The Transformation Economy Begins Now

Economic eras are defined by their outputs.

Extracted **commodities** such as fruits, grains, and meats gave way to the making of tangible **goods**. They, in turn, were replaced by the delivery of **services**. In 1999, Joseph Pine and James Gilmore posited that we had entered the **experience** economy.

As an example, the buying of milk, honey, wheat, and eggs (**commodities**)to make a cake was replaced by combining those ingredients (with the exception of the eggs) into a cake mix (**goods**). In turn, this was replaced by the purchasing of a decorated and customized sheet cake (service), which was then included in the **experience** of a birthday party at a pizza place run by a rat!

Notice that each subsequent era subsumes the previous in terms of the purchased offering by the consumer. A cake mix did not price the individual ingredients. The decorated sheet cake did not break apart the cake and the writing of "Happy Birthday" into line items. The rat included the cake in the price of the party experience.

But the locus of value has shifted once again. Consumers no longer seek transactions. They do not merely want to be served. They aspire to **transform**. They seek a road-to-Damascus moment in their lives and want to become **someone else**.

This means that **health, wealth, wisdom, and purpose** are not luxuries; they are the new aspirations and echo ancient blessings long counted as gifts from the Divine. They are the legitimate aims of enterprise. This **Transformation Economy** offers more than convenience or expertise. It offers **outcomes and change.** In short, it offers **human flourishing,** what the prophets called *shalom*: not mere peace, but wholeness, harmony, and the fulfillment of one's calling.

Companies that recognize these desires and create offerings that provide them to aspirants will themselves thrive. And this is happening all around us:

In **financial services**, <u>firms like *Ellevest*</u> aren't simply managing portfolios—they're helping women rewrite their financial narratives, shifting the role of money from a source of stress to an instrument of self-determination.

In **fashion**, <u>*Patagonia* doesn't just sell outerwear—it equips citizen-activists</u>. Every jacket, every piece of gear is a badge of alignment with the Earth. It transforms the consumer from shopper to steward, echoing humanity's first vocation in Eden: to till and to keep the garden.

In **education**, <u>institutions like *Minerva University*</u> toss the lecture hall overboard in favor of global immersion and Socratic rigor. Their students aren't just learners—they're being transformed into agile thinkers who can navigate uncertainty across cultures, borders, and eras.

In **media and music**, <u>Fender Play</u> doesn't just ship guitars; it nurtures identities. With bitesized tutorials and a motivating curriculum, it transforms the person who says "I've always wanted to learn an instrument" into the one who *does*.

In **professional firms**, consultants and advisors are shedding the skin of mere troubleshooters. Some—<u>like a firm I happen to know quite well</u>—now guide their aspirants not toward better operations, but toward *becoming* who they truly wish to be, professionally and personally. A true vocation that calls, like a still, small voice, from within.

Even in the **government sector**, the unlikely nation of <u>Estonia has thrown open its digital</u> <u>doors</u>. With its e-residency program, it is transforming global entrepreneurs into stakeholders in a borderless, digital-first republic. In addition, Honduras has carved out <u>Próspera, a startup</u> <u>zone</u> with a regulatory system designed for entrepreneurs to build better, cheaper, and faster than anywhere else in the world.

These examples are not outliers. They are early signs of a tectonic shift.

The Transformation Economy is not about selling more, faster, or cheaper. It is about helping people *become* healthier, wealthier, wiser, and freer. It is not about Mammon's metrics— more, faster, cheaper—but about enabling others to live more abundantly. And for those who heed the call, this era promises not just profit, but legacy.

I would love to hear feedback on this idea from my alumni of Chaminade. To facilitate this conversation, a discussion board has been created in the CLS Insight Hub. Join me there.

If this topic interests you, I would love your thoughts on what my co-founder and I call our Jerry Maguire Mission Statement on the subject. View that at https://thresholdnow.com/revelation

<u>Ed Kless</u> believes entrepreneurs continue the work of creation and that business exists to promote human flourishing. To advance this vision, he cofounded <u>THRESHOLD</u>, where he guides professional leaders and teams through encapsulating transformation. Previously, Ed served as Sage's senior director of partner development and strategy, hosted the Sage Thought Leadership Podcast, and designed curricula for Sage Partners and Customers. He also co-hosts <u>The Soul of</u> <u>Enterprise</u> with Ron Baker, his friend and fellow THRESHOLD co-founder.