The death of credit, debt, boom-bust cycles and unemployment

Contributed by Prof. Paul Douglas Katchings
Wednesday, 27 May 2009
Last Updated Saturday, 07 January 2012

The death of credit, debt, boom-bust cycles and unemployment

Why not include the customers in a â€œfree equity share option processâ€• for new public companies and guarantee loyalty, future predictable earnings for these companies and automatic savings for each customer?Â Then the pressure burden felt by customers to make decisions on credit, debt and investment will be lifted.Â Imagine no more credit bureaus, no more credit scores and no more debt.Â Every time you purchase anything in new publicly traded companies starting in 2009-2012, you will receive equity instead of more debt entrapment.
Â
A simple fact that has been hidden from the management of public companies and their customers for far too long, is that customer purchases can be worth 11, 20 and 40 times more than their purchase prices.Â How is this possible?Â By allocating a fixed percentage of the ownership of a pubic company to the customers that produced the capitalization for the company.Â Itâ€™s that simple.

Itâ€™s safe to say from the outset that most experts do not understand the mechanics of public corporations â€“ from the early beginnings of the corporation to the time that experts started to comment on stocks and stock markets.Â Why donâ€™t they understand?Â Because if the experts did understand the mechanics of public companies, then the â€œfree equity share optionâ€• for customers would already be an existing reality and we would not be witnessing lots of wasted words on gloom and doom.

Itâ€™s time to throw down the gauntlet to established business-as-usual practices where customers are excluded from the planning for value accumulation.Â Customers do not get their rightful value.Â There is a lack of understanding in the simple mechanics of a public corporation that are required to solve the problem of declining consumer demand.
Â
When 14 million participants are assembled into the â€œfirst venture capital social networkâ€• as customers and owners of multiple public corporations, the old business-as-usual practices will wane.Â 14 million is huge but necessary for the maximum value creation for the participants. This new network must be structured for the express purpose of creating one new public company daily with 61 million shares and a minimum product or service price of $1. Value for all members â€“ which must be theirs by right â€“ will be manifested by the value creation multiplier of 11, 20, and 40.

In business the prevailing wisdom is to eliminate as many variables as possible.Â This network can establish the following fixed guarantees:

a) a preassembled base of customers and
b) an allocation of free majority shares in a new publicly traded company to all customers who are also the owners.

The variable costs of inventory, marketing, sales and advertising can be reduced.Â The predictability of annual earnings can be established.

Clearly $14 million times gross margins-earnings as a percentage divided by 61 million shares and divided by a rate of return is producing a share price. Experts should know this fact.

Letâ€™s restate the above with numbers.Â $14 million in sales times 0.63 gross margins-earnings divided by 61 million shares divided by .03 is producing a share price of $4.819.

69% of 61 million shares authorized can be allocated as free shares to be given to the 14 million preassembled customers.Â This means each customer will receive 3 free shares for purchasing a product or service. With an equity value of $4.819 times 3 shares, clearly the product or service equity value is $14.487 for each of the 14 million preassembled customers.

There are no magic tricks here â€“ no smoke and mirrors.Â This is just plain old common sense using standard acceptable accounting rules for the valuation of equity.

Since the customers paid $1 for the product or service and have an instant $14.487 in equity value, it is better for the new public company to design its share distribution or capitalization structure to include 14 million customers.Â These 14 million customers are the ones who buy the new corporate model companyâ€™s products and services, thus producing the earnings that drive the share prices.

Is this free giving so hard to understand?Â Perhaps it is the use of the word â€œfreeâ€• that is obscuring the fact that customers create the value for public companies.Â Therefore we can still say that nothing is free!

This semantic should not and will not be obscure to clear-thinking experts.Â Such experts are not fascinated with illogical conclusions when greed and muddled thinking have obviously clouded the vision.

Letâ€™s make this â€œfree value creationâ€• fact as clear as possible to the experts and readers:Â a $1 purchase is worth 14. times the purchase price by a new breed of publicly traded companies.Â This new breed of companies establishes two guarantees into the economic picture:

a) a preassembled base of 14 million customers and
b) a free allocation of majority shares to these customers for their purchasing activity.

We have a new economic reality of â€œequityâ€• replacing â€œcredit and debtâ€• and real competition has finally arrived to cap

When the customer is included in the â€œfree distribution of equityâ€• in a new model of publicly traded companies, we find that inflation, depressions, credit, debt, boom-bust cycles, unemployment, and poverty are at an immediate end and capitalism has fulfilled its purpose.Â The problems of medical, education, baby-boomer pensions and global public safety nets will cease to exist with an extended version of capitalism.Â Take a look at the following examples of a customerâ€™s purchasing activity.
Â
â€¢Â Â Â Buy a $1,100 green laptop computer and get $5,700 in instant equity
â€¢Â Â Â Buy a $100 green cell phone and get $1,038 in instant equity
â€¢Â Â Â Buy a $1,200 year supply of healthy food and get $5,500 in instant equity
â€¢Â Â Â Buy a Flat Panel HDTV for $400 and get $2,076 in instant equity
â€¢Â Â Â Buy a global medical insurance forÂ $3,300 and get $17,064 in instant equity
â€¢Â Â Â Buy a $65 â€˜solar-lanternâ€™ and get $337 in instant equity
â€¢Â Â Â Buy a $100 new 16 films annual contract and get $1,147.53 in instant equity

The average American spending $12,000 annually with 364 new model publicly traded companies will have $138,000 in his or her stock accounts in 2009-2010.Â Â A mere $33 per day created this $138,000 savings!Â The customerâ€™s investmen decisions are made simply by their purchasing decisions.

The customers know in advance of their purchases that the 11, 20, and 40 multiplier is applied to the purchase prices of the product and services.Â They will see this as the essence of Product Equity ValueÂ©.

Product Equity ValueÂ© will make its way, step by step, to the serious and honest business engineers, economic and policy thinkers.Â And when Product Equity ValueÂ© does make its way to these change merchants, we will see the greatest transfer and creation of value that economics has ever witnessed in alleviating economic misery for 3.6 billion people!

2 of 235 New Business Models required to make Product Equity ValueÂ© a global reality are starting to assemble partners for a clear winning strategy for the 21st century consumers.Â Click on either one to join.

http://www.b2bvp.com

If you can attract 2,426 partners instantly then you can own one of these 235 models placed into full operation in less than thirty days producing revenue for you before the assembled partners finance their first new model public company.Â Email me below â€“ my preferred means of communications â€“ for more information.

Paul â€˜Tanâ€™ Douglas Katchings
Business Engineer

Drpaul1139@hotmail.com