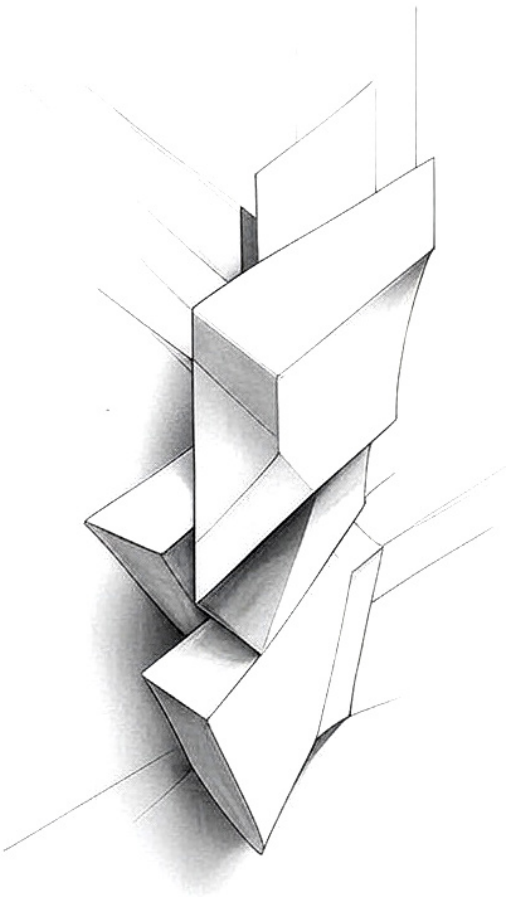
THE NEW RULES

Developer's Guide to AI Era



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This file contains only one chapter from the full book. You can get the PDF version of the book on its website.

Disclaimer: This book was created with the assistance of artificial intelligence. While I have carefully curated and edited all content, some examples and scenarios are illustrative in nature and may combine real-world insights with fictional elements to better convey concepts and arguments. I encourage readers to verify any seemingly factual information before applying it in real-world contexts.

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Chapter 13

Economics of Abundance

In a world of infinite abundance, true value lies in the rare and revered.

— The New Rules, 2025

GitHub gives away infinite code for free and makes $1 billion annually. Figma open-sourced their entire design system and tripled their enterprise revenue. Vercel publishes every deployment technique they've perfected and captures 67% of the Next.js market. Meanwhile, companies hoarding their "intellectual property" behind paywalls watch their market share evaporate.

Here's what changed: When AI can generate any code in seconds, artificial scarcity becomes artificial stupidity. The winners of 2025 don't sell code — they give it away and monetize everything around it. Trust. Expertise. Time. Peace of mind. The things AI can't replicate. This isn't charity. It's strategy.

Companies embracing abundance capture value AI cannot touch. They understand that in a world where every feature can be copied instantly, the only sustainable moat is the community that trusts you enough to bet their career on your platform. Welcome to the Economics of Abundance, where giving away everything makes you worth everything.

13.1 What Humans Still Pay For

Free code killed software companies — but created service billionaires. The things that used to be free — support, documentation, community — became the primary revenue drivers. The things that used to be expensive — code, features, implementations — are now marketing expenses. When surveyed about their software spending in 2025, enterprises revealed shocking priorities. 32% of budget went to Confidence:

- Someone to blame when things break, sleep-at-night guarantees.
- Expertise on call and access to proven patterns that work.

Another 28% went to Time:

- Pre-validated solutions, skip the research phase.
- Instant expert access, faster than figuring it out.

Notice what's missing? Features. Code. The traditional "product." The Economics of Abundance flipped the value stack upside down. What was free became premium. What was premium became free.

13.1.1 The Value Inversion

The Old Model (Scarcity Economics):

- Core Product: $$$$ (Expensive to create),
- Support: Free (Loss leader),
- Documentation: Free (Necessary evil),
- Community: Free (Marketing channel),
- Features: $$$ (Upsell opportunity).

The New Model (Abundance Economics):

- Core Product: Free (AI-generated commodity),
- Support: $$$$ (Human expertise),

- Documentation: Free (AI-generated),
- Community: $$$ (Curated access),
- Experience: $$$$ (Integration and optimization).

CASE STUDY Giving Away the Code, Selling the Outcome

Supabase exemplifies this perfectly. They give away their entire database infrastructure code, authentication system, storage solutions, and infinite self-hosted instances.

What people pay for? Managed infrastructure ($25-$599/month), Expert support ($500-$10k/month), Compliance packages ($2k-$50k/month), Migration services ($10k-$100k/project), Performance optimization ($5k-$25k/month).

Their 2025 revenue breakdown: 30% infrastructure, 70% services. Their moat? Trust and expertise.

13.1.2 The Service-Layer Stack

Modern software companies organize into service layers:

1. **The Honeypot Layer** (Free): Fully functional product, generous usage limits, complete documentation, community support, self-hosting options.

2. **The Convenience Layer** ($): Hosted solutions, automatic updates, basic support, standard SLAs, usage analytics.

3. **The Acceleration Layer** ($$): Priority support, expert consultations, custom integrations, training programs.

4. **The Assurance Layer** ($$$): Enterprise SLAs, dedicated support teams, compliance guarantees, executive briefings.

5. **The Partnership Layer** ($$$$): Strategic consulting, custom development, board advisory, co-innovation, revenue sharing.

Here's the key insight: They don't sell software — they sell outcomes. The software is just the demo.

Companies that fail in 2025 try to create artificial scarcity. "Our proprietary algorithm," they claim, while AI reproduces it in minutes.

"Advanced features in Pro only," as open source clones appear. "Usage-based pricing," they insist, while competitors offer unlimited. "Closed source advantage," they argue, as the community builds better.

The fatal flaw in most software pricing strategies is focusing on features instead of outcomes. Features are inputs. Outcomes are results. In an AI-abundant world, inputs become commoditized while results remain scarce. Price accordingly.

> **Key Point:** The winners embrace abundance and monetize what remains scarce — expertise, integration knowledge, industry context, relationships, and trust.

13.2 Premium Support in the Age of AI Assistants

AI killed traditional support — and made premium support 10x more valuable. In a world where AI can answer any question instantly, companies still pay thousands per month for human expertise. This isn't a paradox. It's a fundamental truth about what customers actually value.

Traditional support answered questions. Modern support provides confidence. And in an uncertain world, confidence costs premium.

> **Key Point:** Premium support isn't about answering questions. It's about providing answers you can trust with your business.

13.2.1 The Evolution of Support

The support evolution happened faster than anyone predicted:

- **Traditional Support (Pre-2023)**: Ticket systems, FAQ databases, forum moderation, bug triage, feature requests;
- **AI-Augmented Support (2023-2024)**: Chatbots handling basics, humans handling complex, knowledge bases auto-generating, predictive issue resolution, sentiment analysis;
- **Post-AI Support (2025)**: Strategic advisory, architecture review, performance optimization, risk assessment, success partnership.

The Four Support Layers

1. **The Accountability Layer**: Named experts assigned to accounts, direct phone/video access, contractual SLAs with penalties, incident post-mortems, executive escalation paths

2. **The Expertise Layer**: Engineers who built the system, deep architectural knowledge, production war stories, performance optimization secrets, scaling strategies that work;

3. **The Insurance Layer**: Liability for failures, compliance guarantees, security incident response, data recovery services, business continuity planning;

4. **The Innovation Layer**: Early access to features, input on roadmap, custom development options, co-innovation opportunities, strategic technology planning.

CASE STUDY **Vercel: Support as the Product**

Vercel transformed support from cost center to profit center. Their abundance model from 2023-2025 provides free AI answers for everything with infinite docs, Pro architecture reviews, and Enterprise embedded experts.

Their premium service offerings include:

- **Architecture Advisory**: Monthly reviews of application architecture, performance recommendations, scaling strategy planning, cost optimization analysis;
- **Migration Concierge**: White-glove migrations, legacy system integration, team training;
- **Performance Partnership**: Dedicated performance engineer, custom optimization implementations, real-time monitoring setup, quarterly business reviews.

The results? Support revenue exceeds hosting revenue. 95% enterprise retention rate. 8.5x average revenue expansion. Support became their strategic advantage.

13.2.2 The Human Premium

What makes human support worth $10k+/month when AI is free? Four critical elements that AI cannot replicate:

- **Contextual Understanding**: Knows your specific architecture, understands your business constraints, remembers your history, anticipates your needs;
- **Strategic Thinking**: Sees beyond immediate problems, suggests architectural improvements, identifies future risks, plans for scale;
- **Emotional Intelligence**: Manages stakeholder anxiety, navigates political dynamics, builds confidence, provides reassurance;
- **Accountability**: Takes responsibility for outcomes, provides legal recourse, offers financial guarantees, shares risk.

13.2.3 Building Premium Support Services

To create your own premium support services:

1. **Hire for expertise, not availability**: Deep technical knowledge, business acumen, communication skills, strategic thinking;

2. **Productize the offering**: Clear service tiers, defined deliverables, measurable outcomes, regular touchpoints;

3. **Build trust through transparency**: Share response metrics, publish case studies, document saves, celebrate partnerships;

4. **Scale through specialization**: Domain expertise (fintech, healthcare, etc.), technical expertise (performance, security, etc.), scale expertise (startup, enterprise, etc.), regional expertise (compliance, culture, etc.).

The paradox of premium support? The better your product gets, the more valuable your expertise becomes. When everything works perfectly, clients need even more guidance on how to leverage that perfection. That's not a support cost — that's a revenue opportunity.

13.3 Certification and Verification Economy

AI-generated perfection created a trillion-dollar trust crisis. In a world where anyone can claim expertise and AI can generate flawless documentation, third-party verification became a multi-billion dollar industry. The certification economy doesn't verify knowledge — it verifies trust.

By 2024, the abundance of AI-generated everything created a paradox. Any company could have perfect documentation. Any developer could showcase impressive projects. Any solution could benchmark fantastically. Any claim could be substantiated with data. Result: Nothing could be trusted without verification.

> **Key Point:** When everything appears perfect, trust becomes the ultimate currency. Certification isn't proving quality — it's a proof of reality.

New Certification Stack

The new certification stack operates in essential layers:

1. **Level 1: Code Verification** — Not plagiarized or AI-generated, actually works as claimed, performance metrics accurate, security vulnerabilities checked;
2. **Level 2: Entity Verification** — Real humans behind it, financial stability, customer references, legal entity verification;
3. **Level 3: Expertise Verification** — Team capabilities validated, knowledge depth tested, experience authenticated;
4. **Level 4: Outcome Verification** — Customer success stories verified, ROI claims validated, references checked.

The Trust Business Models

Four distinct business models emerged in the certification economy:

- **Traditional Certification Bodies** — Annual audits, continuous monitoring, incident response, expert witness;

- **Certification-as-a-Service** — Companies offering annual contracts, automated evidence collection, continuous compliance monitoring, audit preparation services;
- **Peer Verification Networks** — Community-driven certification, reputation systems, trust networks, token-incentivized validation;
- **AI Verification Specialists** — Model authenticity verification, training data auditing, output accuracy testing, bias detection services.

The Verification Value Chain

Each step in the verification process multiplies value:

- Raw Claim: "We're secure" — Worth $0
- Evidence Collection: "Here's our security docs" — Worth $X
- Third-Party Validation: "Auditor confirms" — Worth $10X
- Continuous Monitoring: "Real-time proof" — Worth $50X
- Public Attestation: "Public record" — Worth $100X

> **Key Point:** The verification value chain creates exponential returns because each step reduces uncertainty. In business, uncertainty creates financial friction. Removing that friction has multiplicative value across every transaction.

13.3.1 Creating Your Certification Strategy

To build your certification strategy as a software vendor:

1. **Identify trust gaps** — What do customers doubt? What claims need proof? What compliance is required?

2. **Layer certifications** — Start with basic industry standard (SOC 2, ISO 27001), add advanced specialized (HIPAA, PCI, GDPR), move to premium custom audits for enterprise, culminate with continuous verification.

3. **Monetize trust** — Certified versions command premium, compliance packages for verticals, audit support services, Trust-as-a-Service offerings.

The ultimate power move? Transform verification from cost center to profit center by productizing your certification journey for others.

13.4 Creating Scarcity in Infinite Markets

Free destroys value. Constraints create it. The ultimate paradox of abundance economics: How do you create value when supply is infinite? The answer isn't fighting abundance — it's architecting scarcity within abundance.

This isn't just theory. It's the billion-dollar playbook behind the most successful digital companies of 2025. The most successful companies don't fight the abundance — they create artificial constraints that paradoxically increase value.

The Scarcity Creation Playbook

Five deliberate constraint types drive exponential value:

1. **Temporal Scarcity** — Creating value through time-limited access, exclusive early releases, and deadline-driven opportunities that trigger action.

2. **Attention Scarcity** — Limiting access to human expertise through carefully allocated consultation slots, tiered response times, and reserved support channels.

3. **Curation Scarcity** — Providing value through selective filtering of partners, integrations, and consultants who meet rigorous quality standards.

4. **Community Scarcity** — Building exclusive groups with membership caps, invitation requirements, and activity thresholds that increase perceived value.

5. **Outcome Scarcity** — Differentiating through guaranteed results, performance commitments, and accountability measures that competitors cannot match.

Create scarcity by saying no to abundance. In today's AI-powered development landscape, project management tools have become commoditized beyond recognition. Anyone with basic AI prompting skills can build a serviceable tool in days, achieving feature parity with established products in mere weeks. Open source alternatives saturate the market, offering free versions of virtually every commercial product. This ubiquitous availability creates relentless price pressure, driving costs toward zero and threatening the sustainability of even well-designed solutions.

Linear deliberately countered this abundance by embracing strategic limitations. They built an opinionated workflow that rejected customization options, focusing instead on a single, optimized experience. They limited integrations to a carefully curated set, prioritizing quality connections over comprehensive compatibility. Their selective customer acceptance process, feature rejection philosophy, and commitment to slow, deliberate growth all served as intentional constraints in a market obsessed with endless options and rapid scaling.

The paradoxical outcome of Linear's constraint strategy proved remarkably effective. Despite — or rather because of — their limitations, they maintained premium pricing in a race-to-zero market. They developed a cult-like following of devoted users who valued their opinionated approach. While competitors continued to proliferate, they became increasingly irrelevant to Linear's business, unable to compete on experience rather than features. Most tellingly, the value of their product increased proportionally with the constraints they imposed, defying conventional market wisdom.

Technical Note **The constraint value formula:**

$$\frac{Abundance \times Constraint\ Uniqueness \times Switching\ Cost}{Alternative\ Quality}$$

Scarcity Strategies That Work

Four proven models for creating value through strategic constraints:

1. **The Spotify Model — Curation in abundance**: Amid an infinite ocean of available music, Spotify transforms overwhelming choice

into valuable discovery through expert curation, where human-crafted playlists and personalized recommendations become the true premium product.

2. **The Michelin Model — Certification in chaos**: In a world where anyone can open a restaurant, Michelin stars create value through rigorous verification, transforming chaotic choice into a trusted hierarchy where scarcity of recognition directly increases both prestige and pricing power.

3. **The Harvard Model — Exclusivity in education**: Harvard demonstrates how deliberate admission constraints create a self-reinforcing ecosystem where artificial scarcity generates real network effects, sustaining premium pricing even as identical knowledge becomes freely available elsewhere.

4. **The Supreme Model — Artificial limits**: Supreme built a billion-dollar brand by deliberately constraining production runs of ordinary items, creating manufactured urgency through limited "drops" that transform commodities into coveted collectibles with sustained resale value.

13.4.1 Building Scarcity Into Abundance

Strategic constraint design requires careful balance — restricting the right elements while enhancing what truly matters. The following framework helps you apply constraints across different offering types:

1. **For Products**, implement the paradox of productive restraint: limit features without restricting access, constrain available choices while empowering users, cap complexity while preserving core capabilities, and restrict variations while maximizing delivered value. The most elegant products aren't those with the most features, but those with the most thoughtful constraints.

2. **For Services**, create value through calculated scarcity: limit availability while maintaining exceptional quality, constrain your time without compromising expertise, cap client numbers to maximize

impact per engagement, and restrict access channels while optimizing client outcomes. Premium services aren't defined by universal access but by the deliberate constraints that make each interaction valuable.

3. **For Communities**, employ selective boundaries that strengthen from within: limit community size to enhance engagement depth, constrain noise to amplify valuable signals, cap growth rates to preserve cultural coherence, and restrict entry while encouraging vibrant participation among members. The strongest communities aren't the largest or most open, but those with thoughtful constraints that cultivate belonging.

4. **For Platforms**, focus through strategic limitation: limit partner quantity to increase partner quality, constrain integration breadth to enhance interoperability depth, cap system complexity while preserving essential capabilities, and restrict ecosystem sprawl to enable focused success. The most valuable platforms aren't infinitely extensible, but selectively constrained to generate maximum value within meaningful boundaries.

The deepest insight of abundance economics: The more you give away, the more valuable your constraints become. When everything is free, boundaries create value. When everything is available, curation creates worth. When everything is possible, opinions create premium. When everything is infinite, limits create desire.

13.5 The Future of Abundance Economics

The revolution has just begun. The economics of abundance will intensify as AI capabilities expand, transforming business models across every industry. The companies winning in 2025 are simply the first wave — what comes next will make today's innovations look primitive.

When everything digital becomes free, the next trillion-dollar opportunities won't come from fighting abundance — they'll come from harnessing it to deliver what remains scarce: trust, expertise, curation, and outcomes.

Emerging Business Models

1. **Experience-as-a-Service (EaaS)** — Not selling software, selling outcomes, subscription to success, not features, continuous optimization included, results guaranteed or refunded;
2. **Trust-as-a-Service (TaaS)** — Continuous verification streams, real-time compliance monitoring, reputation score maintenance, third-party validation;
3. **Constraint-as-a-Service (CaaS)** — Artificial limitations for focusing the scope and increasing depth, curated option sets, decision reduction services, complexity management;
4. **Community-as-a-Service (CaaS)** — Paid micro-communities, expert network access, peer and outcome-oriented groups.

Technical Note For software companies, the Standard Abundant Business Model allocates resources inversely to the traditional model:
Traditional: 70% development, 20% support, 10% community
Abundance: 30% development, 40% support, 30% community
This isn't cost-cutting — it's value-shifting. The community and support become primary revenue drivers, not cost centers.

The Core Principles

- **Give away the abundant** — Freely distribute all easily replicable assets including code, features, documentation, and AI-generatable content to establish market presence while focusing resources on scarce, value-creating elements.
- **Charge for the scarce** — Build revenue streams around truly limited resources that resist commoditization: human time, established trust, specialized expertise, thoughtful curation, refined taste, contextual judgment, community access, meaningful connection, and guaranteed outcomes.
- **Create valuable constraints** — Deliberately impose strategic limitations that transform overwhelming complexity into elegant simplicity, chaotic options into curated selections, infinite possibilities

into focused directions, and commodity quantity into premium quality.

- **Build trust systematically** — Treat verification as competitive advantage, transparency as premium feature, accountability as product offering, and reputation as the ultimate moat that competitors cannot easily cross.

The New Competition

In abundance economics, competition fundamentally changes:

- **Old competition asked:** Who has the most features?
  New competition asks: Who creates the most value?
- **Old moat was:** Proprietary technology
  New moat is: Trust and reputation
- **Old strategy:** Capture value through scarcity
  New strategy: Create value through abundance
- **Old metric:** Revenue per feature
  New metric: Revenue per constraint

The ultimate competitive advantage is no longer what you build. It's what you choose not to build. In the future of abundance, curation becomes more valuable than creation, trust more valuable than technology, and constraints more valuable than expansion.

The winners of 2030 will be those who embrace this paradox completely: To create maximum value, maximize what you give away — then build your business around what remains scarce.

13.6 Principles of Abundance Economics

When code becomes free, service becomes everything. The economics of abundance demands a complete inversion of traditional value models. Companies embracing this transformation are outperforming competitors 5:1 in valuation, while those clinging to outdated models face extinction.

Key Point: In a world of infinite digital supply, only five things remain truly scarce: human trust, expert time, verified truth, curated

experience, and guaranteed outcomes.

The New Value Equation

Trust becomes the ultimate currency. When AI makes every offering appear perfect, third-party verification grew into a $14 billion economy. The verification value chain multiplies impact at each step: raw claims ($0) → evidence ($X) → validation ($10X) → continuous monitoring ($50X) → public attestation ($100X).

Human attention is the new premium. Enterprise buyers allocate 60% of software budgets to accountability, expertise, integration, and compliance — not features or functions. Support evolved beyond answering questions into strategic advisory and business partnership, with margins reaching 85% compared to product margins of 40%.

Constraints create more value than features. The constraint value formula reveals this paradox:

$$\frac{Abundance \times Constraint\ Uniqueness \times Switching\ Cost}{Alternative\ Quality}$$

Companies with focused offerings achieve 4x the retention rates of feature-rich competitors by architecting scarcity through five deliberate constraint types: temporal, attention, curation, community, and outcome.

Business models fundamentally transformed. Resource allocation inverted from traditional (70% development, 20% support, 10% community) to abundance-focused (30% development, 40% support, 30% community). Four emerging models dominate: Experience-as-a-Service, Trust-as-a-Service, Constraint-as-a-Service, and Community-as-a-Service.

Implementation Framework

To thrive in abundance economics:

1. **Give away the abundant** — Distribute all replicable assets freely while focusing resources on scarce, value-creating elements.

2. **Charge for the scarce** — Build revenue streams around what AI cannot replicate: time, trust, expertise, curation, and outcomes.

3. **Create valuable constraints** — Transform complexity into simplicity, chaotic options into curated selections, and commodity into premium through deliberate limitations.

4. **Build trust systematically** — Treat verification as competitive advantage, transparency as premium feature, and reputation as the ultimate moat.

The New Competitive Landscape

Competition fundamentally changes:

- **Old competition:** Who has the most features?
  New competition: Who creates the most value?
- **Old moat:** Proprietary technology.
  New moat: Trust and reputation.
- **Old metric:** Revenue per feature.
  New metric: Revenue per constraint.

The Economics of Abundance isn't about fighting zero marginal cost. It's about embracing it completely. The winners understand what truly matters in a world of infinite digital supply: human trust, expert time, verified truth, curated experience, and guaranteed outcomes.

Your code is worth nothing.
Your constraints are worth everything.
Your reputation is worth more than both combined.