

TALK 24 ASSIST

A CASE STUDY IN PRACTICAL FUTURES

Introduction

It is easy to question the relevance of Futures Studies for small businesses. Very often, much futures work looks at the large trends that small organisations have very little influence over. Much of the published work in the futures field is directed towards the experiences of large corporations or towards influencing governmental policy. This focus on the grand – Macro-Futures aimed at the large organisation – tends to create the wrong impression.

In establishing a focus on the larger issues, our gaze tends to gravitate naturally towards those actors who are large enough to affect and influence the direction in which these Macro-Futures are heading. In doing this, we are not taking account of a very large group of organisations who have an interest and a stake in the future, but who are never likely to be of a size to be able to influence its direction. Small organisations have futures too. If we are to account for these futures fully, to make the discipline of Futures Studies more inclusive, then we need to be able to tease these futures out of the Macro Trends and apply them to the Micro-Futures faced by individual small businesses. The purpose of this piece is to demonstrate one case study where we have looked at a set of Macro-Futures and distilled from them a set of Micro-Futures that will affect the running of one company over the first two decades of the twenty-first century.

In doing so, we would hope to achieve three objectives. First, we hope to stimulate a discussion on the subject of Micro-Futures. We define Micro-Futures as the involvement of an actor in the Futurescape, where that actor is so small that they cannot influence the progress of the Futurescape individually. In this respect, the relationship between Micro-Futures and Macro-Futures is very similar to that which exists between Micro-Economics and Macro-Economics. It is our view that the subject of Micro-Futures has not been explored as deeply as it could be, and we hope to stimulate a discussion that might generate further development of the field.

The second objective in undertaking this exercise is to be able to point to a methodology that has allowed a group of consulting futurists to provide value to their client work. This looks at the point at which Futures Studies interfaces with the development of corporate strategy. It is our view that there is a continuum from budgeting, to short-term planning, through corporate strategy, and out to the Futurescape. Whilst each of these areas is well developed in its own right, not much attention has been given to the interfaces between these areas on the continuum. If the professional side of Futures Studies is to develop fully, then it needs to be given a hard

commercial edge that can clearly demonstrate its practical value added through a positive impact on today's bottom line.

The third objective is to be able to give some exposure to some of the long term forces that we feel are of significance to small business. Although discussed in terms of a single company, the trends outlined are of importance to many small businesses of the same genre and we hope to provoke a discussion on whether or not our view of the future has some merit.

There are two principals involved in the case study - The Greenways Partnership and Talk 24 Assist. The Greenways Partnership is a firm of consulting futurists¹. Based in the UK, but practising across Europe and North America, The Greenways Partnership is a loose aggregation of futurists who practice their profession using a virtual structure on a project basis. Talk 24 Assist is a client company of The Greenways Partnership that has been engineered as a result of the processes described in this piece².

The model that was used in the process of designing the service offerings was one that moved from the general to the specific. The process started by identifying the longer term trends that would have an impact on the conduct of small business in the next fifteen to twenty years. These projections could then be used as comparators against which the current service provision could be measured with a view to detecting the state of future readiness of Talk 24 Assist. Where gaps emerged as a result of this assessment, the planning for future service provision could be adjusted to provide a better fit to the future that was anticipated. Finally, a business model could be constructed to deliver that service provision.

In many ways, this case study was conceived as part of the Suffolk Small Business Project. This was a *pro bono* project undertaken by The Greenways Partnership in 2003-04³. The project was concerned with identifying the long term trends that would be critical to the success of small businesses in the first two decades of the twenty-first century. This is really the point at which we should begin the case study.

The Long Trends

Much has been written and published about the future of business. Little of it is relevant to small business. One of the key differences between small businesses and large business is in terms of their outlook. As many small businesses are also family businesses tend to have a very narrow ownership base. In this context, one of the key objectives is to pass the business down the generations. This affects the way in which small business perceives time. It tends to be the case that small businesses have a very different time horizon to large businesses.

Most large businesses, especially the publicly quoted large businesses, tend to have a very short time horizon in their mindset, frequently less than five years. By way of contrast, small businesses, particularly the established family business, are able to take

a far longer view in their planning. It is the difference in planning horizon that creates the commercial opportunity for professional futurists and which creates the demand for Futures Studies by small businesses. Much that has been written and published about the future of business relates to the future of large business. The challenge to the Suffolk Small Business Project was to take the more convincing trends in Macro-Futures, and to give them a resonance in the Micro-Futurescape.

In the course of our work, we found three models that were quite compelling - The Dream Society of Rolf Jensen, The Support Economy of Shoshana Zuboff & James Maxmin, and The Creative Class of Richard Florida⁴. The Dream Society helps to provide an explanation as to why, in our local supermarket, there are 26 varieties of bottled water that people buy at a premium to tap water, and which serves the same purpose as tap water. The Support Economy provides a model that charts the move away from Transactional Economics towards Relational Economics. This helps us to explain why it is that we are increasingly interested in the provenance of the everyday items that we buy. The Creative Class gives us an insight into the wealth generators in the Support Economy and charts who are likely to do well in the Dream Society. It helps to explain why “Cool” customers are much better than “Wealthy” customers. Each of the models is interesting on its own, but we feel that the power of the models is best seen when they interact with each other.

Together, the three models provide a dynamic that proves to be very useful in developing a robust commercial strategy for many small businesses. It is at this point that the Macro-Futures start to become relevant in a Micro context. However, we are getting ahead of ourselves, and it is worth dwelling on each model individually before moving on to specific calls to action.

The Dream Society

The concept of the Dream Society arose from a consideration of what would come after the Information Society. In many ways, the Information Society will contain the seeds of its own destruction. The rise of the knowledge worker has depended upon the development of information and communications technology. However, this same technology can be used to automate most routine Information Society work. In time (which some commentators see as early as 2010⁵) much routine Information Society work will be automated away. This technological trend, in conjunction with the trend in off-shoring to cheaper labour markets in a quest to drive down unit costs, is leading to the demise of the Information Society.

The Information Society is being replaced with what Professor Jensen calls the Dream Society. In the Dream Society, our purchases are an expression of our personal values, the stories that we tell about ourselves. It is this story value that creates the added value that allows the providers of Dream Society goods and services to charge a premium for those goods and services. This is the commercial underpinning for the market in luxury

brands. For example, a Ford Escort and a Porsche will both adequately transport us. However, the Porsche tells a different story about us to others than a Ford Escort does. In the future, according to Professor Jensen, the successful companies will be those that can leverage the value added that is embedded in the story value of goods and services.

The emotional market underpins the Dream Society. Consumption will become a value statement, and the value statement will be encapsulated and embodied in the story of the products or services. The companies that will do well in the Dream Society are those that can leverage lifestyle value as more important than value in use and those that allow spirituality to take precedence over materiality. In doing so, Professor Jensen suggests that six key markets will evolve:

1. The market for adventure. As adventure is essentially experiential, so the goods services need to express an experience. An example of this market might be the development of long-haul holidays.
2. The market for togetherness and friendship. Togetherness is the key to personal relationships, an emotional market in which identity is defined in terms of others. An example of this market might be the development of coffee bars in recent years.
3. The market for care. There is an innate need for us to be able to give and receive care which this market taps. An example of this market might be the market for pets.
4. The “Who-Am-I?” market. People use their consumption as a means of self-definition. An example of this market might be the use of Tartan as a fashionista item.
5. The market for peace of mind. Change and the pace of change create the demand for peace of mind which is often associated with a romanticised past. An example of this market might be industrial theme parks.
6. The market for convictions. This market is helping to reinvent the company. It plays out as a battle for our attention. An example of this market might be Greenpeace.

In essence, products and services in the Dream Society will not only fulfil our physical needs, but will also allow us to become realised at the level of our personal emotions.

The main benefit of this theory is that it informs us of what type of company is likely to be successful in the future. Typically, the successful company is likely to be “small” in cultural terms - irrespective of size in terms of other measures. Its smallness means that it can interact with its customer base on an intimate level. It also values its staff to a high degree, and enables and empowers them to deliver the best possible customer experience.

Although a labour intensive company, authority within the company will be distributed on a network structure rather than a hierarchical structure in an attempt to capture as much staff creativity as possible. It is likely to leverage the use of technology to deliver customer solutions in any of the six key markets of the Dream Society. This

development of a new enterprise logic echoes in the work surrounding the development of the Support Economy.

The Support Economy

The main thesis of the Support Economy is that our patterns of consumption help to determine the logic of the business enterprise. In turn, the nature of society helps to determine our patterns of consumption. This is the key factor that establishes the link between the nature of society, the economy, and the logic of the business enterprise. Over the past fifty years, the nature of society has undergone a number of profound changes, the economy has changed a great deal, but the logic of the business enterprise hasn't changed that much.

There has been a substantial change in the way in which individuals interact with each other and society at large. In a "Post Modern" society, autonomy, and diversity have come to replace the authority, conformity, and hierarchy of society under Managerial Capitalism. People have come to judge themselves on their own terms and not the terms of others. They act more as individuals and see others as individuals. Zuboff and Maxmin call this phenomenon "The New Society Of Individuals". The new society of individuals is giving rise to a new model of consumption. There are new approaches to the expression of needs: a claim for sanctuary (a place where we can own our choices), the demand for voice (the mechanism by which we can influence others), and the quest for connection (inter-connecting within the value chain).

For example, when we now buy clothes, we may wish to be assured that they have not been produced by indentured child labour. This transcends the paradigm of Transactional Economics (which delivers the goods) to a new paradigm of Relational Economics (which delivers the goods ethically). In making a purchase we now wish to comment upon the production chain as well because we feel that the production chain that we buy into reflects upon us as individuals. This is because, in the Dream Society, our consumption is a reflection of how we see ourselves.

In the new society of individuals, the individual becomes the locus of our social activities. The rise of the individual focused organisation will eventually lead to the demise of the hierarchical organisation of leaders and followers. The Post Modern organisation must allow all participants to express their voice – to become a networked organisation. One consequence of Transaction Economics is to ignore the end consumer's interests because it focuses on the producers interests. Value creation is often at the expense of the end consumer. Relationship Economics, on the other hand, places the focus on the end consumer. It is possible to capture value through "relationship value". Value is created when the relationship is fulfilled by the end consumer. This introduces the possibility of interdependence of consumption and provides an opportunity to provide Deep Support.

Deep support is the new meta-product. In the support economy, the company assumes responsibility and accountability for the consumption experience. This is deep support. For example, take the relationship between Bertie Wooster and Jeeves. Jeeves is providing Bertie Wooster with deep support by anticipating Wooster's needs and satisfying them as soon as they arise, he looks after Wooster's best interests, and he stops Wooster from harming his own interests. The source of Jeeves' high value and regard is the deep support that he provides for Wooster. It lies in the relationship between the two, and is the source of value. Providing individuals with deep support is the means to unlocking relationship value. Deep support is a meta-product that is embodied in goods and services. It changes according to the dynamic needs of the individual, and it is the responsibility of the firm to meet those needs as they arise.

It is easy to say that goods and services need to provide deep support for individuals. It is entirely a different matter, however, to create the market offerings that do so. Just as consumption has become individuated in the new society of individuals, so has production. The Dream Society goods and services are the results of the productive creativity of a new class of people – the Creative Class.

The Creative Class

The Internet has enabled us to move out of the office and back into the home. It is in the process of offering a de-monetised system of exchange, and it has helped facilitate the development of suburban communities. We are in the process of moving from the Organisational Age to the Creative Age. The Knowledge Economy is a phenomenon of the Creative Age. In the Knowledge Economy, the key to wealth creation is the ability to enhance knowledge. Knowledge is enhanced by adding value to what is known already, and this occurs through a creative process. By augmenting knowledge creatively, those who undertake this process have added value to the existing stock of knowledge, and this wealth creation drives economic growth. Professor Florida names those who undertake this process the "Creative Class".

The basic growth model is described by Professor Florida's Creative Capital Theory. It holds that economic growth in a given location is driven by the locational choices of creative people (the holders of creative capital). In one sense, the theory does not represent a radical departure from traditional locational theory. In traditional theory, economic growth in a given location is driven by the locational choices of firms (the holders of physical capital). However, as the emphasis of the economy moves away from physical capital (land, plant, and equipment) and towards creative capital (or what some might term "human capital"), the locational decisions of the Creative Class become more significant in determining which areas will grow and which areas will not grow.

The Creative Class prefer places that are diverse, tolerant, and open to new ideas. An attractive place need not be a large city. It must be a place where the Creative Class can

find suitable peer groups – “a tolerance for strangers and an intolerance for mediocrity”. This is based on three key principles:

1. Creative agents cluster around creative agents, reinforcing each other’s productivity.
2. Creative agents coalesce to form larger economic units or firms.
3. These firms locate in areas where they can grow and develop.

The evidence suggests that creative people are attracted by an abundance of high quality amenities, openness to diversity, and opportunities to validate a creative identity.

This production paradigm naturally suits small business as a form of organisation because the bureaucracy that is inevitable in large organisations naturally stifles creativity. Modern technology provides the facility for smaller organisations to network together to form larger operations whilst retaining their individuality and independence. It is this that allows us to express ourselves in production as well as expressing ourselves in consumption. It forms the link back to the Dream Society, where we started our review of the longer trends.

Producing A Synthesis

Our study of the Suffolk Small Business sector led us to conclude that the key ingredients for the successful small business in the first two decades of the twenty-first century would be the degree to which it can engineer a product or service that provides deep support for the customer base, that locates the product or service in the dream society, and which can harness the productivity of the Creative Class.

We have taken the view that these three ingredients will be essential to the commercial success of a small business in the near future. However, identifying long term trends, even very important long term trends, is not quite the same as developing a successful service offering for a commercial enterprise. Critics often take the view that it is the link from Futures to Strategy that is missing in much Futures work. We are posed with the problem of making Futures work relevant in the commercial setting.

Whilst we may have a desire to embed futures thinking into the development of our product offerings, it is generally a shorter term commercial need that prompts us to bring a specific product offering to market. In the case of Talk 24 Assist, there were three specific shorter term trends that brought the service offering to market.

A Call To Action

In the UK at present, there are three key shorter term trends that act as a call to action for employers. The first is concerned with staff productivity. The UK economy, in accordance with most western economies, is now primarily a service economy. In service sector businesses, the key asset is the staff who delivers the service on behalf of the business. It is now seen as axiomatic in HR circles that a happier workforce is a

more productive workforce. This acts as a bottom line incentive to employers to ensure that they have a relatively happy and well balanced workforce⁶.

In addition to that, within key areas of the service sector, there is an acute shortage of labour. In order to attract and retain the right calibre of staff, employers need to have a reputation amongst their labour pool as being a “good place to work”. This is the second key trend that acts as a call to action in the shorter term.

Finally, there is a trend regarding the tortious liability of employers. In the UK, employers are liable in tort for the workplace stress that they place upon their employees⁷. The liability is capped at £50,000⁸. It is possible for employers to mitigate their culpability (thus reducing the potential awards against them) by instituting a programme within the workplace to reduce the amount of workplace stress suffered by their employees. This is the point at which both the long term trends and the shorter term trends come together to form a strategic plan of action.

The Strategic Plan

Talk 24 Assist was conceived of as a dedicated Employee Assistance Programme (EAP) and helpline. It provides a secure and confidential helpline that allows staff to discuss their problems with qualified practitioners, with a view to reducing the degrees of workplace stress suffered by staff. Such a facility allows employers to mitigate their tortious liability towards the effects of stress suffered by employees, it enhances staff productivity in the service sector, and it helps to foster the view that the employer provides a “good place to work”. Whilst the primary motive for adopting this service might be seen as originating from the ‘hard’ area of the business (a desire to mitigate tortious liability), it cannot be denied that the service also has beneficial side effects in terms productivity and employer reputation. At the end of the day, we all feel happier if we work for an employer who we believe to care for us.

In relation to the longer trends, the package is an offering of the Dream Society. It delivers an offering in the market for care (the employer has a caring attitude towards their staff), an offering in the “Who-Am-I?” market (it helps staff towards self realisation and self actualisation), and the market for peace of mind (it offers employers an element of insurance against potential lawsuits).

There is every indication that the service offering is likely to be profitable because it is based upon Relationship Economics. The offering provides deep support to employees. Although it is delivered by an intermediary (Talk 24 Assist), there is no doubt that the facility is provided by the employer for the benefit of the employee. It is a mechanism where the staff can find a place for sanctuary (a place where they can own their choices), a place where the demand for voice is granted, and a place where the quest for connection can be made.

Finally, the service offering has captured the essence of the Creative Class by allowing those delivering the service to retain their individuality within a generalised corporate framework. Whilst there are certain minimum standards of professional competence that have to be demonstrated at each level of professional involvement, those working within the network are free to accept (or reject) as many placements as is right for them, and to deliver the service in a way that they think is best. In this way, the client will receive an individually tailored service, and the practitioner will retain the benefits of delivering a personalised service.

The Business Model

Although the longer futures have given rise to a strategic plan of action, the service offerings also need to be incorporated into a Business Model that will allow the service to be delivered both effectively and profitably.

The service offering is that of a bundled EAP Helpline, providing support advice in the area of psychological problems (including dependencies), emotional problems (including family and marital problems), legal problems, and financial problems. The service consists of a base line counselling service to which additional services can be added, depending upon the level of assistance that the employer wishes to have provided.

The baseline service consists of a 24 hour telephone assessment service, a programme of six face-to-face counselling sessions per referral, a dedicated legal helpline, and a dedicated financial helpline. To the baseline service can be added a programme of additional counselling sessions at two higher levels of professional care, a trauma programme, a physiotherapy programme, a performance coaching programme, and a psychological assessment programme, depending upon the level of service that the employer wishes to include.

The most basic part of the operation – the telephone contact points – requires not much more infrastructure than simple distributed call centres. The centres are operated by trained staff that is able to deal with 90% of the issues that arise on the first contact. The remaining 10% of calls are diverted to more specialised staff, who can deal with the more acute problems. Owing to the specialised nature of some aspects of the counselling (the legal helpline and the financial helpline), key partner organisations were needed and recruited so that referrals could be made to their network of specialists.

Personal crises rarely occur during office hours. This led to the recognition, early in the planning stages, that a 24 hour service would be needed. As it happens, 12:00 midnight in London, UK is also 10:00 am in Sydney, Australia. This has led to Talk 24 Assist to seek a strategic partnership with an Australian service provider so that the UK operation was covered when the UK sleeps, and the Australian operation is covered

when Australia sleeps. Modern telecoms technology allows the company to play the 24 Hour Clock so that the service is provided in a seamless way.

Both the intermediate and the full counselling service options require a localised network of counsellors to deliver the service. The core of these offerings is the face-to-face contact between the member of staff concerned and the counsellor, who is representing Talk 24 Assist. To deliver this part of the service offering, a network of counsellors throughout the UK was recruited. To bed in this infrastructure, a fully developed virtual company was formed using the new technologies to facilitate intra-company communications, to provide the means of document transmission, and to provide a payment mechanism.

Talk 24 Assist has taken great advantage of the technological advances of the past two decades to develop a corporate structure that makes great use of the shrinking of time and space in the Information Age. It is a “modern” business in that it leverages forward thinking futures trends in addition to taking full advantage of the opportunities presented by the latest technological advances.

However, all of this would be of no avail if the company were to be lacking of one vital ingredient – the willingness of the owners to embrace the future and to engage it in a positive way. It is this aspect of the project that has made it as successful as it has been. It is often the case that business in general, and small business in particular, has been reluctant to embrace the future. Much of this is due to a fear of what change might bring. One way of alleviating these fears is to show business, particularly small business, the relevance of futures to them.

Making Futures Relevant For Small Business

Making Futures relevant to small business is no small task. Often, when we are dealing with the future, much of our commentary is clouded by uncertainty and doubt. After all, we are concerned with possible futures (Futurescapes) rather than probable futures (Forecasts). We feel that the first step in making futures relevant to small business is to identify the Macro-Futures that are likely to impact upon that small business. In the case of Talk 24 Assist, we felt these to be the emergence of the Dream Society, the rise of the Support Economy, and the establishment of the Creative Class.

A catalyst, however, is needed to provide a bridge between the Macro-Futures over which any single small business has no control and the Micro-Futures that become embedded in the product or service offering of the small business. The catalyst acts as a call to action for the company – it prompts it to do something that embeds the Macro-Future trends into the Business Model. In the case of Talk 24 Assist, the catalyst was the trend in HR towards taking greater care of staff as a means of improving their productivity, of reducing potential employer liability, and of appearing to be a good employer to work for.

Once a general strategy has been developed, we are able to weave the futures thinking into the fabric of the business model. This may draw upon further futures thinking. For example, in the case of Talk 24 Assist, an important part of the business model was the ability to play the 24 Hour Clock (drawing upon telecoms futures thinking) and to develop a virtual company throughout the UK (drawing upon organisational futures thinking).

Although business success may appear to be a matter of luck, those who have achieved a degree of success know that it is the result of a good deal of hard work. Part of that hard work involves taking a critical look at the future and considering how our actions today might benefit from those possible futures. It is our view that the role of futures studies is to ease that part of the task and to make futures thinking more accessible to all organisations – the small as well as the large.

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¹ We have to declare an interest in that The European Futures Observatory receives core funding from The Greenways Partnership and that there are overlapping directorships between the two organisations.

² Talk 24 Assist is based in the UK and has been created to deliver Employee Assistance Programmes to organisations. For further details of Talk 24 Assist, visit their Web Site at www.talk24assist.com.

³ Further information regarding the Suffolk Small Business Project can be found on The Greenways Partnership web site at www.greenways-partnership.com/sbp.htm.

⁴ See “The Dream Society” by Rolf Jensen (McGraw-Hill 1999); “The Support Economy” by Shoshana Zuboff & James Maxmin (Allen Lane 2003); and “The Rise Of The Creative Class” by Richard Florida (Basic Books 2002). A fuller discussion of the models can be found on The Greenways Partnership web site at www.greenways-partnership.com/backgrou.htm.

⁵ See, for example, “Business 2010” by Ian Pearson & Michael Lyons (Spiro Press 2003)

⁶ See, for example, “The Key To High Performance” by Howard T Kraft (Journal of Employee Assistance, 2nd Quarter 2004).

⁷ For example, see *Hartman v South Essex Mental Health and Community Care NHS Trust* (Independent Law Report, The Independent, 25th January 2005).

⁸ £50,000 equates to \$US 90,000 or €70,000 at current exchange rates (January 2005). This amount is per award.