

// An Overview of Service Design for the Private and Public Sectors



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//Executive Summary

Innovation in services is a priority for both the private and public sectors across Europe – in 2011, services contributed 72.5% of the EU's total gross value added (GVA)⁰¹ and the public sector represents 45% of gross domestic product (GDP) in the 27 EU Member States⁰². Service design is an approach to innovating both private and public sector services that places the user at the heart of the development process. Service design is concerned with the customer experience and ensuring optimal interactions between the service provider and the service user through various 'touch points'. Whether it is a small to medium-sized company (SME) or a local public authority, in developing new services, organisations can become preoccupied with the empirical data and develop services that are too far removed from the individual. The value of a service design approach is that it involves engaging the users directly in service development through action research, which provides a qualitative and human dimension to service development leading to increased desirability, usability and efficiency.

This SEE Policy Booklet seeks to answer some fundamental questions public officials may have about service design: What is service design? What are the benefits of a service design approach? Why engage in service design now? How does service design compare to other innovation methods? What are service design methods and tools? Subsequently, the partners present case studies of service design in the private and public sectors to illustrate service design processes in practice.

A frequently quoted finding by Bain & Company is that 80% of companies believe they deliver a superior customer experience, but only 8% of their clients agree⁰³. With the increasing choice available to the individual, service providers cannot afford this delivery gap in client expectations. The development of technology has blurred the boundaries between product and service. Service delivery is as relevant to manufacturing companies as it is to the service sector:

"The term "product related services" is increasingly used to denote those services which are provided by manufacturing companies in close association with the "product" which is regarded as their "core business". Service packages covering installation, maintenance, updating, training, become an integrated part of delivery."⁰⁴

01 Eurostat National Accounts 2011: http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/National_accounts_%E2%80%93_GDP

02 Statistical Annex to European Economy, Spring 2013, p.145: http://ec.europa.eu/economy_finance/publications/european_economy/2013/pdf/2013_05_03_stat_annex_en.pdf

03 Allen, J., Reichheld, F., Hamilton, B., and Markey, R. (2007) 'Closing the delivery gap', Bain & Company, p.1 <http://www.bain.co.uk/bainweb/pdfs/cms/hotTopics/closingdeliverygap.pdf>

04 European Commission Staff Working Document (2007) 'Towards a European Strategy in Support of Innovation in Services. Challenges and Key Issues for Future Actions', SEC(2007)1059, Europe INNOVA paper 4, pp.5-6. http://ec.europa.eu/enterprise/policies/innovation/files/innovation-in-services_en.pdf

To illustrate this 'servitisation' of products, we present a case study on a Welsh manufacturing company, Aggrelek that developed a service offering around their core business using service design as part of the Service Design Programme delivered by the National Centre for Product Design and Development Research (PDR) at Cardiff Metropolitan University. We also present the case of the Service Design Toolkit developed by JAMK University of Applied Sciences that introduced service design tools and methods to companies in the tourism sector in Lapland in Finland.

Public sector innovation will be one of Europe's greatest challenges in the coming years with the paradox of more pressure on public services but with less available resources. The European Commission has highlighted the need to better understand the role of design in public sector innovation:

"Our strengths in design and creativity must be better exploited. We must champion social innovation. We must develop a better understanding of public sector innovation, identify and give visibility to successful initiatives and benchmark progress."⁰⁵

The examples of service design projects in the Municipality of Rijkevorsel in Flanders led by Namahn and Yellow Window as well as in the London Borough of Barking and Dagenham Council led by Design Council and Design Associate David Townson and Uscreates demonstrate how service design can be employed by public authorities as an approach to service renewal. This policy booklet is intended to complement the SEE report 'Design for Public Good'06 that presents 16 case studies of design to enable public officials to understand the role of design in public service innovation and policy-making.

SEE is a network of 11 European partners sharing international best practice to accelerate the adoption of design into government mainstream practices, policy and programmes. We are delivering a series of workshops across Europe on 'Public Sector Service Design' and 'Service Design for SMEs'; for more information email: info@seeplatform.eu.

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29 August 2013*

05 European Commission (2010) 'Europe 2020 Flagship Initiative Innovation Union', COM(2010)546, Brussels 06.10.2010, p.3.

06 SEE Platform (2013) 'Design for Public Good', Design Council, Design Wales / PDR, Danish Design Centre and Aalto University: <http://www.seeplatform.eu/docs/Design%20For%20Public%20Good%20May%202013.pdf>

//Introduction

All of us can easily point out a service that has failed our expectations: lost luggage at the airport, equipment that breaks down again a week after costly repairs, listening to endless recordings when we call a call centre or total confusion in which form we should fill out for an official procedure. Each begs the question – surely it is possible to do better?

We live in a service economy. The last thirty years have completely changed the face of the global, product-oriented economy. The shift towards the provision of services is undeniable. The service sector comprises 60-75% of GDP in most EU member countries⁰⁷ and almost all business start-ups being founded and all jobs created are in the tertiary sector⁰⁸. What is more, services play an increasingly important role in manufacturing companies. Technological developments have blurred the boundaries between product and service. Nowadays services are satisfying our needs, not long ago met by products, as a contemporary consumer expects a continuous relationship with the product and brand, even beyond the point of sale. Services have become a differentiator of good products and our guide through the material world. This seems evident when we look on the current trends in product-centric model of the economy⁰⁹:

1. The development of service platforms such as iTunes, the AppStore, Amazon and Netflix, which eliminate the need for physical products;
2. Services that redefine the issue of ownership (car sharing, city bike schemes);
3. Service-enhanced products (smartphones and tablets);
4. Services in which the user becomes the designer of the product (NIKEiD, Young Users by VOX Furniture).

Although the value of the service sector continues to grow and our expectations of value for money from services keep rising, good services are still the exception rather than the rule. It's clear that further economic progress and increased quality of life will be determined by the quality of service. New services are often still created by trial and error or methods transferred directly from the factory floor. But services are completely different from products, and therefore require different approaches and methods of development. Shostack, an early enthusiast of service design approaches, recognised that 'services are unusual in that they have impact, but no form. Like light, they can't be physically stored or

possessed and their consumption is often simultaneous with their production'¹⁰.

So what does this mean for public authorities looking to support service innovation among SMEs and public sector innovation in their own organisations? The SEE Platform, a network of 11 European partners, working to accelerate the integration of design into government mainstream practices, policy and programmes, has been examining these questions. In this SEE policy booklet, we address a few fundamental questions public officials may be asking about service design as an approach to innovation in services: What is service design? What are the benefits of a service design approach? Why engage in service design now? How does service design compare to other innovation methods? What are service design methods and tools? We also present four case studies, two on service design in the private sector and two on service design in the public sector to demonstrate good practice in action across Europe.

07 Eurostat (2012) „National Accounts - GDP - Statistics Explained”, [http://epp.eurostat.ec.europa.eu/statistics_explained/index.php?title=File:Gross_value_added_at_basic_prices,_2001_and_2011_\(%25_share_of_total_gross_value_added\).png&filetimestamp=20121204110809](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php?title=File:Gross_value_added_at_basic_prices,_2001_and_2011_(%25_share_of_total_gross_value_added).png&filetimestamp=20121204110809)

08 Mager B. (2008) „Service Design” in Erlhoff M., Marshall T. (eds.) (2008) „Design Ditionary - Perspectives on Design Terminology”, Birkhauser, Basel.

09 Rae J., Fudge C., Hudson C. (2011) „From Products to Services: Understanding the New Rules of Engagement” *Design Management Review*, Vol.22, Issue 4, p. 46-53.

10 Shostack, G. L. (1984) „Designing Services that Deliver” *Harvard Business Review*, Vol. 62, No. 1, January-February, p. 134.

//What is service design?

Pioneered in progressive multinational organisations such as Virgin Atlantic, Visa and Hilton Hotels service design is an emerging and distinct discipline that has significant potential to help companies and public authorities to develop services that are more effective and, above all, user-centred. By engaging both service users and service providers in developing and testing solutions, the new services are client-focused, desirable to use and inclusive. Experienced designers of all disciplines have excellent communication, visualisation, problem-solving and creative skills. Service designers enhance these core abilities by using an approach that gains greater insight from end-users to understand the journey they take when experiencing a service and in collaboration with them develop potential solutions that are fit for purpose and provide maximum value for user and supplier. Service design is a way for small companies to compete on service and for public authorities to develop services that better correspond to citizens' needs.

However, just as there is no single definition of design or innovation, we will not find a single definition of service design. But the key principles are well summarised by Saco and Goncalves: 'Service design...

- / aims to create services that are useful, useable, desirable, efficient, and effective.
- / is a human-centred approach that focuses on customer experience and the quality of service encounter as the key value for success.
- / is a holistic approach that considers in an integrated way strategic, system, process, and touch-point design decisions.
- / is a systematic and iterative process that integrates user-oriented, team-based inter-disciplinary approaches and methods in ever-learning cycles¹¹.

Heapy emphasises the value of the user in service creation: 'Service design replicates those parts of other design disciplines that go before the product: the user-centeredness, the sense of innovation, and the challenge to make things better, simpler, and more connected to the values and needs of the user'¹². The cornerstone of service design is understanding the behaviour and motivations of the customers and helping them to satisfy their unmet needs by creating 'a system of thoughtfully executed customer interactions'¹³.

The Service Design Network approaches the service design definition from a managerial point of view: service design 'is the activity of planning and organising people, infrastructure, communication and

material components of a service in order to improve its quality and the interaction between service provider and customers'¹⁴. Perhaps an anecdotal yet valuable definition is the one coined by 31 Volts Service Design: 'When you have two coffee shops right next to each other, and each sells the exact same coffee at the exact same price, service design is what makes you walk into one and not the other'¹⁵.

When it comes to public services renewal and policy-making the user in this case is the citizen. While a quantitative understanding of the typical users will always be important in new service development, government can no longer ignore the qualitative or human dimension of public service delivery and policy-making. Very often this qualitative perspective provides more insight on how the service will be used than the quantitative data. The UK Parliament uses the following definition of user-centred public services:

'those that actively involve the people using them in service design and delivery. They entail drawing upon the expertise, views and perspectives of service users to complement the skills and input of service professionals. User-driven services go beyond user consultation or user representation. [...] consultation serves as an important function in eliciting people's views about the services they are getting, but it can be a one-way process—there is no guarantee that services will actually change as a result. By contrast, the idea of user-driven services involves public service staff and users working together to determine what services are provided and how'¹⁶.

In essence, service design is a process that places the user (whether a client or citizen) as well as the provider (the company or public authority) at the heart of the development and testing process.

11 Saco R.M., Goncalves A.P. (2008) „Service Design: An Appraisal” Design Management Review, Vol. 19, Issue1, p. 12.

12 Heapy J. (2011) „Creating Value Beyond the Product through Services” Design Management Review, Vol.22, Issue 4, p. 39.

13 Bedford Ch., Lee A. (2008) „Would You Like Service with That?” Design Management Review, Vol. 19, Issue1, p. 38.

14 Service Design Network (2013) „What is Service Design?”, <http://www.service-design-network.org/intro/>

15 Stickdorn M., Schneider J. (2012) „This is Service Design Thinking: Basics, Tools, Cases” BIS Publishers, Amsterdam, p. 33.

16 House of Commons, Public Administration Select Committee (2008) „User Involvement in Public Services. Sixth Report of Sessions 2007-2008”, p. 9, <http://www.parliament.the-stationery-office.com/pa/cm200708/cmselect/cmpublicadm/410/410.pdf>

//What are the benefits of a service design approach?

According to Lynn Shostack, 'Better service design provides the key to market success, and more importantly, to growth'¹⁷. Service design is not just another management fad. It addresses a real problem of underperforming of the biggest sector of economy¹⁸. This 'delivery gap' can be filled with the benefit of the customer, the service provider and the economy as a whole, taking into account the size of the service sector. The benefits of the service design application stem from its primary characteristic which is truly reflecting the users' perspective by involving them in the development process. This approach gives multifaceted benefits at each stage of service life-cycle (see Table 1). The following table by Steen et al. provides a concise overview of the benefits of a service design approach.

Bringing together the multi-disciplinary expertise of designers, researchers, developers and users, as the 'experts of their experience'¹⁹, can create competitive, desirable, flawlessly running services, that directly translate to the increased customer satisfaction and the organisations being more efficient and effective. That is why service design is an accessible way for small companies to compete on service and for public authorities to develop services that better correspond to citizens' needs. Service design enables both the user and the provider to have greater ownership of the service.

Table 1: Benefits of a service design approach

BENEFITS FOR THE SERVICE DESIGN PROJECT	BENEFITS FOR THE SERVICE'S CUSTOMERS OR USERS	BENEFITS FOR THE ORGANISATION(S)
IMPROVING THE CREATIVE PROCESS		
<ul style="list-style-type: none"> / Better ideas e.g. from customers or users; with high originality and user value / Better knowledge about customers' or users' needs e.g. changing existing views or validating ideas or concepts / Better idea generation, e.g. by bringing together customers, users and employees 		<ul style="list-style-type: none"> / Improved creativity / Improved focus on customers or users, e.g. better dissemination of findings about customers' or users' needs / Better cooperation between different people or organisations and across disciplines
IMPROVING THE SERVICE		
<ul style="list-style-type: none"> / Higher quality of service definition / More successful innovations, e.g. reduced product failure risk 	<ul style="list-style-type: none"> / Better fit between service and customers' or users' needs, and better service experience / Higher quality of service / More differentiated service 	
IMPROVING PROJECT MANAGEMENT		
<ul style="list-style-type: none"> / Better decision making, e.g. quality and speed / Lower development costs / Reduced development time or time-to-market / Continuous improvements 		
IMPROVING LONGER-TERM EFFECTS		
	<ul style="list-style-type: none"> / Higher satisfaction of customers or users / Higher loyalty of customers or users / Educating users 	<ul style="list-style-type: none"> / More successful innovations, e.g. rapid diffusion / Improved innovation practices, processes and capabilities / More support and enthusiasm for innovation and change / Better relations between service provider and customers / Better public relations

Source: Steen M., Manschot M., De Koning N. (2011) "Benefits of Co-design in Service Design Projects" International Journal of Design, Vol. 5, No. 2, p. 58.

17 Shostack, G. L. (1984) „Designing Services that Deliver” Harvard Business Review, Vol. 62, No. 1, January-February, p. 134.

18 The report „Closing the Delivery Gap” reveals that 80% of companies believe they deliver a superior customer experience, but only 8% of their clients agree; Allen, J., Reichheld, F., Hamilton, B., and Markey, R. (2005) 'Closing the delivery gap', Bain & Company, p.1 <http://www.bain.co.uk/bainweb/pdfs/cms/hotTopics/closingdeliverygap.pdf>

19 Steen M., Manschot M., De Koning N. (2011) „Benefits of Co-design in Service Design Projects” International Journal of Design, Vol. 5, No. 2, p. 53.

//Why engage in service design now?

As part of the policy 'Innovation Union', the European Commission has broadened the definition of innovation beyond traditional R&D and technology to include service innovation, social innovation and user-centred innovation:

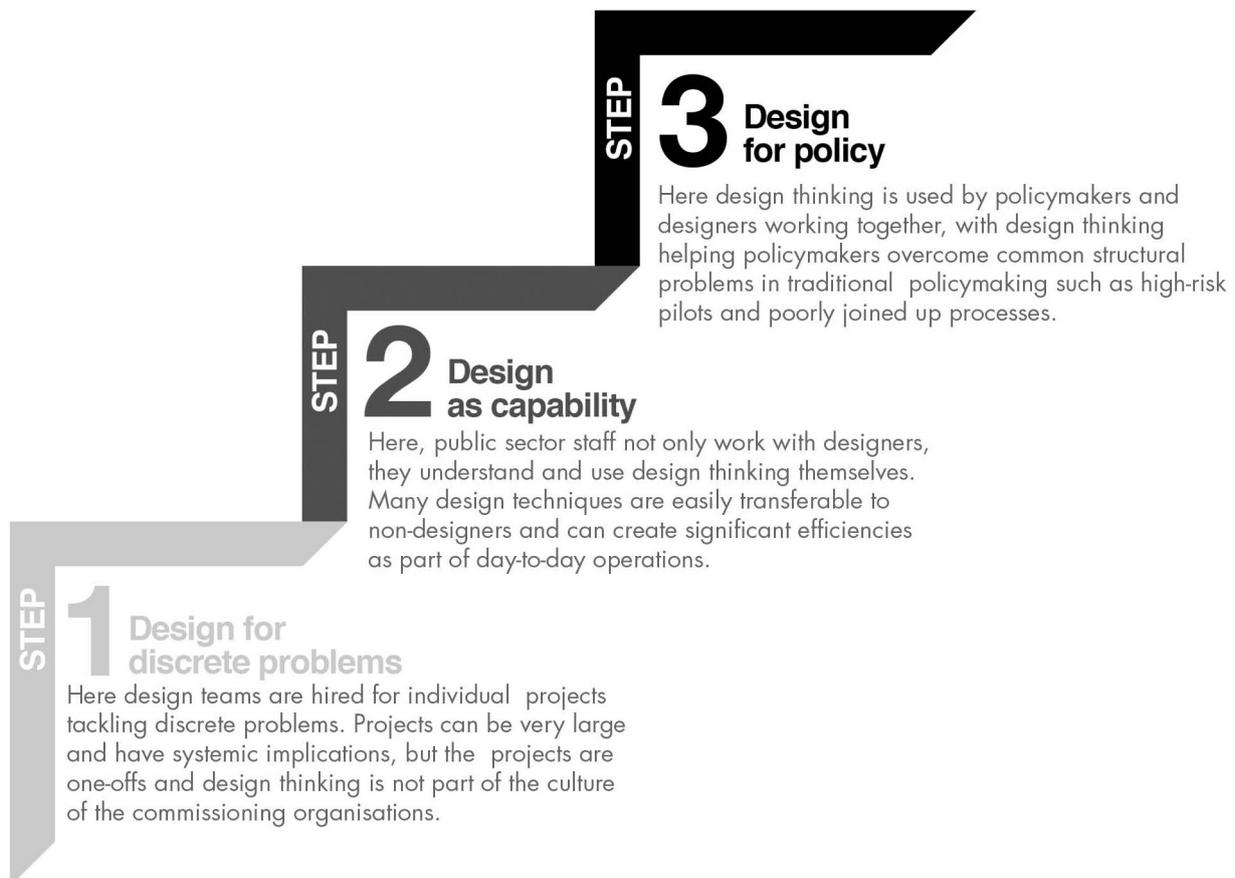
'Europe must also develop its own distinctive approach to innovation which builds on its strengths and capitalises on its values by pursuing a broad concept of innovation, both research-driven innovation and innovation in business models, design, branding and services that add value for users and where Europe has unique talents.'²⁰

The European Commission has recognised service design is a key driver of service innovation, social innovation and user-centred innovation. As this message cascades to national, regional and local levels there will need to be expertise in place for service designers to engage with the public sector and small companies to help them develop new, more user-orientated services.

Countries such as Australia, New Zealand, South Korea and Singapore are all adopting design-led innovation to solve public sector and societal challenges. The EU is not lagging behind. A number of European countries have a strong track-record in advancing service design for public sector renewal but now we need to increase the use of these practices among those for whom these methods are new.

Service design and design thinking can be applied in the public sector at a number of different levels. In the Design for Public Good report the SEE partners propose the Public Sector Design Ladder as a diagnostic tool for public sector bodies to work out their level of design use and define a roadmap for progress²¹.

Figure 1: Public Sector Design Ladder



²⁰ European Commission (2010) 'Europe 2020 Flagship Initiative Innovation Union', COM(2010)546, Brussels 06.10.2010, p.7.

²¹ SEE Platform (2013) 'Design for Public Good' p.8.

//How does service design compare to other innovation methods?

A key question is how does service design compare to other innovation methods such as lean, co-production, nudge and systems thinking? Service design, lean production, co-production, nudge and systems thinking are all approaches to innovation with a unique set of approaches and philosophies but a number of shared characteristics. For example, service design, co-production, systems thinking and nudge are more focused on the service user than the service provider unlike lean. Table 2 presents an overview of innovation methods and their characteristics according to aim, where innovation happens, whether the approach competes on cost or user experience, focuses more on the service user or service provider, if it's focused on strategy or operations and delivers radical or incremental innovation. Service design aims to create new service where all interactions or 'touch points' have been designed, lean production seeks to reduce waste in the system while preserving the value for the customer, co-production is about delivering services with rather than for service users, systems thinking focuses on

improving components of system to optimise the system as a whole and the nudge method looks to make small changes that result in behaviour change. Service design occurs at the interface with the user unlike lean and co-production which focus on operations or systems thinking and nudge that centre on management tiers. A key attribute of service design, like co-production and systems thinking, is competing on the customer experience while lean and nudge compete predominantly on cost. A point of differentiation is that lean, systems thinking and nudge are more focused on operations while service design is focused on strategy (co-production is focused on both). Perhaps the most unique attribute of service design is that it is able to deliver radical innovation by involving the user and provider in a creative process in contrast with the other innovation methods which result in predominantly incremental innovation.

Table 2: Innovation Methods Table

	Service Design	Lean	Co-production	Systems Thinking	Nudge
Aim	To create new services where all touchpoints and interactions have been designed.	To reduce waste in the system while preserving value.	To engage service users in the delivery of services	To improve and optimise the service system	To make small changes that encourage behaviour change
Where Does it happen?	Interface with user or customer.	Productions and operations	Operations	Service management	Middle management
Compete on cost, experience or quality?	Experience & quality	Cost & quality	Cost & experience	Experience & quality	Cost & quality
Most focussed on service user or provider?	User	Provider	User	User	User
Strategy or operations focused?	Strategy	Operations	Both	Operations	Operations
Delivers radical innovation?	Yes	No	No	No	No

Source: © Design Wales / PDR / Cardiff Metropolitan University 2013

// What are service design methods and tools?

Service design is above all a creative process that puts the service user and provider at the centre of concept development. There is no one prescribed service design process. However, a service design process will generally consist of a variation on the following steps: observation, brainstorming, testing, refining and evaluating. Design Wales/PDR have developed a five-stage service design process that service designers could use to facilitate with a company or public authority:

1: FRAMING THE CHALLENGES: Engage with a sample of service users using visual and creative techniques to identify how they currently use the product or service including observations of people using the service.

2: CONCEPT DEVELOPMENT: Bring clients together with service providers to explore the challenges and identify opportunities. In brainstorming sessions, clients and service providers generate many

innovative ideas, which can be refined into high impact solutions to pursue and test.

3: PROTOTYPE DEVELOPMENT: The service prototype will translate the service concept into a workable service.

4: PROTOTYPE TESTING: A group of users will test the new service to examine the obstacles and opportunities to improve the service.

5: FULL-SCALE DELIVERY & EVALUATION: The service designer and service provider will gather user feedback, analyse the impact with users, make any adjustments and roll out the new service to other users. The service will be re-examined several months after implementation to ensure it is having the intended impact. The following table presents a selection of methods that can be employed at each stage of the service design process.

Table 3: An overview of key service design methods and tools

STEPS OF A SERVICE DESIGN PROCESS	DESCRIPTION OF THE STEP	SERVICE DESIGN METHODS	DESCRIPTION OF THE METHODS
1: FRAMING THE CHALLENGES	Developing insight into how users and providers current navigate the service system in order to identify challenges and opportunities.	Ethnographic research	Observing and analysing how users and providers engage with the service.
		Focus groups	A feedback loop between service users and providers.
		Video diaries	Users document how they interact with a service to glean insight.
		Stakeholder mapping	Visualising the relationships and actors in a service system.
2: CONCEPT DEVELOPMENT	From the exploration of challenges and opportunities, brainstorm potential ideas for a new service and examine how different stakeholders may respond.	Ideation	A structured and facilitated process for generating and refining ideas.
		Personas	A profile of typical and atypical users to explore a service concept from different perspectives.
		Scenario building	Using role play to explore theoretical scenarios in a service concept.
3: PROTOTYPE DEVELOPMENT	Refining the service concept by examining each stage where the customer interacts with the service whether on the phone, face to face, in store or online.	Customer journey mapping	Plotting steps where the client interacts with the service in various 'touch points'.
		Storyboarding	A story-like series of images presenting components of the new service.
		Service blueprinting	A schematic representation of the key components of a system
4: PROTOTYPE TESTING	Test the service prototype with a sample of users to identify strengths and weaknesses and integrate user feedback into improving the service.	Rapid Prototyping	Building a service model using low fidelity materials such as cardboard and plastic models.
		Pilots	Implementing a scaled-down version of the service with a sample of users. An approach to interviewing and observing people in their own environment
		Immersion	Field research and analysis by observing how people use the service firsthand.
5: FULL-SCALE DELIVERY & EVALUATION	Roll out the new service on a larger scale. Collect data according to indicators to determine the impact of the intervention.	SWOT analysis	Using visual tools to analyse the strengths, weaknesses, opportunities and threats to make an assessment of viability.
		Surveys or interviews	Surveys or interviews to gain qualitative and qualitative feedback from service users and providers.
		Benchmarking	Establish key performance indicators as well as softer indicators to monitor progress over time.

// Service Design in the Private Sector: Case Studies

CASE STUDY: AGGRELEK (SWANSEA, SOUTH WALES, UK) LED BY: DESIGN WALES / PDR

/ What was the challenge?

Aggrelek makes electrochemical water-treatment units for companies such as Shell, BAA and Corus. The company is based in Swansea, South Wales, where it employs eight members of staff. As with many small businesses in the manufacturing sector, Aggrelek has grown up and established itself based on technical expertise. Its technical knowledge had enabled it to compete and develop its innovative products with several key clients. However, the Managing Director explained that "for a new company, introducing new technology can be an uphill struggle".

/ What did they do?

Aggrelek participated in the Service Design Programme delivered by Design Wales / PDR on behalf of the Welsh Government, which aims to introducing a service offering to the traditional manufacturing sector in Wales. With the help of Design Wales, all members of the company, from senior management to installation staff, got involved in an ideation process to map out typical customer journeys and identified key points that had a significant impact on the customer experience. In such a process, it is not the designer that develops the solution, rather the staff themselves that possess the key insight. Through service design, the staff were able to develop a large number of ideas, three of which became new products and four, new services.

Using a service design techniques, the staff were able to identify current problems in service provision and brainstorm a set of potential improvements based on how the clients interact with the product. The role of the designer is to facilitate the discussion between the diverse staff members to gain in depth insight into the company's workings. In this instance, the staff were instructed to put themselves in the shoes of the client and map each step of the client's interaction with the company, from the initial enquiry, to the diagnostic and quote, installation and maintenance. This exercise revealed three key obstacles in the client experience but also a number of new opportunities. The customer's interaction with the company was excellent until the implementation and maintenance phase. Aggrelek built bespoke products for their clients, which could lead to disruption during the installation phase that could take up to several weeks.

Furthermore, clients purchased the product but there was no mechanism in place if clients required maintenance services. By focusing on the actions with the greatest potential for impact, the company was able to identify where it could achieve strategic change within its business. The staff developed many ideas and four new products and three new service concepts were tested with customers and brought to market. For example, the team developed

a 'Containerised Plant' that dramatically reduced the installation time at the client location. In addition, Aggrelek introduced an 'Electrode Management' service meaning that instead of buying a one-off product, the client bought a five year service contract including regular check-ups, which avoided the inconvenience to clients if the product had a problem and required maintenance.

/ What was the result?

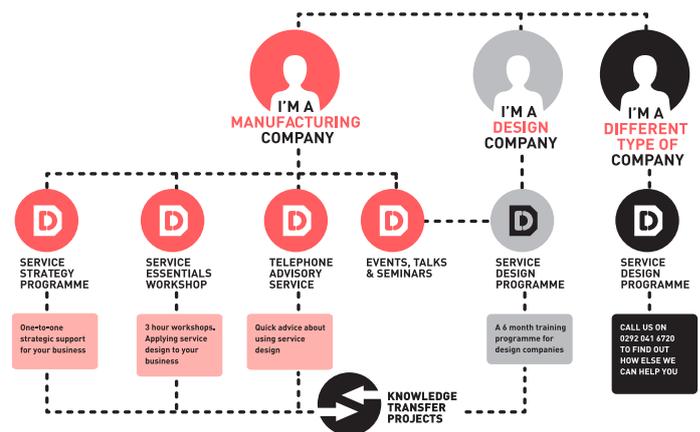
The impact of service design on the company was significant. By developing and implementing three new products and four new services, the company invested £50,000 in R&D, employed 8 new members of staff, undertook a rebranding exercise and protected its improve service via a trademark. The result was that the new service received £500,000 sales in the first six months after launch. The ideation process also introduced a new way of working to the company. Whereas previously senior management took strategy decisions without drawing on the expertise of the staff members, the interactive techniques used in the design process improved communication within the company.

As part of the Service Design Programme, Design Wales has implemented a service design process with over 40 companies and trained over 30 designers to use service design techniques with companies.

For more information visit:

<http://www.theservicedesignprogramme.org/>

Figure 2: The Service Design Programme offer diagram



CASE STUDY: CHRISTMAS IN SUMMER AT ROVANIEMI (LAPLAND, FINLAND)
LED BY: JAMK UNIVERSITY OF APPLIED SCIENCES

/ What was the challenge?

Consumers are looking for individualistic travel experiences. For the tourism industry, this requires the ability to master service experience and deepen the understanding of the needs of the customers in all the phases of product and service processes.

Rovaniemi - The Official Hometown of Santa Claus® is a brand under which around 100 companies are collaborating. The aim was to design and build a superior summer season tourism service. Winter time activities have a lot of natural attraction due to Rovaniemi's location in the Arctic Circle and the supply of services has long been developed. On the other hand, the summer season, is quieter and to create an attractive service it was crucial to understand the Rovaniemi's biggest target groups: domestic families with children and foreign childless travellers. What do these target groups want to do in Rovaniemi?

/ What did they do?

Ten of the 100 companies operating as part of the Official Hometown of Santa Claus® brand as well as the regional tourism development agency teamed up with JAMK University of Applied Sciences through the the project SDT – Service Design Toolkit to embark on a service design process.

With the help of Service Design Toolkit tools (such as customer's service pathway, customer profiles and behaviour models), touchpoints of virtual customer experiences were identified and mapped. Insight about customers, their habits, actions, needs and use of e-services during a journey and its touchpoints were gained. All the insights and background researches were documented and visualized. One of the main targets was to build clear action patterns to help designers to manipulate the information.

Customer data was collected from multiple sources (city centre, Arctic Circle, Levi ski resort, airport and internet) using multiple methods (Figure 3). The purpose of using multiple research methods was to collect holistic, high-quality data about the customer target groups. This way it was possible to acquire a comprehensive view of the segments and to achieve a better customer insight for further service design.

The second phase was to create ideas using customer understanding as a guideline. The customer insights revealed during the explorative process were used during an ideation process to generate a huge mass of solutions were produced for the challenge. The ideas were then screened, combined and visualized as service concepts. These concepts were then evaluated using an assessment matrix.

/ What was the result?

The methods that were used in the service design process were new tools in the tourism and experience industry and brought many new insights and inspiration for those who participated in the process. The hands-on exercises introduced the participating companies to new and more engaging methods of generating customer understanding. Through the service design process and testing, customer understanding was increased and the companies will be able to draw on this insight in developing future services and offerings.

A concrete outcome of the service design process was www-summer guide and a pocket-sized brochure brochure (easy&fun&cheap) for DIY travellers whose stay at Rovaniemi the companies wanted to prolong. The brochure presented Rovaniemi's must see attractions and activities. The targets were selected in a way that presented those services that were known to locals but were not easy for travellers to find and for some reason are excluded from most tourist information. In addition, Rovaniemi decided to make their digital marketing more effective by renewing user interface for www.visitrovaniemi.fi website and establish www.santaclaus.fi brand communication with service design methods.

For more information visit: <http://kesa.visitrovaniemi.fi/?lang=en>, <http://sdt.fi>

Figure 3: Methods employed in the service design process



// Service Design in the Public Sector: Case Studies

CASE STUDY: SERVICE DESIGN PROJECT IN RIJKEVORSEL (FLANDERS, BELGIUM)

LED BY: NAMAHN AND YELLOW WINDOW

/ What was the challenge?

The municipality of Rijkevorsel is a rural municipality in Flanders that attaches considerable importance to providing quality services to its citizens. Effective communication, clear visibility for the organisation, efficient internal organisation and an accessible town hall are all desirable attributes for this municipality. The challenge involved finding a way to best organise the town hall services to avoid confusion and queuing. The objective of the service design process was to reorganise the internal layout of the town hall and develop better procedures for providing local residents with information to better coordinate the public services.

/ What did they do?

The municipality of Rijkevorsel through Design Flanders and the Flemish Association for Cities and Municipalities (VVSG) developed a service design tender specification and following an open competition awarded the contract to the design agencies Yellow Window and Namahn. The service designers enabled the municipality to redefine the challenges into three main categories:

- / The values and image of Rijkevorsel as a municipality;
- / The provision of services and internal layout within the town hall;
- / The communication policy.

The service designers used several methodologies through a series of workshops, interviews and focus groups with citizens and employees. The methodologies included ethnographic research, 'personas' and 'scene writing'. The entire municipal administration department (30 staff members), the management (the executive board and aldermen: 6 people) and 16 residents were actively involved in this project. The service designers conducted three

workshops. One workshop on brand values, to explore the image that the municipality wanted to convey with citizens. A second workshop conducted a SWOT analysis to identify possible improvements. And a third workshop using scenarios and models examined the physical building with citizens - the interior, signage, queuing system, forms and information desk set up. Information from the workshops was supplemented with data from observations and interviews with members of staff and residents.

/ What was the result?

The entire project was jointly prepared and led by the service designers, Yellow Window and Namahn. A test setup in the town hall was used to test solutions for optimising the services. Once again residents and employees were encouraged to participate, this time as test subjects. Over 50 people participated in this process including citizens and public officials.

The research and tests resulted in briefings and guidelines for implementing the solutions that had been presented for the corporate identity, website, the town hall's layout and services, in accordance with the municipality of Rijkevorsel's desired values and image. It clarified the 'journey' taken by visitors to the town hall for their desired service and presented proposals for the town hall's spatial organisation and operations.

The advantage of applying this service design method is that Rijkevorsel now knows what it wants to achieve in the future in terms of its services and can also clearly and specifically communicate this to the interior architect, the designer of its corporate identity and logo, and the web designer.

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CASE STUDY: BARKING AND DAGENHAM COUNCIL (LONDON, UK)

LED BY: THE DESIGN COUNCIL AND DESIGN
ASSOCIATE DAVID TOWNSON AND USCREATES

/ What was the challenge?

The London Borough of Barking and Dagenham faces significant challenges as pressure grows to do more with less. Demand from service users is rising fast but budgets for service provision are falling. Meanwhile, all departments must find new ways to respond to the move towards greater personalisation of, and end user involvement in, public service design.

The council was eager to understand how to use design to become more innovative and usercentric. It knew it needed to challenge traditional methods of service delivery, but was wary of second guessing end users' wants and needs. So in 2011, it turned for help to the Design Council's Design Leadership Programme and Design Associate David Townson.

/ What did they do?

The Design Associate's first step was to lead a workshop bringing together external design experts with council representatives to brainstorm key issues. The session highlighted 14 opportunities to explore. These included an idea to build a rich and detailed picture of the council's service users from which a new service development model could be created for use by different council departments.

With Townson's help, the council commissioned design agency Uscreates to undertake detailed end user research. Uscreates, an ethnographic research specialist, filmed vox pop interviews with local people as they went about their daily lives providing a powerful visualisation of their concerns. Barking and Dagenham staff were then asked to film themselves explaining their roles and daily challenges. The film material highlighted 70+ ideas to improve council services.

The design agency worked with the council to shortlist ten ideas and write briefs for each. It then staged a co-create session during which staff and residents were invited to collaborate on finding solutions to these briefs. After the session, results from one brief were selected to prototype.

Prototyping is a way an organisation can demonstrate how user-centred service design, using ethnographic research and co-creation workshops, ensures an implemented idea is in line with the original project brief. It also provides a transferrable model that can then be rolled out again. Barking and Dagenham's first prototype addressed environmental waste – a major and costly concern for council and residents alike.



*An initial
cost saving
of £20,000 was
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new services.*

/ What was the result?

The council introduced improved information about how to dispose of items, new signage directing people to appropriate facilities, increased enforcement and a local recycle and re-use pilot scheme enabling neighbours to swap items before having to dispose of them. An initial cost saving of £20,000 was re-invested into new services.

A transferrable model and tool kit based on the principles used was then formalised. This model is now being rolled out in other council departments and will soon generate further new service prototypes.

"The programme has definitely changed the way we think – which has made a positive impact," says Barking and Dagenham Housing Services Team Group Manager Sue Devitt. "By discussing ideas at an early stage with a variety of people and prototyping these projects we think will work we are confident we will save time and money and ensure that only viable and effective ideas receive investment."

For more information visit: <http://www.designcouncil.org.uk/our-work/leadership/Case-studies/Barking-and-Dagenham/>

// Conclusion

Service design is gaining greater traction across the private and public sectors as an approach to innovation. It is a creative process that puts the service user and provider at the heart of concept development and testing. Since service design is a collaborative process it gives the stakeholders greater ownership of the service solutions meaning that the outcomes are more desirable and viable. Service design has been tested in a growing number of private and public organisations with success and has been recognised by the European Commission as a driver of user-centred innovation. Service design shares a number of characteristics with other innovation methods such as lean, co-production, systems thinking and nudge but perhaps its differentiating factor is that service design occurs at the interface between the user and provider and can result in radical innovation. There is no one prescribed service design process. However, a service design process will generally consist of a variation on the following steps: observation, brainstorming, testing, refining and evaluating. SEE has sought to provide an overview of dominant service design methods and tools such as ethnographic research, stakeholder mapping, ideation, personas, scenario building, customer journey mapping, storyboarding, rapid prototyping, immersion and benchmarking among others. For more information on these methods have a look at the service design resources section.

The case studies of service design projects with Aggrelek (South Wales, UK), Rovaniemi (Lapland, Finland), Rijkevorsel (Flanders, Belgium) and Barking and Dagenham (London, UK) demonstrate the scope of activities to which service design processes can be applied. Each case study demonstrates how a deeper understanding of user needs has resulted in a transformation in service delivery. As part of a drive across Europe to ensure public services are more citizen-focused, service design is being tested as a method of user engagement in public governance. Additionally, private sectors companies are under increasing strain to differentiate their offering and service design is a qualitative approach to customer insight mapping.

The fact that our world, and the economy along with it, is subject to constant change is a simple truism. The industrial revolution that accompanied the transition from agriculture and crafts to industrialisation, caused a number of challenges - environmental, urban development, housing, etc., which we still face today. In fulfilling the EU's vision of a knowledge-based economy, we need to learn how to use proven tools to take up the challenges and exploit the opportunities of the 'service revolution'. In response to these challenges the concept of service design was developed. It combines all the elements of design, which allowed design-led manufacturing companies to achieve excellence, with true representation of users' needs.

// Service Design resources

PRIVATE SECTOR

The Service Design Programme: <http://www.theservicedesignprogramme.org/>

A design support programme for the traditional manufacturing sector in Wales delivered between 2010-2013 by Design Wales / PDR on behalf of the Welsh Government.

The Service Design Network: <http://www.service-design-network.org/>

A membership organisation and repository for promoting service design excellence through international events, publications and research.

Innovating for People: <http://www.luma-institute.com/innovatingforpeople>

A set of cards with 36 methods for human-centred design relevant for service innovation developed by the LUMA Institute.

Service Design Toolkit: <http://www.service-design-network.org/jamk-university-of-applied-sciences/>

JAMK University of Applied Sciences are exploring service design as a methodology for innovation with the tourism sector in Central Finland.

PUBLIC SECTOR

Service Design Toolkit: <http://www.servicedesigntoolkit.org/>

An introduction to the methodology of service design with a step-by-step plan, online tools and do-it-yourself guide for public authorities developed in collaboration with Namahn, Yellow Window and Design Flanders.

The SPIDER project: <http://thespiderproject.eu/>

This INTERREG IVB funded project, which stands for Supporting Public Service Innovation using Design in European Regions, is piloting service design as an approach to public sector innovation in Belgium, France, Ireland and the UK.

Design for Public Good: <http://www.seeplatform.eu/docs/Design%20For%20Public%20Good%20May%202013.pdf>

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