufactured goods more commonly available than ever, good answers to that question themselves become scarce. There seems to be a scarcity shortage.

There is something that is desperately needed, massively in demand on a global scale, and very very scarce.

The common belief is that this item is scarce because it cannot be produced in sufficient quantity. Like gold or diamonds, its availability is very limited. It is simply not available.

We know, however, that that is not true. We know that this scarce item is actually quite produceable.

Take a moment to read about that which is scarce, and how you can have a role in the production of this scarce commodity.

Learn What Is Scarce...

### **MEMBER ENTERPRISES**

# **Authenticity Alliance Member Enterprises**

### Links

Here are a few of the sites around the web that we recommend.

### **Authenticity Alliance**

Authenticity is as big as the Internet itself | The Authenticity Alliance

### **Attestation**

The council of attestation officers

#### Reliable ID

Rekuabke udebtutues ensure that those who touch your valuable resources are who they say they are | Reliable ID

# **CAREERS**

### **Work InDoors**

## **Career Opportunities?**

In all of the commercial and noncommercial enterprises that constitute The Authenticity Alliance, everyone carries the same title: Entrepreneur. People who build an Authenticity Enterprise have bottom lines rather than paychecks.

And so the word "career," identifying as it does a long-term pursuit of one type of activity, generally doesn't apply in our agile enterprises. For one thing, our roles are constantly changing.

Part of being agile is being what some call being "virtual." Whatever you call it, our offices are located in the very most convenient place on earth: your desktop. It's a workplace can be the epicenter of some very exciting projects, provided the space is occupied by a disciplined Entrepreneur.

Do you have what it takes to be focused and disciplined without social pressure from peers sharing your physical space? And would you like to be involved in the next big economic inflection point, The Authenticity Economy, which we feel will be at least as big as the Internet itself?

### Yes?

Then join us! Take a look at the Authenticity Enterprises, ranging from those that are up and running and profitable, to those that are still in the planning stage. Think about the markets and audiences to which you can bring domain-specific knowledge and skills, and that can benefit from Authenticity.

Then get in touch with us.

We look forward to hearing from you!

Best regards,

Wes Kussmaul Entrepreneur

### **DEAR SETH**

To: Seth Godin

From: Your Neglected Brainchild

Dear Seth (I no longer call you Papa):

Some people just can't stop having kids. You have too many. Too many brain children that is.

Yes, I like my siblings. Many of them are brilliant. Many of us are neglected.

"The Scarcity Shortage." How brilliant is that? With me you created something really special, three words that trump whole volumes of social and economic commentary and drip with irony. The Scarcity Shortage. Every time I go out on the Net and see names for other concepts I am reminded of my very special intended destiny.

But what did you do with me? You used my name as a title for a magazine article, then moved on to make more brain children, leaving me in the heap of eminently forgettable clichés that make up 99% of all article titles.

Well, this is to let you know that I have been adopted by an acquaintance of yours who really loves me and will care for me. My adoptive dad is Wes Kussmaul.

Read on, and weep over what you have lost. OK, don't, you crank out too many other briliant concepts to fret about this one neglected offspring. Good bye.

Your former son, The Scarcity Shortage