

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

Semester Paper

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Declaration of Authenticity

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Olten, May 2023

A handwritten signature in black ink, appearing to be 'D. Rordorf', with a long horizontal stroke extending to the right.

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 of generative AI and democratization of access to advanced AI 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., LinkedIn¹ 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, we will look at the customer perspective in terms of possible customer segments and their respective needs (*gains* and *pains*) in Section 2. Further, we will describe the drivers and enablers of this new business model. Drivers encompass societal, technological and environmental trends and developments that make this business model possible and are described in Section 3. 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 4. Then, we will describe the business model itself using the Business Model Canvas (Osterwalder, Pigneur, & Smith, 2010) in Section 5. 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 6. We will then evaluate the business model in terms of its viability and feasibility in Section 7. Finally, we will describe the fit of this business model with the system in which it is embedded in Section 8, and conclude with a summary of our findings in Section 9.

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.

¹<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 Applying 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*”.

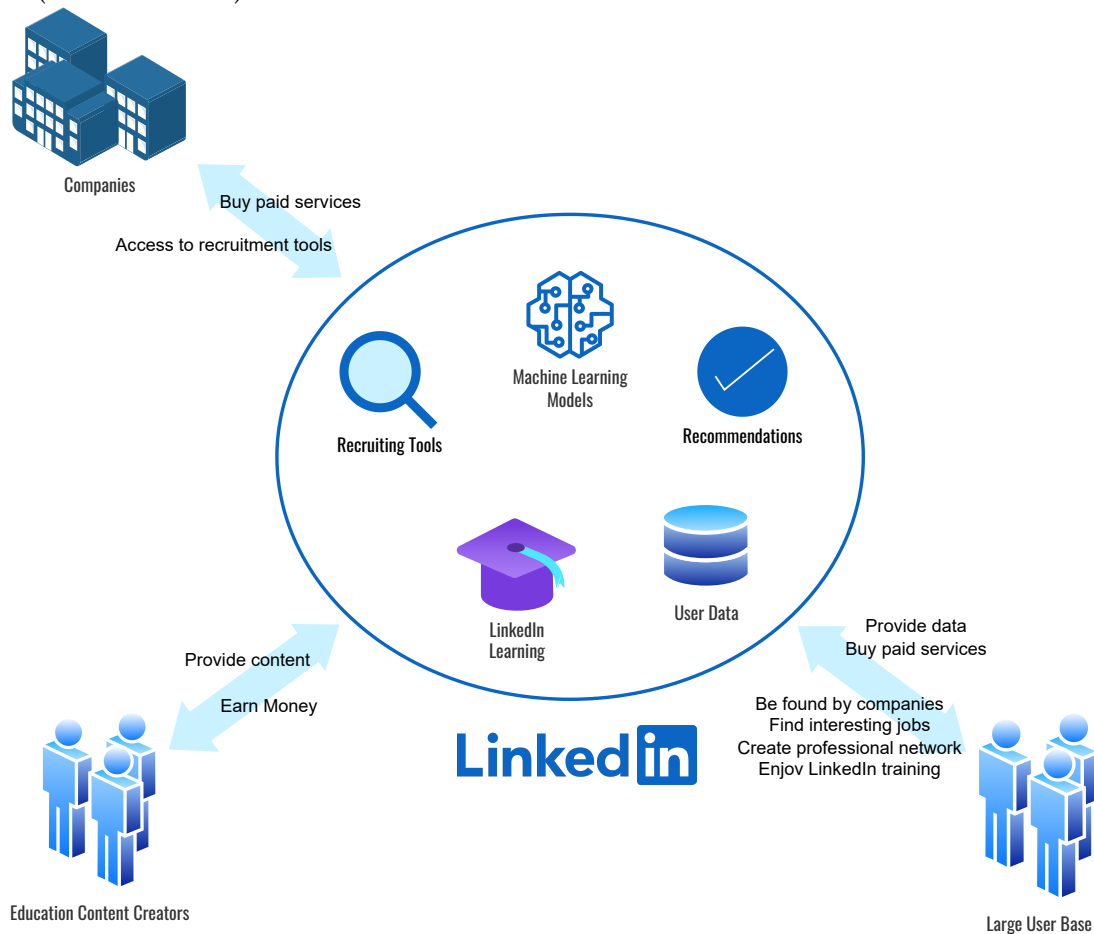
Further, Westman et al. (2021) identified that AI could play a number of roles in career counseling in the educational setting of schools and universities where students are in the process of choosing a career path. They identified four roles for AI, including as coach, collaborator, assistant, and tool (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 The 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.

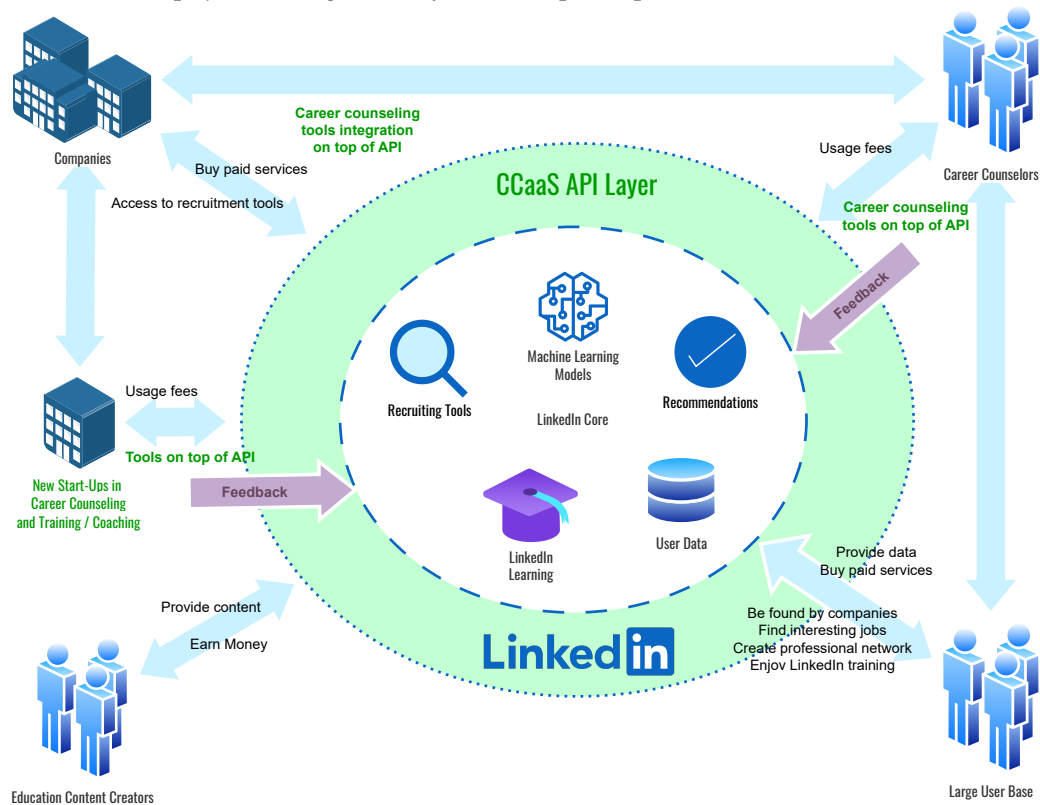
Figure 1: The LinkedIn ecosystem before applying the innovation, where LinkedIn controls the value creation (own illustration).



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 Perspectives

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 the basic 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 needs of 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
- 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 Seeking Reintegration into the Job Market

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 Developing a 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*.

Persona

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



Goals and Needs:

- **Cultural and Ethical Alignment:** Sarah places a high value on cultural and ethical alignment with potential employers and certain industries. She seeks organizations that promote diversity, inclusion, and equality. She wants to work in an environment that respects and values different perspectives and cultures.
- **Sustainable Practices:** Sarah is passionate about sustainability and environmental responsibility. She is keen on working in industries that prioritize sustainable practices, such as renewable energy, green technologies, or eco-friendly initiatives. She wants to contribute to a better future through her career choices.
- **Social Impact:** Sarah wants her work to have a positive impact on society. She seeks opportunities in industries such as nonprofit organizations, social enterprises, or companies with a strong corporate social responsibility focus. She wants to make a difference and improve the lives of others through her career.
- **Ethical Business Conduct:** Sarah believes in conducting business ethically and responsibly. She values organizations that prioritize transparency, integrity, and ethical decision-making. She wants to work for employers who uphold high ethical standards and prioritize the well-being of employees and stakeholders.
- **Cultural Diversity and Inclusion:** Sarah values workplaces that foster cultural diversity and inclusion. She seeks employers who celebrate and embrace individuals from different backgrounds, perspectives, and experiences. She wants to work in an environment that promotes equality and offers equal opportunities for career growth.
- **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.
- **Learning and Development:** Sarah seeks employers and industries that prioritize continuous learning and development. She values organizations that provide opportunities for professional growth, training programs, mentorship, and support for employees' career advancement.

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 and thrive 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. However, she also has higher aspirations: she strives to fulfill her psychological needs, such as belongingness and esteem. 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 her career. Finally, aligning her cultural and ethical values with her career choices will allow her to partly fulfill her self-actualization needs.

3 Drivers

3.1 Human Drivers

3.2 Customer Drivers

3.2.1 Value Proposition Canvas

3.2.2 Persona

3.2.3 Customer Jobs

3.2.4 Pains

3.2.5 Gains

4 Enablers

4.1 Uniqueness & Operational Excellence

4.2 Gain Creators

4.3 Pain Relievers

4.4 Customer Centricity: Addressing Customer Needs

4.5 Need For Collaboration & Co-creation

5 Business Model

5.1 Business Model Canvas

5.2 Customer Segments

5.3 Value Proposition

5.4 Channels

5.5 Customer Relationships

5.6 Key Activities

5.7 Key Resources

5.8 Key Partnerships

5.9 Cost Structure

5.10 Revenue Streams

6 Contribution

6.1 Business Idea

6.2 Assessment of the Innovation

6.3 Digital Ecosystem Fit

7 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.

8 System Fit

8.1 Fit of Uniqueness

8.2 Fit of Management

8.3 Fit of Structure

8.4 Fit of Partnering

8.5 Fit of Customer Understanding

9 Conclusion

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