

# One-to-One Services

## An Untapped Market for Internet Service Providers?

There is as yet no widely used portal addressing one-to-one services such as household cleaning, babysitting, home based hairdressing, practical and personal care, etc. Yet this is a huge market worth approximately £2bn per annum in state provided homecare alone – this is a fraction of the total market spend in this area.

This paper builds on the concepts already addressing vast sectors of the market ranging from one-to-one auctioning of household items (the eBay® model), through online travel agencies and insurance brokers and onto online banking.

Its purpose is to stimulate the development of a suitable infrastructure for supporting the delivery of such services and thereby significantly reduce the non-value added overheads which are currently prevalent within this market.

### ***What are the characteristics of one-to-one services?***

Unlike most areas of spend, one-to-one services are – by definition – highly local since they are usually delivered by one or more individuals (hereafter referred to as the ‘seller’) to an individual in their own home (the ‘buyer’). The predominant cost driver is time. In terms of what the buyer receives anything which adds cost in either overheads or time is non-value added. From the sellers perspective anything which adds costs is a loss of direct income.

Unlike the retail market or most other sectors of the economy there is no need to bring raw inputs together into one place for the benefit of the consumer. There is no need for the logistics infrastructure to bring together food for the local supermarket. There is no need to bring together components for assembly into the finished product (most manufacturing sectors). There is no need to bring together multiple relatively rare specialities in order to deliver a service (most other service sectors).

Because the required skill-set is usually individual based and relatively easy to acquire, the optimal solution in terms of efficiency is if the seller has minimal overheads and lives next door to the buyer (minimising lost time through travel and extra cost in transportation as well as many of the overheads associated with normal provision).

### **Contrast this optimal efficiency with the state supported homecare market**

State supported homecare will be used throughout this paper to both illustrate the inherent inefficiencies with the current environment and highlight how an eBay® style internet portal could be used to benefit both buyer and seller. The reasons for picking homecare are fourfold:

- It is a large and growing market. Government policy, under the personalisation agenda, is encouraging a change to how the market operates in order to meet growing demographic pressures in an environment of increasingly tight financial settlements;
- Care services highlight important differences between one-to-one services and the other internet offerings referred to previously. Key differences include the need to provide increased protection to individuals using the service and the recognition that personal information may well require to be shared. In the case of care, the buyers may well be extremely vulnerable individuals who would – to some extent – be protected by regulation within the state supported sector;
- There is scope for competitive advantage for entrepreneurs/existing service providers. For every £1 which a carer (the seller) receives for delivering care to someone in

need (the buyer) there is approximately an extra £1 of overheads required by the provider and a further £1 needed, mainly by the local council, to arrange and manage care delivery. Compared to our optimal solution of delivery next door for every £1 of value-added service there is £2 of non-value added cost;

- The market lends itself to an internet enabled solution. Many carers are self-employed but operate via agencies in order to sell their services. Whilst providers undoubtedly add value in the shape of training and career development, their main function is to manage the transaction (and act as a vehicle via which regulation can be implemented).

As will become evident, the belief here is that, with an appropriate infrastructure, the need for much of the current structure potentially disappears – with the potential to take out a significant proportion of current non-value added cost.

## ***A Possible Model for Internet enabled One-to-One Services***

### **An overview of the concepts underpinning the model**

The model described herein is an evolution of the eBay® concept as it might apply to services. There are some key characteristics of the eBay® model which are retained:

- The transaction between individual buyer and a seller – there are no pre-arranged contracts managed by others (although the concept of ‘Buy-It Now’ is retained);
- Whilst protection of the individual is enhanced in the proposed model, any risks are ultimately left with the individuals involved in the transaction – there is limited recourse to compensation;
- Whilst concepts of ‘brokerage’ and ‘delegation’ are introduced, ultimately all decisions are made by the buyer and seller. There is a strong concept of mutual obligation;
- A key feature is the requirement to find the required service quickly and complete transparency of the terms surrounding the transaction.

Whilst there are many similarities with the eBay® concept there are differences which the proposed model introduces:

- Navigation via the services is enhanced by decision support tools. Self-assessment mechanisms which help to refine the nature of potentially applicable services;
- Recognition that the individual may have access to other funding streams (insurance, secured and unsecured loans, state support, etc.);
- A increased emphasis on ensuring that individuals are who they say they are and mechanisms to validate details about their experience and qualifications to deliver a service;
- Mechanisms to protect individuals from abuse (both buyers and sellers) – in particular access to on-line Criminal Record Bureaux (CRB) and other mechanisms to aid protection of potentially vulnerable individuals;
- A concept of a ‘network’ of individuals – to provide cover in the event of sickness / holidays and/or to provide access to specialist skills. Note that, whilst a traditional provider could fill this role, the key principle is that any transactions are with the individuals involved in the network – the concept of a contract with a ‘provider’ in the traditional sense does not exist;
- A slightly different process for reaching agreement (given the nature of services);
- Extended transaction management services (mainly around diary management and time-sheeting, but also including voucher processing);
- A suggestion that this is an area where individuals (versus the state) would benefit hugely from the application of ID cards;
- The ability to consolidate transactions into weekly / monthly / etc. invoices; and

- Additional support tools to help the 'seller'. In particular small business accounting package support to link time based transactions with invoicing, payment and payroll (Microsoft Accounts / Intuit Quickbooks type functionality)

### **Potential Applications of the Model**

Whilst homecare is used to illustrate the model, the concepts are equally applicable to other predominantly one-to-one services. Staying within the care context it is not difficult to envisage the concept applied to adult placement (where the service includes an element of accommodation service), housing related support and all forms of practical support: help with shopping, cleaning the house, gardening, handyman services, laundry, and so on. It could also apply to other areas: babysitting, pet/house sitting, hairdressing, manicuring, etc.

### **Potential Additions**

This paper focuses on the one-to-one service model. However, which an internet service provider could offer to complement one-to-one service management: home monitoring, panic button services, remote key release services, ...

### **Assumptions regarding access to technology**

This model is an internet enabled model and either the individual buyer, or their delegated agent, requires access to the internet in order to establish a one-to-one service. However, once established there is no reasons why other technologies could be applied on an ongoing basis: cable / satellite TV interactions, digital phone / mobile phone, etc.

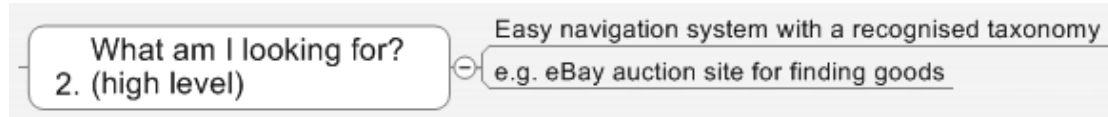
### **Key Questions (Primarily from a Buyer perspective)**

The proposed model is designed to help a potential buyer answer the following questions:

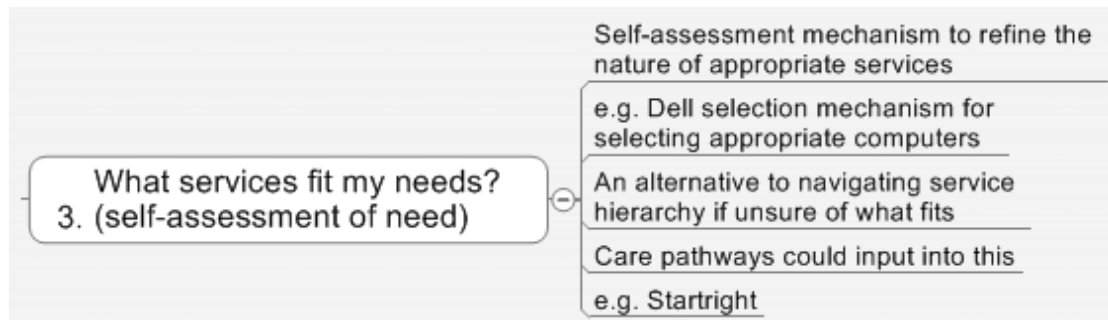
- What types of service are available to me?
- Within a particular type of service, which specific services fit my needs?
- In principle what are the funding mechanisms I have available? In particular, in the case of care, am I likely to be entitled to state support?
- Having determined one or more mechanisms, is there anyone who, subject to confirmation, will actually provide funding? (in the state context, am I entitled to council financial support?)
- Which sellers offer the services I am interested in within my vicinity?
- Does the seller have the qualifications / experience I am after to deliver the service? Is the seller (and buyer) who they say they are?
- In the event that the seller is unable to deliver themselves, are they a part of a network of other sellers who I can easily call on?
- Are there sellers who are prepared, in principle, to provide me with the service?
- Can I reach a mutual deal with one or more of the sellers?
- At what time and on what days will the service be delivered?
- Is the seller running late?
- Is the person who comes to the door the right person?
- How do I know how much to pay and how do I make payment for the service?
- How do I give my feed-back?

**What would the model look like in terms of addressing each of these questions?**

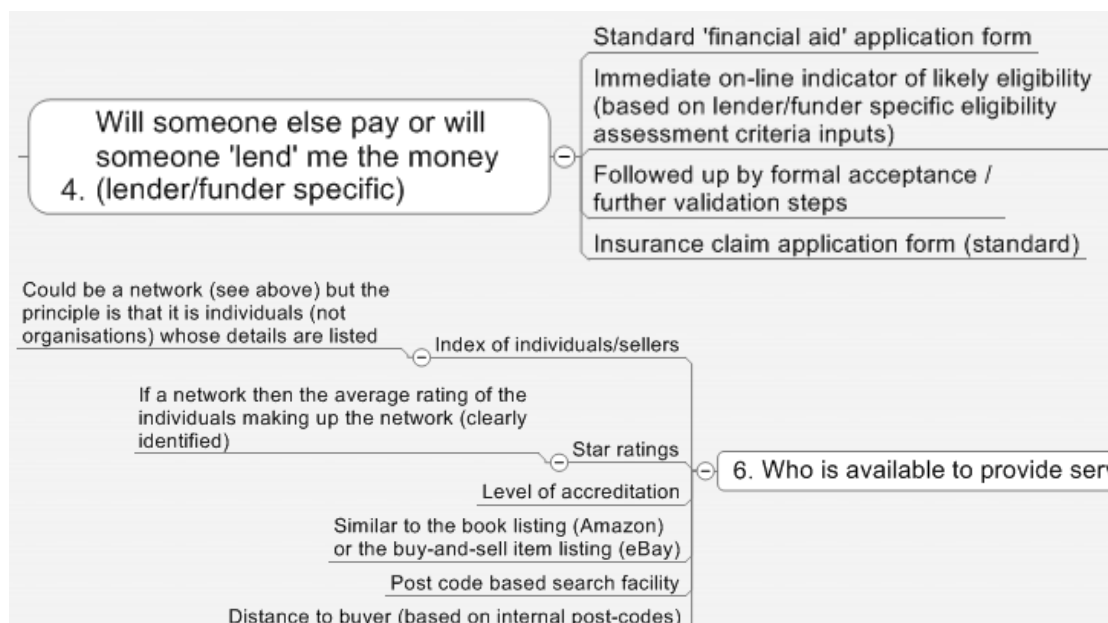
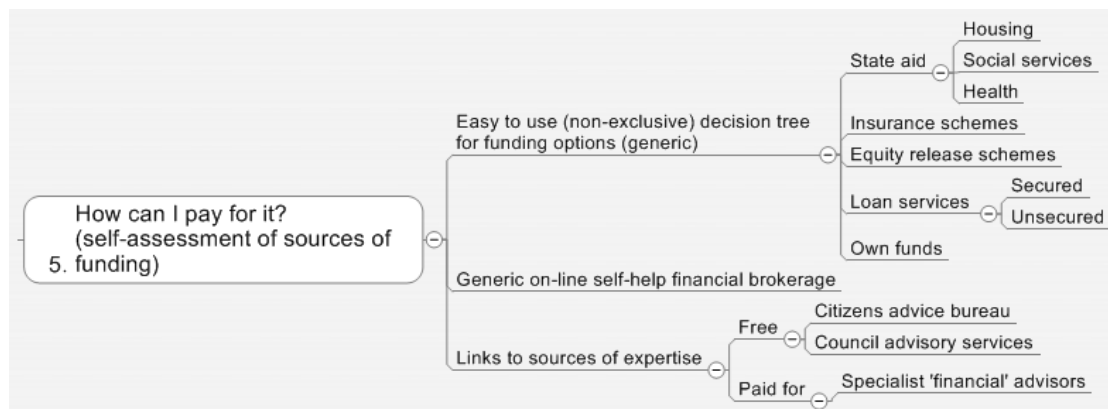
This section to be written up / illustrated properly. For now a mindmap dump of the elements making up the model.

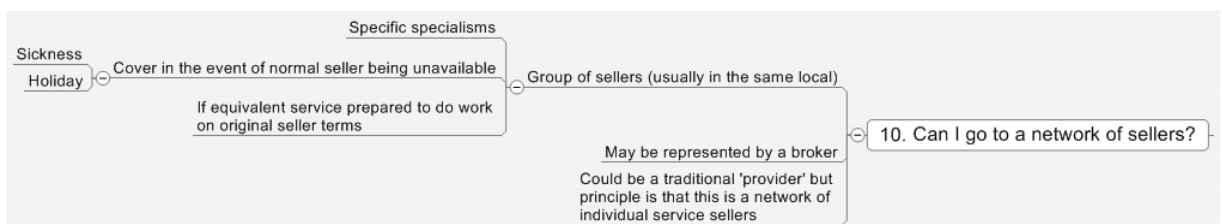
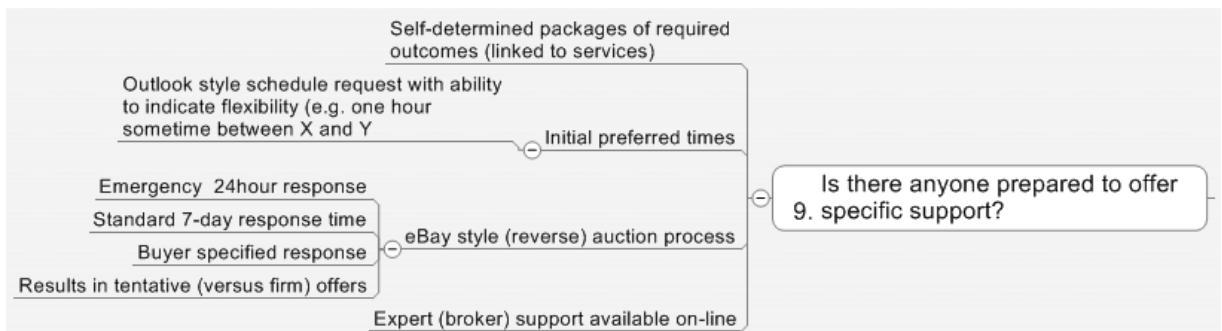
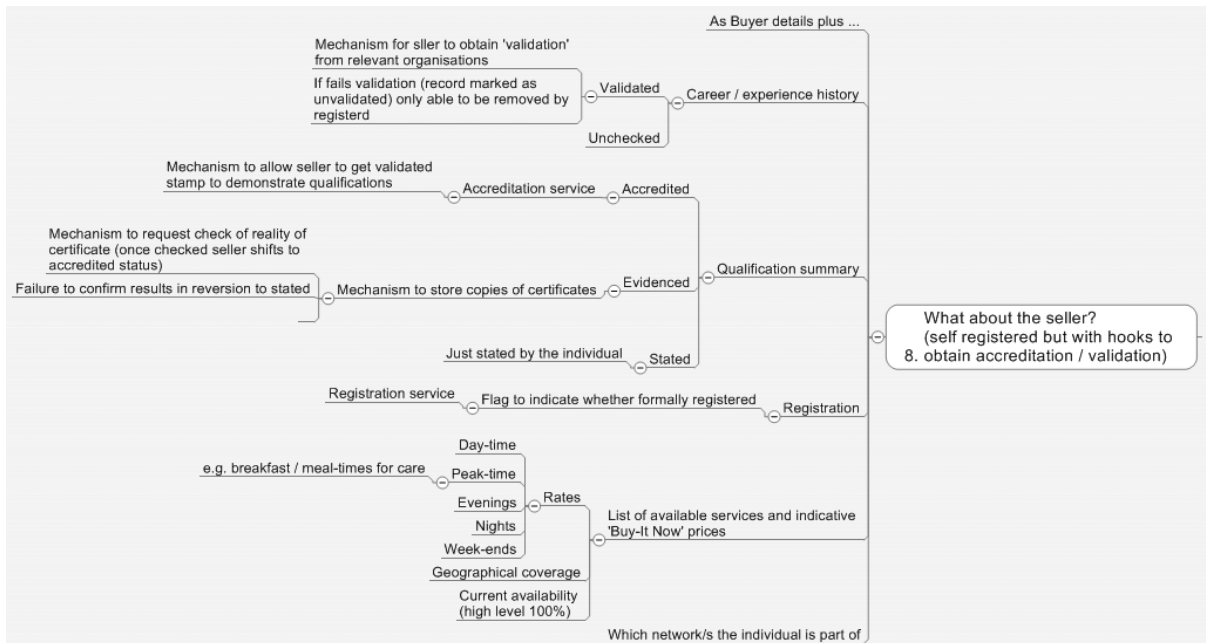
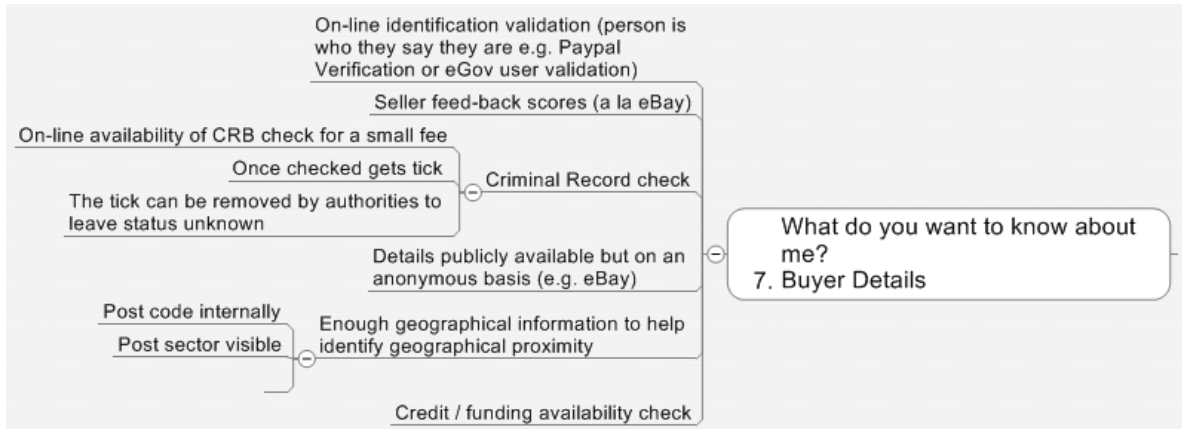


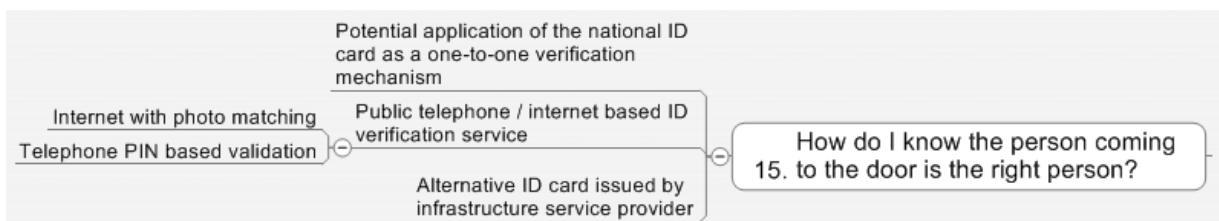
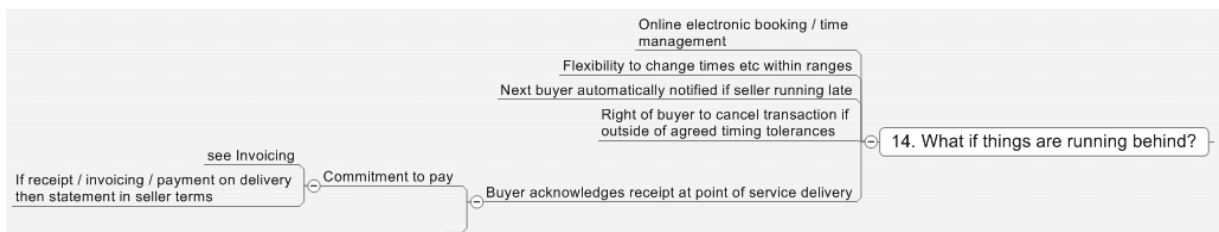
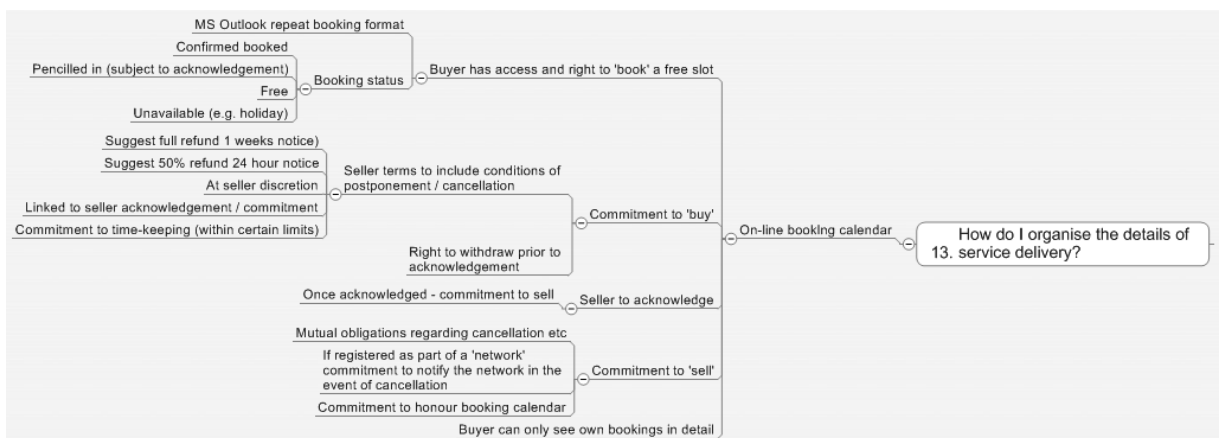
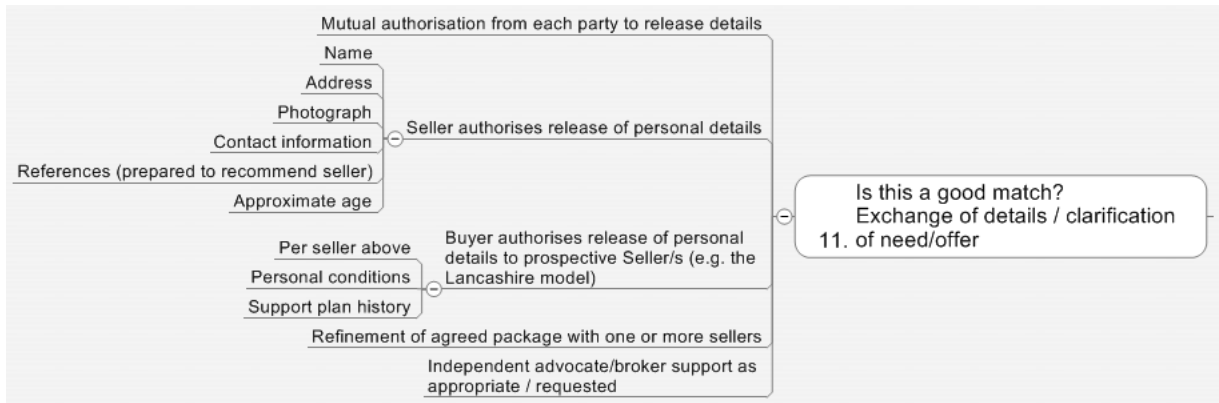
The main idea

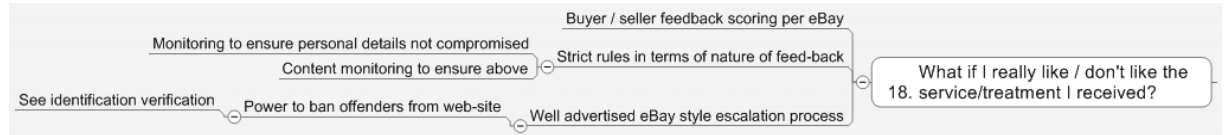
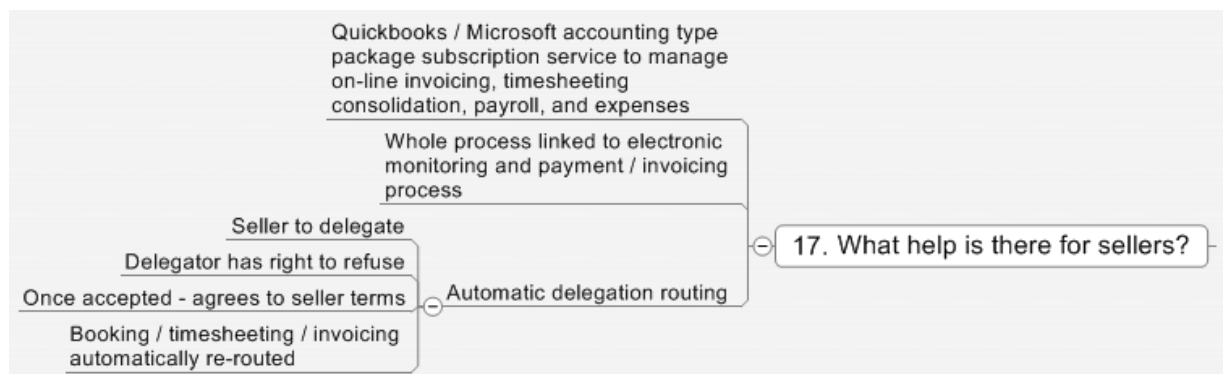
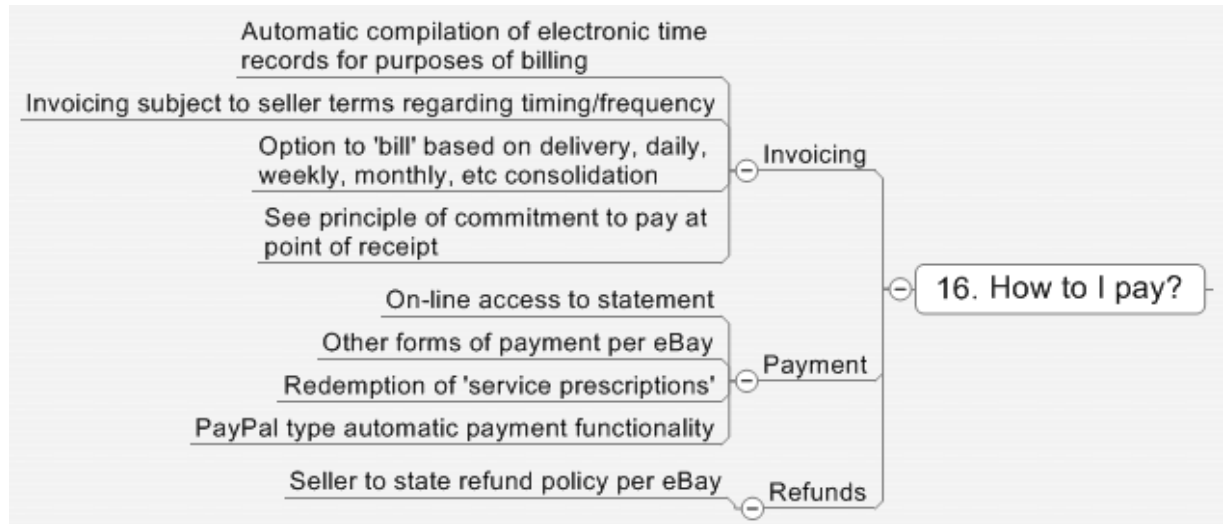


Note that the ordering of (5) and (4) was incorrect in the original version.









### Appendix A : Comparison with the ‘Carebay’ Model

Whilst there are many similarities with the planned South East RIEP Carebay model, there are areas of potential difference between what is proposed within this paper and our current understanding of what is being proposed under Carebay (*to be clarified and discussed*):

1. The Carebay model uses a slightly more traditional eProcurement approach in that it is largely envisaged that ‘commissioners’ will manage the catalogue, who is able to provide, and for setting prices. The model outlined in this paper (This Model) is much closer to the eBay concept in that the transaction is essentially between carer and client (a one-to-one transaction) - albeit with additional mechanisms to support the specific nature of services and extensions to support the concept of networks.

ADVANTAGES WITH CAREBAY	ADVANTAGES WITH THIS MODEL
<ul style="list-style-type: none"> <li>• More compatible with the existing state supported market.</li> <li>• Less potential for disruptive impact on current providers</li> <li>• Greater ability to provide stater protection for vulnerable individuals (via existing regulatory mechanisms)</li> <li>• More compatible with existing procurement approach to market and regulatory framework</li> <li>• Will continue to encourage a consolidation of market supply</li> <li>• Less dependent on establishing new protocols to support validation and accreditation</li> </ul>	<ul style="list-style-type: none"> <li>• Is deliberately designed to encourage a market of many small new entrants</li> <li>• Much more likely to ‘disrupt’ the existing market by removing the case for two layers of bureaucracy (council and current provider).</li> <li>• The traditional commissioning process becomes redundant</li> <li>• Much more likely to increase income to the carer (increase supply) whilst reducing the cost to the client</li> <li>• Much closer the concept of self-directed support and choice (a catalogue is restrictive by definition)</li> <li>• More compatible with the current unregulated self-pay market (and greater applicability to practical areas of support)</li> </ul>

2. The Carebay proposal is to commission the development of the web portal via a traditional specification and tendering process. Whilst not explicitly stated above, the intention with this proposal is to publicise the concept, approach existing key players (eBay, Microsoft, etc) and rely on the market to take up the idea and implement it. Once publicised, the role of the project would be to influence government to limit barriers to entry (such as over-regulation) and facilitate much wider availability of enablers – such as online access to CRB, mechanisms for validation and accreditation, etc.
3. This Model places a greater emphasis on providing a common infrastructure to support the parties to operate on a small business / self-employed basis. The Carebay proposal is less ambitious in attempting to address these inherent cost drivers in the current market.
4. The Carebay proposal largely maintains the current status quo with regard to placement of risk. This Model transfers a significant proportion of risk to the individuals involved in the transaction. However, whilst this may increase exposure for the minority currently receiving state support, the concepts outlined in This Model have the potential to significantly reduce risk to the vast majority by make protection mechanisms universally available.



5. In a related context, This Model proposes mechanisms to allow the 'buyer' to determine whether they wish to buy from 'sellers' who have full accreditation, who are potentially registered and whose credentials have been formally validated. This fits with the broader range of services envisaged and with the use of the huge informal and voluntary care network which is currently largely outside of the formal system. The mechanisms proposed in the Carebay model large retain the current mechanisms and may preclude use by this broader set of individuals.
6. This Model attempts to put in place mechanisms for self-managed quality control and, by doing so, significantly reduce the current burdens of regulation and inspection. The Carebay proposal places less emphasis on this aspect having greater reliance on more traditional methods.