

# *Career-Counseling-as-a-Service (CCaaS):* Enabling Value Co-creation Through AI-Powered Services Offered as an API-Based Solution

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*Semester Paper*

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## Declaration of Authenticity

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Olten, May 2023



Dietrich Rordorf

Source code and versioning:

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## **Abstract**

@TODO: Write abstract / summary once paper is ready.

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## 1 Introduction

The rapid progress in the field of generative AI and the democratization of the access to advanced AI tools have unleashed a new wave of speculations on how industries are going to evolve over the next few years, see, e.g., Chui et al. (2023); Chui, Roberts, and Yee (2022). Many companies are reconsidering how AI in general and generative AI in particular will affect their industries and ecosystems. One such industry is career counseling, which is also known as career guidance. Career counseling is the discipline and set of services related to designing career paths and consulting individuals regarding their career opportunities. In this paper we explore a new innovative business model in career counseling based on co-creation that we term *Career-Counseling-as-a-Service* (CCaaS). We envisage CCaaS as a set of next-generation, AI-powered career counseling services that are offered as an API-based solution. This new business model is embedded in a social and digital ecosystem of career counseling by leveraging the vast amount of data of the most powerful company in terms of professionals' career data, i.e., LinkedIn<sup>1</sup> and will enable new types of value co-creation by different actors in the ecosystem.

Digital ecosystems can be described as a complex, self-organizing, and adaptive system of actors (including current and potential competitors) and other stakeholders that are connected through digital platforms in order to create and exchange value. More specifically, Adner (2017) defines an ecosystem as follows: an “[...] ecosystem is defined by the alignment structure of the multilateral set of partners that need to interact in order for a focal value proposition to materialize.” By alignment structure, Adner refers to the mutual understanding and agreement of the position of different actors in the ecosystem, i.e., the roles they play and the relationships they have with each other (Adner, 2017, p. 42). While by “multilateral” and “set of partners” Adner refers to the fact that the ecosystems are composed of a multitude of actors, but also that these actors are members of the ecosystem and share the same goal of a joint value creation (Adner, 2017, p. 42-43). Digital ecosystems have gained tremendous importance over the last few years and translate into business growth and accrued financial success for companies (Weill & Woerner, 2015).

The remainder of the paper is built as follows. We will first introduce the customer perspective on career counseling before developing the value proposition using the Value Proposition Canvas (Osterwalder, Pigneur, Bernarda, & Smith, 2014). In particular, in Section 2 we will look at the customer perspective in terms of possible customer segments and their respective needs and drivers. Needs encompass *gains* and *pains* of the customer segments, while drivers encompass societal, technological and environmental trends and developments that make this business model possible. Further, we will describe the enablers of this new business model. Enablers encompass the resources available to the innovating company thereby increasing the likelihood of realization and viability of the new business model, and are described in Section 3. Then, we will describe the business model itself using the Business Model Canvas (Osterwalder, Pigneur, & Smith, 2010) in Section 4. In particular, we will look at the value proposition, customer segments, channels, customer relationships, key resources, key activities, key partnerships, revenue streams, and cost structure of this business model. Further, we will detail the specific contribution of (strategic) innovation in this business model in Section 5. We will then evaluate the business model in terms of its viability and feasibility in Section 6. Finally, we will describe the fit of this business model with the system in which it is embedded in Section 7, and conclude with a summary of our findings in Section 8.

In the remainder of this section, we will give a background on career counseling as well as the strategic innovation potential that stems from the latest generation of AI technologies applied to this industry.

<sup>1</sup><https://www.linkedin.com>

This background information is based on the previous results of a literature review conducted as part of the course “Strategic Business Innovation” at the University of Applied Sciences and Arts Northwestern Switzerland (FHNW) (Käser et al., 2023).

### 1.1 Career Counseling

Career counseling entails the discipline and set of services related to designing career paths and consulting clients regarding their career opportunities. It is provided by career counselors, which are professionals that are typically trained in psychology, counseling, and career development. A career counselor’s job is to assess a client’s individual preferences, intelligence, skill sets, work values, and experience in order to help them find a suitable career path under consideration of the current educational, work, and community contexts (American Psychological Association, n.d.). Career counseling services are typically demanded by three groups: (1) individuals that are in the process of choosing a career, i.e., students that are about to enter the job market; (2) individuals that are in the process of optimizing or entirely changing their career, i.e., by changing into a different role or different industry; and (3) unemployed individuals that are in the process of reintegrating the job market. Further, in this paper will argue for another customer segment, namely companies engaged in the “war for talent” that are looking for ways to *retain* and further develop talent that already works for them. Although they are not direct beneficiaries of career counseling services, they are indirect beneficiaries in the sense that they benefit from the increased productivity and satisfaction of their employees.

Services in career counseling specifically include services in five areas: (1) career assessment, (2) development & training, (3) job search assistance, (4) career transitions, and (5) entrepreneurship-related services. *Career assessment* services entail the assessment of the traits of the client, including identifying their preferences, strengths, skills, and values and matching those with suitable career paths. *Development & training* services entail the development of the client’s skills and competencies in order to prepare them for a specific career path or fill skill gaps. *Job search assistance* services entail assisting clients in finding a job, including identifying suitable job opportunities, preparing for job interviews, and writing job applications. *Career transition* services entail planning and guiding clients through a transition into a new role and/or career path, including identifying suitable career paths. Finally, with *entrepreneurship-related services* counselors support clients in starting a business, including identifying suitable business opportunities, writing business plans, and assisting with incorporation. Entrepreneurship-related services within career counseling are typically offered by career counselors in job centers as one possible way to reintegrate unemployed individuals.

### 1.2 AI in Career Counseling

The use of technological innovation and AI in career counseling has been researched before. According to Westman et al. (2021) and cited in Käser et al. (2023), applying technological innovation in career counseling can lead to the following benefits: “*improved accessibility, increased access to information, automating assessments and coaching, network effects (e.g., on multisided platforms), improved cost-effectiveness, and new types of services*”.

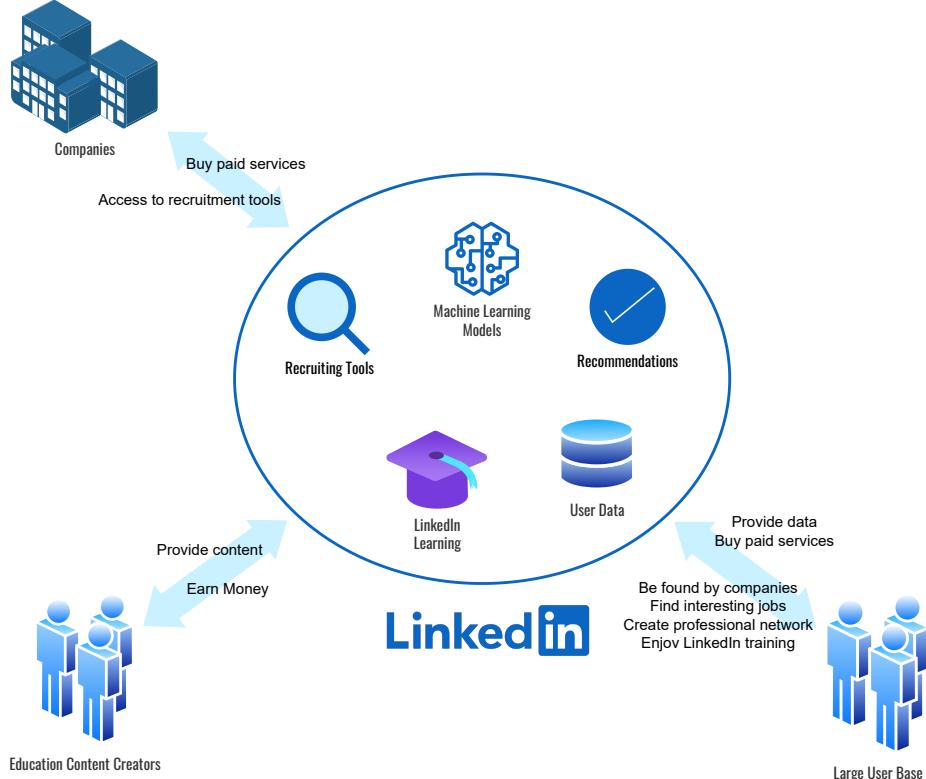
Further, Westman et al. (2021) identified that AI could play a number of roles in career counseling in the educational setting of schools and universities where students are in the process of choosing a career path. They identified four roles for AI, including as coach, collaborator, assistant, and tool (Westman et al., 2021). By *AI as coach* they refer to the use of AI as a virtual coach to provide career counseling services to clients; by *AI as collaborator* they refer to the use of AI to support career counselors in their work as a joint

team; by *AI as assistant* they refer to counselors using AI in specific areas and validating the AI results on a case-by-case basis; finally, by *AI as tool* they refer to the use of AI for single, narrowly defined tasks, such as a job recommendation engine based on a client's skills profile (Westman et al., 2021).

### 1.3 Digital Ecosystem of Career Counseling

The digital ecosystem of career counseling is composed of a multitude of actors, including career counselors, clients, and companies. Career counselors are the service providers, whilst clients are the recipients of career counseling services. Companies can either be beneficiaries of the services that career counselors provide to clients, or they can actively engage as a member of the digital ecosystem surrounding career counseling. Such members may offer digital platforms and services that are used by career counselors, clients, or both. The most prominent example of such a platform is LinkedIn, which is primarily used by clients as a professional social network and to find jobs. Parts of the current ecosystem surrounding LinkedIn are depicted in Figure 1. Other types of platforms include specialized job search engines (such as Indeed and Glassdoor), career assessment platforms (such as ChoiZy or Uncavo), or e-learning platforms (such as Udemy or Coursera). However, many of these offerings are scattered across different platforms and not integrated as part of a digital ecosystem. For example, a client may first use ChoiZy to assess their skills, then use Coursera to learn and fill a skills gap, and finally use LinkedIn to land a new a job.

Figure 1: The LinkedIn ecosystem before applying the innovation, where LinkedIn controls the value creation (own illustration).

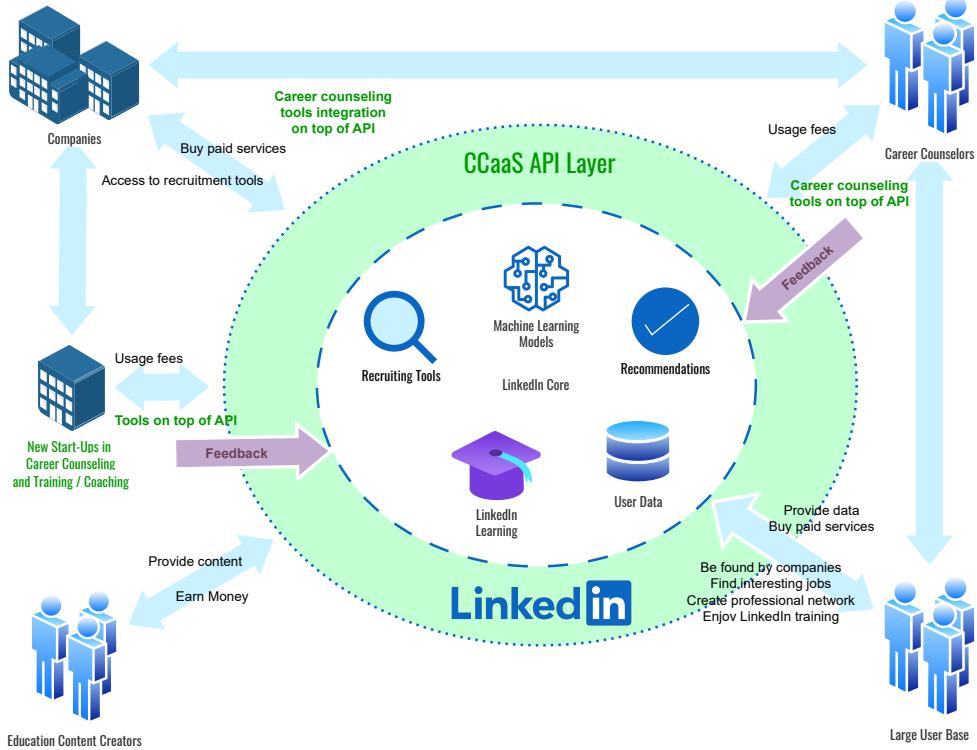


According to the definition of digital ecosystems introduced previously, career counseling can not strictly be considered a digital ecosystem yet. While it meets part of the definition in terms of multilateral relationships between actors, it fails to meet the criteria of a *set of partners* that pursue a common goal of

joint value creation (Adner, 2017). The reason for this is that the digital ecosystem of career counseling is not yet a fully integrated ecosystem, but rather a collection of loosely coupled actors that may also use different platforms for different use cases. The situation of career counseling thus presents enormous potential for strategic innovation by bringing all actors together and integrating them into a fully connected digital ecosystem of career counseling.

A true digital ecosystem could be created by integrating the services of other actors into the LinkedIn ecosystem. The key idea of the innovation is to add an API layer on top of LinkedIn that allows career counselors to access and leverage on the data, recommendation engines, and machine learning models deployed by LinkedIn. By using the API layer, the career counselors can be taken aboard the digital ecosystem. Also, new start-up companies may offer counseling services on top of the API layer to the other companies in the ecosystem. By using the API layer, counselors and other participating companies can participate in the value creation by providing additional, refined data to LinkedIn. LinkedIn can use that data to further improve the services and train even better machine learning models. For instance, career counselors may provide feedback on recommendations provided by LinkedIn, which can be used to further refine the recommendation engine. The resulting digital ecosystem is depicted in Figure 2. We term this emerging, truly digital ecosystem and business model *Career-Counseling-as-a-Service* (CCaaS).

Figure 2: Future state of a true digital ecosystem built around LinkedIn on top of a new CCaaS API layer. Counselors and start-ups join the digital ecosystem and participate in the value creation (own illustration).



The remainder of this paper will systematically explore the potential of CCaaS by evaluating the business model in terms of its customer centricity, technical and societal feasibility, economic viability and system fit. The next Section 2 introduces the customer perspective.

## 2 Customer Perspective

In order to develop a successful business model, it is crucial to first understand the customer's perspective. This customer-centricity allows to develop a business innovation and business model that is tailored to the customer's needs and drivers, thereby increasing the chances of success. In particular, the innovation solution should be challenged at any stage of the development process. In this section, we will thus first identify the different customer segments in career counseling, and then further elaborate a persona for one of the customer segments. A persona is a fictional character that represents a customer segment and their specific needs and drivers.

Career counseling can be provided to a wide range of different clients. Especially, clients may be in different stages of their career. A client may be in the process of finishing school or university and about to enter the job market. Another client might already have several years of work experience and looking to optimize his or her career. A third client may be in the process of re-entering the job market after a period of absence, such as unemployment or a parental leave. Due to these totally different *life circumstances*, the customer perspectives might be entirely different. Considering the Maslow pyramid of needs (Maslow, 1943), a client in the process of re-entering the job market might be more concerned with basic physiological and psychological needs (such as securing access to food and shelter) than a client who has an established career and is seeking a career optimization. The latter might be more concerned with the higher-level needs of esteem and self-actualization. Although we will subsequently only develop a persona for one customer segment, we nevertheless want to shed light on the individual needs of these three client archetypes.

### 2.1 Job Market Entry

Graduates and other job market entrants are often faced with the challenge of finding a suitable job. As they do not have previous work experience (or just a little), they face challenges in finding a job that matches with their education, skills and interests. They often lack the necessary knowledge to successfully apply for a job. Job market entrants may also lack knowledge about the employer or its industry potentially leading to a mismatch between the entrant's expectations and the reality of the job.

#### Needs:

- *personalized* advice and coaching
- covering basic needs by generating sufficient income from employment
- information on the job market
- information on the application process
- assessment of skills, interests and cultural & ethical values
- job recommendations matching with education, skills, interests and cultural & ethical values
- assistance in preparing the CV and writing a cover letter
- coaching for job interviews

## 2.2 Career Transition

Professionals with a few years of work experience may be looking to optimize or change their career by either transitioning into a new role with more responsibility, by changing into another industry, or by choosing a new career path. They may be looking for a new role in order to grow and advance their career. Others may be unsatisfied with their current job, career advancement prospects, or industry and hence looking to change their career path entirely. This customer segment is different from the job market entrants, as they have already gained some work experience and have a better understanding of their skills, interests and values. Further, the focus is on psychological safety and self-actualization, as the basic needs are already met. However, transitioning to a new role or new career path may also pose significant risks. The career move may turn out differently than expected, and the new role or career path may not be a good fit. This may lead to a loss of self-esteem, confidence and motivation. In the worst case, this could translate to lower job performance, a loss of the job and hence of income.

### Needs:

- *personalized* advice and coaching
- high safety in the career transition, e.g., by choosing industry and career path transitions that are common and typically successful
- keep skills up-to-date with the latest development (e.g., new skills needed due to AI)
- development of a personal career plan
- assessment of skills gaps and development of a plan to close these gaps
- assistance in job search, e.g., by providing matching job recommendations
- coaching relative to the new industry and role

## 2.3 Job Market Reintegration

Clients who are seeking reintegration into the job market may have been unemployed for various reasons and over different periods of time. They may have been unemployed for a short time, e.g., after a parental leave, or for a longer time, e.g., due to a layoff in an economic downturn. Also, they may have been working in a different country previously and following their spouse to a new country as part of an expatriation or international relocation. Whatever the reason and length of absence from the job market, this customer segment shares a common overarching need: they are looking to re-enter the job market and find a suitable job as quickly as possible—the longer the absence from the job market, the more difficult it gets to re-enter.

### Needs:

- *personalized* advice and coaching
- covering basic needs through sufficient income from employment by re-entering the job market
- information on the current job market and job opportunities
- job recommendations matching with education, skills, interests and cultural & ethical values
- information on alternative career paths
- information on alternatives to employment, e.g., self-employment and entrepreneurship

## 2.4 Persona

In the following we elaborate the persona of Sarah, a recent graduate who is about to enter the job market. We will describe her background, goals, and needs in order to better understand her current perspective on career counseling. We will also think about how Sarah might use career counseling during the first few years of her career, i.e., as a *young professional*.

Sarah is a recent graduate who is feeling a mix of emotions as she prepares to enter the job market. She is excited about the opportunities that lie ahead but also nervous about the challenges she may face during this life transition. She values her cultural and ethical beliefs and seeks to find an employer that aligns with those values. Sarah wants her career to be a reflection of her principles and make a positive impact in the world, while also providing opportunities for personal and professional growth. Sarah is well-organized and thoughtful—she develops a career plan that spans the next five years with potential to grow into senior roles. She is hard-working and committed to put in the efforts needed to achieve her career goals.

**Name:** Sarah Gallardi

**Age:** 24

**Family:** Single, no children

**Location:** Zurich, Switzerland

**Education:** Tertiary, completed a Master's degree in Information Systems

**Occupation:** Completed graduate studies, about to enter the job market

**Work Experience:** 6-months internship, worked part-time as a teaching assistant during studies

Figure 3: Persona of Sarah Gallardi (own illustration).




**Sarah Gallardi**

Age	24
Occupation	Completed graduate studies, about to enter the job market
Education	Tertiary
Income	Lower middle-class

Sarah is a recent graduate who is feeling a mix of emotions as she prepares to enter the job market.

She is excited about the opportunities that lie ahead but also nervous about the challenges she may face during this transition in her life.

She values her cultural and ethical beliefs and seeks to find an employer and industry that align with those values.

Sarah wants her career to be a reflection of her principles and make a positive impact in the world, while also providing opportunities for personal and professional growth.

**Goals and Needs:** Sarah has a number of goals and needs that she wants to achieve and where career counseling could be beneficial to her. These goals and needs are described in the following, while we try to analyze them in terms of intrinsic and extrinsic motivation and the hierarchy of needs.

- **Personal advice:** Foremost, Sarah wants to receive personalized advice and coaching. She wants to discuss her career goals and plans with a professional career counselor. In particular, she wants to learn what career paths are available to her and how she can best achieve her career goals. [extrinsic motivation, i.e., higher remuneration, career advancement]
- **Cultural and Ethical Alignment:** Sarah places a high value on cultural and ethical alignment with potential employers and industries. She would not want to work in an industry that exploits workers (such as some mining companies), or in the fossil fuels, tobacco or armament industries. She dreams of working for a company that promotes diversity, inclusion, equality and respects different perspectives and cultures. [intrinsic motivation, self-esteem, belonging, self-actualization]
- **Sustainable Practices:** One particular value Sarah cherishes is sustainability. She wants to work in an industry that is environmentally responsible and prioritizes sustainable practices. Through her commitment to sustainability, she hopes to contribute to a better world. [intrinsic motivation, self-esteem]
- **Work-Life Balance:** Sarah recognizes the importance of work-life balance in maintaining her well-being and overall satisfaction. She prefers employers and industries that prioritize a healthy work-life balance, offer flexible working arrangements, and support employee well-being initiatives. [intrinsic, self-actualization]
- **Learning and Development:** Sarah wants to be challenged in her job, and she seeks continuous learning and development. She values career paths and organizations opportunities for professional growth, such as through training programs, mentorships, and support for employees' career advancement. [extrinsic, i.e., higher remuneration through career advancement and intrinsic, i.e., self-esteem and self-actualization]
- **Job Security:** Like many white collar workers, Sarah is very worried due to the rapid raise of AI technologies. Is her education still going to be relevant in five years from now? Will she be replaced by a robot? She wants to find a job that is future-proof and where she can build a long-term career. [extrinsic, i.e., basic needs, safety]

**Summary:** Overall, Sarah wants to find an employer and industry that not only align with her cultural and ethical values but also provide opportunities for personal and professional growth. She aspires to contribute to a sustainable, socially responsible, and inclusive work environment where she can make a positive impact for the world while also thriving in her career. Considering Maslow's hierarchy of needs, Sarah is currently in the process of fulfilling her basic needs by seeking an employment that will secure food, shelter, etc. through the stable remuneration. However, she also has higher aspirations: she strives to fulfill her needs relating to self-esteem, belongingness, and morality. The right job with the right employer will provide her with a sense of belonging and self-esteem. She wants to feel valued and appreciated for her contributions, while being able to advance her career within a few years. Finally, aligning her cultural and ethical values with her career choices will allow her to partly fulfill her self-actualization needs.

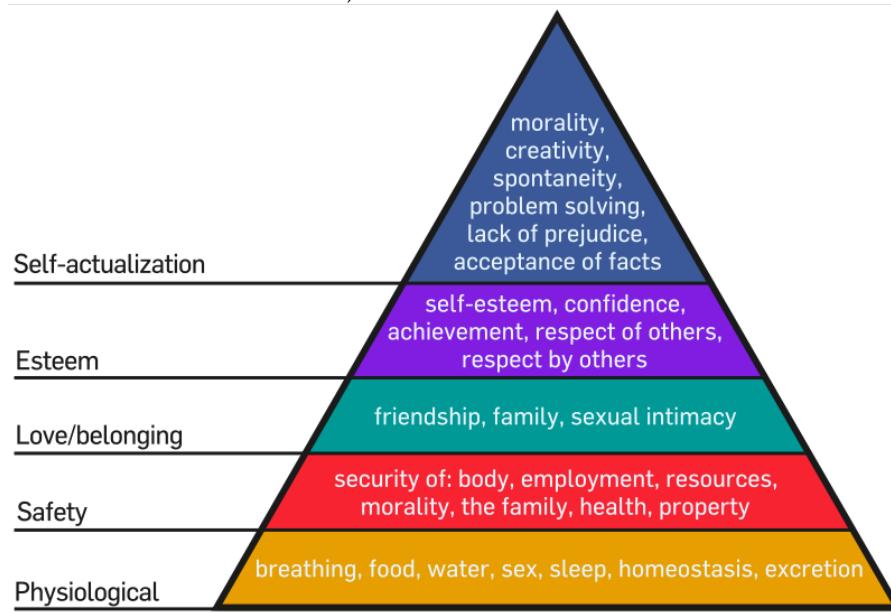
## 2.5 Drivers

Drivers are the set of intrinsic and extrinsic motivators that ultimately drive the behavior of our customers. These are the deeply-rooted, sometimes unconscious, causes and the true source of the customer's needs. Understanding these drivers can help us to conceptualize innovative solutions and business models that are more likely to succeed due to the customer-centricity and acceptance. We will first introduce human drivers that we derive from Maslow's hierarchy of needs Maslow (1943) and then discuss customer drivers that are more specific to our customer segments.

### 2.5.1 Human Drivers

Based on Maslow's hierarchy of needs Maslow (1943), we can derive a set of human drivers that are common to all humans. These drivers are the fundamental motivators that drive human behavior and are therefore important to consider when designing solutions and business models in career counseling. The needs that are lower in the hierarchy are more fundamental and must be fulfilled before the higher-level needs. Figure 4 illustrates the hierarchy of needs with examples of specific needs for each level of the pyramid. In terms of career counseling, we can identify basic physiological needs, such as food and shelter, as well as safety needs, such as job security, financial security and access to health services as the basic human drivers. Humans strive for employment to earn an income that helps them to cover their basic physiological needs. Career counseling can guide them to achieve more safety through a stable employment, career development perspectives leading to increased responsibility and better paid jobs, thereby increasing income and financial security.

Figure 4: Human drivers according to Maslow's hierarchy of needs Maslow (1943) (reproduced from Wikimedia Commons under CC-BY license).



### 2.5.2 Customer Drivers

On a higher level of the Maslow pyramid, we can identify a number of customer drivers that guide customers in terms of demand for career counseling services. These drivers are more specific to our customer segments and are therefore highly relevant when designing innovative solutions and business

models in career counseling. Based on the persona introduced in the previous section, we can identify several customer drivers related to belongingness, self-esteem and even to self-actualization. A career generates feeling of belongingness by actively participating in the society and work environment. The goal of a career plan is to advance in life to reach higher-level goals. Through career advancement, customers achieve higher incomes, reach higher social status, gain more recognition and progressively build self-confidence and self-esteem. Through an advancement in career, customers are also in a better position to choose employers and industries they see better fit with their own beliefs and values. This cultural and ethical alignments allows them to fulfill their self-actualization needs by better exploiting their full potential. In the case of our persona Sarah, this would translate to her ability to contribute to a better world through working, e.g., in a sustainable industry.

## 2.6 Value Proposition

The value proposition of a business represents the value that is expected to be generated and delivered to the customer. Tools like the value proposition canvas, which was introduced by Osterwalder et al. (2014), can help entrepreneurs design effective value propositions. However, the value proposition canvas may not fit very well for the business model of digital platforms, where value is co-created by different stakeholders and the operator is not in control of the transactions between different stakeholders of the platform (Belleflamme & Neysen, 2021). Because of the value co-creation and lack of transactional control, so they continue to argue, it is not clear to whom the value proposition should specifically be addressed to. Counseling clients are not interested in the matchmaking and recommendation infrastructure of the platform, but rather in the value that is created by the other users (e.g., counselors) and insights from the aggregate data of other users (e.g., career paths). To help digital platforms design effective value propositions, Belleflamme and Neysen (2021) proposed the Multisided Value Proposition Canvas (MVPC). Based on the platform aspect of CCaaS we will thus analyze the customer side based on the perspective of career counseling clients, but stick to the well-established canvas introduced by Osterwalder et al. (2014). We consider these counseling clients as the ultimate beneficiaries of the value proposition. Figure 5 summarizes the customer side of the canvas. In the following we elaborate on the customer jobs that customers are trying to get done via career counseling services, the pains they experience, and the potential gains that they are seeking (but that may not be delivered by current offerings).

### 2.6.1 Customer Jobs

Customer jobs represent the tasks that customers are trying to get done as part of career counseling.

- Find a job that matches with education, skills, culture and ethical values
- Learn skills that are relevant in the job market and future-proof
- Grow on a personal and professional level
- Achieve rapid career advancement
- Steadily increase role and responsibility
- Steadily increase income
- Successfully navigate career changes

### 2.6.2 Pains

Pains represent the negative emotions, costs, and risks that customers are regularly experience before or during getting their customer jobs done within career counseling.

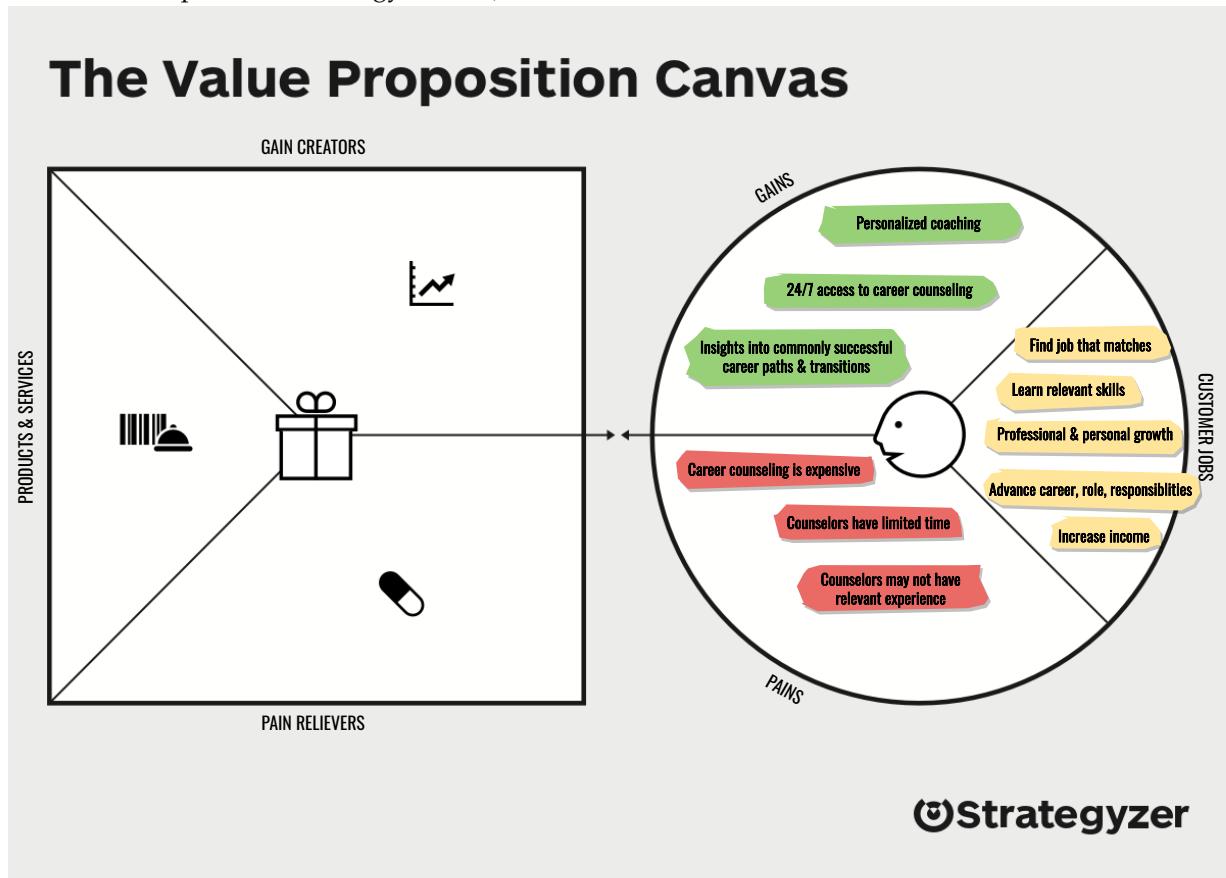
- Career counseling is expensive
- Career counselors have only limited time to spend with each customer
- Based on limited previous experience, some career counselors may not be able to provide good advice based on the customer's individual profile (a single counselor may have only seen a limited amount of similar cases and career transitions to provide effective advice)

### 2.6.3 Gains

Gains represent the benefits that customers would wish from career counseling services but are typically not part of the current offering.

- Truly personalized coaching and career planning
- Insights into common career paths and career transitions given the customer's profile
- 24/7 access to career counseling

Figure 5: The customer side of the Value Proposition Canvas for career counseling services (background illustration adapted from Strategyzer.com).



In Section 3 we will introduce the value proposition canvas and enablers from the side of the innovating company, i.e., LinkedIn.

### 3 Enablers

This section describes the enablers, which are the prerequisites that the innovating company, i.e., LinkedIn, brings to the table and that must match with the customer perspective that we introduced in the previous section. Enablers can be based on the uniqueness of the company (i.e., its offering can not easily be copied by competitors) or on operational excellence (i.e., the company is able to provide its offering at a significantly lower cost than its competitors). The enablers are added to the company-side of the *Value Proposition Canvas* (Osterwalder et al., 2014).

#### 3.1 Uniqueness

LinkedIn can provide a new service, i.e., *Career Counseling as a Service* (CCaaS), based on its unique position in the market, its broad access to career and job data, and access to state-of-the-art AI technology and machine learning algorithms.

##### 3.1.1 Market Position

LinkedIn is the world's largest professional network with more than 900 million members in over 200 countries worldwide (LinkedIn, 2023). LinkedIn has a unique position in the market, see e.g., 99firms (2023); Käser et al. (2023):

- LinkedIn's user base encompasses 900 million users (January 2023)
- LinkedIn is used by 49 million users weekly
- 365 million users have skills data on their profile (44% of jobs filled with LinkedIn already use skills data as part of the recruiting)
- 50 million job searches per week (the widest reach in many Western countries)

##### 3.1.2 Access to Data

LinkedIn is one of very few companies that has access to the data of such a massive user base, including very granular data on users' education, work experience, skills, and interests. LinkedIn also has access to data on companies and their organizational structures, job advertisements, and hiring practices. This data is a valuable resource for LinkedIn and can be used to train AI-based tools, e.g., job recommendation systems, career path recommendation systems, and career counseling systems. Due to the combination of the larger amount of data and more granular data, LinkedIn is in a unique position to train better AI algorithms than its competitors. Another less obvious data advantage is the graph structure of the data in LinkedIn, where users are connected to other users, to companies via jobs, and to schools via education. This graph structure can be used to train graph-based machine learning algorithms that can provide better recommendations than traditional machine learning algorithms due to overcoming data sparsity and cold start problems (Zhang, Liu, & Gulla, 2023).

##### 3.1.3 Access to Technology and AI

LinkedIn is part of Microsoft, one of the world's largest technology companies. Microsoft has invested heavily in artificial intelligence (AI) and machine learning (ML) in recent years, including owning a stake in the hottest of the AI companies, i.e., OpenAI (OpenAI, 2023). Microsoft also owns GitHub and has already proved that it can successfully integrate one of its companies with the offerings from OpenAI. In particular, Microsoft and OpenAI have jointly developed GitHub Copilot, an AI-based code assistant that helps developers to write better code, leveraging the huge database of GitHub and the AI know-how from OpenAI (Novet, 2021). LinkedIn has similarly access to Microsoft's and OpenAI's AI and ML technologies.

## 3.2 Operational Excellence

### 3.2.1 Master of Scale

LinkedIn has successfully mastered scaling challenges in the past, including a phase of hypergrowth. As a result LinkedIn has a proven track record in architecting scalable software systems based on a microservices approach (LinkedIn, 2015).

### 3.2.2 Master of Speed

LinkedIn suffered major architectural challenges after its IPO. Subsequently, LinkedIn engineering teams mastered a revamp of its systems architecture and developer tooling, putting them ahead of competitors in terms of speed of experimenting, iterating and new feature delivery (Vance, 2013).

### 3.2.3 Master of Cost

Floerecke (2018) researched success factors for software-as-a-service (SaaS) business models and found the main one to be that "*SaaS service[s] should be developed as a system comprising modular microservices in order to meet the desired requirements in terms of cost advantages, performance and scalability*". Accordingly, CCaaS should be designed as a system of modular microservices that are offered via an API layer. Further, adoption by career counselors can be facilitated via a marketplace for career counselors and low/no-code solutions. This allows for leveraging CCaaS services without fully, costly technical integration of the API.

## 3.3 Products & Services

The services provided as part of CCaaS can be offered as a bundle or individually. Based on the microservices approach, the counseling service providers can choose which API endpoints they want to use and integrate into their offerings. They may for instance continue to use their integration of Coursera or Udemy to recommend trainings to their customers (e.g., based on pre-existing subscriptions of their clients to these training platforms). However, they may want to use the job search and career path recommender service from the LinkedIn CCaaS offering due to their richer data and better AI models. LinkedIn's CCaaS offering should encompass the following services:

- ① *Build AI Models for Career Counseling:* Build the AI models for career counseling based on the data that LinkedIn has access to, including user profiles, skills, educations, job postings, and feedback data from career counselors participating in CCaaS.
- ② *Job Search & Recommendations:* Based on semantic search: search and recommend jobs based on similarity with the user's profile leveraging word embeddings and graph embeddings.
- ③ *Career Path Recommendations:* Recommend career paths based on the similarity of the user's profile and similar users' career paths leveraging graph embeddings.
- ④ *Training Recommender:* Recommend trainings to a user based on profile and chosen career path (help user fill skill gaps required for career path).
- ⑤ *Career Counselor Recommender:* Recommend career counselors based on the user's profile, the counselors' past customers, geographic proximity, and other factors.
- ⑥ *API Layer:* Provide all CCaaS services as reliable, highly available, and scalable API endpoints.

### 3.4 Gain Creators

Gain creators describe how the products and services of a company create gains for the customer. In the case of CCaaS, the gain creators are the services that are provided (via the career counselors) to the end customers like Sarah. Gain creator should match the gains introduced in the customer perspective.

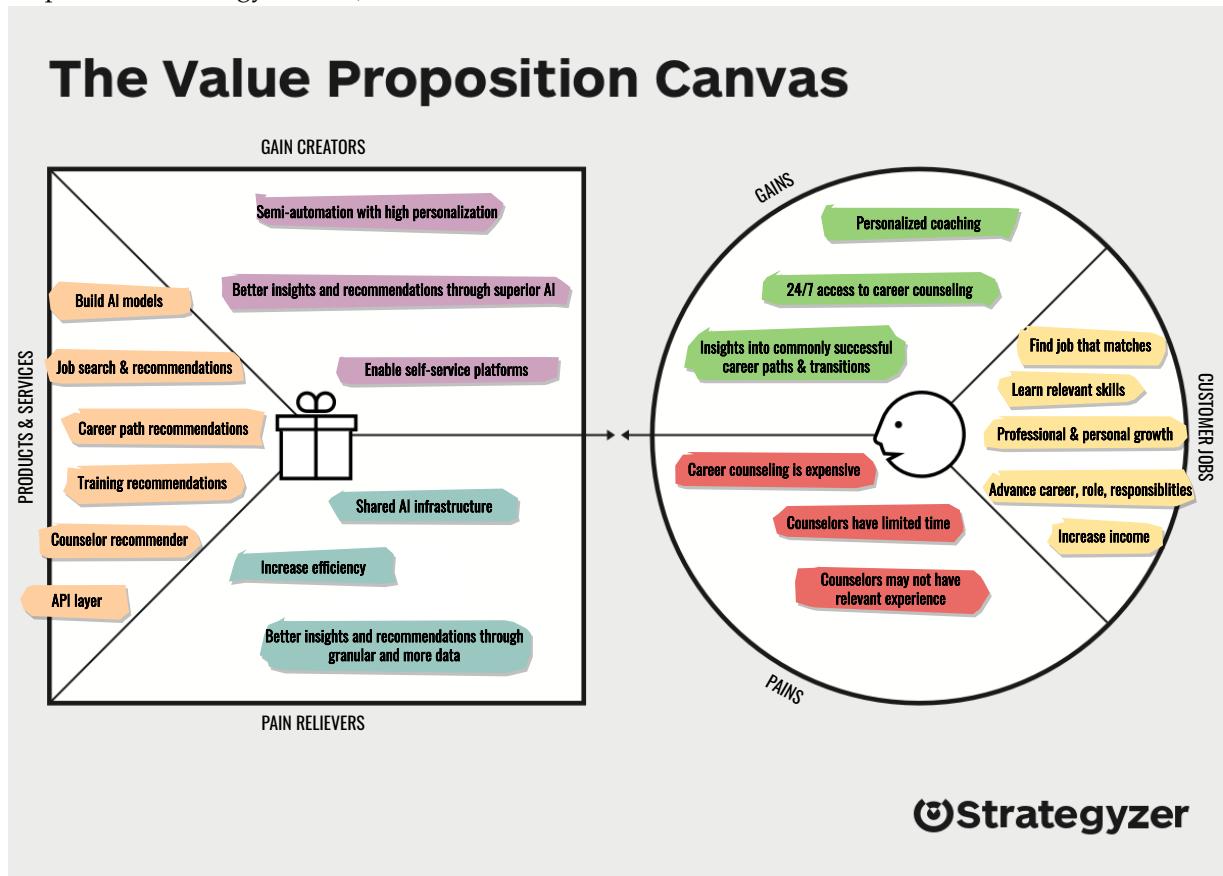
- Enable career counselors to provide semi-automated but highly personalized career counseling
- Provide insights and better recommendations for career paths, jobs, and trainings through superior AI models
- Enable self-service career counseling platforms

### 3.5 Pain Relievers

Similarly to gain creators, pain relievers describe how the products and services of a company relieve the pains that are experienced by the customers.

- Reduce costs by shared AI models and shared infrastructure
- Increase efficiency in career counseling
- Provider better insights and recommendations through broader and more granular data

Figure 6: The full Value Proposition Canvas with customer- and company side (background illustration adapted from Strategyzer.com).



### 3.6 Customer Centricity: Addressing Customer Needs

By combining the customer-side and the company-side of the value proposition canvas, we can identify the services that relate to customer jobs via either gains and gain creators or pains and pain relievers. This is illustrated in Figure 6. Table 1 summarizes how the services connect with the customer jobs and thus ensure a high customer-centricity of the business model that we will develop in the next section. Some common gains and pains and matching gain creators and pain relievers are listed as part of the jobs to be done.

Table 1: Connecting customer jobs with services via gains / gain creators and pain / pain relievers.

Customer Job	Gains / Pains	Creators / Relievers	Services
Find job that matches	Counselor may not have relevant experience	Better insights through more & granular data	Job search & recommendations
Learn relevant skills	Insights into commonly successful career paths	Better insights through superior AI	Training recommendations; career path recommendations
Professional & personal growth	Personalized coaching	Semi-automation with high personalization	Job recommendations; training recommendations; career path recommendations
Advance career, responsibility, role	Personalized coaching	Better insights through superior AI; better insights through more & granular data	Counselor recommendations; career path recommendations; training recommendations
Increase income	Career counseling is expensive; counselors have limited time; 24/7 access to counseling	Self-service platform; increase efficiency; shared AI infrastructure	Counselor recommendations; career path recommendations

### 3.7 Value Co-Creation Through Collaboration

The direct customers of LinkedIn's new CCaaS service will be independent career counselors, counseling companies, counselors at educational institutions and job centers. Further, new start-up companies may emerge taking advantage of the CCaaS API and potentially combining it with other offerings, such as integrating with assessment platforms or learning platforms (Coursera, Udemy, etc.). However, the end customers of the CCaaS service are the clients of the counselors that we introduced in the customer perspective. As LinkedIn is not specialized in career counseling but is a social network that connects professionals, it is not its core business to provide career counseling. Therefore, LinkedIn needs to collaborate with these specialized counselors that can provide specialized career counseling services. Also, career counselors may work at different locations around the world. For instance, our persona Sarah may wish to receive personal career coaching on-site at her university in Zurich. The combination of the CCaaS offering and counselors specialized knowledge, experience and geographical distribution will provide the end customers with a unique value proposition that is not available today, with LinkedIn and its CCaaS offering at the center of the value co-creation network.

LinkedIn sits atop a mountain of valuable career data from its 900+ million members. Its contribution to the value creation is to provide highly specialized, machine learning based services. For instance, LinkedIn can provide a service that recommends career counselors to its members based on their profile data. Career

counselors can access machine learning based recommendations of career paths for their clients using the CCaaS API layer. LinkedIn could design the CCaaS API layer in a way that career counselors could actively or passively leave feedback on the job recommendations and career path recommendations provided by LinkedIn, thereby helping LinkedIn to collect additional, refined data which are useful to further improve its machine learning models. Both, LinkedIn and career counselors, thereby actively contribute to a higher value creation for the clients that was not possible before. The CCaaS API layer presents a *win-win-win* situation for all three engaged parties: LinkedIn, the counselors and the counseling clients.

In Section 4, we will develop a business model for LinkedIn's CCaaS offering.

## 4 Business Model

In this section we develop the business model of the CCaaS service offerings. To this end we mainly use the Business Model Canvas developed by Osterwalder et al. (2010). Figure ... shows a graphical summary of the business model canvas. The value proposition developed in the previous two sections is inserted into the center of the canvas. In the following we develop the remaining building blocks of the canvas.

### 4.1 Customer Segments

As developed in Section 2, career counseling is used by three customer archetypes: new job market entrants, professionals in career transition, and unemployed seeking reintegration. However, the value proposition is similar for all three types, i.e. the service offerings are the same. Therefore, we can use a single customer segment (**counseling clients**) for all three customer archetypes.

### 4.2 Channels

Channels are the means by which the clients access the career counseling service offerings from LinkedIn. As LinkedIn will be the provider of CCaaS services, most channels will be operated by the intermediaries, i.e., counselors and counseling companies.

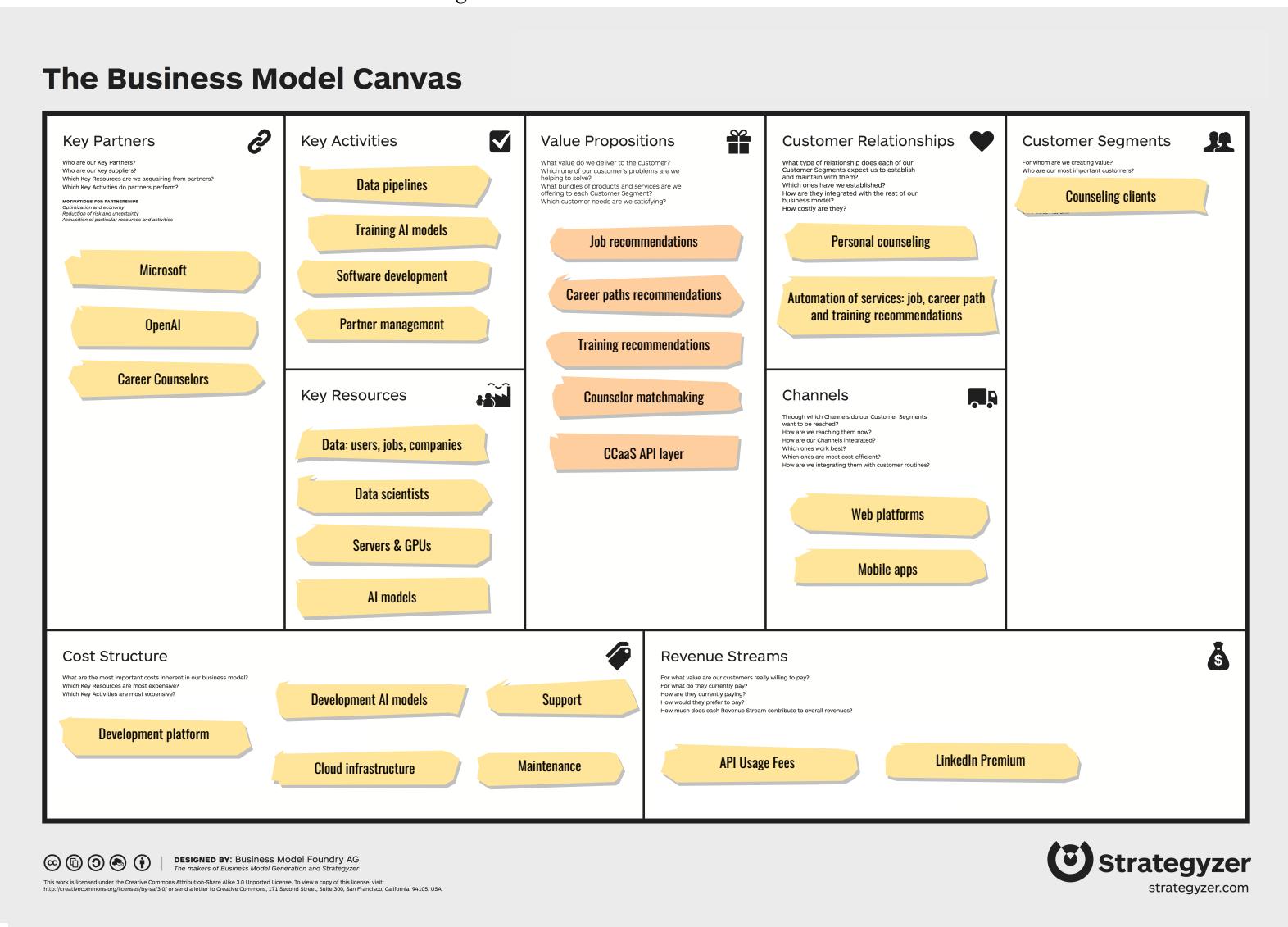
- **Web:** the CCaaS platform may be used to provide web services to customers. For example, a career counseling company may provide a web portal to its customers that uses the CCaaS API layer to retrieve job recommendations and career advice for the customer. Also, LinkedIn can offer its own platform for users to find career counselors based on geographic location, expertise, etc.
- **Mobile:** the CCaaS platform may be used to provide mobile services to customers. For example, a career counseling company may provide a mobile app to its customers that uses the CCaaS API layer to retrieve job recommendations and career advice for the customer.

### 4.3 Customer Relationships

Customer relationships are the types of relationships that LinkedIn establishes with the career counseling clients. Based on the platform argument introduced in Section 2, the relationship may not be a direct one (i.e., between LinkedIn and the customer segment). Instead, the customers have a relationship with a career counselor (or a counseling company) that uses the CCaaS API layer to render its counseling services.

- **Personal assistance:** career counselors may individually follow a customer's case and provide personal advice. The CCaaS platform may be used to support the career counselor in his/her work by providing contextual recommendations and suggestions based on the current client being advised.
- **Automated services:** the service offerings are provided as automated services, i.e. the customer can use the service without the need for (a human) personal assistance. A counseling company may, e.g., automate the retrieving of job recommendations and career path suggestions for each client by using the CCaaS API layer and forward these recommendations to the client.

Figure 7: Business Model Canvas for CCaaS.



#### 4.4 Key Activities

Key activities represent the important things that LinkedIn must do to make the CCaaS platform work and to offer the career counseling services via its API layer (ultimately enabling the counselors to render the value proposition to clients).

- **Data Pipelines:** LinkedIn needs to collect data from its users and store it in regular databases and graph databases. This activity includes designing the data model, architecting the data systems, developing the data pipelines, testing and deploying them, and monitoring and maintaining them once in production. Additionally, data pipelines for feedback data from career counselors and users on recommendations need to be developed.
- **Training AI Models:** Similarly, LinkedIn needs to train AI models and recommender systems on the collected data. This activity includes designing, training and evaluation artificial neural networks (ANN), architecting the AI systems, testing and deploying AI models, and monitoring and maintaining them once in production. Feedback data from career counselors and users on recommendations need to be used to re-train and fine-tune the AI models used for recommender engines.
- **Software Development:** LinkedIn needs to develop the CCaaS API layer and integrate it into the existing LinkedIn platform and services. This activity includes designing, developing, testing, deploying and documenting the API layer.
- **Partnership Management and Support:** LinkedIn needs to manage its partnerships with career counseling companies and technology partners. This activity includes onboarding of new partners to the CCaaS platform, technical consulting regarding the integration of the CCaaS API layer, and support.

#### 4.5 Key Resources

Key resources describe the most important tangible assets required to make the business model work. These assets may not be owned by LinkedIn, but may be acquired from key partners.

- **Data:** First and foremost, LinkedIn's data on users, companies, and jobs is the most important asset for the CCaaS business model. The data is used to train effective AI models and recommender systems.
- **Data Scientists:** LinkedIn's (and by extension via Microsoft and OpenAI) data engineers and data scientists are a crucial asset for the CCaaS business model. They are responsible for designing data models, architecting and developing data pipelines, training and evaluating AI models and recommender systems, and monitoring and maintaining them once in production.
- **Servers and GPUs:** servers and GPU's are required for intensive computational tasks such as training the CCaaS AI models and recommender systems. GPU servers are also needed for running the services via the API, i.e., at inference time.
- **AI Models:** the design and architecture of AI models (artificial neural networks) and recommender systems that are used to provide personalized automation in the CCaaS business model.

#### 4.6 Key Partnerships

Key partnerships are not just suppliers, but real partners of the digital ecosystem in terms of value co-creation and rendering the products and services to the end customers.

- **Microsoft / OpenAI:** access to the most advanced AI technology and AI research from Microsoft and OpenAI. The AI models used in the CCaaS business model are co-developed by LinkedIn, Microsoft and OpenAI.
- **Career Counseling Companies:** career counseling companies are the actual customers paying usage fees for the CCaaS API. However, they are also the partner in terms of value co-creation and delivering the value to the end customers, i.e. the clients seeking career advice.

#### 4.7 Cost Structure

- **Development:** the initial development of the CCaaS API layer and its integration into the existing LinkedIn platform and services (one-time fixed cost).
- **Data Science:** the development, deployment and maintenance of machine learning models and recommender systems used by the CCaaS platform (recurring costs, mostly salaries of data scientists and MLOps engineers).
- **Cloud Infrastructure:** the cloud infrastructure and bandwidth / traffic costs relating to the CCaaS platform (recurring, variable costs that depend on the API usage).
- **Support:** onboarding of career counseling companies and technology partners to the CCaaS platform, including technical onboarding and consulting.
- **Maintenance:** the maintenance of the CCaaS platform.

#### 4.8 Revenue Streams

- **API Usage Fees:** career counseling companies pay usage fees for the CCaaS API. The usage fees are based on the number of calls on the different API endpoints. The pricing may be varied by API endpoint type, such as the type of recommendation (e.g., retrieving job recommendations might be cheaper than retrieving career path suggestions).
- **LinkedIn Premium:** LinkedIn Premium is an existing product and represents a subscription tier for LinkedIn. It gives premium users access to advanced features. LinkedIn Premium can be made more attractive by embedding some CCaaS offerings into the premium tier. For example, Premium users may get access to the portal for finding a suitable career counselor.

## 5 Contribution

### 5.1 Business Idea

### 5.2 Assessment of the Innovation

### 5.3 Digital Ecosystem Fit

## 6 Evaluation

### Competition

While LinkedIn is arguably the most dominant player in terms of employee data in Western countries, there are plenty of other companies that have access to employee data. However, the databases of competitors are not as large as LinkedIn's or are focused on a particular country or regions. While these databases are certainly relevant in some career paths and countries, they are not as relevant in others or for international careers.

In Germany, there is Xing, which is a German company that is also active in Switzerland and Austria. In China, there is Maimai, which is a Chinese company that is also active in China. In India, there is Naukri, which is an Indian company that is also active in India. In Russia, there is HeadHunter, which is a Russian company that is also active in Russia. In Japan, there is Wantedly, which is a Japanese company that is also active in Japan. In South Korea, there is Saramin, which is a South Korean company that is also active in South Korea. In Brazil, there is Vagas, which is a Brazilian company that is also active in Brazil. In Mexico, there is OCC, which is a Mexican company that is also active in Mexico. In the United States, there is Indeed, which is an American company that is also active in the United States. In Canada, there is Workopolis, which is a Canadian company that is also active in Canada. In Australia, there is Seek, which is an Australian company that is also active in Australia. In New Zealand, there is Trade Me, which is a New Zealand company that is also active in New Zealand. In South Africa, there is CareerJunction, which is a South African company that is also active in South Africa. In Nigeria, there is Jobberman, which is a Nigerian company that is also active in Nigeria.

## 7 System Fit

### 7.1 Fit of Uniqueness

### 7.2 Fit of Management

### 7.3 Fit of Structure

### 7.4 Fit of Partnering

### 7.5 Fit of Customer Understanding

## 8 Conclusion

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