



Designing business models for digital service design

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This thesis's primary objective was to understand value and its creation while designing a business model for a digital service design agency known as "the case company". The agency aims to explore new business opportunities in the context of continuous learning, specifically within universities. The study followed a case study approach, focusing on co-creating value between the case company and its university customer group.

The research framework explored value through service-dominant and service logics, incorporating the B2B Elements of Value framework. It also delved into business models and development, utilising design thinking principles and service design methods. The Service Logic Business Model Canvas (SLBMC) served as the primary framework, integrated with the Double Diamond model by Design Council and service design methods.

The case study has provided valuable insights into the case company's customer base. Key findings highlight the co-creation of value, with collaboration being a crucial part of this process. This collaborative effort results in various types of value, spanning both objective and subjective aspects. Consequently, the design of business models should be based on in-depth customer understanding, acknowledging the diverse nature of value creation.

Keywords: business model, service logic business model canvas, design thinking, service design

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Liiketoimintamallin muotoilu digitaalisen palvelumuotoilun alalle

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Tämän opinnäytetyön tavoitteena oli ymmärtää arvoa ja sen luomista ja hyödyntää kyseistä ymmärrystä digitaalisen palvelumuotoilutoimiston liiketoimintamallin muotoilussa. Opinnäytetyön toimeksiantajayritys, "case-yritys", pyrkii tutkimaan uusia liiketoimintamahdollisuuksia jatkuvan oppimisen kontekstissa, erityisesti yliopistojen parissa. Tutkimus noudatti tapaustutkimuslähestymistapaa, keskittyen arvon yhteiskehittämiseen case-yrityksen ja sen yliopistoasiakasryhmän välillä.

Tutkimuksen viitekehys tarkasteli arvoa palvelukeskeisen (service-dominant logic) ja palvelulogiikan (service logic) näkökulmista, hyödyntäen B2B Elements of Value -viitekehystä. Se syventyi myös liiketoimintamalleihin ja niiden kehittämiseen hyödyntäen muotoiluajattelun periaatteita ja palvelumuotoilun menetelmiä. Service Logic Business Model Canvas (SLBMC) toimi kehitysprojektin keskeisenä viitekehysenä, joka yhdistettiin Design Councilin Double Diamond -malliin ja palvelumuotoilun menetelmiin.

Tapaustutkimus tarjosi arvokkaita oivalluksia case-yrityksen asiakaskunnasta. Keskeiset löydökset korostavat arvon yhteiskehittämistä, ja itse yhteistyö yrityksen ja asiakkaan on olennainen osa tätä prosessia. Tämä yhteistyö tuottaa monenlaista arvoa, joka voidaan tunnistaa elementtitasolla, ja joista osa on objektiivisempia ja osa puhtaasti subjektiivisia. Näin ollen liiketoimintamallien suunnittelun tulisi perustua syvään asiakasymmärrykseen, joka huomioi erilaiset koetut arvon elementit.

Avainsanat: liiketoimintamalli, service logic business model canvas, muotoiluajattelu, palvelumuotoilu

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1 Introduction

1.1 Background

Megatrends such as digitalisation, the ageing population, and the transformation of work, have led to a shortage of skilled labour in Finland and will, eventually, result in a declining rate of labour (Ministry of Education and Culture 2022, 13; OECD 2020). To battle that, there is a need to constantly learn new skills. Thus, the concept of continuous learning has been introduced. (Ministry of Education and Culture 2019.)

In short, continuous learning refers to all formal and non-formal development of skills individuals gather throughout their lives, principally during their careers. Formal education refers to education leading to a degree, while non-formal education encompasses trainings and courses by a variety of providers, and does not lead to a degree. (Ministry of Education and Culture 2022, 13-16) For example, the continuous learning provided by universities can be either of these: open university studies are generally smaller parts of degrees, while continuing professional education encompasses tailored trainings to serve the working life (Ministry of Education and Culture, no date).

The Finnish Government has taken action to reduce the effects of skill shortage by reforming the continuous learning system in 2022, which now focuses on the constant development of skills of working-age individuals. One of the objectives of the reform is to increase the number of adults with a higher education degree. (Ministry of Education and Culture 2019).

Thus, Finnish universities are currently revisiting and re-building their offerings of continuous education services due to the reform and the earlier changes in the financial model by the Ministry of Culture and Education initiated in 2020. The new economic model directs more funds to continuous education services than before, so universities must take action and offer those services more visibly. (Opetus- ja kulttuuriministeriö 2019.)

Recent developments within universities exemplify this trend. For instance, JOY, an integral sub-brand of the University of Oulu, operates as the 'University of Continuous Learning,' with a primary focus on showcasing the institution's array of continuous learning opportunities. Additionally, the collaboration between LUT University and LAB University of Applied Sciences has given rise to LUT Universities, a combined platform offering a comprehensive suite of continuous learning options.

The topic is undeniably important, as it involves multiple overlapping programs and projects initiated both by the Ministry of Culture and Education and individual universities. All of these initiatives share a common goal: to enhance the visibility of continuous learning offerings by universities and, ultimately, to boost sales.

The author of this thesis is employed at a digital design agency referred to as 'the case company.' A more comprehensive introduction to this company will be provided in the forthcoming chapter. The company works for many Finnish educational institutions, most of which are higher education institutions. In recent times, the topic of continuous learning has emerged, and the digital design efforts have been directed towards continuous learning related projects. The work has included defining, conceptualising and designing digital services, such as web pages and intranets, as well as developing the internal processes of the aforementioned customers have for maintaining their digital services.

The author of this thesis has actively participated in customer projects related to continuous learning, finding it meaningful due to its potential contribution to addressing the broader concern of mitigating the declining labour force participation rate.

To continue this work, there is a need to gather more detailed knowledge of how to best serve the educational institutions offering continuous learning services. This thesis aims to fill that gap through a case study which focuses on gathering knowledge through the higher education institution continuous learning customers the case company currently serves. This will, eventually, help the case company to develop their business, as well as provide understanding on higher education institutions and their continuous learning business.

1.2 The case company

The case company is an independent company which can be described as a small and medium-sized enterprise (SME), which employs approximately 15 people. The company has three strategic focus areas where it operates, which are continuous learning and foresight, sustainability, and digital communication. These strategic focus areas have been chosen based on the customer projects conducted in previous years, drawing from the knowledge gained during those projects. Furthermore, the selection process has taken into account the interests and abilities of the company's personnel.

The company is best described as a digital agency, where its projects are centered around digital platforms and aim at elevating user experience, gathering and utilizing data, and maintaining a deep understanding of technology. The company offers services in consulting, service design and digital design, emphasizing, but not limited to, the strategic focus areas

mentioned above. In short, the company's primary service offering is best described as digital service design, which can be effectively applied across all its designated focus areas.

The company's main business currently is to design and develop digital services from the initial definitions what kind of functionalities a website should include, to visual and verbal concepts defining a website and its content, user interfaces, and eventually finalised products, which usually are websites, with the help of external technical partners. The case company's customers include various public organisations, such as educational institutions, but also businesses and non-governmental organisations.

The main tangible output of the company is the creation of websites. Nevertheless, the scope of their work frequently extends beyond the website itself, impacting the internal processes of their customers, particularly in areas like content production. Also, the case company is often the orchestrator who brings together multiple different units to work together for a common goal, typically with the shared objective of developing a website. This can, in turn, change the internal dynamics and help break silos within the customer organisation. Thus, it can be said that the work goes beyond the final product and affects customer organisations on a deeper level.

The case company can be described as an organisation focused on learning by doing: it develops its competencies and methods through projects. Learnings are gathered, even if not very methodologically, and applied in new contexts, including new offerings. The thesis author has experienced that this often is a typical pattern for small companies with limited resources. Other ways small companies obtain new skills include training, partnerships, media, and communities (Tossavainen, Alakoski & Ojasalo, 2012: 2524), which also applies to the case company at least secondarily. For instance, the company has recently directed its efforts towards refining and optimizing its working processes by testing and using a range of artificial intelligence tools that have surfaced in recent years, including technologies like ChatGPT.

The company's employees possess a collective skill set centered around design and its associated methodologies, as well as digital development. In short, this can be called digital service design. Consequently, the company consistently employs design tools and methodologies in a user-centric manner, ensuring the active involvement of end-users, who are essentially the customers' customers, in their projects. The company's workflow is characterized by an iterative approach, with the overarching goal often being the design and development of digital services, concepts, and communication strategies. The specific services provided by the company to its customers encompass a wide range, including service

design, digital communication, research, analytics, data analysis, search engine optimization, user experience design, and user interface design.

The customer base of the case company encompasses both public and private organizations. However, this thesis narrows its focus to university customers providing continuous learning services. These higher education institutions are considered public organizations and are subject to procurement laws. According to these regulations, all tenders become publicly available if their value exceeds 60,000 euros. Public tenders are published on the Hilma platform (www.hankintailmoitukset.fi/en/), and any company meeting the specified qualifications for a given tender can submit an offer. Smaller tenders may be accepted directly. Therefore, significant projects such as website renewals are subject to formal procurement processes.

Customer interactions are typically managed by individual employees within their respective projects. On the customer's side, there is usually one primary contact, often a communications manager or a similar role. However, within each project, there is always a project team composed of various participants from different areas of the organisation. This team may include professionals from communications, IT, marketing, and other relevant departments, depending on the specific project's focus and requirements.

Currently, the case company is re-organising its business into a more structured organisation focusing its operations more tightly towards its three strategic focus areas by forming business units around the topics. The business units are *Sustainability BU*, *Continuous learning and foresight BU (CLF BU)*, and *Digital communications BU*. The developments has originated from a combination of personnel-driven interest in these subjects and management's recognition of the growing business potential within these domains. Within these three business units, there is an ongoing pursuit of innovation and the development of new offerings, which may or may not be directly associated with the company's core focus on digital service design.

The Continuous learning and foresight BU (CLF BU) presently concentrates its efforts on providing design and foresight services, which can be applied to the development of digital services, processes, or strategic initiatives. The business unit offers services that can either blend the expertise of continuous learning and foresight or focus on them individually. For instance, in a recent project involving the design of a university's continuous learning website, foresight methods, such as trend analysis and evaluation, were incorporated to ensure that the concept remains current even if the field is in constant flux.

The customer projects with educational institutions in the case company have served as valuable learning experiences for the employees. These projects have not only expanded their understanding of the continuous learning within higher education field but have also deepened their insight into the myriad of challenges and opportunities educational institutions face when becoming organised around the topic.

The thesis author forms the CLF BU with two colleagues and was tasked to build an offering for the business unit to support sales. However, the business unit itself needed to be defined first before starting to develop its services in more detail: why does it exist, who does it serve, and how it generates income, to mention a few topics to be defined.

A business model serves as a framework that helps to visualise and describe a business. Essentially, it explains the core reasons for a company's (or business unit's) existence, its target audience, and the mechanisms by which it generates revenue (Osterwalder, 2004; Gassman, Frankenberger, Choudury 2020; Osterwalder, Pigneur & Tucci, 2005; Teece, 2018; Johnson, Christensen & Kagermann, 2008). Consequently, designing a business model for the CLF BU would prove instrumental in both establishing it as a viable business and later help in refining its offering.

Eventually, the assignment for the thesis project was to design a business model for the business unit, focusing on continuous learning customers which mainly are higher education institutions.

1.3 Delimitations of the thesis

The primary objective of this thesis is to formulate a business model for the CLF BU. Given that higher education institutions constitute the current primary customer segment of the business unit, the design of the business model predominantly centres on this customer group. It is essential to acknowledge, however, that the CLF BU aspires to serve a broader spectrum of customer groups, which can, for instance, include training provider companies offering continuous learning trainings for other companies. Nevertheless, due to the constraints of time and the scope of this thesis, the development project includes only one customer segment.

Plenty of research on both business models and business model development exists, with the focus on developing a business model. (See, e.g. Osterwalder, 2004; Gassman, Frankenberger, Choudury 2020; Osterwalder, Pigneur & Tucci, 2005; Teece, 2018; Johnson, Christensen & Kagermann, 2008.) Literature also highlights the importance of testing a business model to ensure its functionality (See, e.g. Bland & Osterwalder 2020. Blank 2013. Gassman, Frankenberger, Choudury 2020). This thesis focuses on developing the first version of a

business model that can be implemented without significant risks for the case company. Testing is not done in the scope of this thesis, yet it is highly recommended for the case company to do in the future, for example, through sales efforts. Outlines for testing and iterating the developed business model will be recommended in Chapter 4.2.

Implementing a new business model often requires new capabilities that must be developed or acquired in another way (Tossavainen, Alakoski & Ojasalo 2012, 2524). The thesis focuses on designing a business model for the CLF BU to provide a more comprehensive description of its potential, leveraging the capabilities currently within the company.

As a small company, new skills are primarily acquired through customer work as described earlier. Consequently, the development of capabilities is not a systematically structured practice within the case company. It is evident that the company could derive substantial benefits from a more structured approach to capability development, potentially opening new avenues for business growth. It is evident that the company would benefit from developing its capabilities in a more systematic way as it could open up new avenues for business growth. Nevertheless, it is essential to acknowledge that this thesis will concentrate on the current situation and possibilities, excluding mapping or developing the company's capabilities out of the scope, even though it is often linked with discussion on business models and their development (Teece 2017).

As mentioned in the previous chapter, the case company is best characterised as a digital agency, with the main service offering of digital service design. Digital service design for continuous learning at the case company has so far been primarily to define and design websites which bring forward the higher education institutions continuous learning offerings. In the projects a vast number of issues needs to be taken into account beyond the primary issue of the continuous learning offering, including accessibility, usability, branding, search engine optimisation, analytics, content creation, and user research, to mention a few. These topics are crucial to know for companies operating in the field. However, these aspects can be perceived as subsidiary concerns within the broader domain of website design, where the primary emphasis is placed on conceptualizing the website: defining its target audience, its functionality, and its content. This said, the central aim is to develop a business model for the CLF BU through a comprehensive understanding of the ongoing continuous learning projects. This may touch upon the aspects of digital service design mentioned earlier, yet they are not the central focus in this thesis.

This thesis will aim to understand the continuous learning customers, meaning the higher education institutions which are the customers of the case company. As the projects are based on service design methodology, they also always involve the customers' customers. It is

advised to also include the end-customers when designing a business model, or at least note how to get to know them and their needs (Ojasalo & Ojasalo 2018, 82-85). This thesis provides a chance to get to know one key customer group of the case company better in a structured way, and to draw conclusions how to serve them better by designing a business model directed at the customer group. Thus, gathering customer understanding is in this thesis limited to direct customers only.

1.4 The aim of the thesis and research questions

The thesis aims to create a business model for the case business unit (CLF BU), specifically for one of its customer groups, higher education institutions, in the context of continuous learning.

Furthermore, the thesis will emphasise understanding value and value creation as it is essential in business modelling (Gassman, Frankenberger, Choudury 2020; Osterwalder, Pigneur & Tucci, 2005). The focus will be on discovering how value is created in the case company's digital service design projects related to continuous learning.

In other words, the goal is to uncover ways to capitalise on the knowledge acquired from past projects, along with the critical digital design skills the case company currently possesses, while also considering what customers find valuable.

The research project will employ the case study method, a well-suited approach for development-oriented research and situations where the primary objective is not to generate findings with broader generalizability but rather to gain insights specific to the case at hand (Ojasalo et al. 2015, 52-53). The goal is to understand the specific customer group of the specific company, and to design a business model based on the understanding. In other words, the thesis is a development project aimed to primarily serve the case company.

The development process utilised in this thesis is intended to be adaptable and useful in a broader context. It can be contended that many companies might find value in reevaluating their business models by gaining a more profound insight into their core customer groups and the mechanisms by which value is created.

The main research questions are:

- What is the value created in the case company's projects?
- How is the value created in the case company's projects?
- How to design a business model that prioritises things customers find valuable?

Due to the case study method, research questions may develop throughout the case project. New research questions might arise, or the previous ones might be determined unimportant for the case project and replaced by new ones (Ojasalo, Moilanen & Ritalahti 2015, 55).

1.5 Key concepts

This thesis employs various key concepts, some of which have already been introduced earlier. In this chapter, we will list these key concepts and provide brief explanations of their relevance within the scope of this thesis. These concepts will be explored in greater detail throughout the thesis.

Continuous learning refers to the learning individuals gather during their careers (Finnish Government 2022, 13). It is connected, above all, to the education gained directly or indirectly through work but can be obtained through education and training as well (Ministry of Education and Culture, 2019). In the context of this thesis, continuous learning refers to education provided by universities that does not lead to a degree. This includes open university education, professional specialisation programs, and continuing professional education (Ministry of Education and Culture, no date).

Value and value creation in this thesis are viewed particularly from the service logic point of view, meaning that customers are an integral part of creating value. Thus, value can be perceived only when a product (or, in this case, a service) is used. (Vargo & Lusch 2014, 25-27; Grönroos & Ravald 2011, 7.) In addition, to better understand the concept of value and what it can mean in practise, the thesis also delves into the B2B elements of value framework. This framework identifies specific elements that businesses in a business-to-business context consider valuable (Almqvist, Cleghorn & Sherer 2018), thereby providing a more concrete link between the concept of value and the case study at hand.

A business model is a condensed representation of how a company operates and creates value with its customers (Osterwalder 2004). Within this thesis, the concept of a business model is explored through the lens of three distinct frameworks: Magic Triangle (Gassman, Frankenberger, Choudury 2020), Business Model Canvas (Osterwalder and Pigneur 2010), and the Service Logic Business Model Canvas (Ojasalo & Ojasalo 2018). Each of these frameworks offers a visual structure for describing, analysing, and designing a business model.

Design thinking is a human-centered and iterative problem-solving and innovation approach characterized by empathy, creativity, and collaboration (See e.g. Brown 2008, 86; Bjögvinsson, Ehn & Hillgren 2012, 101; Kolko 2015). In this thesis, the Double Diamond design process (Design Council 2019) is utilized to establish a framework for the development

process of the case study. The case study development process, in turn, relies on the application of service design methods.

Service design can be viewed as a methodology that draws from design thinking, as it also emphasizes empathy towards users or customers, operates iteratively, and underscores the significance of collaboration (Ojasalo & Ojasalo 2018, 75-76). In this thesis, service design methods are used to provide a better understanding of customers, as well as to communicate them in an understandable way in order to collaboratively develop a business model for the case company's business unit.

Digital service design in the context of this thesis refers to the case company's main business, which is to design websites. Digital service design in the case company encompasses various disciplines, including service design, user experience (UX) design, and user interface design (UI).

2 Theoretical framework

In this chapter, the discourse revolves around business models and their development, employing three distinct frameworks. Value creation stands as a key component within all of these frameworks; consequently, the discussion commences with an exploration of the concept of value. Throughout, value and value creation are primarily examined through the lens of service logic.

2.1 Value and value co-creation

To begin, it is essential to define the concept of value. For example, Grönroos and Ravald (2011, 6) point out how difficult and even fluffy the concept has been in literature, as value is always subjective and context-bound. Traditional dictionary definitions of value tend to emphasize monetary aspects (as seen, for instance, in the Cambridge Dictionary) but in this context value is a broader term.

One way to describe value is as "assessment of benefits against sacrifices" (Grönroos 2011, 281-282). This perspective implies that value can indeed encompass monetary worth, but it can also extend to a broader range of considerations, depending on the specific context and the perspective of the individual evaluating it. What holds value for one person may hold little or no value for another, underscoring the subjective and context-dependent nature of the concept.

Goods-dominant logic (GDL) and service-dominant logic (SDL) are two business logics that approach the concept of value differently. A paradigm shift from goods-dominant logic to service-dominant logic has changed how value is perceived (Tossavainen, Alakoski & Ojasalo 2012, 2524). Essentially, this shift underscores the increasing significance of services over goods, as implied by their respective names.

In goods-dominant logic (GDL), value emerges in exchange, which is when the product changes ownership from supplier to customer. On the other hand, service-dominant logic (SDL) perceives value as something that emerges in use and that the customer is a crucial actor in the value-creation process. (See, for example, Vargo & Lusch 2014, 25-27. Grönroos & Ravald 2011: 7. Tossavainen, Alakoski & Ojasalo 2012, 2524.)

Creating, adding, and delivering value are terms used in GDL. This means that a company produces a product and adds functionalities or other elements that can be considered as “added value”, which is regarded as value creation. Then the product is delivered to customers, which is considered value creation through the exchange of money and the product (value-in-exchange). (Vargo & Lusch 2014, 208-211.) For example, if mobile phones are viewed as simple goods in the way the GDL perceive them, they are most valuable to the supplier when they are sold. When the exchange is done, and the phone is taken to use, the value starts immediately to decrease from what it was at its highest during the exchange.

Proposing value and *co-creating* value are terms used in SDL. A producer can propose value and invite potential customers to participate in the value co-creation process (value proposition). Value then emerges only when customers participate in the process by using the product and thus co-creating value, which creates value-in-use, which is a critical concept in SDL literature. (Vargo & Lusch 2014, 208-209, 211.) The product in question can be a service or, for example, a mobile phone. In fact, mobile phones of the current day can be considered more as services than goods, although the phone itself is a manufactured item. Mobile phones are loaded with services by various providers and do not fully function without the user using them. Also, phones need other services to function fully, such as data plans and an account for using and downloading the numerous service applications.

Moreover, as Vargo and Lusch (2014, 209-211) point out, the item’s design or, for example, pricing can be a value proposition itself, as it can, for instance, propose the thing being used to enhance the users status or convey their values. This leads to another key concept in SDL, value-in-context, which means that value can vary depending on the context where the product or service is used (Vargo & Lusch 2014, 211). A brand new and expensive mobile phone can, for example, in one instance, present its owner as a wealthy person who is

interested in technology, but on another occasion, make the user unsafe as it can draw attention as an item that could be easily stolen.

One way to look at the concept of value itself is the *B2B Elements of Value* theory by Almqvist, Cleghorn & Sherer (2018). They have identified and described 40 elements of value in the business-to-business context (see below in Figure 1), in which the case company of this thesis operates too, illustrating the customer priorities and helping categorise their needs. The elements will be described in more detail shortly. The framework does not touch upon the discussion on how value is created or what logic is followed, yet it aims to display how value is perceived or what it means for the customer in the BtoB context.

INSPIRATIONAL VALUE

PURPOSE

Vision

Hope Social
responsibility

INDIVIDUAL VALUE

CAREER

Network expansion Marketability Reputational assurance

PERSONAL

Design & aesthetics Growth & development Reduced anxiety Fun & perks

EASE OF DOING BUSINESS VALUE

PRODUCTIVITY

Time savings Reduced effort
Decreased hassles Transparency
Information

ACCESS

Availability
Variety

RELATIONSHIP

Responsiveness Expertise
Commitment Stability Cultural fit

OPERATIONAL

Organization Connection
Simplification Integration

Configurability

STRATEGIC

Reach Component quality
Risk reduction Flexibility

FUNCTIONAL VALUE

ECONOMIC

Improved top line Cost reduction

PERFORMANCE

Product quality Scalability Innovation

TABLE STAKES

Meeting specifications Acceptable price Regulatory compliance Ethical standards

Figure 1: The B2B Elements of Value (Almqvist, Cleghorn & Sherer, 2018)

The elements are arranged in a pyramid shape, rooted in the widely known Maslow's hierarchy of needs, where the pyramid builds towards the top layer by layer. In the *B2B Elements of Value* pyramid, the elements on the bottom represent a more objective value which is easier to measure and affect by processes. In contrast, the ones on the top represent a more subjective or personal value, which is harder to measure, mainly because they are perceived differently from customer to customer. (Almqvist, Cleghorn & Sherer 2018.)

"Table stakes" layer includes the most basic requirements that simply must be filled even to discuss collaborating (Meeting specifications, Acceptable price, Regulatory compliance, Ethical standards). "Functional value" layer is divided into Economic (Improved top line, Cost reduction) and Performance (Product quality, Scalability, Innovation). The elements of Functional value can be easily measured, and many B2B companies focus on those. (Almqvist, Cleghorn & Sherer 2018.)

"Ease of doing business value" layer includes the largest group of elements in the framework. The layer is divided into five sections called Operational (Organization, Simplification, Connection, Integration), Strategic (Risk reduction, Reach, Flexibility, Component quality), Productivity (Time savings, Reduced effort, Decreased hassles, Information, Transparency), Access (Availability, Variety, Configurability), and Relationship (Responsiveness, Expertise, Commitment, Stability, Cultural fit). (Almqvist, Cleghorn & Sherer 2018.) As the name suggests, the elements in the layer are only partly measurable, as ease of doing business is a highly objective statement. For instance, the amount of time saved can be readily measured, even if identifying the exact factors contributing to the time saved may be more challenging. Conversely, "cultural fit" is inherently more intricate to measure or articulate, given its inherently subjective and nuanced nature.

"Individual value layer consists of Personal value elements (Design & Aesthetics, Growth & Development, Reduced anxiety, Fun & Perks), as well as Career value elements (Network expansion, Marketability, Reputational assurance). (Almqvist, Cleghorn & Sherer 2018.) Once more, in line with the layer's title, these elements are fundamentally subjective in nature and contingent upon individual perceptions. For example, what one customer might see as fun and perks can mean the opposite for someone else. Nonetheless, many of these elements can be experienced in somewhat comparable ways among customers, even if the specific details remain inherently subjective.

"Inspirational value" level on the top of the pyramid includes three elements (Hope, Social responsibility, and Vision) that are the most subjective of all presented elements. (Almqvist, Cleghorn & Sherer 2018.) There can be as many inspirational value elements as there are customers. While it can be an extremely successful collaboration if a company can offer value

such as this to a customer, it is rare that it can be repeated throughout the whole customer group.

As illustrated by the *B2B Elements of Value* framework, value can manifest in diverse, concrete ways. Most elements represent value tied to the specific context, consistent with the principles of service-dominant logic. Moreover, apart from being context-bound, value is also tied to the customer, as different individuals and companies may perceive value differently.

As stated, elements toward the top of the pyramid are harder to measure because they are more subjective and due to that also linked to even more varied contexts. While it's true that elements at the lowest levels are also tied tightly to a specific context, there often exist conventions or shared understandings regarding how they are generally perceived. For instance, what one company deems an "acceptable price" may be considered unacceptable by another; however, the range of acceptable prices for a similar product or service typically aligns with prevailing industry standards and competitive offerings.

It could even be argued that the elements of value towards the top of the pyramid represent value that is co-created through the interaction of both the provider and the customer in a specific situation. In contrast, the elements on the lowest levels represent value that companies strive to deliver to their customers.

It is evident that B2B companies often prioritize the creation of measurable value, as stated by Almqvist, Cleghorn, and Sherer (2018). This emphasis on measurable value is driven by its relatively straightforward understanding and appeal to various customers. However, this approach can also create more competition, as many B2B companies may aim for the same measurable value propositions.

Conversely, elements situated at the upper levels of the pyramid may be more challenging to attain, yet they are often considered more valuable. Moreover, they have the potential to foster a mutually beneficial relationship, moving beyond the traditional buyer-provider interaction, where the sole purpose is the exchange of money for goods or straightforward services.

Upon critical examination, there is a potential risk that the framework oversimplifies the concept of value by condensing it into the mentioned 40 elements, whereas, in reality, value can be a more intricate and multifaceted matter. Nevertheless, the framework serves a purpose by enhancing the comprehension of the concept of value in the B2B context and facilitating the communication of the diverse array of issues associated with business-to-business relationships. It is important to note that while the framework provides a structured approach to understanding value, it does not prescribe a definitive method for co-creating

value or outline the specific considerations that should be taken into account when formulating value propositions.

Grönroos and Voima (2011, 135) discuss value and how it can manifest, but the general idea is that it should lead to the customer being somehow “better off”. The turn side, then is that the customer can also be “worse off” after the value creation attempt, which means the value creation process has gone wrong. Grönroos and Ravald (2011) and later Grönroos and Voima (2011) take Vargo and Lusch’s theory of service-dominant logic further into practice in business and use the term “service logic” (SL).

The *B2B Elements of Value* theory (Almqvist, Cleghorn & Sherer 2018) offers a structure that labels and classifies various elements typically valued by customers or helping them to be “better off”, thereby providing a more concrete understanding of the concept of value. As demonstrated, value can take on forms that are both measurable and straightforward to identify, as well as those that are more personal or emotionally driven. Nevertheless, the perception of value invariably remains a subjective experience, subject to variation from one context to another.

For example, let us take a sweater, which is a product, not a service. From a goods-dominant logic point of view, the value of the sweater is in owning it, and it emerges when ownership is transferred, i.e. the sweater is bought. However, from a service logic point of view, a customer buys a sweater to keep themselves warm, meaning that the value of the sweater emerges when it is used and keeps the user warm, or is used in another way that serves the user. The same sweater can, in another situation, make the user too hot, which means that the value creation process went wrong in that particular situation, causing the user to be “worse off”. If the sweater is not used at all, it has little value in terms of service logic.

The case company’s projects incorporating service design present a clear example of value co-production. The company’s customers actively participate in these projects as co-creators (Grönroos & Voima 2011, 139). Value is co-created when for example, a concept for a website is designed. This involves combining the customer’s knowledge and specific needs, the end-user’s needs and the substance knowledge and design skills of the case company’s designers.

Value co-creation continues even after the website is published, as it fulfills various functions for its users, including both the case company’s customers and the end-users. For instance, it serves as a communication channel. However, if the website fails to attract visitors and effectively convey its communication, its value remains limited. In terms of the *B2B Elements of Value* framework by Almqvist, Cleghorn & Sherer (2018), this could mean that a website’s value, in such a case, falls within the productivity category. The website helps to share

information with many recipients simultaneously instead of, for example, having to contact many people to deliver the information individually.

Grönroos and Voima (2011, 140-142) illustrate value creation as joined spheres (see below in Figure 2). According to the authors, value is created in several phases that are not linear and can happen simultaneously. In the provider sphere, the actual production occurs, and the provider acts as a value facilitator, offering the customer potential value. In the joint sphere, that is formed in the middle, value is co-created by the provider and customer through interaction. In the customer sphere, value in use is experienced when the customer acts independently using the product or service. The provider is not active in the customer sphere but only a facilitator, having produced the product or service for the customer. (Grönroos & Voima 2011, 140-141.)

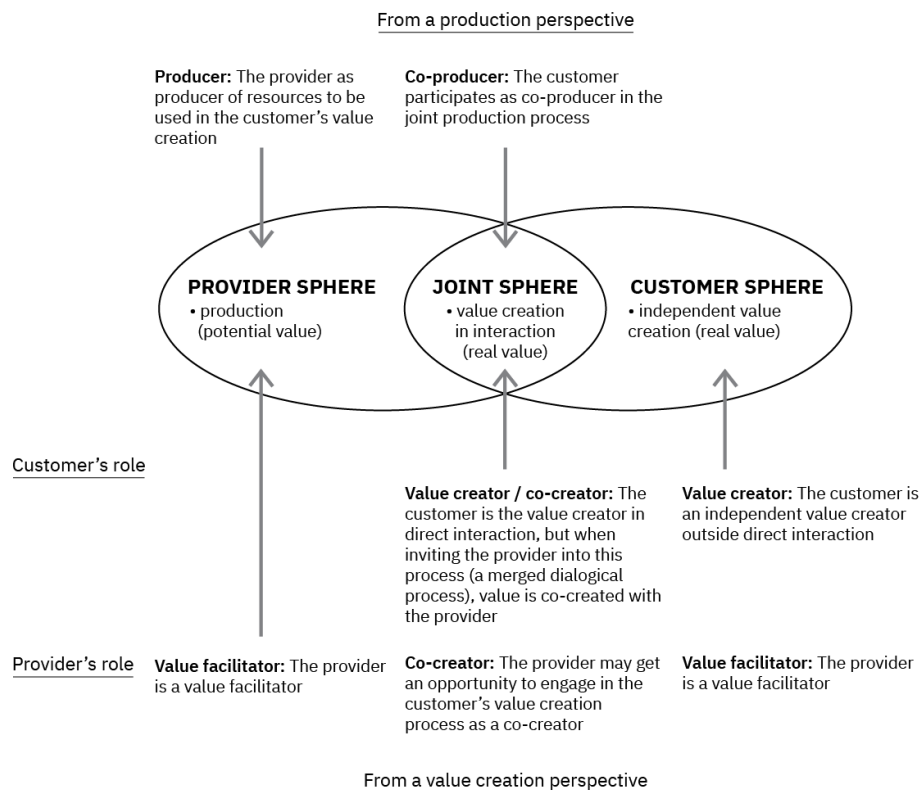


Figure 2: Value creation spheres (Grönroos & Voima 2011: 141)

The value creation spheres show that both the provider and the customer have their own roles in a value creation process, and they both have tasks to be done individually that affect the value creation. However, the joint sphere, where the parties come together to co-create value, can be regarded as the defining component. It enables interaction and value co-creation that goes beyond the scope of the product or service in question.

Many elements in the *B2B Elements of Value* framework (Almqvist, Cleghorn & Sherer 2018) are in connection to the interaction between the provider and customer instead of the co-created products or services. SDL also emphasises the service experience in value co-creation (Ojasalo & Ojasalo 2018, 74), which suggests that the interaction between the provider and customer indeed plays a significant role in value co-creation. This means that both parties are in connection with and influence each other while at the same time also having their own agendas for interaction, which differ from one another. (Grönroos & Ravald 2011, 11.) This would suggest that the interaction between the provider and customer can also be seen as valuable and can grant participants new knowledge, connections or, for example, a vision for the future.

2.2 The Concept of Business Models and Business Model Development

A business model can be best defined as a framework which condenses the information of how a company operates or, in other words, generates income. Most importantly, business models present the value proposition of the company: its products or services, how they are produced and what customer needs are met by offering those services. Business models also contain descriptions of revenue models and the company's cost structure. (See, e.g. Osterwalder 2004. Osterwalder, Pigneur & Tucci, 2005. Teece 2018. Johnson, Christensen & Kagermann 2008. Ojasalo & Ojasalo 2018.)

There are several reasons to verbalise a company business model, one of which is to make business more tangible and thus more understandable to stakeholders by visualising it in several smaller parts. Other reasons for companies to clarify their business models are prospecting for possible future directions or managing the company better or more efficiently (Osterwalder 2004, 19-22. Osterwalder, Pigneur & Tucci, 2005, 11-14). It is also said that an innovative business model can create more profit than solely technological innovation (Gassman, Frankenberger, Choudury 2020, 24).

As an example, this thesis's case study is aiming to design a business model for the *Continuous learning and foresight business unit* (CLF BU) of the case company. This objective serves a dual purpose: firstly, to understand the value creation mechanisms better, and secondly, to use that understanding to create a value proposition that resonates with the customers of the business unit. Additionally, the designed business model will play a crucial role in communicating the core operations of the CLF BU internally within the case company.

Osterwalder (2004, 14-15) locates business models in between strategic planning, which includes the company's strategy and vision, and the domain of organizational processes and the execution of day-to-day tasks. This means that business models are constructions that

describe the company's business concept (Osterwalder 2004, 19-22. Osterwalder, Pigneur & Tucci, 2005, 11), shedding more light on strategic choices and how they turn into profit for the company through the day-to-day work. However, practical implementation plans are not included in a business model, even if they are related to the topic (Osterwalder, Pigneur & Tucci, 2005, 10).

The business model concept has been in academic discussion approximately since the turn of the millennium, with authors building upon each other's work and working individually. The more conceptual and visualised models we see today emerged after some years of development, and since then, the concept has been used in practice. (Osterwalder, Pigneur & Tucci, 2005, 6-7.)

Typically, a company's management is responsible for defining a business model, including its financial specifics. The implementation of a business model necessitates tangible actions and various elements that bring it reality. These elements can encompass departments, units, business processes, and infrastructure, among others. (Osterwalder, Pigneur & Tucci, 2005, 7-8.) It is undeniable that company management plays a critical role when creating a business model. They possess a profound understanding of the company and its potential, as well as the authority to enact changes and put plans into action.

Traditional business models often begin with assumptions (Blank, 2013), start with the company and its offering, and customers are fitted into the model afterward (Ojasalo & Ojasalo, 2018, 75). To improve this process, it is suggested to reverse it by starting with the customers and their needs, following the principles of design thinking and service design (Ojasalo & Ojasalo, 2018, 75). Additionally, Teece (2018, 42) underscores the importance of considering the target audience during business model development, although a successful business model can be adapted and scaled to other customer groups.

To put it differently, if a business model is developed following the goods-dominant logic, it would primarily be built upon what the company offers. This represents the more traditional approach to building a business, as mentioned earlier. In such a scenario, management indeed possesses all the necessary information to devise a business model, as it revolves around the company's products and offerings. Conversely, when service logic is followed, it implies that there is a need to understand company's customers in order to formulate a viable business model. In this case, management's knowledge alone may not suffice, and a deeper understanding of customer needs and preferences becomes crucial.

Business model development is inherently an iterative process. The 4i business model development process proposed by Gassman, Frankenberger, and Choudury (2020, 24), consists

of four phases: *Initiation, Ideation, Integration, and Implementation*. The 4i development process begins with an initiation phase with research focusing on users and the ecosystem, then there is an ideation phase, followed by an integration phase to tweak the business model, and finally implementation phase to test and optimise based on the learnings. The process is aimed to go on for several rounds for the best results. (Gassman, Frankenberger, and Choudury 2020, 24.) The phases resemble the phases in a typical design thinking process. In design thinking, the primary objective is to first gather information about the topic at hand, followed by ideation of new solutions, then testing with a prototype to gather insights and assess the viability of the solution, and ultimately implementation when the development task is finalized and put into action while at the same time continuing learning and developing in an iterative manner (see, e.g., Hasso-Plattner-Institut, no date; Design Council 2019). These design thinking principles will be explored in greater detail in the following chapter.

The *Lean startup model* described by Blank (2013) emphasises agility in development by iteration and rapid experimentation, and proceeds incrementally. As the name suggests, the model is often used by startup companies due to its dynamic and proactive approach. The model emphasises customer testing as the most crucial part of business model creation since it provides insights into customer behavior and validates business decisions. The overall goal is to test as much as possible as soon as possible. It means that experimentation starts with small tests and is then soon scaled into a functioning business while at the same time maintaining the testing attitude and readiness to change direction, or even to pivot, based on customer feedback. (Blank 2013.) It is often said that startups aim to "fail fast", and this aligns with the core principle of the Lean startup model.

After formulating an initial business model based on customer knowledge, possibly augmented by existing business ideas, the next critical step in business model development is testing. This testing phase is emphasized by various authors, many of whom propose various testing methods and processes (Gassman, Frankenberger & Choudury 2020; Bland & Osterwalder 2020; Blank 2013).

Business models are tested through hypotheses, which are described as assumptions about the possible users of the business model under development. A good hypothesis is testable, meaning it can be verified as either true or false. It also is precise, and it describes the customer at hand accurately. Finally, a good hypothesis should also be "discrete", which means there is only one thing to test at once. (Bland & Osterwalder 2020, 30-31.)

Gassman, Frankenberger, and Choudury (2020) introduce a method called the "*Business Model Testing Cycle*" for testing a business model during the implementation phase. This cycle

consists of seven phases, and as the name suggests, it's a repetitive process aimed to guide the testing of a business model. The method starts with identifying assumptions about the business model, which are then turned into hypotheses. Each hypothesis may require separate testing, and this phase involves determining the test group and metrics. Next, the testing format is selected, and it is recommended to use a combination of methods, such as interviews, paper prototypes, wireframes, social media posts, and events, to make assumptions tangible and collect feedback. After the preparations, materials are developed, and tests are conducted. Finally, the results are analyzed, and it's determined whether the hypothesis has succeeded or failed. (Gassman, Frankenberger, Choudury 2020, 42-52.)

Bland & Osterwalder (2020, 6) outline a testing process that shares similarities with the Business Model Testing Cycle. In this process, hypotheses are tested using similar methods as previously mentioned. However, a key difference is the emphasis on testing as a team effort, which is deemed most effective when conducted by a diverse team (Bland & Osterwalder 2020, 6). A team brings together multiple skills and a broader knowledge base compared to an individual working alone. This diversity provides a stronger foundation for testing since different perspectives can be gathered from team members, and a wider range of testing methods becomes more accessible.

In essence, business model testing shares similarities with the design thinking process, particularly regarding prototyping methods. In both cases, the objective is to gather customer feedback using a range of creative and often visual methods and then make necessary adjustments based on this feedback. Thus, initial experiments should be quick and simple, without the need for extensive refinement, with more complex experiments pursued if the initial tests are successful (Blank 2013). It's also important to note that a single hypothesis may be tested multiple times to ensure the evidence is strong enough i.e. the hypothesis passes (Bland & Osterwalder 2020, 109). This iterative approach helps ensure that the business model is tailored to effectively address the diverse needs of customers. Engaging customers throughout the development process, from building understanding to testing and validation, is key to achieving this goal.

Business model frameworks can be seen as tools which can be used in a more thorough or shallow way. Several different formats and concepts for business models exist, and they generally are relatively simple formations. Three different business model frameworks emphasising customers are discussed in the following chapters: First, The Magic Triangle with its four main points; who, what, how, and value (Gassman, Frankenberger, Choudury 2021). Second, the Business Model Canvas by Osterwalder and Pigneur (2010) is perhaps the most well-known and used business model concept. The third concept, the Service Logic Business Model Canvas, is a variation of the Business Model Canvas, developed by Ojasalo and Ojasalo

(2018), which adds an even stronger emphasis on customers as co-creators of value, following the principles of service logic. All frameworks mentioned above combine a business model's critical points in an easily readable and comparable visual format.

The Magic Triangle

The Magic Triangle of Business Models (see below in Figure 3) consists of four dimensions, who, what, how & value, which are considered the essential elements of a business model. (Gassman, Frankenberger, Choudury 2020, 13-14.)

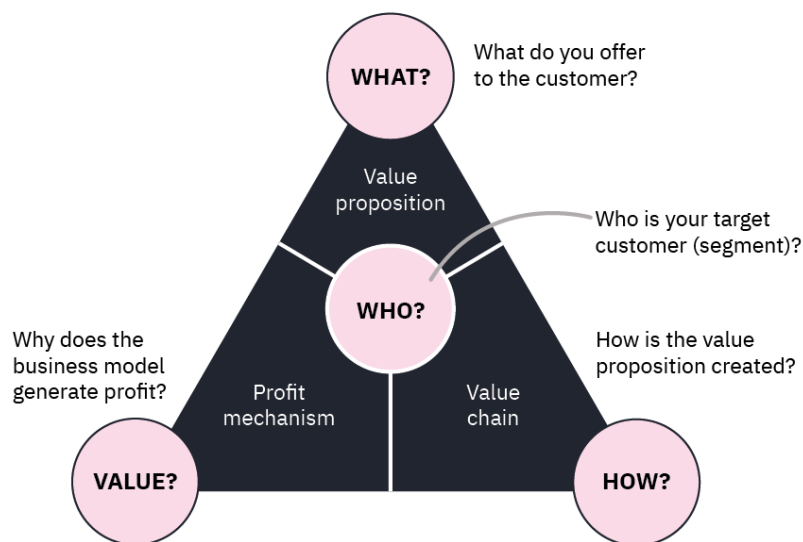


Figure 3: The Magic Triangle of Business Models (Gassman, Frankenberger, Choudury 2020, 14)

The Magic Triangle contains the following elements: “*Who?*” is in the centre and refers to the customer, whose needs must be known when aiming to do business with them. “*What?*” on top of the triangle refers to value creation, which in this context means the company’s offering, a product or service offered to customers to fill their needs. The bottom right in the model is “*How?*” which refers to the chain of actions for the product or service to exist. The final dimension on the bottom left, “*Value?*” describes the revenue logic meaning how the business generates profit and can function financially. (Gassman, Frankenberger, Choudury 2021: 13-14.)

The authors stress the importance of defining all the dimensions within a business model for successful operation. Furthermore, they emphasise that a business model should give an overview of a business instead of going into too many details or daily tasks and challenges

(Gassman, Frankenberger, Choudury 2021, 13-14, 25.) Essentially, the framework suggests that a business model can be constructed by addressing only four key questions. These questions are undeniably crucial and should be clarified by any aspiring entrepreneur starting a business. It is also reasonable to assert that these questions encompass the fundamental elements of a business model, even though the framework does not delve into specifics such as functional financial aspects. This approach aligns with the framework's intention to offer an overview rather than an exhaustive execution plan.

Originally, the Magic Triangle was developed to be explicitly used as a tool in business model innovation within a commercial context (Gassman, Frankenberger, Choudury 2020, 13). Consequently, it can be regarded as a straightforward framework that serves as a strong starting point for business model development. It provides an overview of the essential elements, with fewer components compared to some other business model frameworks. This simplicity can streamline the process and foster experimentation with various approaches for inclusion in a business model. If a business model is too complex and time-consuming to construct, it may create a higher threshold for making changes compared to a simpler model that can be quickly implemented and modified.

In practise, the the Magic Triangle is used by changing two or more of the dimensions mentioned to alter an existing business model into something new. The framework offers a step-by-step process for advancing business model innovation, with a primary focus on "creative imitation", as most new business models are not completely new but implement and combine similar ideas in different industries. This approach involves adapting parts of existing, successful business models to different domains to build new business models. To support this, the framework offers pre-existing business model ideas (business model patterns) that can serve as a starting point for generating new and innovative ideas. The patterns include models such as the Subscription business model, which has gained popularity throughout industries, and is currently used by gyms and software companies alike. (Gassman, Frankenberger, Choudury 2020, 21-23, 98.)

Mixing business model ideas between different industries, or for example, combining business model ideas, can create interesting and innovative new business opportunities. (Gassman, Frankenberger, and Choudury 2020, 98.) Leveraging established business model patterns can accelerate the process of creating a functional business model. These patterns can serve as shortcuts in the journey of creating new business models. However, it's important to note that they should be accompanied by a substantial amount of ideation and adaptation to the unique context.

The Business Model Canvas

The Business Model Canvas was developed originally by Osterwalder (2004) and Osterwalder, Pigneur & Tucci (2005). Its current format (Figure 4 below) is based on work by Osterwalder and Pigneur (2010), with co-creation support from a community of almost 500 practitioners (Tossavainen, Alakoski & Ojasalo 2012, 2525; Osterwalder & Pigneur 2010). It is said to be the most well-known and used business model tool in both academic and business development contexts (Ojasalo & Ojasalo 2018, 71). This dual popularity is noteworthy: its widespread acceptance among the broader public suggests that it is easy to grasp and apply, while the attention it receives in academic circles underscores its reliability and relevance.

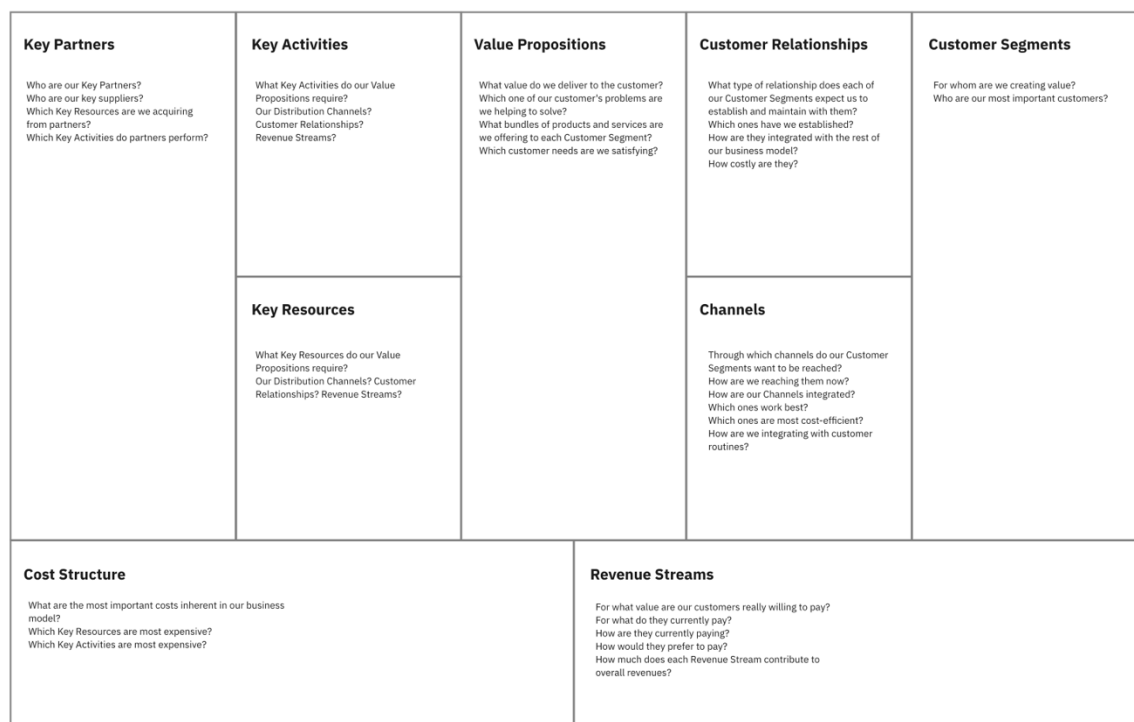


Figure 4: The Business Model Canvas (Osterwalder & Pigneur 2010)

The Business Model Canvas comprises of nine building blocks forming a comprehensive view of a company's business model. In the following, the blocks are listed and briefly explained.

“*Customer Segments*“ block shows the different types of customers the company serves, alongside their needs and behaviours, are identified. “*Value Proposition*“ block describes the unique value that the company offers to its customers and how it differentiates itself from competitors. “*Channels*“ block shows the various channels through which the company reaches and interacts with its customers are identified. “*Customer Relationships*“ block describes the types of relationships the company has with its customers and how it builds and maintains them. “*Revenue Streams*“ block explains the sources of revenue for the company and how it generates income are described. “*Key Resources*“ the company needs to operate

and create value, such as people, technology, and physical assets. “*Key Activities*“ include the core activities the company performs to create value for its customers are described in this block. “*Key Partnerships*“ block lists the external partners that the company relies on to operate and create value, such as suppliers, distributors, or collaborators. Finally, “*Cost Structure*“ block describes the costs the company faces to operate and create value, including fixed and variable costs. (Osterwalder & Pigneur 2010, 21-41.)

Compared to the Magic Triangle, the Business Model Canvas offers a more detailed and accurate description of the business, even though it still aims to provide an overview of its business concept (Osterwalder, Pigneur & Tucci 2005, 11). Another distinction between the two frameworks lies in their visualization approaches. The Magic Triangle appears to prioritize agility and encourages changes in the contents of the model by including only a little text within the framework. In contrast, the Business Model Canvas places emphasis on visualizing and communicating a comprehensive entity from multiple angles.

As mentioned, the Business Model Canvas is a widely recognized and used framework across businesses, despite the model itself not being explicitly service-oriented. Originally, the canvas has served mainly businesses operating with goods-dominant logic, as it is stated that the most popular tools businesses use to develop business models lean towards GDL. (Ojasalo & Ojasalo 2018, 71-73.) Due to the overall flexibility of the BMC, it can also be used to develop businesses leaning towards service logic (Tossavainen, Alakoski and Ojasalo 2012, 2525).

The lack of service orientation can be seen clearly in early development versions of the BMC, where the terminology and descriptions often align more with GDL. For example, the “target customer” is described as the “segments of customers a company wants to offer value to”, and the “distribution channel” building block suggests a one-way action in which products are distributed to customers without explicit mention of collaborative value co-creation efforts (Osterwalder, Pigneur & Tucci 2005, 10.)

As mentioned earlier, the paradigm shift from GDL to SL (Tossavainen, Alakoski & Ojasalo 2012, 2524), has shifted the focus of research and business development towards services. Consequently, there is a growing need for a business model framework that is fully oriented towards services. The following framework, which will be briefly discussed, places customers and service logic at the core of the business model.

The Service Logic Business Model Canvas

The Service Logic Business Model Canvas (SLBMC) is a further development of the BMC that is specifically based on service logic (Ojasalo & Ojasalo 2018, 73). It is the outcome of a

research process that involved the use of service design methods and the participation of several researchers and practitioners from businesses. This research was conducted by Ojasalo & Ojasalo (2015, 316-317).

The SLBMC integrates both the business's and the customer's perspectives into a single business model framework. This approach aims to enhance the understanding of and emphasize the customer's role in co-creating value within the business model. In the SLBMC, all parts of the business model are viewed from both the company's and customer's perspectives, and it can be expected that the views differ from one another. (Ojasalo & Ojasalo 2018, 82.)

The SLBMC (Figure 5) looks similar and is arranged similarly to the Business Model Canvas: There are nine building blocks, all of which are filled from the company's point of view and the customer's point of view. There are also guiding questions included in the canvas to help its users to fill each canvas block. The blocks are recommended to be filled in a specific order, although they are all linked. All of the blocks are essential, yet the order helps to focus first on the main business idea and how it can be executed. (Ojasalo & Ojasalo 2018, 82-85.) Compared to the previous frameworks, the SLBMC requires similar considerations of the value and how it is to be created. However, the SLBMC goes several steps further by incorporating knowledge about the customer directly into the business model, making it more robust. Being able to answer the question "Why does the customer buy?" during the business model development process is a valuable starting point. In contrast, having a great product with unclear reasons for its purchase can be a challenging position to be in.

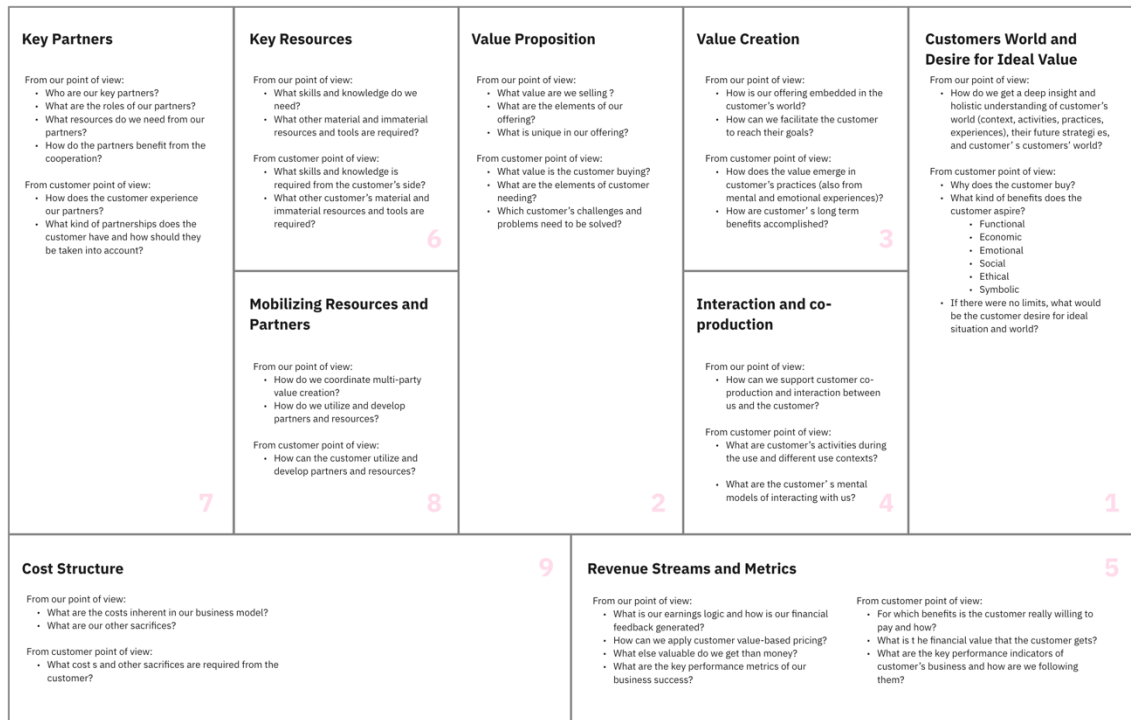


Figure 5: The Service Logic Business Model Canvas (Ojasalo & Ojasalo 2015)

Table 1 The blocks of the SLBMC and their suggested filling order (Ojasalo & Ojasalo 2018, 82-85.)

<p><i>Customer's world and desire for ideal value</i></p>	<p>This block focuses on the customer and their needs. From the company's side, the questions ask how the customers' needs, wishes, and for example, future strategies can be found out. The block also encourages the SLBMC users to think about how to get to know the customer's customer and their needs. The customer's point of view should include the knowledge gathered through fundamental customer interactions, such as why the customer buys from the company and what kind of benefits they are after.</p>
<p><i>Value proposition</i></p>	<p>This block from the company's side should contain details about the offering: what does the company sell, and how does it differ from other companies' offerings? From the customer's point of view, the block should tell what value the customer needs and gets from the company and how the company's offering answers to the customer's needs.</p>

<i>Value creation</i>	This block then dives deeper into how value is created: what does the company do with the customer to reach the customer's goals? From the customer's point of view, the block encourages to look at what the customer gets from the collaboration, also beyond the main results.
<i>Interaction and co-production</i>	Block refers to the collaboration and communication between the parties. From the company's point of view, the focus is on facilitating collaboration. In contrast, from the customer's point of view, the focus is on how they participate in the work and what is the driving force behind the collaboration.
<i>Revenue streams and metrics</i>	Block contains information on how the earnings are made and what they consist of the block reminds the company that customer relationships can bring other benefits than revenue, which all should be listed in the block. Measuring is considered necessary in business and the different metrics should be thought already when developing a business model. From the customer's point of view, the block should contain information on how they benefit from collaborating with the company, what their targets are behind the collaboration, and how they measure their operations.
<i>Key resources</i>	This block lists all the essential resources both parties need to successfully co-create value. Resources can be tangible or intangible, meaning skills, tools, knowledge, or, for example, systems.
<i>Key partners</i>	From the company's point of view this block should list the central partners and their roles needed to execute the value proposition. The block should also refer to the benefits all parties gain from the collaboration and an outline for the collaboration itself. From the customer's point of view, it is essential to touch upon how they perceive the partners and who they are already working with.
<i>Mobilising resources</i>	Block delves deeper into external partnerships and managing them. Also, how to deal with information exchange should be thought of already, as well as

<i>and partners</i>	possible risks. Views from the customer should also be added to see how they manage and develop their partnerships.
<i>Cost structure</i>	This block outlines the costs that emerge from operating with the business model. Costs can also be other than financial costs. Finally, customer's costs related to doing business with the company must also be added to the block.

It is highlighted that the customer perspective in an SLBMC should always be based on actual customer knowledge gathered. Also, a separate canvas should be developed for each customer segment. (Ojasalo & Ojasalo 2018, 82-85.) For example, in the context of this thesis, an SLBMC should be explicitly filled from the viewpoint of higher education institution customers instead of all the possible corporate customers the case company wishes to do business with. This means that the specific needs of different customers can be taken into account in detail, and the business model can genuinely serve customers and bring value to both parties.

The SLBMC framework was developed using service design methods, and it is recommended to continue using these methods when applying the canvas (Ojasalo & Ojasalo 2015, 316-317. Ojasalo & Ojasalo 2018, 88). Service design plays a crucial role in gathering authentic customer insights, which are essential for creating value propositions that customers truly find valuable (Polaine 2013, 18-19). Therefore, service design should be considered both as an integral way of thinking and as a methodology when utilizing the SLBMC. This perspective emphasizes that service design methods are not just tools for gathering customer insights but also require a genuine commitment to understanding and providing value to customers.

Various methods are suggested for different parts of the SLBMC, although they are not considered the only options available. While certain methods best serve only some parts, ethnography, probes, contextual interviews, scenarios, and ideation workshops are identified as methods that can be used to gather information for each block. (Ojasalo & Ojasalo 2018, 88.) When initially developing a business model, it might be practical to use methods that offer comprehensive information for each block of the canvas. After gaining an overview, the knowledge can be deepened with additional methods for different blocks. Chapter 3 will further explore some service design methods in the context of this thesis, providing a more detailed understanding of their application.

A specific process is suggested to use the SLBMC. This process is divided into three phases: first, a light application version of the SLBMC is filled. This is done based on existing knowledge and assumptions, and it serves as a starting point for information gathering and further ideation. Next comes the information-gathering phase, where service design methods are used to truly understand the customers' needs and to communicate them to the team developing the business model. Finally, several SLBMCs are filled, one for each customer profile. Also, the business model should be tested and iterated based on user testing. (Ojasalo & Ojasalo 2016, 86-87.)

Compared to the other two frameworks discussed, the SLBMC is undoubtedly the most comprehensive and detailed. While the Magic Triangle (Gassman, Frankenberger, Choudury 2020) provides a general overview without many details, and the BMC (Osterwalder & Pigneur 2010) maps a business model from various angles, the SLBMC offers a more precise understanding by examining the business from both the company's and the customers' perspectives. It may not be the ideal framework for rapid ideation or providing a simple overview. However, when used, the SLBMC can offer a well-structured and thoughtful view of a company's business model.

2.3 Design thinking

The term design thinking has gained visibility in media and public discussion since the early 2000s. Today design thinking is used widely as a problem-solving approach that highlights the understanding of users' needs and creating solutions that meet those needs. It has evolved from an approach used primarily in product design, to a more widely recognised and adopted methodology used in various domains, including healthcare, education, and social innovation. Design thinking can be used to develop new innovations, processes, methods or, for example services. (Brown 2008, 86; Bjögvinsson, Ehn & Hillgren 2012, 101; Kolko 2015; Kimbell 2011, 297.) It essentially embodies the thought processes and work methods commonly associated with designers (Tschimmel 2012, Kimbell 2011, 296).

There has been discussion on design thinking and whether it is based on any key principles (Kimbell 2011, 296). However, several recurring concepts are mentioned in the literature, which can be described as the key principles of design thinking. These concepts include human-centeredness, using empathy to understand people (Kolko 2015, 4; Brown 2008, 87), and the ways of working emphasise collaboration (Bjögvinsson, Ehn & Hillgren 2012, 101; Design Council 2019; Brown 2008, 88, Kimbell 2011, 294), as well as working in an iterative manner, prototyping, and testing (Brown 2008, 86-87; Kolko 2015.) Additionally, creativity is often mentioned alongside design thinking (Brown 2008, 87; Bjögvinsson, Ehn & Hillgren 2012,

101), as well as visual communication (Design Council 2019). Next, these concepts are described briefly.

Design thinking is always human-centered. It can be best defined as an innovative approach that prioritizes meeting people's needs as the primary driver and serves businesses on a strategic level (Brown 2008, 86-87), for example, playing a crucial role in driving transformation or constructing a new business model.

Empathy provides the ability to grasp the perspectives of others and develop a deep understanding of the users of the concept being designed (Kolko 2015, 4; Brown 2008, 87). These users may encompass customers, employees, or other stakeholders, each possessing diverse skills, needs, and personality traits. Their respective needs and characteristics offer valuable insights for developing more efficient, functional, and meaningful solutions.

Design thinking emphasizes collaboration and co-creation (Design Council 2019; Bjögvinnsson, Ehn & Hillgren 2012, 101), and the best results are often achieved when working with a team (Brown 2008, 88). Also, effective and understandable communication is essential for facilitating collaboration among all participants (Design Council 2019). Furthermore, involving end-users in the team can lead to even better outcomes.

Iteration is another key principle of design thinking, and it is achieved through the processes of prototyping and testing, which are fellow principles of design thinking. It involves going through multiple cycles of experimentation, where ideas are refined and improved over time (Brown 2008, 86-87). This iterative process is essential for developing finalised solutions that are both desirable and feasible (Kolko 2015). Iteration is typically accomplished through prototyping, which means creating early prototypes to make concepts visible and tangible, thereby enhancing understanding. In essence, iteration transforms ideas into concrete formats that can be tested with real users. (Brown 2008, 86-87; Kolko 2015.) In addition, visual communication is considered easier to understand than written, and it closely linked to the concept of prototyping and the idea of making abstract concepts tangible and more comprehensible (Tuulaniemi 2011, 119). A prototype is never meant to be a final product; instead, it is refined iteratively based on feedback gathered through testing (Brown 2008, 87), allowing room for failure, which is better to encounter during the prototyping phase rather than with a finalised product.

Also, as mentioned earlier, there are significant similarities between design thinking and business model development, particularly when the latter follows service logic. Notably, the emphasis on teamwork, prototyping, and iterative approaches are common methods in both

practices. In fact, it could even be argued that the methods and processes of contemporary business model development are fundamentally rooted in design thinking principles.

Indeed, design thinking is not only a mindset but is often perceived as a process or a toolbox suitable for multidisciplinary teams in various organizational settings (Tschimmel 2012, 2). While it is a mindset at its core, understanding design thinking is facilitated through structured processes that encapsulate its key principles into concrete, comprehensible steps. In essence, design thinking can be distilled into a model or process characterized by iteration and encompassing phases such as empathy, problem definition, ideation, prototyping, and testing, although the specific number of steps may vary among different process models.

Service design, then, is essentially an approach that applies design thinking principles in practice when designing services. It incorporates various methods that support iterative work in a collaborative manner, with a focus on customers and their experiences. (Ojasalo & Ojasalo 2015, 313-314.) In essence, service design can be considered one of the practical applications of design thinking, which emphasises similar principles as design thinking, as well as service logic.

In the context of service design, it's important to note that the value of a service is not inherent but is instead co-created between the user and the service provider when the service is used (Polaine et al. 2013, 36; Vargo & Lusch 2014, 208-209, 211). This emphasises the people-focus in service design, as users play a vital role in the value creation process. Value of a service is often experienced at a deeply personal level and is closely tied to the relationship between the service provider and the user (Polaine et al. 2013, 46). This co-created value can be categorized, for example, as functional, serving a specific purpose at the time, or, for example, personal, providing additional value beyond the core service (Almqvist, Cleghorn & Sherer, 2018). For instance, when a person buys a cup of coffee from a cafe, the coffee itself represents the functional value, but the entire service experience, including the interaction with the barista, contributes to creating additional and different value to the user.

In summary, service design is a methodological approach for developing businesses that offer services, and it is fundamentally rooted in design thinking principles (Ojasalo & Ojasalo, 2018, 75). Service design is conducted through a process that essentially follows the steps of design thinking processes (Saco & Goncalves 2008, 12). The different phases, or steps, help guide the design process, ensuring that ideas are thoroughly explored and refined before being implemented. As one would anticipate, numerous design thinking processes and visualizations exist, with similarities between the different phases (see models by e.g. Stanford d.school, IDEO, Mindshake, Design Council, Hasso-Plattner-Institut, Nielsen-Normann Group). The

different models of design thinking place emphasis on various aspects of the process. Some visualisations highlight the iterative nature of the process, while others focus on, for example, how information flows through the process. Two visually different and well-recognised models are Hasso-Plattner-Institut's model and the Design Council's Double Diamond (Tschimmel 2012, 5-6), which will be briefly described and discussed in the following.

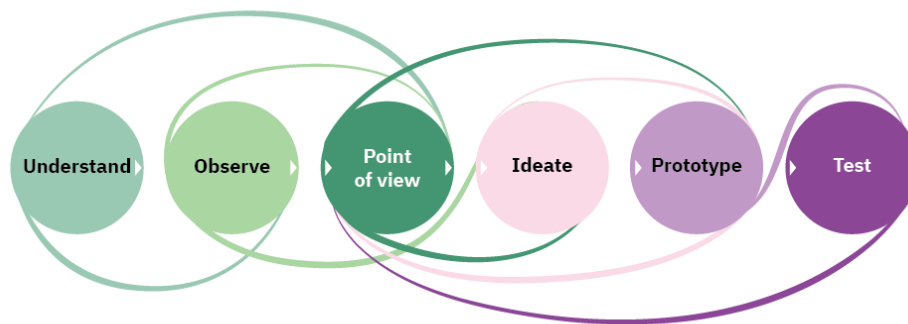


Figure 6: The Hasso-Plattner design thinking process (Hasso-Plattner-Institut, no date)

The Design Thinking model of the Hasso-Plattner Institute (Figure 6 above), includes six steps. The first step is *Understand*, which means getting to know and understand the problem and context through secondary research. The second phase, *Observe*, focus on users and their needs through qualitative research. *Point of view* defines the user groups central to the project and builds empathy for them to be drawn from in the upcoming ideation phase. *Ideation* uses various methods and aims to create solutions for the defined user groups. In the *Prototype* phase, the selected idea is brought to life as a tangible and testable prototype in a needed level of quality and detail. A prototype can be drawn, built with cardboard, or for example, acted. In the Test phase, the prototype is tested on relevant users to gather feedback and understand if the idea suits their needs and is feasible. Prototyping is often done several times during a design thinking process, every round developing the prototype and idea further towards a final product. (Tschimmel 2012, 8-9. Hasso-Plattner-Institut, no date.)

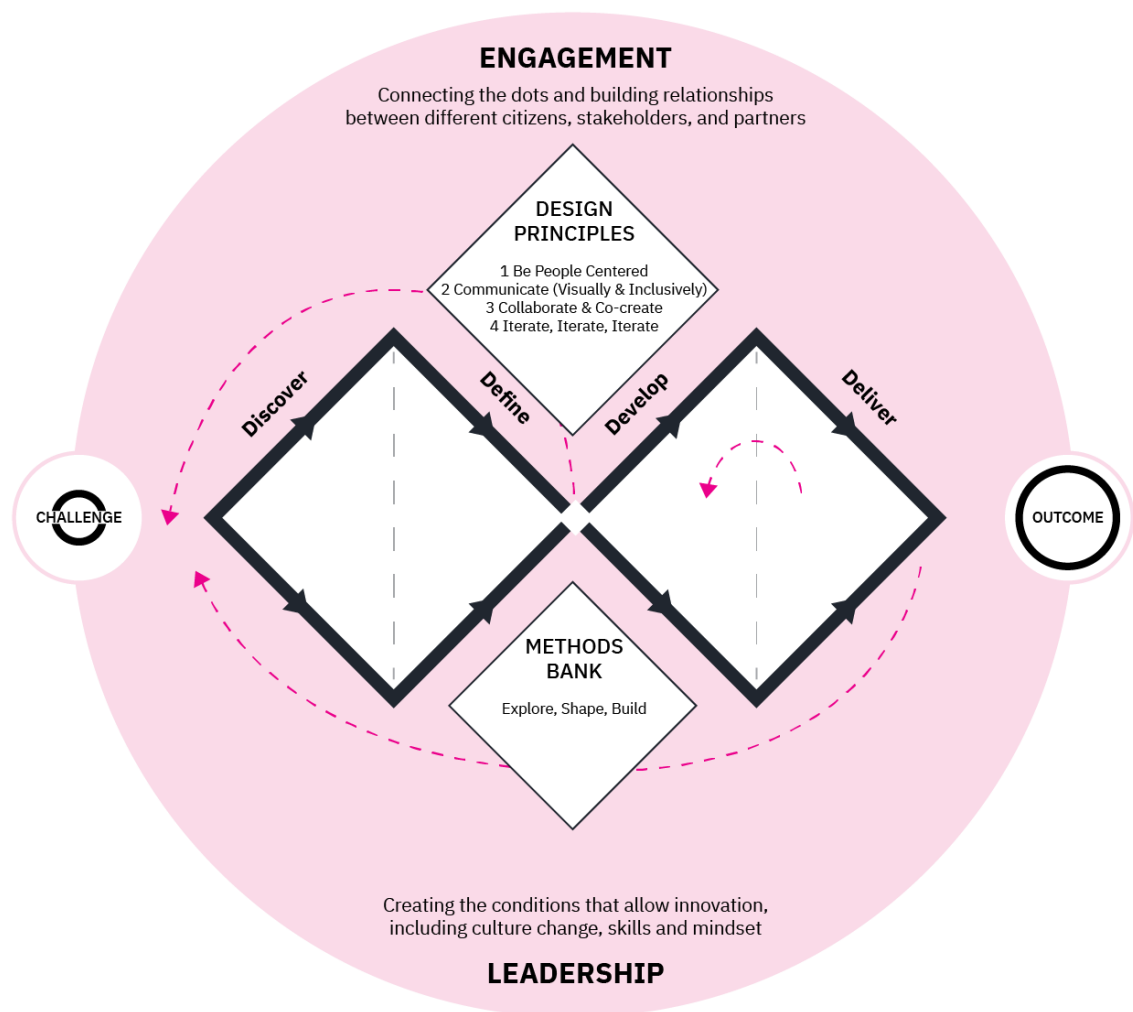


Figure 7: The Double Diamond design framework (Design Council 2019)

The Double Diamond (DD) model by Design Council was originally developed in 2005 (Tschimmel 2012, 9). In 2019, it was refined into its current format, which includes a comprehensive framework for innovation built around the core Double Diamond process, represented by the two diamond shapes in the middle of the framework (Design Council 2019).

The Double Diamond core process comprises four phases: *Discover*, *Define*, *Develop*, and *Deliver*, often referred to as 4D. In the *Discover* phase, new information is gathered from various sources to gain a deeper understanding of the issue or problem. This phase involves divergent thinking, where a wide range of possibilities and perspectives is explored. In the *Define* phase, the collected insights are reviewed, and the main problem or starting point is defined. This phase also marks the transition to convergent thinking, where first ideas can be formed, and objectives are clarified. During the *Develop* phase, ideas and concepts are

worked on. This phase often involves multiple iterations and collaboration with different stakeholders. It's a divergent thinking phase where potential solutions are explored and expanded upon. The final *Deliver* phase is where the concept is finalized and tested. This phase represents convergent thinking, where decisions are made, the solution is refined, and it is prepared for implementation. (Tschimmel 2012, 9; Design Council 2019.)

The complete Double Diamond framework is aimed to everyone, regardless of their profession or the specific task they are working on (Design Council 2019). This underscores the notion of design thinking as a problem-solving approach that can be applied broadly, irrespective of one's background or field of expertise (Brown 2008). It is completed with a visualisation of the matters that best support design outside the actual process. These factors include the engagement of different parties and leadership, as they create suitable conditions for successful design. Additionally, the framework's visualization incorporates the four design principles according the Design Council, that serve as reminders for designers to prioritize a people-centered approach, communicate visually and inclusively, engage in co-creation and collaboration, and maintain a constant focus on iteration. The term "methods bank" refers to the extensive array of design methods available for various purposes throughout a design process. (Design Council 2019.)

The two design thinking process models presented differ from each other, although they both essentially follow the same logic. The Hasso-Plattner model visualisation concretely illustrates the iterative and non-linear nature of design thinking, guiding the practitioner back and forth between the steps. This is also reflected in the full Double Diamond framework, which visualizes the non-linear nature of the process. However, the core process of the Double Diamond does not clearly depict this, as it presents a rather linear progression from left to right.

The Double Diamond model's visualization emphasizes convergent and divergent thinking, represented by the two diamond shapes and arrows aligning the edges. In two phases, more information is gathered, and understanding is expanded, while in two phases, the understanding is condensed into more concrete solutions or outcomes (Tschimmel 2012, 9; Design Council 2019). The Hasso-Plattner model visualization does not account for this as clearly, although the phases suggest that in certain parts, more information is gathered, and in others, the information is condensed.

As demonstrated, design thinking offers a robust framework for developing a business model that aligns with service logic principles. In practice, this can be achieved through the utilization of service design methodology, which actively involves customers, who also serve as value co-creators, in the process (Polaine et al. 2013; Ojasalo & Ojasalo 2015, 313-314;

Vargo & Lusch 2014, 208-209, 211). Next, the theoretical framework is put into practice through a case study.

3 Research framework and methods of the case study

This chapter outlines the practical research framework employed in the case study project. It begins with a concise overview of the overall process, followed by a more comprehensive discussion and description in subsequent sub-chapters.

The case study method is commonly employed to investigate specific topics, aiming to understand why or how something is done or happening (Rashid et al., 2019; Ojasalo et al. 2015, 52-53). Essentially, the aim of a case study is to investigate a phenomenon within its specific context (Rashid et al., 2019).

Furthermore, a case study is often conducted with qualitative research methods (Rashid et al., 2019), which means it focuses on how things are perceived and what they imply in the context (Hirsjärvi, et al. 1997, 160-164). Thus, the focus is on collecting in-depth data from a relatively limited sample rather than gathering shallow data from a broad range (Ojasalo et al. 2015, 52-53).

The case company primarily provides services to its customers, as described in chapter 1.2. Consequently, service logic is an integral part of its business framework. Moreover, the case company can be characterised as a service design company, signifying its commitment to design thinking principles and the incorporation of service design methods into its operations.

This thesis is conducted as a case study with the aim of comprehending the value creation for a specific customer group and designing a business model based on the findings and on the principles of service logic. This approach aligns with the characteristics of case studies, which are meant to gather in-depth knowledge about a particular issue and use that knowledge as a foundation for development work (Ojasalo et al. 2015, 52-53). Additionally, as argued earlier, service logic is aligned with the principles of design thinking. Hence, the development project will employ a design thinking process in conjunction with service design methods, which serve as practical instruments for integrating service logic into the business model development process (Ojasalo & Ojasalo 2018, 75).

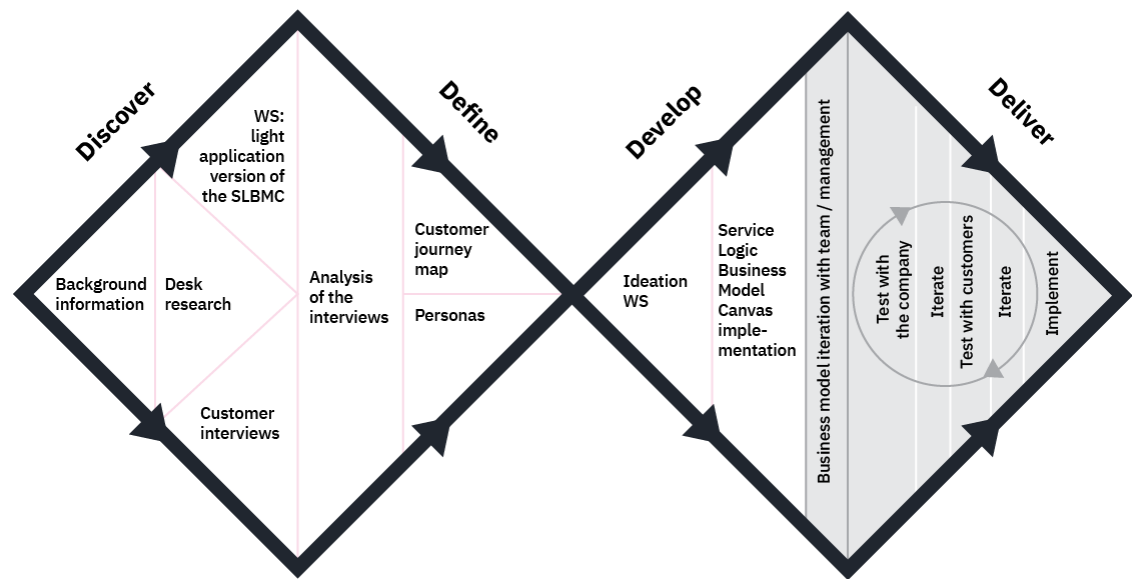
The case company relies on the Double Diamond design process, as elaborated in the preceding chapter, as the primary framework for its client projects. This model is employed by Design Council (2019) in public sector projects, making it a suitable foundation for the

case study focused on universities, which are also public sector clients. Furthermore, the case company is well-versed in the various phases and objectives of the Double Diamond process due to its internal usage.

The final outcome of the development project, which is a business model for the case company's business unit (CLF BU), will be constructed using the Service Logic Business Model Canvas (SLBMC) developed by Ojasalo and Ojasalo (2015). This approach integrates service logic into business models, making it well-suited for the project.

The recommended process for utilizing SLBMC in business model design consists of three phases: initially applying a basic SLBMC version based on existing knowledge, then implementing service design methods, and finally, applying the complete SLBMC for each primary customer group separately, based on the knowledge gathered through service design (Ojasalo & Ojasalo 2018, 85). In this case study project, the proposed SLBMC process is integrated with the Double Diamond process to provide a more structured way to use service design in the development process. While the primary focus of this project is on continuous learning customers, the case company recognizes the need to develop business models for other customer groups as well. It is hoped that the insights gained from this development project will yield a process that can be adapted and applied in various contexts.

The development project and its associated methods will be organized into phases according to the Double Diamond model. Specific methods will be employed in each phase to best fulfill its objectives. Figure 8 provides an overview of the process, highlighting the various phases and methods used. Further discussions of the phases and their corresponding methods will follow in subsequent chapters.



*The steps marked with grey background were not carried out within this thesis, but they were included as recommendations for further.

Figure 8: The case study design process based on Double Diamond by Design Council (2019), including an outline for the phases and methods used in each of them

The primary tool utilised for collecting and managing anonymised information in the development project was an online whiteboard platform called Miro. A research wall was created and continuously updated throughout the project (Stickdorn et al. 2018, 280). The tool was also employed for data analysis and visualization purposes. Access to this board was restricted to the thesis author, even though it did not contain any sensitive information regarding people, such as names and organisations. When collaborative work and presentations were necessary, materials were copied from the restricted board to a public one, allowing them to be shared with the team.

The development project was primarily carried out by the thesis author, although the business unit team participated in certain aspects of the work, which will be mentioned in this report. This business unit team consists of three members, one of whom is the thesis author. The team members are aged between 40 and 44 and come from diverse backgrounds, yet they all presently hold positions as designers within the case company. All members of the team have experience with university customer projects related to continuous learning, which has provided them with a foundational understanding of the target customer group. To achieve better results, a broader participant pool in terms of both individuals and skills would have been advantageous, as is frequently recommended within the context of service design (Saco & Goncalves 2008, 18). Nevertheless, this was not feasible due to the limited resources available within the case company.

In summary, this thesis will conduct a case study that employs a business model development process, incorporating service design method triangulation within a Double Diamond framework. The ultimate goal of the case study is to create a service logic-based business model.

3.1 Discover phase: gathering data

The Discover phase is primarily focused on gathering extensive knowledge about the subject of development (Design Council 2019). To reach a broad understanding and a rich data to work with, a variety of methods is used, which also is a common approach in case study and service design projects (Ojasalo et al. 2015, 52-53; Rashid et al. 2019; Stickdorn et al. 2018, 228). Using multiple methods is often referred as method triangulation, which means that at least three different methods are used to gather data on the same topic (Rashid et al. 2019; Stickdorn et al. 2018, 228).

When integrating the DD process with the SLBMC process, the Discover phase encompasses the initial two stages of the SLBMC process. This involves creating a simplified version of the SLBMC by consolidating existing knowledge, which is then used to plan the collection of information through service design methods. Additionally, some preliminary ideation can take place during this phase. Moreover, the simplified SLBMC version helps identify customer profiles. (Ojasalo & Ojasalo 2018, 86.) However, in this project, the primary customer profile had already been identified by the case company prior to the project's commencement due to the significant need for a better understanding of the continuous learning university customer segment.

In a service design process, there is generally flexibility in selecting methods. The choice of methods should depend on available resources, the specific project context, and, most importantly, the project's objectives (Saco & Goncalves 2008, 12). In the Discovery phase, the methods utilised were a pilot project, desk research, internal workshop and customer interviews. The upcoming sections will delve into the methods employed in this project, accompanied by explanations of their application.

Background information

The background information for this development project encompassed internal discussions and customer-related work on the topic of continuous learning carried out within the case company, mainly one specific customer project which will be described next.

For instance, in 2022, the thesis author was involved in a customer project where a concept for a continuous learning website for a university was designed. This project engaged the

customer team and their end-users, utilizing various design methods during collaborative design workshops. This project can be viewed as a pilot project for the work presented in this thesis (Hirsjärvi et al. 1997, 101), providing insights and knowledge regarding potential value creation between the case company and its educational institution customers.

The pilot project aimed to facilitate a process that brought together various university stakeholders and incorporated customer perspectives to best serve the university's customers. Throughout the project, several visual prototypes (wireframes) were developed based on synthesized data from workshops and interviews conducted with university personnel and their customers. These prototypes made the concept ideas more tangible and easier to comprehend.

In the pilot project, a comprehensive range of the case company's services were utilized, encompassing service design, research, analytics, and user experience design.

It's important to note that the pilot project is not used as data in this thesis but serves as background information utilised in practise in the internal workshop conducted in the Discover phase. This workshop was aimed to apply the light application version of the SLBMC, as described later in this chapter.

Desk research

In a case study, it's essential to become well-acquainted with the development topic to gain a deeper understanding of potential issues, and to be able to plan the project ahead (Ojasalo et al. 2015, 54). This understanding can be achieved through preliminary research, which can take the form of desk research (Tuulaniemi 2011, 136). Desk research is considered a valuable method for assessing the current situation and identifying the challenges at hand (Stickdorn et al., 2018, 118). It involves broadening one's knowledge about the development topic, encompassing aspects such as the case company itself, its operational environment, competitors, and the target customers, among others (Tuulaniemi 2011, 136).

To be more specific, the desk research in this project focused on finding other companies offering services related to continuous education, foresight, and digital service design in Finland. Benchmarking is a valuable method for both learning from others, gaining insights into the competitive landscape and finding out possible ways to stand out from the competition (Tuulaniemi 2011, 139). In this case, the primary objective was to establish a fundamental understanding of the competitive landscape within the domains of continuous education, foresight, and digital service design in Finland. When complemented by the background information gathered from customer projects, benchmarking emerged as a valuable exercise.

Desk research was conducted in March 2023. Initially, companies offering services related to the aforementioned topics were identified. This process involved seeking input from the staff and management of the case company to pinpoint the most notable competitors in the field. Additionally, certain companies were included due to their participation in the same public tenders related to continuous education as the case company, indicating a similar business focus.

The 29 companies identified were subjected to online searches, with a specific emphasis on reviewing their websites. The primary focus during these website reviews was on discerning their offerings, examining company descriptions, and evaluating customer cases. The goal was to understand what services these companies appeared to offer and to whom.

The identified companies were organized on the research wall within the whiteboard tool Miro, as shown in Figure 9 below. They were subsequently grouped into four clusters based on their respective offerings, a method akin to an affinity diagram aimed at discovering similarities within the data (Tuulaniemi 2011, 154). In this instance, sub-clusters were not created, resulting in only five primary clusters for analysis.

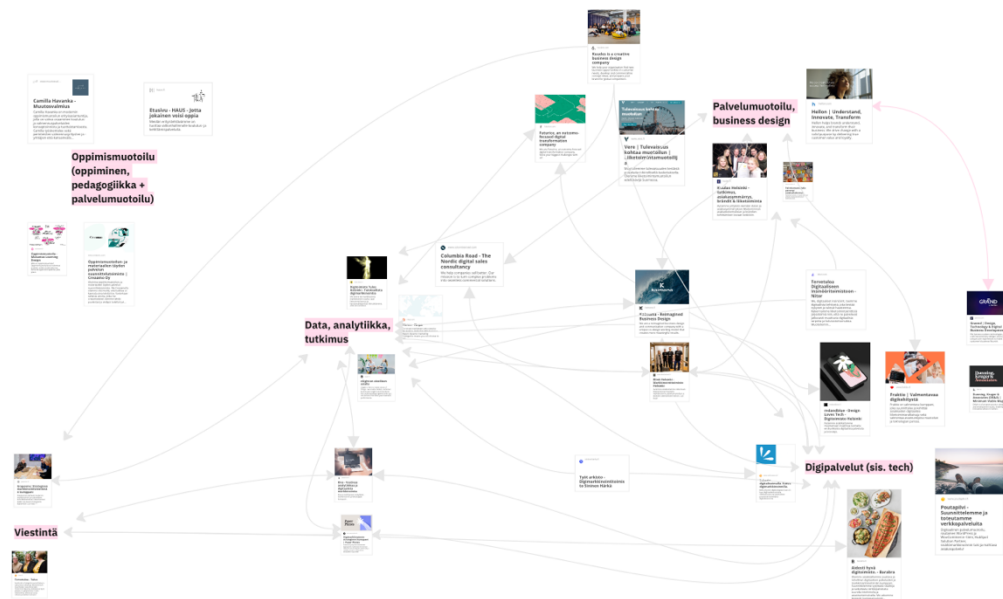


Figure 9: A screenshot of the competitor clustering in Miro

These clusters, which partly overlap, were categorized as follows: Within the *learning design* cluster (top left in the Figure 9), companies involved in a fusion of learning, pedagogical, and service design elements were placed. In the *communication* cluster (bottom left), the focus was on the provision of digital communication services. The *data, analytics, and research*

cluster (in the middle) included companies specializing in services related to data, analytics, and research. Within the *Service and Business Design* cluster (top right), companies offering solutions in service and business design were clustered, sometimes including digital design services with technology-related offerings. Lastly, within the *digital design and technology* cluster (bottom right), there were companies primarily dedicated to designing and developing websites and various other digital services. In addition, some companies fell into multiple clusters simultaneously. In these cases, they were positioned at the intersections of the primary clusters, and arrows were used to connect them to the relevant clusters.

The 29 competitors identified vary in size, with many providing services in multiple categories. Of particular interest were those companies with comprehensive offerings at the intersection of the mentioned clusters, similar to the case company. Consequently, the examination delved deeper into ten such companies, with a focus on those situated at the crossroads of various service offerings. The ten companies that underwent a more detailed examination were organized into a table format. Each company occupied its own column, and rows were designated for presenting their descriptions, service offerings, and positioning statements. This arrangement facilitated a comparative analysis of these companies.

The evaluation of competitors was conducted by reviewing publicly available information on their websites. While this research provided valuable insights into the competitive landscape and existing service offerings within the industry, it should be noted that the information gathered was relatively high-level and not in-depth.

Table 2: Key findings from desk research

<p>Certain companies have a specific focus on public sector customers.</p>	<p>These companies have extensive portfolios of customer cases primarily for public organizations like the case company. The focus is most clearly evident through their customer cases rather than their descriptions.</p>
<p>Substantial expertise in a specific area is demonstrated through customer cases.</p>	<p>Most of the examined companies prioritize specific competencies that can be perceived as services, such as service design, research, analytics, technology, and others. When there are significant thematic focuses, similar to the case company's business units, they tend to be highlighted through customer cases rather than service descriptions.</p>

Foresight and futures design are regarded both as a method and as a service.	Foresight and futures design were mentioned by two competitors. They are perceived as comprehensive approaches to thinking and operating, but they can also provide foresight as a service.
Sustainability remains a relatively new topic within the industry	Sustainability, one of the strategic focus areas at the case company, was cited by one competitor as a guiding principle in their operations.
Mentions of continuous learning are infrequent.	Continuous learning as a focus area or theme was exclusively evident in learning design companies. These entities were not deemed direct competitors because of their exclusive concentration on crafting learning experiences, which falls outside the case company's purview. The learning design companies primarily focus on the development and delivery of training programs, with less emphasis on designing services or communication channels. Nevertheless, they could be regarded as prospective partners for collaboration, given their lack of direct competition and their keen interest and expertise in the continuous learning theme.
Design principles and human-centeredness are evident across the various companies.	All of the examined competitors emphasize design principles and human-centeredness as fundamental values and methodologies in their operations.

Internal workshop to conduct the light application version of the SLBMC

Workshops are frequently utilized as one of the fundamental co-creation methods in service design (Stickdorn et al. 2018, 908). They serve the purpose of fostering collaboration among various parties, including customers and other stakeholders (Tuulaniemi 2011, 117; Polaine et al. 2013, 49-75), and they can be conducted both live and online (Tuulaniemi 2011, 117).

Workshops serve a multitude of purposes in service design, ranging from ideation and insights gathering to discovering new opportunities (Polaine et al. 2013, 76).

Effective workshop planning and organization are crucial for achieving productive outcomes. Key considerations in workshop planning encompass clarifying the goal of the workshop, creating a well-structured schedule, defining activities, identifying and preparing the necessary materials or tools, participant recruitment, securing a suitable space, and establishing a documentation process (Polaine et al. 2013, 61-62; Stickdorn et al. 2018, 920-926). Notably, the shift towards remote work has transformed the workshop landscape, with most workshops now taking place online via platforms like the whiteboard tool Miro, which also serves as a convenient means of documentation. In fact, Miro and other similar tools have gained such popularity that they are frequently utilised in live workshops as well. These tools prove effective when used in conjunction with physical materials and negate the need for additional documentation or digitalisation of workshop materials.

Another crucial aspect of workshops is facilitation. A facilitator can be described as a neutral individual who assists others in working within a specific setting, such as a workshop. They undertake tasks such as planning, preparation, and organization to foster collaboration, encourage active participation from all participants, and guide the discussion (Bens 2012, 7-9). In essence, facilitation involves orchestrating teamwork among participants in a workshop or meeting setting.

It is essential for a facilitator to remain neutral on the topic at hand (Bens 2012, 11). However, in practice, this is not always feasible, particularly in internal workshops, when someone within the team must assume the role of facilitator. In such cases, it is advisable to focus primarily on practical aspects, such as planning and timing (Stickdorn et al. 2018, 920).

While an internal facilitator often takes on the responsibilities of planning, organizing, and timing workshops, they may also need to participate. This can be achieved most effectively by asking questions or making suggestions rather than offering direct comments. Another suggested strategy is to "take off the facilitator hat," which means informing the participants about the role change. (Bens 2012, 13-14.) While this approach may work well in more formal settings, it can lead to awkward situations in informal settings, diverting attention from the primary task. It could be added that an important skill for a facilitator is to assess the situation and adapt their approach accordingly.

An internal workshop was organized for the Business Unit (CLF BU) team to carry out the light application version of the SLBMC. The primary objective of the workshop was clear: to acquaint the team with the SLBMC and collectively complete the light application version. As elucidated by Ojasalo and Ojasalo (2018), the light application version functions as a rapid prototype and initial attempt, built upon existing knowledge. It provides guidance in the

process and assists in delineating the necessary information and service design methods needed to construct a new business model (Ojasalo & Ojasalo 2018, 85).

The workshop was scheduled to take place during a regular working day, with a two-hour time slot reserved immediately following an internal meeting focused on the business unit and its sales efforts. This timing ensured that participants were already engaged with the topic of the business unit and its existing and potential customers. Prior to the workshop, materials shared with the team included documentation from earlier benchmarking activities.

The workshop participants comprised the CLF BU team, including the thesis author, and it was conducted on 11 April 2023.

Despite being a live event, the workshop utilized the whiteboard tool Miro as the working space. The timetable was structured to allow 30 minutes for familiarising with the SLBMC and 90 minutes for collaborative work on the canvas.

The thesis author assumed the role of facilitator, focusing on preparations, the timetable, and introducing the framework to the team. The primary facilitation objectives were to conduct the workshop in an informal and relaxed manner, encouraging team members to participate and brainstorm freely. However, after the familiarisation part, it was not feasible for the facilitator to remain entirely neutral. Given the small number of participants, there was a necessity for the facilitator to fully engage in the ideation process. It was deemed more valuable to involve all team members rather than strictly adhering to the facilitator role. Nonetheless, the thesis author continued to monitor the timing and ensured that the discussion was comprehensively documented.

Table 3 Key findings from the internal workshop to fill the light application version of the SLBMC

<p>The value proposition is distinct from the services the company offers.</p>	<p>Internal discussions often focus on the service level rather than addressing the value proposition at a broader, more abstract level. Consequently, identifying the core essence of the value proposition proved challenging. In essence, the company can provide its customers with expertise and knowledge that they do not possess themselves, a characteristic applicable to consulting and service businesses in general.</p>
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<p>There are long-term customers, but limited information is available regarding their motivations or incentives.</p>	<p>In general, the team concluded that there is only limited information available regarding the customers' perspective, despite the fact that many of these customers have been collaborating with the case company for an extended period. Hence, additional information is required through all available means.</p>
<p>External consultants are valued.</p>	<p>When customers aim to drive change within their organizations, it is often perceived as more achievable by engaging external consultants, such as the case company. These external consultants are viewed as impartial operators, free from internal tensions.</p>
<p>Customers still require help with digital solutions, and the case company can provide that support.</p>	<p>Increasing sales through digitalization is one area where customers seek assistance from the case company, which is regarded as an expert in digital matters. Additionally, the case company can provide comprehensive support to customers in various digital domains.</p>

In the end, all the sections of the SLBMC were completed during the workshop, resulting in a light application version of the canvas. The primary conclusion drawn from the workshop was the necessity for more information regarding what customers perceive as valuable and why they initially engage with the case company. This insight served as a valuable foundation for the planning and execution of customer interviews, which will be elaborated upon in the following sections.

Research interviews to understand the customer's point of view

While empathy is a crucial element in design, it remains imperative to directly gather information from customers rather than making assumptions about their actions (Portugal 2013, 3). Interviews are considered a well-suited method for qualitative research, as they provide insight into the underlying motives and the general reasons behind observed behaviors (Hirsjärvi & Hurme 2001, 34; Portugal 2013, 3). Moreover, interviews offer the advantage of enabling further clarification and in-depth exploration of responses (Hirsjärvi & Hurme 2001, 201). Additionally, interviews are cited as a method capable of yielding

pertinent information necessary to complete all components of a Service Logic Business Model Canvas (Ojasalo & Ojasalo 2018, 88).

There are three primary types of interviews in research. The structured interview involves meticulous preparation and is executed precisely as planned, leaving no room for additional questions. In contrast, an open interview lacks structure, resembling an organic discussion, which can be challenging when seeking specific information on a particular topic. The intermediate interview type between these two aforementioned types is the semi-structured themed interview. It is partially planned in advance but still allows for clarification and open discussion. (Hirsjärvi et al. 1997, 204-205.) In case studies, semi-structured interviews are frequently employed (Rashid et al., 2019), as they facilitate exploration of diverse viewpoints held by interviewees.

Pre-interviews are recommended when conducting themed interviews as a means to determine the interview themes, for example (Hirsjärvi & Hurme 2001, 71-72). Conducting multiple interview rounds can be seen as beneficial in obtaining in-depth information. However, the iterative nature of a design process is one way to address this issue: the goal is to initiate with a foundation and subsequently refine it over time while simultaneously gathering additional information.

Interviews should invariably be well-planned, with a clear and defined primary objective (Portigal 2013, 41; Hirsjärvi & Hurme 2001, 65). In a semi-structured themed interview, it is essential to establish themes based on the overarching research questions (Hirsjärvi & Hurme 2001, 67). Additionally, it is advisable to create an interview guide that outlines the interview and its various phases (Rashid et al., 2019; Portigal 2013, 39). An interview should invariably commence with an introduction that clarifies the interview's objectives, its purpose, and addresses practical matters such as data handling and obtaining permission to record the interview. Following the introduction, a series of background questions are posed, which serve both as a warm-up for the interviewee and interviewer, creating a relaxed atmosphere, and as a means to gather additional context before delving into the main themes. (Portigal 2013, 40-41.)

There are no definitive guidelines specifying the number of interviewees required in qualitative research; the primary objective is always to gather the necessary information through interviews (Hirsjärvi & Hurme 2001, 58). However, there are methods to determine this, such as striving for sample saturation, where the same issues continue to emerge in new interviews rather than introducing entirely new topics. It is emphasized that all cases in qualitative research are considered unique, even though there may be recurring themes among them. (Hirsjärvi et al. 1997, 181; Hirsjärvi & Hurme 2001, 59.)

In service design, users (in this case, customers) are involved in the development project at multiple stages, making it an excellent approach to start with a small sample. Initial findings can then be subsequently validated and supplemented. (Stickdorn et al. 2018, 228.)

Various methods exist for sampling, i.e., selecting interviewees. In qualitative research, the sample size is typically relatively small (Hirsjärvi et al. 1997, 179). Qualitative research and case studies often employ a discretionary sampling method, where interviewees are chosen based on their positions or expertise related to the research topic (Hirsjärvi & Hurme 2001, 59). Additionally, potential participants can be screened before confirming an interview, ensuring their suitability for the study (Portigal 2013, 37).

When conducting research, it is of utmost importance to handle personal data with care and transparency. Subjects should be informed about how their data will be used and protected. Furthermore, it is highly advisable to anonymise all gathered materials to ensure the privacy and confidentiality of individuals involved in the study. (Arene recommendations 2020.)

In this development project, interviews were chosen as the primary method for collecting data in order to gain a deeper understanding of customers' perspectives and gather comprehensive information for the development of a SLBMC. More specifically, a semi-structured themed interview approach was selected, as it provides a framework for interviews while allowing some flexibility in how they are conducted and the organization of individual questions (Hirsjärvi & Hurme 2001, 48). Moreover, since the interviews involve the case company's customers, it is crucial to conduct them in a manner that sustains or even strengthens the customer relationship. Therefore, the thesis author believes that interviews needed to be as natural and conversation-like as possible, even when adhering to a predetermined plan, which is achievable through themed interviews (Portigal 2013, 8).

The research questions guiding this case study defined in Chapter 1.4 and the light application version of the SLBMC provide a starting point for crafting the research interview plan, which outlines what will happen during an interview. A themed interview field guide can be divided into sections based on the main themes, with minor themes within the main ones (Hirsjärvi & Hurme 2001, 67), so all crucial points are discussed.

The primary objective of the interviews conducted in this case study was twofold. First, they aimed to comprehend the dynamics of value creation between the CLF BU and its university customers within the context of continuous learning. Second, the interviews were designed to gather sufficient information for the development of a service logic business model (SLBMC) tailored to the CLF BU's needs.

Drawing inspiration from the blocks in the SLBMC, the interviews were structured to elicit insights into what university customers perceive as valuable and, more importantly, what they consider most valuable in their collaboration with the case company. These interview questions were crafted to tap into the actual knowledge of customers and inform the construction of the CLF BU's business model.

Moreover, taking into account the B2B Elements of Value framework (Almqvist, Cleghorn, and Sherer, 2018), interviews delved into the more subjective aspects of value. These may be challenging to measure but are regarded as valuable additions that enhance the overall perception of value and foster stronger customer relationships, supplementing the core outcomes of the collaboration.

The interview field guide was compiled to ensure a smooth process (it can be seen in Appendix 1). It commenced with an introduction of the interviewer and the development project, followed by a comprehensive explanation of practicalities, including the handling of personal data. Additionally, interviewees were provided an opportunity to ask questions before the interview commenced.

The interview themes were thoughtfully constructed to facilitate in-depth exploration of the topic. They commenced with background information about the interviewee, which also served as a warm-up, followed by themes related to the collaboration between the case company and the customer. These themes aimed to uncover past actions and co-created value. The third theme centred on value and value creation, with questions designed to encourage a multifaceted perspective on value. Finally, the last theme delved into the future of the customer, seeking to identify their needs and aspirations.

Table 4 Interview themes and discussion points

Theme	The discussion points can include the following questions
Background information	Details of the interviewee, such as educational background and current position at the organisation. Is the person in charge of the budget, and do they make purchasing decisions? What kind of tasks and challenges do they have in their work, and how is their typical day at work?
Collaboration with the case company	Briefly what has been done and how it went, both from positive and negative angles. Why did the customer choose the case company as their partner, and what was the initial reason for outsourcing the project? What was gained through the project, and what metrics has been used, were the targets reached?
Value and value creation	How does the interviewee see the value, and what kind of things do they consider as valuable, both personally and through employment? What kind of tasks and challenges does the customer organisation typically outsource or use external consultants to solve (in the domains of digital service design and continuous learning)? What kind of needs does the customer have regarding continuous learning digital services or concepts?
Objectives for the future	What does the interviewee wish to accomplish in the next year? What kind of aims the organisation has for the future regarding digital service design? What kind of positive and negative experiences have they had with other service providers?

Given that the thesis centers on understanding how value is co-created within the case company's customer projects related to continuous learning, along with identifying the customer benefits inherent in the business model, a discretionary sampling method is employed. This method involves selecting interviewees from the pool of existing university customer contacts who have previously engaged in continuous learning related projects with the case company. This approach limits the sample size, as it pertains to individuals who possess the key characteristics relevant to the study (Portugal 2013, 36). As a result, the number of potential interviewees is constrained by the fact that, presently, there are only three university customers who meet the defined criteria. To ensure a more robust and comprehensive sample, the study opts to select at least two interviewees from each customer institution.

The screening process, aimed at determining the suitability of interviewees (Portugal 2013, 37), involved reaching out to project managers who have been actively engaged with the mentioned university customers. These project managers were asked to identify the primary contacts associated with the projects.

The screening results consistently indicated that, for each project, the primary contact was the individual responsible for communications within the customer's organization. These contacts had been extensively involved in their interactions with the case company and typically held managerial-level positions.

While there were multiple contacts within the customer organizations, the key qualifying factor for selection was a combination of expertise in continuous learning operations and communication. Consequently, when identifying the second interviewee from each university, the focus was placed on individuals responsible for continuous learning operations and its communication. This approach was chosen to gain a more comprehensive understanding of the specific requirements, needs, and objectives pertaining to continuous learning and its online presence.

The discretionary sampling method, while employed due to the limited number of customers and the qualitative case study approach, is not without its shortcomings. One notable concern is the potential for biased results (Hirsjärvi & Hurme 2001, 60) if the interviewer selectively chooses candidates who are satisfied or highly familiar with the case company.

It's worth acknowledging that interview outcomes could significantly differ if interviewees were selected solely from the top management of these organizations. However, top management individuals may not have been closely involved with the projects and the case company, despite their typical responsibility for the overall budget.

Given the study's aim to gain a comprehensive understanding of the collaboration with the case company, as well as the benefits and outcomes derived from this collaboration, interviewees were chosen based on specific criteria. These criteria encompassed individuals who had direct interactions with the case company, held budgetary responsibilities, and possessed ample authority within their respective organizations. This approach was adopted to ensure that interviewees possessed the requisite knowledge and perspective to provide valuable insights into the collaborative process and its outcomes.

The interviews were conducted between May and early June 2023 via Google Meet and were recorded in video format. Additionally, field notes were taken to capture key highlights during the interviews. All collected data, including the video recordings, is securely stored on a private Google Drive, and the analysis is conducted within a private Miro board. It is essential to highlight that the interviewees' names and their respective employers are not included in the Miro data and are known only to the thesis author, ensuring confidentiality and anonymity. All this data will be deleted once the thesis is published.

The interviewees represent three distinct universities, and despite variations in their job titles, they have all been actively involved in similar roles in projects with the case company. The only exception is interviewee 6, who holds a director-level position and has overseen similar projects with the case company.

Notably, two of the interviewees have collaborated directly with the thesis author, which may have an impact on some of the responses provided during the interviews.

Table 5 Interviews

Number	Interviewee	Interview date	Duration
1	Communications manager, digital	3.5.2023	45 minutes
2	Head of online services	11.5.2023	50 minutes
3	Continuous learning manager	16.5.2023	55 minutes

4	Marketing coordinator & team lead, continuous learning	19.5.2023	48 minutes
5	Communication specialist, product owner	30.5.2023	52 minutes
6	Director, continuous learning	5.6.2023	46 minutes
7	Head of programme, continuous learning	6.6.2023	42 minutes

3.2 Define phase: analysing and visualising data

In the Define phase, a convergent thinking approach is employed, which involves condensing the collected information into actionable insights that can be effectively communicated further (Tuulaniemi 2011, 113). In the context of the SLBMC framework, the Define phase falls within the middle part of the process, where further development work is carried out using service design methods to gain comprehensive understanding of the customer's point of view (Ojasalo & Ojasalo 2018, 86).

During the define phase, the collected data was subjected to thorough analysis and condensation. This process aimed to distill the information into a format that could be effectively communicated to the case company and subsequently leveraged for the development of a business model.

Analysing the interviews

When analysing research data, it is advisable for the researcher to immerse themselves in the data before embarking on any other analytical steps. This immersion entails gaining a deep and thorough understanding of the data. (Marshall & Rossmann 1999, 210-211.)

Textual data is typically coded by generating themes or clusters (Rashid et al. 2019; Hirsjärvi & Hurme 2001, 147; Marshall & Rossmann 1999, 210-213). Content analysis, as described by Stemler (2001, 1-2) involves the compression of a large dataset, often in written form, into smaller categories. These categories can be constructed either based on the material itself

(emergent coding) or established prior to reviewing the gathered material (a priori coding) (Stemler 2001, 1-2). The latter approach, using predetermined categories derived from existing literature, is also known as the deductive approach. Conversely, the inductive approach involves the researcher deriving code categories directly from the data. (Stickdorn, Hormess, Lawrence, and Schneider 2018, 246; Hirsjärvi & Hurme 2001, 150.)

Indeed, maintaining a connection between the codes and the theoretical background is essential in data analysis (Marshall & Rossmann 1999, 212-213). This connection ensures that the analysis remains grounded in relevant theory while also allowing for the emergence of insights through the researcher's creative thinking. Therefore, it is often recommended to employ both deductive and inductive approaches to achieve a more comprehensive and nuanced understanding of the data (Hirsjärvi & Hurme 2001, 150).

Content analysis commonly includes the process of counting expressions and calculating frequencies within the data. This method serves as a way to generate clusters of themes or categories. (Stemler 2001, 1.)

In practise, coding research data is fundamentally centered on the process of identifying connections and patterns within the dataset. It involves systematically organizing and categorizing information to uncover meaningful insights and themes, ultimately contributing to a deeper understanding of the research topic. (Hirsjärvi & Hurme 2001, 147.)

Interpretations often begin to surface during the coding process. Essentially, these interpretations are intended to construct a narrative and provide explanations regarding the research findings. They help researchers make sense of the data and convey the story it tells in a coherent and meaningful manner. (Marshall & Rossmann 1999, 219; Hirsjärvi & Hurme 2001, 152).

In the context of this development project, the process of immersing in the data was accomplished through the review of transcriptions generated from the recorded material. Themed interviews are commonly processed through thematic analysis rather than transcribing word-for-word (Hirsjärvi & Hurme 2001, 138-140). In this study, this approach was facilitated first by utilizing the automatic transcription functionality provided by Microsoft Word. Although the transcriptions were not flawless due to the use of the Finnish language, which may not be fully understood by American software, they were still comprehensible and provided valuable written documentation of the spoken material. The recordings were also consulted to verify certain segments of the transcriptions.

Following the automatic transcriptions, the thesis author meticulously reviewed each text and made annotations on the private research wall within the Miro whiteboard. These annotations

focused on the most critical topics and comments. Additionally, during this phase, the material was translated into English.

The notes extracted from the transcripts were incorporated into the private research wall within Miro. These notes were color-coded to match each interviewee and were initially categorized according to the interview themes. A more comprehensive data coding process was carried out after all interviews had been conducted and processed.

One of the interviewees requested to review the notes taken from the transcript, and these notes were promptly shared with them. Subsequently, the interviewee contributed an additional comment and provided approval for the use of the notes in further proceedings.

In the data analysis process, the initial approach employed was a priori coding, also known as deductive approach. This method involved categorizing data based on a predetermined theoretical framework. The foundational framework used as the basis for this approach was the B2B Elements of Value theory developed by Almqvist, Cleghorn, and Sherer (2018). Notably, this same framework had been utilised when developing the interview themes to delineate the elements considered valuable in the collaboration between the case company and universities.

The B2B elements of value theory (Almqvist, Cleghorn & Sherer, 2018) described in Chapter 2.1, consists of five layers within the value pyramid, encompassing ten themes (purpose, career, personal, productivity, access, relationship, operational, strategic, economic, and performance). These themes served as the primary categories during the coding process of the interview notes.

The primary objective of utilising the B2B Elements of Value theory in coding was twofold. Firstly, it aimed to ascertain the predominant level at which collaboration in continuous learning digital design primarily occurs. Secondly, it sought to identify if there were specific levels where the case company could enhance or expand its service offerings. To provide more concrete examples of what each category encompasses, the elements of value were integrated within the categories.

Once the sticky notes were organised around the initial themes, a more detailed examination was conducted within each theme. Similar mentions across multiple interviewees were highlighted and employed to create smaller and more precise content clusters, as indicated by the circled portions in Figure 11 below.

The recurring themes identified through this process were subsequently used to further code the materials and establish new categories, following an emergent coding/inductive approach.

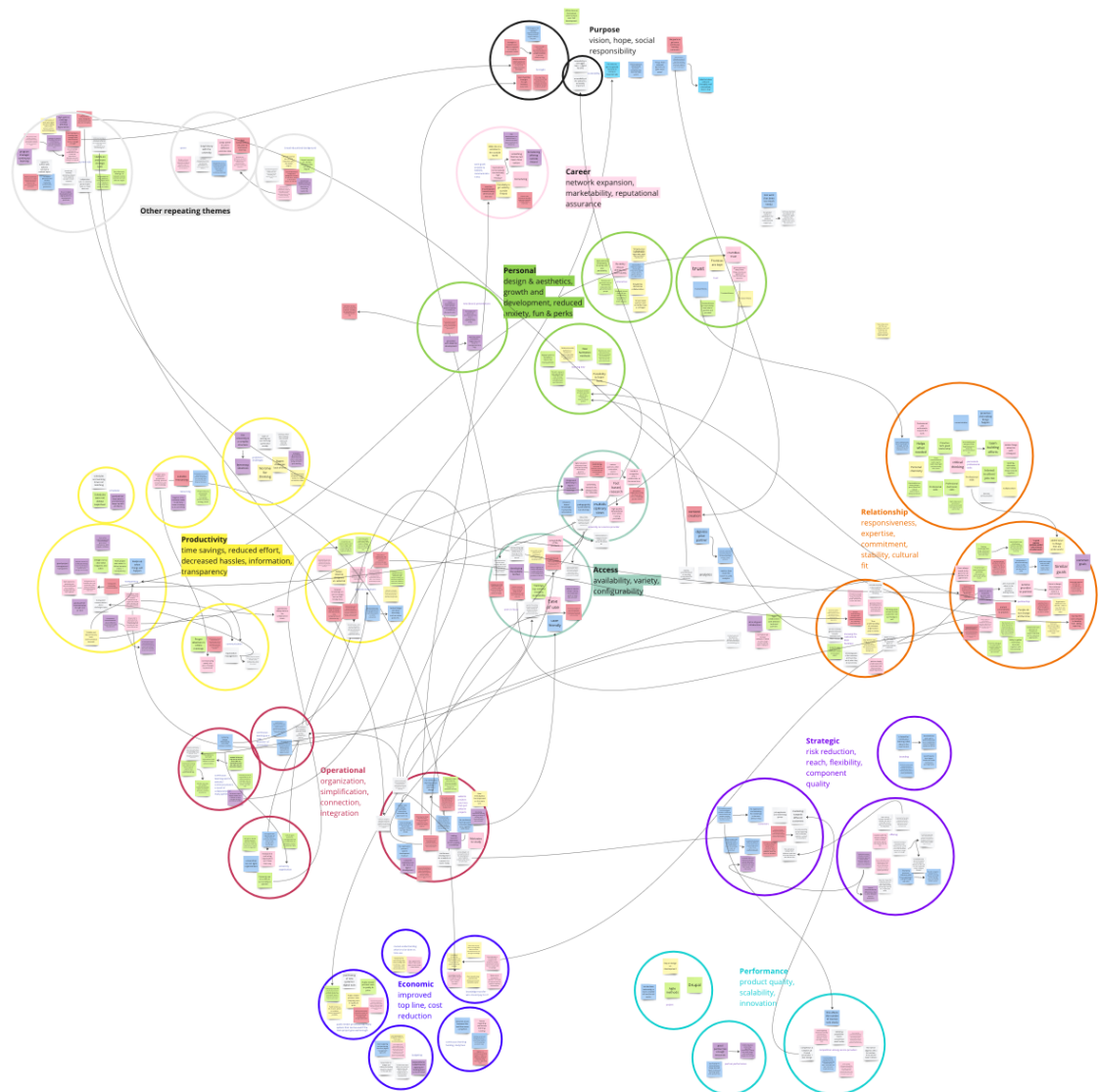


Figure 10: A screenshot from the Miro board with coded interview data

The analysis of the interviews using the B2B Elements of Value framework revealed that the middle layer, "ease of doing business with," gathered the most mentions. This finding aligns with the observation made by Almqvist, Cleghorn, and Sherer (2018), who note that this emphasis on the middle layer is often the case, particularly with IT companies. Customers tend to place importance on both functional and emotional value elements, and elements within the group category appear to have the most significant impact on customer satisfaction within the IT industry (Almqvist, Cleghorn & Sherer, 2018).

The interviews brought to light several key themes that customers prioritise, with "Productivity" and "Relationship" emerging as the largest groups. This suggests that while the work is perceived as practical and aimed at solving concrete issues, interpersonal relationships and expertise within the field are highly valued.

Furthermore, certain topics received multiple mentions, including the importance of trustworthiness, which the interviewees considered an essential attribute in a partner. Additionally, transparency in projects, particularly through communication and project management, was a recurring theme in all interviews. This indicates that customers place a strong emphasis on staying informed about project progress and understanding the reasons behind project-related decisions.

Interpreting and visualising data

Visual communication is a fundamental principle in design thinking, and it is employed through various service design methods (Segerström 2010, 18). It serves as a valuable means of interpreting data by transforming it into a format that is readily presented, discussed, and leveraged further (Polaine et al. 2013, 73; Segerström 2010, 44). Another important aspect is that visualizations help maintain empathy towards users by making data more tangible and human-centered (Segerström 2010, 45).

The selection of visualization methods should align with the needs of the target audience and the specific use case (Ojasalo & Ojasalo 2018, 87; Stickdorn et al. 2018, 241; Segerström 2009, 41). For instance, certain methods were recommended for use with the SLBMC to facilitate ideation for various blocks within the canvas. As explained previously, in this study, interviews served as the primary data collection method because they can provide information relevant to all the blocks (Ojasalo & Ojasalo 2018, 87). However, additional methods were employed to interpret and communicate the data. The visualization methods were primarily used to convey the research insights to the CLF BU team, and it was deemed important to select methods familiar to the team. Furthermore, given the scope of this thesis, a limited number of methods were utilised. Consequently, the methods were chosen to encompass several blocks of the canvas, offering a comprehensive view to the team for further ideation. Two such methods included journey mapping and personas.

A customer journey map is a tool that illustrates a user's experience when using a service. It can visualize an existing customer journey or an ideal one (Stickdorn et al. 2018, 286). A customer journey map breaks down the service experience into various stages and includes significant touchpoints where the user interacts with the service provider. These maps often incorporate the user's emotional experiences. (Segerström 2009, 26; Kumar & LaConte 2013,

183.) Customer journey maps can help identify potential opportunities and issues within a service experience (Kumar & LaConte 2013, 183), thus providing insights on how to improve a service.

To create a customer journey map, the customer's main activities are first identified, and then smaller activities are grouped under them. These activities are placed on a timeline, along with possible comments and pain points to illustrate the emotional experiences. (Kumar & LaConte 2013, 183.) Ideally, the map is constructed by following an actual customer in a service setting (Segerström 2009, 26). However, it can also be created using knowledge gathered from various sources, including insights from the service provider's staff and feedback from customers themselves (Polaine et al. 2013, 95).

A customer journey map is a method that can provide valuable insights for the SLBMC, particularly regarding aspects related to interaction, resources, partners, and the other practicalities of co-creating value (Ojasalo & Ojasalo 2018, 88).

The second visualization method, personas, involves creating representations of example customers or target groups. These personas are designed to illustrate their motivations, needs, and what they value, among other characteristics. It is crucial that all the data incorporated into personas is derived from actual evidence gathered through research on real customers rather than being based on assumptions or generalizations. (Segerström 2009, 30; Stickdorn et al. 2018, 282-285.)

The purpose of personas is to construct a comprehensive description of a relatable customer group that can be used for empathy and to evaluate ideas and designs (Segerström 2009, 30; Stickdorn et al. 2018, 282). Essentially, personas serve to offer different perspectives on the same subject, ensuring that developed services and other offerings cater to customers' needs rather than just designers' preferences (Tuulaniemi 2011 154-156).

Personas are typically constructed based on customer interviews, and the information gathered is analyzed to identify commonalities and attributes. This information is then used to create detailed descriptions of personas that represent specific customer groups or segments. Personas frequently incorporate names, images, and brief biographies to humanize and make them more relatable. (Segerström 2009, 30; Kumar & LaConte 2013, 211.) It is often recommended to include demographic information in personas to enhance empathy (Kumar & LaConte 2013, 211). However, there has been ongoing discussion online and on social media regarding what information should be included in personas. Some argue that demographics can make the persona feel more real, which can be true, but certain information may also introduce biases. For instance, age, especially when combined with

assumed digital skills, can be a factor that introduces bias. In fact, the case company has opted not to include demographics in the personas they create, as they prioritize describing customer behavior over other details.

Personas can be effectively employed within the context of SLBMC to offer insights, particularly pertaining to the initial blocks directly related to customers and their preferences, as well as for the value proposition, value creation, and interaction and co-production blocks (Ojasalo & Ojasalo 2018, 88).

After the initial analysis of the interviews using the B2B elements of value framework, it was necessary to conduct further analysis and transform the materials into a format that could be effectively communicated to the business unit team in a comprehensible manner and be used for further ideation in a workshop.

The customer journey map was the initial visualisation exercise that incorporated data from interviews and the thesis author's experiences in similar customer projects. The goal was to outline a high-level map of the main phases and key steps a continuous learning university customer takes during the collaboration with the case company, instead of a detailed map explaining all the details related to the collaboration (Stickdorn et al. 2018, 286).

The construction of the journey map began with an outline of the main phases based on the thesis author's prior knowledge. However, a review of the interview data indicated that the primary phases in a continuous learning service design project often loop back to the necessity for another project, such as a major website overhaul, which, in turn, is contingent on the public tender process required to initiate such a project, as detailed in chapter 1.2. Furthermore, the interviews uncovered distinct phases for the main website project and the continuous learning design project, which can run concurrently and involve different personnel within both the university and the case company. The individual responsible for continuous learning typically does not play a pivotal role in the main website project but serves as an expert in the field when necessary.

After the main phases were outlined, they underwent a more detailed examination, with various steps for each phase added based on insights from the interviews and the author's prior knowledge of the case company's projects. The interviews also yielded some direct quotations related to the phases, which were incorporated into the journey map to provide a more concrete and descriptive representation.

In the end, the customer journey map bifurcates into two distinct paths: one continuing with the original website renewal project and the other commencing a new continuous learning project. Given this division of the journey map into the main website and the continuous

learning project, each involving different actors, a separate section listing the key actors in each phase was added to the map. Additionally, the interviews consistently highlighted the complexity of universities as organizations, indicating the involvement of multiple stakeholders in each stage. This complexity can lead to prolonged decision-making processes and the need to engage with multiple individuals. Including the actors in the journey map serves to enhance clarity and visually represents the intricacies of these projects in a straightforward manner.

As described, the customer journey map highlighted that the continuous learning customer is typically not the initial point of contact for the case company when engaging with new university customers. As a result, two personas were created to provide more detailed descriptions of the customers involved in continuous learning projects. The first persona represents the university communications manager, while the second persona represents the continuous learning manager. These personas exhibit numerous overlapping characteristics yet possess distinct objectives. Creating two personas was deemed valuable, particularly in the context of the Service Logic Business Model Canvas, which is meant to be customized for each target customer (Ojasalo & Ojasalo 2016, 86). Furthermore, it's worth noting that the interviewees themselves represented these two distinct customer groups.

The communications manager, as depicted in the communications persona card, typically serves as the primary point of contact at universities, especially in matters related to website renewal projects. This persona is also responsible for introducing the continuous learning persona to the case company. In essence, these two personas play distinct roles at various stages of the university customer's journey, a crucial insight that can significantly impact the case company's future sales strategies and processes.

The color coding of the interview notes, with each interviewee's notes represented by different colored post-its in Miro, facilitated the process of distinguishing between the two customer types even after clustering and reorganizing the notes during the analysis phase.

To enhance the personas' relatability, a list of the main challenges each persona faces was created based on insights from the interviews. Additionally, two direct quotes from the interviews were included in each persona to provide a better understanding of their mindset and emphasize the differences between the two personas. The communications persona emphasizes interpersonal skills and communication, while the continuous learning persona focuses on final results and value creation.

It's important to note that these personas intentionally omitted demographic information, such as age or gender, as it was deemed irrelevant for this specific case. Stereotypical personas were avoided to ensure their usefulness (Stickdorn et al. 2018, 285).

The initial versions of the personas (see Appendix 2) were organized based on the B2B elements of value framework to emphasize the various aspects that the personas value and their corresponding needs. Using the framework as a foundation for the persona cards aimed to illustrate the general or objective nature of the personas' needs. Furthermore, the focus was on value co-creation efforts and collaboration. These initial personas were utilised in the internal ideation workshop with the business unit team, which will be described in the following chapter. However, it became apparent that the team needed an introduction to the B2B elements of value framework to fully comprehend the different needs represented in the persona cards. As a result, a revised version of the personas was created later to make them accessible for the entire case company.

Considering the case company's interest in AI and its use of ChatGPT in certain projects, it was decided to test its application in the creation of the final personas to assess whether it could enhance the case study and be beneficial in design processes involving personas.

The contents of the initial versions of the persona cards were utilised as background material and input into ChatGPT. The AI was tasked with summarising the provided information and grouping it into descriptive headings which can be used in a persona card. While the service provided some inaccurate information that did not align with the interview data, the most valuable outcome was the new categorisation of the persona card contents. The contents were reorganised under new headings that offer a better overview of the personas and their perspectives. These headings align with many existing persona templates and include Challenges, Goals, Needs, Motivations, and Preferred collaboration approach (ChatGPT). The fifth heading, Preferred collaboration approach, emerged from the interview data itself, as collaboration with partners was one of the interview themes and is considered a crucial factor in service design, which fundamentally involves human-to-human interactions.

ChatGPT also partially rephrased the contents of the persona cards. The thesis author diligently reviewed all bullet points to ensure that the contents were accurate and aligned with the interviews and existing customer knowledge.

The final versions of the customer journey map and personas are presented in greater detail in Chapter 4.1, Design Outcomes.

3.3 Develop phase: co-ideating and developing the business model

In the Develop phase, the primary focus is on ideation and the development of solutions, as the name suggests (Tschimmel 2012, 9; Design Council 2019). This phase involves applying divergent thinking, in contrast to convergent thinking, which means the goal is to generate a multitude of ideas by freely combining various materials and often involves multiple individuals in the ideation process (Tuulaniemi 2011, 113; Stickdorn et al. 2018, 192). Ideation is an iterative process, and this phase may encompass several steps where ideas are refined towards implementation (Stickdorn et al. 2018, 367). To summarise, in the Develop phase, the work conducted in the case study project up to that point was presented to the business unit team. The outcomes served as background information for generating further ideas in a workshop setting. Following collaborative ideation, the initial version of the business unit's business model was completed by the thesis author.

In terms of the SLBMC process, the Develop phase is the final phase where the full application of the canvas for each customer profile takes place (Ojasalo & Ojasalo 2018, 86). However, it represents the full version but is not necessarily the final version, as per the principles of design, iteration should be applied based on testing efforts, which will be described briefly in chapter 3.4.

Ideation workshop with the business unit team

The ideation workshop aimed to generate numerous ideas for the new business model, which is typically best achieved in a group setting (Tuulaniemi 2011, 182-190). Therefore, the business unit team was invited to participate in an ideation workshop, which was held on June 26th.

The workshop followed a similar structure to the first workshop with the team, with the main difference being that it was conducted online using the Google Meet platform. However, this change in format did not significantly impact the workshop's plans, as the materials and collaboration were organized using the Miro whiteboard tool, similar to the first workshop. The team was already accustomed to working effectively online. The two-hour workshop was split into two halves: the first half involved sharing information and discussing background data, while the latter half was dedicated to ideation.

The primary objectives of the workshop were to disseminate key research findings and collaboratively generate new ideas for the business unit's business model. This was accomplished by leveraging the Business Model Navigator's 60 business model patterns, guided by the principle of "creative imitation" as discussed in Chapter 2.2 (Gassman, Frankenberger, Choudury 2021, 64; BMI Lab a, no date).

Ideation is often seen as a crucial phase in the design process, but it's important to recognize that all the activities leading up to ideation are equally essential (Stickdorn et al. 2018, 363). Therefore, in the Develop phase, it's crucial to use all the gathered material to inform and inspire new ideas. Before diving into ideation, a comprehensive presentation and discussion of the work done up to that point is necessary to ensure that all participants have a shared understanding and are on the same page.

There are numerous techniques for ideation, with brainstorming being one of the most well-known. The core concept behind brainstorming is to generate a large number of ideas rapidly within a short time frame, without subjecting them to criticism or evaluation. (Stickdorn et al. 2018, 404). After a brainstorming session, the generated ideas can be discussed and developed further. This collaborative process allows for refinement and the identification of the most promising ideas.

The workshop materials were prepared on the same Miro whiteboard that the team used for the light application version of the SLBMC. These materials consisted of a presentation summarizing the development process up to that point, with a focus on the interviews and their findings. An introduction to the B2B elements of value framework and its role in the process was also provided. The journey map and the initial versions of the persona cards were included in the materials for the thesis author to present to the team during the workshop. These materials were intended to provide context and background for the ideation process.

The ideation part of the workshop was planned using ideation guidelines provided by BMI Lab, a website associated with the Business Model Navigator book authored by Gassman, Frankenberger, Choudury (2020, 271). These materials included business model pattern cards, which were summarized and added as cards in Miro, along with tips for ideation with the cards (BMI Lab b, no date; Gassman, Frankenberger, Choudury 2020, 64). The business model patterns were introduced to the ideation process as additional tools to stimulate creative thinking and provide more options for ideation.

In the business model pattern ideation tips (BMI Lab b, no date), it was suggested to pre-select six business model patterns to serve as the foundation for ideation. However, the decision was made to present all the patterns to the team and then collectively prioritise the six most relevant ones to explore further through short ideation discussions. Since there hadn't been previous discussions about business model mechanics within the team, it was deemed important to provide a comprehensive overview and stimulate deeper consideration. It was acknowledged that the volume of information might be overwhelming initially.

Once again, the thesis author played the role of facilitator, primarily responsible for preparations, presenting materials and tasks, and keeping the workshop on schedule. However, complete neutrality as a facilitator was challenging due to the small number of participants. Therefore, the thesis author made it clear when their role shifted from facilitator to participant during the ideation phase.

The first 45 minutes of the workshop were dedicated to presenting and discussing the research process, as well as the creation of the journey map and personas. The interviews, which served as the primary data-gathering method, were explained in more detail, along with the B2B Elements of Value framework, which was used to plan the interviews and analyse the data. The visualised outcomes of the Discover phase were also presented to the team, including the two personas and the customer journey map. These materials were explained comprehensively, and the key findings were highlighted.

Following this presentation, a brief discussion of the findings and the research process occurred. The team found that the personas helped clarify the different roles within universities as customers of the case company. Additionally, they appreciated the detailed specification of various needs, which was deemed beneficial for fostering mutual understanding and guiding project operations. The persona cards were also seen as valuable tools for crafting effective sales pitches targeted at other universities and educational institutions offering continuous learning.

During the workshop, the role of continuous learning within universities was a topic of discussion. While it was acknowledged as being of high importance, it was also recognised that continuous learning is often secondary to degree studies or research, which are the primary missions of universities. However, it was noted that the role of continuous learning is continually evolving, especially due to changes in funding and government decisions that are expected to arise in the coming years.

As a result, the team emphasised the need to further explore and drive the topic, particularly by engaging in continuous development efforts with existing customers. The team believed that their understanding of the subject and experience of working with universities could serve as a selling point for new customers, even if those customers weren't initially ready to undertake large digital service design projects to create entirely new solutions.

Following the presentation and discussion, a short break was taken before proceeding to the main focus of the workshop, which was to generate additional ideas for the business model of the business unit.

During the workshop, all the business model patterns were made available on the Miro board to provide participants with an overview of potential ideas. The process involved two key steps:

First, the team reviewed the business model pattern summary cards. Each participant was asked to select and mark ten of the most appealing cards based on their understanding of the case company, its competencies, projects, and objectives. These selections were then aggregated, and the six cards with most markings were identified for closer examination. This task proved to be challenging given the limited time available, as there was a considerable number of business model ideas to consider, and comprehending the objectives of each model required time and thought. Despite these challenges, the team successfully prioritised the seven most intriguing patterns to explore further in the ideation process.

The ideation process involved five-minute brainstorming sessions and five-minute discussions for each of the selected business model patterns. The central question being addressed was, "How could the business model idea represented by this pattern be applied to the business unit, and how would it benefit the case company's existing and potential customers?" These brainstorming and discussion sessions led to the generation of multiple ideas for each pattern.

Following the discussions, the participants reviewed the ideas and individually marked those they believed had the most business potential, as well as those that had the least potential. Additionally, they identified ideas that could be implemented quickly and those that would require more internal development before being brought to market.

This ideation process allowed the team to explore various business model ideas and assess their potential impact on the case company and its customers. It helped generate a pool of innovative concepts for further consideration.

In summary, numerous promising starting points were generated during the ideation process. However, the majority of these ideas would require further internal development before being ready for market implementation. Nonetheless, two ideas stood out. These two ideas were considered to have both high business potential and a relatively swift implementation timeline. One idea was related to the Open Business model and the other to the Self-Service Business model.

The Self-Service business model involves outsourcing part of the value creation to the customer, resulting in resource savings for the company and cost and time savings for the customer (Gassman, Frankenberger & Choudury 2020, 202-204). A classic example of this model is IKEA, which designs and sells furniture but leaves the assembly to customers.

In the context of design, the Self-Service business model could be implemented by offering training and educational resources to customers. Many design and tech agencies currently provide training to their customers on various topics, enabling them to achieve more independently. Another possible implementation of this model could involve offering materials for organizing workshops, empowering customers to take a more active role in their projects.

The Open Business model is centered around actively seeking opportunities for collaboration. This model allows the value creation process to involve various external parties, with flexibility to adapt to each situation. This collaborative approach can open up new market opportunities and provide opportunities for skill development. (Gassman, Frankenberger, Choudury 2021, 165.) However, it also requires a proactive and change-embracing mindset.

While both the Self-Service and Open Business models generated ideas, the team did not see the Self-Service model ideas as having strong business potential compared to the Open Business model ideas. Therefore, the Self-Service model ideas will not be further developed into a complete business model at this stage, leaving the focus on exploring possibilities related to the Open Business model.

The business unit's team envisions the Open Business model as a means to become an active company that seeks to establish an ecosystem of collaborators focused on delivering the best possible benefits to the customer and offering the expertise required for various projects. They understand that building and maintaining such an ecosystem requires considerable time, effort, and proactivity. Therefore, the team believes that it should be developed incrementally through projects. The case company has already initiated steps in this direction by forming partnerships, especially with technical partners, which presents an opportunity to streamline processes further.

Next, the ideas related to the Open Business model will be integrated with all the customer insights obtained from the interviews to create the initial versions of a Service Logic Business Model Canvas.

Service Logic Business Model utilising the Open Business model ideas

The SLBMC process suggests progressing from a light application version to utilizing service design methods and developing the full business model for each targeted customer profile (Ojasalo & Ojasalo 2018, 85). As demonstrated earlier, the interviews resulted in two partially overlapping persona cards instead of just one. Therefore, there was a need to construct two SLBMCs, one for each customer persona.

The light application version of the SLBMC served as a solid foundation for the project and demonstrated the existence of deep customer knowledge within the business unit. Many of the insights outlined in the light application version were reinforced during the interviews. These insights included the importance of transparent communication and the necessity of tailoring processes and tools to suit the specific needs of each customer.

The first complete SLBMCs were developed by the thesis author, drawing upon the ideas generated by the business unit team, the personas, the journey map, interview data, desk research, and prior knowledge. These SLBMCs were assembled in the Miro whiteboard to facilitate further development through an iterative process, including business model testing, which will be briefly discussed later in this thesis.

The most significant enhancements to the light application version of the SLBMC were introduced through the new ideas associated with the Open Business model. These ideas emerged during the co-ideation workshop with the team. It became evident that the case company's collaboration with partners could offer benefits to both personas by assembling a larger team with a broader range of skills and expertise to serve customers when needed.

Since the personas overlap in many aspects, the business models exhibit significant similarities across various blocks. The most pronounced differences are observed in the initial three blocks: *Customers' World and Desire for Ideal Value*, *Value Proposition*, and *Value Creation*. These blocks are closely connected to the concept of value and how it is perceived and co-created. These differences are to be expected as the personas have distinct roles and objectives within the universities, which results in varying desires that can be translated into different value propositions.

The case company has established valuable contacts and possesses deep knowledge of university customers and continuous learning, which is generally well-regarded by customers. However, being a relatively small company with only around 15 employees, there are specific skills and expertise that the company currently lacks but which could be highly beneficial in the context of continuous learning projects and enhancing customer service. These missing skills include technical development and content production, which are integral to website renewal projects and other related initiatives.

The adoption of the Open Business model could potentially enable the business unit to leverage various partners who can collaborate in serving the same customer, adding coordination responsibilities for the CLF BU. While this approach is not entirely new to the case company, as it has previously engaged with technical partners, implementing the new business model could lead to a more comprehensive and structured collaboration framework.

In this model, the case company could maintain its core competencies in design and consulting while taking on the role of a coordinator tasked with identifying the most suitable partners and orchestrating customer projects effectively.

The subsequent chapter will provide a detailed presentation of the business models, emphasizing the distinctions between the two proposed models.

The development of the business models for the business unit has reached this stage within the scope of this thesis project. However, it's essential to acknowledge that the process could benefit from further refinement and enhancement. Due to the time constraints within the case company, it wasn't possible to fully elaborate on and iterate upon the business models.

To facilitate the further development and refinement of the business models, it is advisable for the case company to consider arranging a collaborative workshop involving the business unit team and company management. Such a workshop could yield a more comprehensive perspective, generate additional insights, and enhance the initial business model concepts.

In Chapter 4.2, recommendations for the case company's subsequent actions are delineated, encompassing guidance on testing and iterating the business model to ensure its efficacy and alignment with the company's strategic objectives.

4 Outcomes of the development project

The final outcomes of the development project will be detailed in the subsequent chapters. Furthermore, recommendations for ongoing progress are provided to guide the case company in advancing into the final Deliver phase, as per the Double Diamond design process.

In the initial Discover phase of the development project, knowledge was acquired through a combination of desk research, internal workshop, and customer interviews.

The desk research primarily centered on the case company's competitors. The key findings of this research were summarised in Table 3 within Chapter 3.1. Additionally, a detailed examination of ten companies operating with a broad offering was conducted, which involved compiling information on their offerings, descriptions, and brand promises. This table has been shared with the company and can be accessed in Appendix 3.

The desk research revealed that many companies offer similar services to the case company, but they do not emphasise continuous learning as a specific expertise area. This presents an opportunity for the case company to differentiate itself.

Overall, competitors tend to focus on explaining their methods and services rather than highlighting their specific subject matter knowledge. However, some companies appear to concentrate on serving customers in specific sectors, such as culture, indicating a depth of knowledge and interest in those areas. To leverage this, it is recommended that the case company's business unit develop customer cases that demonstrate their focus and expertise.

The internal workshop to do the light application version of the SLBMC was described in chapter 3.2 and it provided valuable insights to plan ahead to the interviews, as well as in developing the full version of the SLBMC.

The customer interviews provided valuable insights into the customers' perspectives and reaffirmed some of the case company's existing knowledge. Furthermore, the interviews revealed that certain aspects were even more highly valued by customers than previously recognized. For instance, the significance of transparency in communication and project management emerged as a critical factor. This heightened importance of transparency could be attributed to the complexity of the customers' work and operating environment, where clarity is highly sought after and often demanded from external partners like the case company.

Table 6 Key findings from the interviews

Transparency & trust	Transparency, from the perspective of university customers, encompasses several key elements. It involves staying informed about the ongoing activities and understanding the reasons behind decisions and actions. Additionally, transparency entails providing clear project plans and accurate estimates regarding the time required for tasks and their sizes. Furthermore, openly communicating challenges and obstacles is essential, as it not only fosters trust but is also viewed as a fundamental aspect of effective collaboration.
Facilitating collaboration and aiming for clarity	Continuous learning managers in universities grapple with understanding their roles in light of recent developments and changes in the field. To aid them, facilitating interdepartmental collaboration and developing clear internal concepts is crucial.

Customer-centricity	Universities aspire to adopt a customer-centric approach, yet their existing processes, mindset, and terminology often fall short. Consequently, external partners should consistently emphasize the importance of gathering customer insights to help universities become more customer-centric.
Facilitating compromises	Given the complex and multifaceted nature of universities, where continuous learning spans various units and faculties, effective collaboration and mediation between divergent perspectives are crucial. External partners are often best suited to facilitate this role.
External provider's role	External providers are typically engaged for tasks that fall outside the core competencies of the university. This is particularly true for strategic initiatives that demand innovative thinking and expertise beyond the university's daily operations and challenges.
Internal projects	Communication and continuous learning staff within universities primarily cater to internal clients and often manage a multitude of projects that may not be readily apparent to external partners.
Proactivity & challenging the status quo	Proactivity is highly regarded, even when it involves challenging established university practices. However, such challenges should be approached with tact and substantiated by user data or other credible sources.
Knowledge transfer	Knowledge transfer and associated costs can become problematic, particularly in cases of frequent personnel changes within the provider's team or when customers perceive the need to repeatedly explain the same concepts.
Team-building	Genuine, open communication and team-building efforts are highly valued, as they contribute to smoother and more enjoyable collaborations.

The findings demonstrate that customer needs encompass a wide range of elements, from service provider's operational processes to larger strategic objectives that universities may pursue. For instance, a focus on transparency through improved communication fosters trust and can be taken more into account in the case company's projects. Similarly, incorporating team-building efforts even more into projects can foster more collegial relationships, ultimately enhancing overall collaboration. Knowledge transfer poses challenges, as even well-documented projects may still lose valuable tacit knowledge when team members depart. This issue can be addressed, at least in part, through more comprehensive documentation, though this often requires additional project budget.

In universities striving for greater customer-centricity, facilitating collaboration between various university units and faculties, as well as mediating compromises, aligns with the case company's existing competencies. However, to concretely demonstrate a university's customer-centric approach or the outcomes of enhanced inter-unit collaboration, the case company may need to acquire additional expertise.

4.1 The design outcomes

The key design outcomes generated during the development project included a basic customer journey map illustrating the collaboration between the continuous learning customer and the case company, along with two persona cards representing the two customer segments engaged in digital service design projects related to continuous learning. These materials were created by leveraging existing customer insights and the structured interviews conducted with customers.

The customer journey map

The customer journey map was developed in a low-fidelity format, depicted in Figure 14. It serves as a simplified representation of the complete journey undertaken by continuous learning customers when engaging in digital service design projects with the case company. This map outlines the various phases, detailed steps, customer perspectives, and primary actors involved in each phase of the journey.

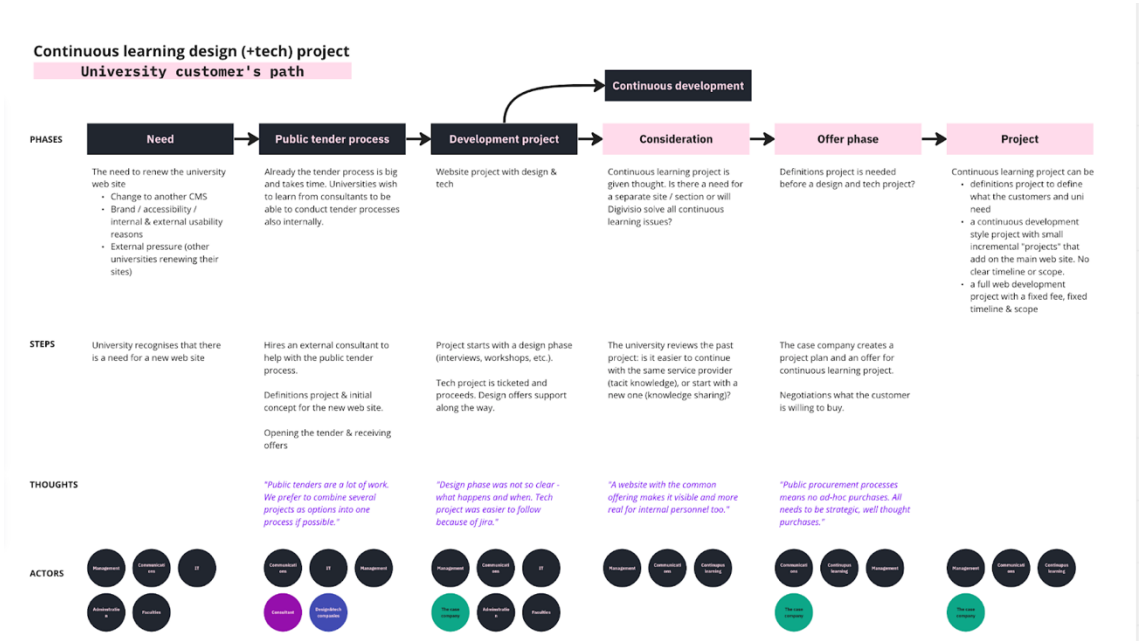


Figure 11: The low-fidelity customer journey map illustrating the university customer’s path with the case company

The first noteworthy finding pertaining to the customer's journey with the case company is that all continuous learning projects were secured through a public tender process. These tenders were primarily initiated to seek providers for the development of new university websites, with the option to include continuous learning website projects if the initial website project proved successful. This aspect has also been visually represented in the customer journey map.

The rationale behind this approach lies in the fact that public tender processes are often complex and resource-intensive. Consequently, many options, including continuous learning projects, are included in these tenders as a way to streamline future work. These options may or may not be utilized, depending on the success of the initial project or changing circumstances and needs within the university.

The second notable finding highlighted in the customer journey map is the need for a detailed offer even after a project has been included as an option in a public tender process. This offer can be exclusively provided by the company that initially secured the tender. This is advantageous for the chosen provider, as creating the second offer is typically a smoother process. The external partner has already gained valuable insights about the customer and their specific requirements during the main project, simplifying the subsequent offer preparation.

The third significant finding reflected in the customer journey map is the perception that universities are demanding customers, a sentiment shared even by the employees themselves. This high demand is attributed to the sheer size and intricate organizational structures of universities, as well as the absence of established collaboration practices between various units and faculties. The complexity of university operations is evident in the customer journey, where numerous internal actors from different departments and phases are involved. Consequently, having a deep understanding of the customer and their intricate processes is highly valued. Universities typically prefer to continue working with the same partner for subsequent projects, as it is deemed more manageable than starting anew with a different partner.

Nevertheless, the most pivotal insight derived from the journey mapping process highlighted that continuous learning remains a "side business" within universities. The predominant focus of universities revolves around research and degree offerings. However, it is worth noting that this paradigm may undergo transformation in the future. Changes in funding dynamics and the advent of a new government in Finland, which commenced in June 2023, with intentions to reduce higher education funding, may underscore the importance of universities' capacity to engage in commercial activities and generate financial gains, particularly through avenues such as continuous learning.

The two persona cards

The second concrete design outcome of the development project comprises two persona cards, each representing distinct types of university customers involved in continuous learning related projects with the case company. These persona cards were meticulously crafted with the assistance of ChatGPT, as elaborated upon in Chapter 3.2.

Although the two personas fulfill different roles and grapple with distinct challenges within the university setting, they converge on shared values and principles. These commonalities include a resolute commitment to customer-centricity, a predisposition for collaboration, and a drive for continuous learning and personal development.

Both personas place great emphasis on transparent communication and require full visibility into the actions and contributions of their project partners. Proficiency in collaboration is held in high regard by both personas. Furthermore, they underscore the significance of their partner comprehending the intricacies of a university as an organization, characterised by its unique operational procedures, which might be comparatively slower and more bureaucratic than other organisations. Given their fiscal responsibilities, both personas also express a need

for consistent information exchange within partner teams and express a desire to work alongside consistent team members throughout project durations.



Figure 12: Final persona card for Cari Comms, the university communication manager

Cari Comms, the persona representing the Communications Manager (as shown in Figure 15), has extensive experience working at the university and possesses a diverse educational background. In their role, Cari is responsible for overseeing the university's online presence and enhancing various digital communication channels. Their daily tasks involve offering assistance and services to various internal clients within the university, each with unique and sometimes conflicting requirements and objectives. This dynamic role presents several challenges, including effective time management, handling diverse work tasks across multiple projects, and instigating internal changes within the bureaucratic and slow-paced university environment.

The persona, Cari Comms, is adaptable when it comes to various working methods and is accustomed to collaborating with numerous internal stakeholders. Transparency, effective communication, well-structured processes, and appropriate tools are vital aspects of Cari's collaboration preferences, along with precise and comprehensible budget estimations. To Cari, service design partners serve as the voice of the customer and act as external entities that bring clarity by offering an external perspective. Additionally, the persona views external consultants as valuable sources for teaching the university new working methodologies.

Cari appreciates collaborative partnerships that resemble working with colleagues and initiatives aimed at enhancing working methodologies: *"With good partners, it is always possible to find out the best ways to work - even if they are not perfect from the start."*



Figure 13: Final persona card for Lefty Contlearn, the continuous learning manager

The persona card for Lefty Contlearn, the continuous learning manager (Figure 16), also has a diverse educational background and a long history at the university, having held various roles over the years. Consequently, this persona possesses an in-depth understanding of the institution's internal operations. Lefty's responsibilities encompass the development of all facets related to continuous learning, including the curriculum, communication, and operational processes. Continuous learning is not confined to a single team or unit; it spans across all faculties and departments of the university.

Lefty Contlearn, the continuous learning manager, faces several challenges in their role. These include the need to establish continuous learning as a priority alongside the university's primary focus on degree studies, expanding the business both within Finland and beyond, and striking the right balance between being an expert and a team leader, particularly when leading other experts. Funding for continuous learning is another significant challenge that Lefty must contend with.

In terms of needs, Lefty requires transparent collaboration with external partners who have a deep understanding of the university's intricacies and a willingness to learn more about its complexities. Additionally, efficient resource allocation, agile external support, and the

ability to adapt to more customer-centric practices are essential. Lefty recognises the importance of interacting with customers to gain a deeper understanding of their needs and to determine the type of education that will best serve companies in an ever-changing world. Ultimately, the persona aspires to shape the future of learning and position the university as a leader in continuous learning.

Lefty Contlearn, being business-oriented, holds high expectations for partners: *"A good partner provides added value instead of added work."*

As mentioned, the personas partly overlap since projects exhibit multiple similarities and touchpoints. Both possess broad educational backgrounds and demonstrate a commitment to continuous self-development. They both embrace a customer-centric approach, although their respective customers differ: Cari primarily serves internal clients, while Lefty concentrates on external customers through continuous learning sales. Transparency in communication and processes is a crucial expectation from partners for both personas. They both recognize the value of external resources to support their work and appreciate partners who comprehend the university as an organization and express an interest in gaining further insights. Ultimately, both personas value colleague-like connections with their partners.

The differences between the personas are rooted in their respective responsibilities and areas of expertise. Cari's primary focus is managing the university's online presence and communication. In practice, this entails serving internal customers by ensuring the dissemination of their content through digital channels and developing those channels to best suit the university's purposes. Lefty's central role revolves around the development of continuous learning offerings. This includes planning new study topics based on data collected from customers and forecasting efforts. Additionally, Lefty seeks to foster cross-unit collaborations throughout the institution. In general, Lefty Contlearn exhibits a keener interest in gaining foresight compared to Cari Comms, considering it essential for crafting a relevant continuous learning offering tailored to corporate customers. Likely influenced by the business-oriented nature of continuous learning, Lefty Contlearn places higher demands on service providers and partners. For instance, Lefty expects a rationale for the methodologies employed, alongside a preference for service providers with clear, customer-oriented processes across all their operations.

The Service Logic Business Model Canvases

The aim was to create a business model for the CLF BU. Since two distinct target personas were identified, two Service Logic Business Models were developed to cater to each customer group's specific needs. While these business models share many common elements, there are

differences in certain blocks, primarily in the continuous learning customer's model. Figure 17 shows the business models and their variations are highlighted in pink, while yellow sticky notes contain information that is consistent in both models. The business models can be seen in bigger size in Appendices 4 and 5.

University communications customer



University continuous learning customer

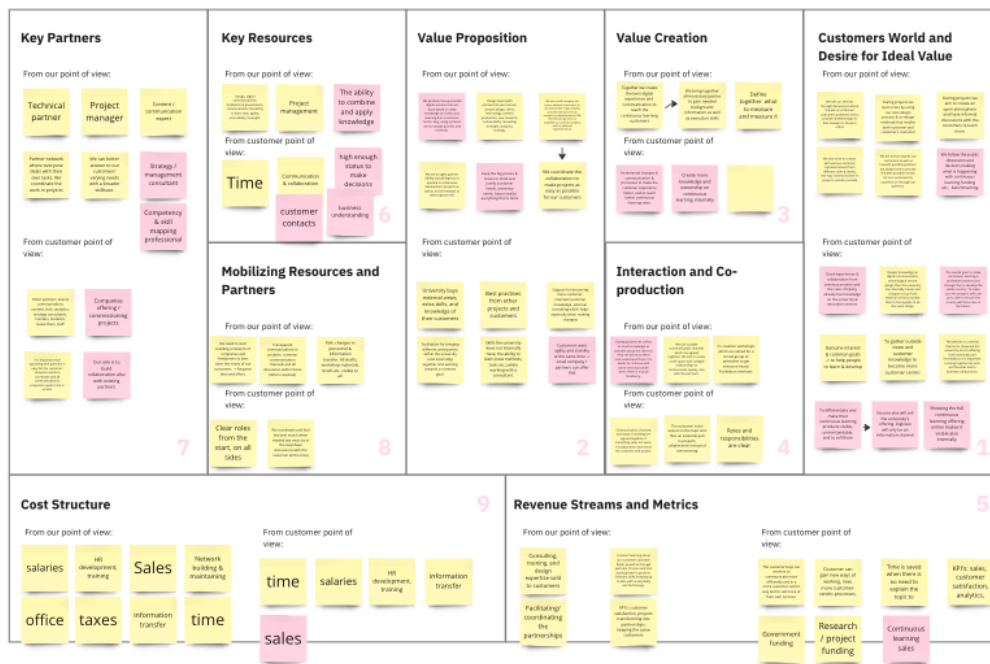


Figure 14: The two final business models and their differences highlighted

Next, the business model will be presented, with a block-by-block description. This overview will focus on the common elements shared by both business models. The distinctions and specific details for each business model will be addressed in subsequent sections.

Customer's World and Desire for Ideal Value	
<p>From our point of view: The case company initiates sales through in-depth discussions, allowing for a deep understanding of the customer's challenges and needs. This approach enables the company to tailor its proposals to genuinely address customer requirements. The discussion-oriented approach persists throughout projects, involving various customer representatives from different roles to foster a sense of teamwork and gather a more comprehensive understanding. In projects, the case company utilises its service design process to systematically gather information about end-users. The overarching goal is to proactively engage with customers and provide the best possible service, whether delivered directly by the case company or in collaboration with its partner network.</p>	<p>From the customer point of view: The customer recognises the necessity of having greater expertise in digital communication, design, and technology than is available in-house. Therefore, it is more pragmatic to engage external service providers to fulfill these needs. The shared objectives with external partners streamline the work and foster mutual learning. The university's aspiration is to enhance its customer-centricity by acquiring more customer insights. Since the website serves as a central channel for showcasing the university and its offerings both externally and internally, it is imperative to unite all units and faculties and facilitate collaborative efforts.</p>
Value Proposition	
<p>From our point of view: The case company provides customers with access to a comprehensive design team. Despite its small size, the company leverages its network of partners to offer a wide range of services, effectively functioning as a larger organization. The case company excels in identifying and engaging the most suitable partners to meet customer needs, taking on</p>	<p>From the customer point of view: The university essentially invests in acquiring additional expertise, fresh perspectives, and a deeper understanding of their customers. They also seek to acquire new skills, methodologies, and insights into best practices. The primary objective for the university is to enhance its customer-centricity, which necessitates external</p>

<p>the role of project coordinator to facilitate seamless collaboration between the customer and partners. This agile yet stable approach allows the company to adapt to varying requirements.</p>	<p>assistance capable of challenging established practices and mindsets.</p>
<p>Value Creation</p>	
<p>From our point of view: Value is generated by leveraging the collective knowledge and expertise of all involved parties, facilitated by the case company, with the ultimate goal of delivering the finest digital experience for the university's customers, staff, and other stakeholders. The specific metrics used may differ from one customer to another, underscoring the importance of collaborative efforts to determine what should be measured.</p>	<p>From the customer point of view: The university clients aspire to progressively improve their digital communication and internal workflows, aiming to better serve both their internal and external stakeholders while achieving improved sales outcomes.</p>
<p>Interaction and Co-production</p>	
<p>From our point of view: Interaction and co-production serve as the foundation of the business model. Communication channels and processes are collaboratively defined with customers, with the overarching objective of fostering open and collegial communication within projects and establishing a safe environment. Co-creation workshops are organised to bring together diverse stakeholders and generate fresh perspectives. The case company actively facilitates compromises and resolution, even in instances of divergent opinions.</p>	<p>From the customer point of view: Customers play a pivotal role in shaping processes and communication channels. Recognising their expertise in matters related to the university and their specific subjects, they are integral members of projects and are accorded the corresponding importance and authority.</p>
<p>Revenue Streams and Metrics</p>	
<p>From our point of view: The case company offers its expertise to customers through</p>	<p>From the customer point of view: Customers purchase services to enhance their</p>

<p>consulting and project engagements while also overseeing and orchestrating the partner network. To maintain a competitive edge, the case company must stay well-informed about the evolving landscape of universities, their operations, and their competitive landscape. Additionally, the case company must stay abreast of developments in skills, tools, processes, and other project-related aspects like accessibility standards. Key performance indicators (KPIs) encompass customer satisfaction, the expansion of projects into more extensive partnerships, and retaining customers.</p>	<p>communication efficiency and customer-centricity, ultimately aiming to increase their own service sales. Collaboration with the case company enables customers to acquire fresh work methodologies and tools, fostering the development of customer-oriented processes. Their funding stems from government allocations and contributions from institutions funding research and corporations procuring research and development services. Collaborating with a partner well-versed in the university's core operations can lead to substantial time savings. Key performance indicators (KPIs) comprise sales, applicant counts, media coverage, customer satisfaction, analytics, and funding metrics.</p>
<p>Key Resources</p>	
<p>From our point of view: The case company's key resources encompass a wide array of skills in design, digital communications, facilitation and presentation, communication, adaptability, and accessibility expertise. Additionally, project management and technical skills are essential resources required for successful operations.</p>	<p>From the customer point of view: Customers are required to invest time and effort in projects, even when outsourcing work to the case company. They also need to possess effective communication and collaboration skills to successfully navigate and participate in projects with the case company.</p>
<p>Key Partners</p>	
<p>From our point of view: The case company's key partners consist of technical partners, project managers, and content and communication experts. These partners collaborate within a network coordinated by the case company, with the goal of providing university customers with a broader skillset</p>	<p>From the customer point of view: Universities have a diverse range of partners, including those involved in brand management, communication, content development, technology, analytics, and strategic planning. Additionally, funders, students, researchers, and staff can be considered as partners in various capacities. It is essential that the</p>

<p>and a more extensive team to better meet their needs.</p>	<p>operation of the partner network is seamless for the customer, with coordinated efforts and unified communication and proposals. This ensures a smooth collaborative experience.</p>
<p>Mobilising Resources and Partners</p>	
<p>From our point of view: The case company initiates the partner search process by identifying potential partners, which can include companies or individual freelancers. This initial phase requires a significant investment of time and effort. Transparency in communication is crucial throughout projects to build trust, and the use of Non-Disclosure Agreements (NDAs) may be necessary to protect sensitive information. Communication channels are carefully chosen to support open and effective communication. The primary risk in this partnership approach lies in potential changes in personnel, which can impact information transfer. To mitigate this risk, all project materials should be accessible and transparent for all parties involved.</p>	<p>From the customer point of view: The customer must have a clear understanding of the roles and responsibilities of each partner right from the beginning. Since the case company serves as the coordinator, it should be included in all customer communications to ensure seamless collaboration among partners.</p>
<p>Cost Structure</p>	
<p>From our point of view: The case company incurs various costs, including salaries, administrative fees, training and internal development expenses, network building and maintenance, office rent, taxes, information transfer costs, and time investments. Income is primarily generated through customer sales.</p>	<p>From the customer point of view: Customers bear various costs, including salaries, administrative expenses, training and internal development costs, information transfer expenses, and time investments.</p>

As previously demonstrated in Figure 17 within this chapter, the primary distinctions between the two business models are predominantly found in the first block, *Customer's World and Desire for Ideal Value*. These differences stem from the distinct objectives of the two customer groups: one places emphasis on communication and the university's online presence, while the other seeks to drive continuous learning sales. The communication customer aspires to lead in digital equality through accessibility, which is essential for public organizations. In contrast, for the continuous learning customer, the case company commits to monitoring developments and decision-making in the field of continuous learning, as well as national and international benchmarks.

Interestingly, the second block, *Value Proposition*, and the third block, *Value Creation*, exhibit only slight disparities. These differences can be attributed to the somewhat similar methods employed to achieve the goals established in the first block. In the *Value Proposition* block, the variances are minimal, with the primary value proposition remaining the same for both customer groups. In this block, the focus for the communication customer is on facilitating collaboration among the university's various units and faculties, while for the continuous learning customer, the emphasis lies in highlighting the forward-looking nature of projects. Consequently, in the *Value Creation* block, differences emerge primarily from the customer's perspective, where the objectives vary - the continuous learning customer places an emphasis on sales and increasing internal significance, as well as introducing the entire university to the relatively new concept of continuous learning.

In the fourth block, *Interaction and Co-production*, the primary differences primarily lie on the customer's side. New partnerships for the communication customer are initiated through public procurement, with the initial engagement occurring through communications. On the other hand, the continuous learning projects are secured through successful collaboration and methodical information gathering about the customer. This information is then used to persuade the customer to continue working with the case company.

The *Revenue Streams and Metrics* blocks are nearly identical, with only one minor distinction: continuous learning generates revenue through continuous learning sales.

The *Key Partners* block includes some additional elements for the continuous learning customer. The case company envisions that the customer could benefit from management consulting services and expertise in competency and skill mapping within organisations by using service design methods. These services would serve the customer directly but could also be utilised to benefit end-users. For the customer, key partners include companies that can act both as partners and customers for the university, resulting in a mutually beneficial

relationship. Additionally, companies capable of commissioning or providing project work for students can be considered key partners for the continuous learning customer.

The final two blocks, *Mobilising Resources and Partners*, and *Cost Structure*, are nearly identical, with the exception that the continuous learning customer's costs include expenses related to sales activities.

The proposed business models do not represent a radical departure from the way the case company currently operates, especially with its partners handling the technological implementation of, for example, websites. However, the incorporation of the open business model pattern introduces new tasks and opportunities. As a result of this development project, it is recommended that the business unit initiates the formation of a network of collaborators who work together to meet the needs of a shared customer. These actors can be individual freelancers or companies, depending on their roles and the customer's needs. This approach allows the case company to address the challenges posed by its small size and limited capabilities while leveraging the knowledge gained from previous customer projects and conducting projects within its core competencies.

In summary, the business models emphasise collaboration between the case company (and its partners) and the customer, as well as the university's customers. This collaborative approach highlights the co-creation of value among all participants.

4.2 Recommendations for testing and iterating the business model

As mentioned in Chapter 2.2, testing is a crucial phase in business model development as it helps refine the model and validate its viability. Therefore, this chapter provides recommendations on how the case company can proceed with testing the business model before full implementation.

Given the case company's relatively small size and diverse team, it's sensible to commence the initial testing phase within the organization itself (Bland & Osterwalder 2020, 6). This internal testing can involve presenting and explaining the business model to the entire team to gauge their reactions and ensure alignment with the company's culture and values. This step is critical, as ideas that don't align with the corporate strategy or culture are more likely to fail (Gassmann, Frankenberger & Choudury 2020, 68).

Testing a business model should ensure that the model is desirable, feasible, and viable. Desirability refers to whether customers want the business model, primarily addressing the value and value creation aspects (blocks 1 to 4) of the canvas. It is crucial to create a business model that delivers value to customers. Feasibility, on the other hand, is often

reflected in business model blocks 6 to 8, focusing on partners, resources, and the ability to work effectively with those partners. In the case study's developed business model, it's essential to thoroughly assess the feasibility of the model, given its heavy reliance on partnerships. Viability of the business model is assessed through blocks 5 and 9, which depict revenue and costs and need to be balanced to create a sustainable and profitable business model (Bland & Osterwalder 2020, xi).

All three of these attributes should be assessed during the development of a business model (Bland & Osterwalder 2020, xi). As discussed in Chapter 2.2, business models are tested through hypotheses, which are essentially assumptions about the business model. While some initial assumptions are outlined below, it is recommended to gather additional assumptions by involving the entire case company in the business model evaluation process. These assumptions are categorized according to the three types of risks—desirability, feasibility, and viability—that must be addressed to create a successful business model.

Desirability

1. Customers perceive a network of providers similarly to a larger company offering equivalent services.
2. The network-style operating model demonstrates greater flexibility and agility compared to what a larger company could provide.
3. The case company effectively showcases its expertise in continuous learning and digital service design.
4. The case company effectively communicates the value it can contribute to projects.

Feasibility

1. There are companies and freelancers interested in collaborating with the case company.
2. Coordinating collaboration adds value to both partners and customers.
3. Information flow between partners can be facilitated seamlessly.
4. Competition among partners does not pose a problem.

Viability

1. Coordinating the network generates billable benefits.
2. Universities are interested in external collaboration to enhance their digital channels.
3. Collaboration processes between partners and customers can be streamlined to save time with established guidelines.

4. Collaborative projects with the case company lead to increased turnover for the customers.

In addition to the assumptions to be tested, it's crucial to include details about who will participate in the testing and define metrics to determine the success or failure of each hypothesis (Gassman, Frankenberger, Choudury 2020, 42-52). It's important to establish criteria for considering an assumption as either true or false, and determine how many times a consistent result must be obtained to apply it more broadly.

Some assumptions are aimed at partners or customers and should be tested with these specific stakeholders. However, certain assumptions should be tested with both parties, such as those listed under Desirability (assumptions 2 and 4), Feasibility (assumption 2), and Viability (assumptions 1 and 3).

As mentioned earlier in chapter 2.2, there are numerous testing formats to choose from, and testing can indeed be approached as a creative challenge. However, considering the constraints of limited time and resources in small companies like the case company, it's essential to select and design testing formats thoughtfully. These formats should serve multiple purposes and, if successful, can even be used as base for final materials. It's crucial to focus on creating user-friendly, modular content that describes the assumptions and can be easily incorporated into various contexts, such as sales presentations, online materials, or standalone brochures.

For instance, to test the assumption "Customers perceive a network of providers similarly to a larger company offering equivalent services," illustrations could be used. The first image would depict the network model, breaking down the project into smaller components, each managed by a separate partner while the case company coordinates the project. This image would highlight the benefits of transparency and clear responsibilities for each part of the project. The second image would illustrate the operating model of a larger company, where different project components are handled by separate in-house teams or outsourced entities, with a project manager overseeing the entire project. This image would showcase the advantages of simplicity in billing for customers but emphasise the potential lack of transparency when projects are outsourced within a large company.

By presenting these visual comparisons, feedback can be gathered from customers and stakeholders to validate or refute the assumption and understand their preferences and concerns. This approach effectively conveys the value proposition of the network model and its benefits in a clear and engaging manner.

Indeed, conducting the test as described could involve existing university customers or engage other universities in further discussions. However, it's crucial to plan the business model testing process in greater detail with the case company's team to ensure it can be executed systematically yet efficiently as part of other interactions with customers and potential partners. As emphasised by Bland & Osterwalder (2020), testing is a collaborative effort that aids in refining assumptions and developing improved materials for testing. Experimenting with various subjects and gathering diverse feedback is essential for a robust testing process (Bland & Osterwalder 2020, 22-23). This approach will help ensure that the business model is thoroughly evaluated and refined based on real-world insights and perspectives.

5 Conclusions and reflections

The thesis had the objective of constructing a business model for the case company's CLF BU (Continuous learning and foresight business unit). The theoretical framework of the thesis was rooted in value creation and co-creation theories, with a particular emphasis on the service-dominant logic and service logic. These theories underline that value is created through usage rather than being confined to an exchange process, which is the perspective of goods-dominant logic (Vargo & Lusch 2014, 25-27; Grönroos & Ravald 2011, 7).

Furthermore, the thesis explored the B2B Elements of Value framework, which seeks to delineate the aspects that business-to-business customers find valuable (Almqvist, Cleghorn & Sherer, 2018). It was discussed that the more measurable the value elements are, the closer they align with goods-dominant logic, whereas value perceived on a more personal level tends to align more with the service logic viewpoint.

The thesis also delved into three distinct business model frameworks: the Magic Triangle (Gassmann, Frankenberger & Choudury, 2020), the Business Model Canvas (Osterwalder 2004, 19-22; Osterwalder, Pigneur & Tucci, 2005), and the Service Logic Business Model Canvas (Ojasalo & Ojasalo, 2018). These frameworks aim to visualise a company's business model in a tangible and comprehensible format, facilitating the development and communication of business models. Additionally, the theoretical framework encompassed design thinking, a problem-solving approach centered on meeting customer needs and desires, along with the process models associated with design thinking.

The development project undertaken as the case study for this thesis had the primary objective of creating a business model for the CLF BU. This project specifically concentrated

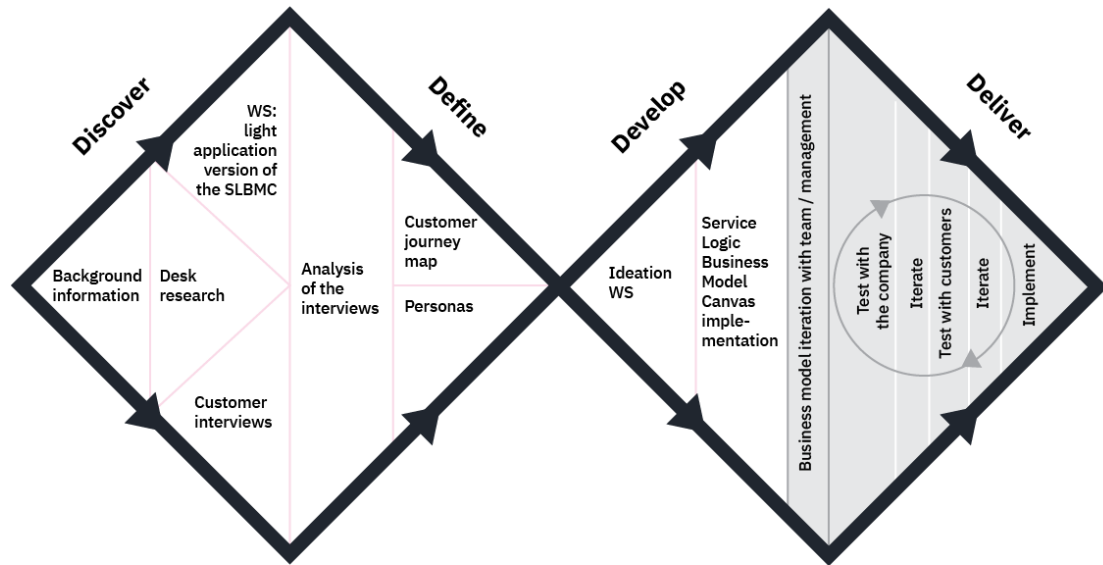
on a particular customer segment, which consisted of university customers involved in continuous learning projects.

The development project followed a modified Double Diamond process (Design Council 2019), which incorporated tasks from the development process recommended by the authors of the SLBMC. This approach included elements such as the light application version of the SLBMC, conducting an information gathering and analysis phase using service design methods and ultimately culminated in the development of the initial SLBMC for the business unit (Ojasalo & Ojasalo, 2018).

In the development project, data collection was conducted through various methods, including desk research focusing on competitors, an internal workshop to perform a light application of the SLBMC, and customer interviews. During the analysis of interview data, the B2B Elements of Value framework by Almqvist, Cleghorn, and Sherer (2018) was employed as a predefined set of categories for coding the data. The insights gathered from the interviews were further interpreted and visualised through the creation of a customer journey map and two persona cards. These visualisations were then utilised to communicate the research findings to the business unit team in a collaborative ideation workshop. The workshop's purpose was to generate ideas for the development of a new business model.

As a culmination of the development project, two initial Service Logic Business Models were formulated, each targeting a specific type of university customer involved in continuous learning related projects. It's important to note that due to the scope of the case study, these developed business models were not subjected to testing and iteration. However, the thesis outlined some starting points and ideas for potential testing, leaving the case company with a foundation for further exploration.

In summary, the thesis has provided a comprehensive step-by-step process, as visualized in Figure 18, which combines the Double Diamond design process, the Service Logic Business Model Canvas, and its associated processes.



*The steps marked with grey background were not carried out within this thesis, but they were included as recommendations for further.

Figure 15: The visualised design process to develop business models

Table 7 The process visualised in Figure 18 briefly explained

Discover phase			
Familiarize with background information. It can include initial internal discussions to understand what needs to be done, or even thinking back to a pilot project done with the customer group that is to be focused.	Conduct desk research to acquire knowledge about the company's domain and competitors.	Carry out a light application version of the SLBMC with a team, ideally in a workshop setting.	Plan and execute customer interviews to gather data. Planning of interviews should take into consideration findings from the light application version of the SLBMC, as well as relevant theoretical frameworks, such as the B2B elements of value.
Define phase			
Analyze the interviews, using a theoretical framework such as the B2B elements of value as the background framework. This specific framework helps to map what kind of things the customers value.	Interpret and visualize the data using service design methods, such as building customer journey maps or persona cards.		
Develop phase			
Hold a workshop to communicate the visualised data, discuss it, and ideate together further towards a new business model, using business model ideas (Gassmann, Frankenberger & Choudury 2020; BMI Lab b, no date) as a starting point.	Use the best-rated ideas and the light application version of the SLBMC as a foundation for completing a full SLBMC, either	If possible, review the finalised SLBMC with a larger team including the company's management to	

	individually or as a team.	validate it or gather additional insights.
Deliver phase		
Test the business model with the entire company and make iterations based on the testing feedback.	Test the business model with customers, for example through sales efforts, and make iterations based on the feedback received from customers.	Implement the business model

Indeed, business design processes offer structured frameworks for gathering information, developing, and testing business models. These processes can streamline the business model design process and allow teams to focus on creating value for customers and finding innovative solutions to meet their needs. By following these processes, organizations can enhance their chances of success in a rapidly changing business environment.

5.1 Reflection on the thesis

The case study was conducted to find answers to the research questions by focusing on the CLF BU and, more specifically, on its continuous learning university customers. At the beginning of the thesis, in Chapter 1.3, three main research questions were stated. In the following, they will be elaborated and answered based on the findings of the development project.

Q1: What is the value created in the case company's projects?

The case study placed significant emphasis on understanding the concept of value from the perspective of customers and understanding what aspects they find valuable when engaging with the case company. It became evident that university customers highly value having knowledgeable partners who possess an in-depth comprehension of their institution, its distinctive attributes, and the specific subject matter under consideration. Indeed, the emphasis on effective collaboration and a profound understanding of the university's organisational intricacies and the continuous learning domain can yield several advantages,

including time efficiencies and enhanced project outcomes. When partners are well-acquainted with the nuances of the university and the particular domain of continuous learning, they can swiftly immerse themselves in the work, thus minimising the time spent on orientation.

Furthermore, this expertise empowers them to provide more insightful contributions, innovative solutions, and a higher level of alignment with the university's objectives and values. Consequently, projects are not only executed with greater efficiency but also tend to produce superior results.

Additionally, university customers highly value practical aspects of collaboration, such as shared objectives and transparency. These elements have the potential to enhance motivation, improve operational efficiency within projects, and instill a sense of clear direction. Transparency, in particular, plays a crucial role in shedding light on budgetary matters, ensuring that all stakeholders have a comprehensive understanding of financial aspects.

This suggests that the process leading to a final outcome, such as a website, can play a crucial role in value creation and co-creation. Value is generated not only through the end result but also through the collaborative journey itself. Effective collaboration can lead to time savings for the customer, as there is no need to acquaint partners with the university's organisation or the subject of continuous learning. Simultaneously, collaboration can equip the customer with new skills and knowledge, enhancing the overall value of the partnership. In addition, an important discovery was that, despite the diverse roles of university customers, there were many commonalities and shared values among them.

However, it is worth noting that the final results of collaborative efforts are also considered as value co-created. In this regard, the development project in the case study could have focused more on understanding the concrete needs of universities as organisations and how the case company could address those needs. Thus, while the first research question was partially answered, the emphasis shifted more towards exploring collaboration dynamics and their role in value co-creation.

Hence, the business model that was developed is built upon actions that the CLF BU can take to foster collaboration with customers, with an emphasis on co-creating value. The extensive knowledge acquired on the topic is ingrained in the value proposition, offering customers a knowledgeable partner for their projects.

Q2: How is the value created in the case company's projects?

Based on the principles of service-dominant logic and service logic, it is evident that value is

consistently co-created in customer projects within the case company (Vargo & Lusch 2014, 25-27; Grönroos & Ravald 2011, 7). Therefore, in response to the second research question, it can be concluded that value is indeed created through collaboration with the customer, taking place in various ways.

Examining the issue of different value elements using the B2B elements of value framework (Almqvist, Cleghorn & Sherer, 2018) serves as a valuable reminder for the future. It underscores the importance of recognising that consulting and customer work fundamentally involve interpersonal relationships and collaboration with individuals. This implies that a one-size-fits-all approach is not suitable, and there must be flexibility in selecting working methods. As a significant portion of value co-creation occurs through collaboration, it's crucial to listen, empathise, and adapt to each customer's unique needs and preferences.

The emphasis on ways of working and interpersonal relationships in the value co-creation process was more pronounced than initially anticipated. However, this may be attributed to the focus on these aspects rather than the final project outcomes, such as websites. Given the abundance of companies offering similar digital design services and the potential for similar end results, it appears that the methods of collaboration, customer understanding, and interpersonal connections have emerged as key factors in value co-creation.

Consequently, collaboration plays a pivotal role when working with university customers, underscoring its significance in delivering value.

Q3: How to design a business model that prioritises things customers find valuable?

The development project yielded a structured process that integrates the Double Diamond design process (Design Council, 2019) with a Service Logic Business Model development process (Ojasalo & Ojasalo, 2018). This process was employed to gain a deeper understanding of what customers find valuable. Customer data was collected through interviews, and the analysis was facilitated by the B2B elements of value framework (Almqvist, Cleghorn & Sherer, 2018). Consequently, it can be concluded that the third research question was effectively addressed within the context of the development project.

However, it's worth considering whether a simpler process with fewer steps could have achieved similar results. Nonetheless, the multi-step approach had its merits, offering diverse perspectives and valuable learning experiences for the thesis author. Combining theoretical insights with practical project development in a single, multi-step process was one such learning experience.

In conclusion, the business model developed in this case study, while not revolutionary or unique, is adaptable and applicable across the entire company, with specific adjustments for various customer groups beyond universities with a focus on continuous learning. This adaptability suggests that the business model is designed to prioritise elements that customers find valuable and can be customised to meet the needs of different customer groups.

Personal learnings and reflections

The initial topic proposed for this thesis by the case company was to "learn more about continuous learning and develop an offering around it." However, this proved to be a broad and unclear assignment for a thesis. Initially, the development project focused heavily on universities offering continuous learning in an effort to address the original assignment and rationalise the existence of a business unit specialising in continuous learning within a service design agency. Nonetheless, it is crucial to remain attuned to trends and developments in various domains, as they can significantly impact and reshape businesses, potentially giving rise to new business models (Gassmann, Frankenberger & Choudury 2020, 51). In this sense, investing time in understanding and describing such phenomena can be considered a worthwhile endeavour.

During the internal workshops conducted as part of this development project, the CLF BU team engaged in discussions about the potential directions and opportunities for the business unit and its business model. Ultimately, they concluded that the case company's core competency lies in design rather than education. Therefore, the most viable approach for the case company to engage with continuous learning customers is by offering design-related services and leveraging design methodologies. This approach allows the company to stay aligned with its core strengths, as deviating from this path would necessitate acquiring entirely new skill sets.

As it became evident that the case company should concentrate on providing services that align with its core competencies, the interviews were refocused to explore topics related to collaboration, external partnerships, and the future of continuous learning. In this sense, the original research questions remained relevant: the objective was to gain a deeper understanding of the value generated through continuous learning projects and the reasons behind the aspects that customers value.

The decision to entrust the task of developing a new business unit and its business model to an employee team can be seen as a prudent approach to change management (Gassmann, Frankenberger & Choudury 2020, 79-80). It facilitates the transition to the potential changes

brought about by the new business model. However, this approach also highlights the need for individuals to adapt and expand their skill sets to effectively implement the new model. This underscores the importance of developing capabilities, a concept often discussed in conjunction with business model development (Teece 2017).

For employees, there may not always be a clear mandate or resources available for acquiring new skills through recruitment or training. Consequently, it becomes crucial to align the development of business models with the broader organisational plans for enhancing employee skills and capabilities. In doing so, the company can ensure that its employees are equipped with the necessary expertise to effectively carry out the tasks outlined in the new business model.

The development project brought to light a significant challenge related to the limitations in skills and capabilities. It became evident that developing a new business model could be hindered if the required capabilities were not readily available or if there was no clear plan for acquiring them. However, the concept of an Open Business model, centred around building a network of operators with diverse capabilities, emerged as a potential solution to this issue. This approach offered the possibility of tapping into a broader pool of expertise to address skill gaps within the team.

Another noteworthy discovery, which extended beyond the main project scope, was the inherent difficulty of developing a business model while simultaneously being immersed in day-to-day work and its associated challenges. Even when this thesis was primarily conducted outside regular working hours, the ongoing projects, routines, and internal development efforts could not be entirely set aside. This experience highlighted the challenge of generating innovative ideas beyond the confines of daily tasks, as it was challenging to avoid overthinking the practicalities and current methods, even when they could potentially be transformed with a new business model.

This phenomenon aligns with existing literature, which acknowledges the difficulty of developing a business model when it must coexist with day-to-day responsibilities (Gassmann, Frankenberger & Choudury 2020, 89). Nevertheless, it may be somewhat idealistic to expect that an entire team can be freed from their daily work to exclusively focus on developing a new business model, especially in the context of a small company, such as the case company.

How, then, can a small company effectively develop new business models when full concentration on business model development isn't feasible? One approach is to embrace the principles of lean startup methodology as outlined by Blank (2013). This method involves incremental development, with a strong focus on engaging with customers to test early ideas

rather than attempting to build a complete model before testing it. By adopting this approach, a small company can gather valuable insights and iterate on its business model while still managing day-to-day operations.

Another strategy could be to seek external assistance by bringing in a facilitator or consultant. External experts can offer fresh perspectives, challenge internal beliefs, and expand the team's horizons. As mentioned by the interviewees in the case study, external facilitators can help the development team see broader possibilities and provide guidance in the business model development process.

The key outcomes of the project, despite the limitations, include the acquisition of in-depth customer knowledge and the transformation of this knowledge into a format that can be easily shared within the company. Additionally, the development of business models, while not necessarily groundbreaking, represents valuable assets for the company. These business model canvases serve as effective tools for communicating the company's business and provide a tangible starting point for the development of new business offerings.

Note: ChatGPT was utilised in the thesis process for proofreading and text editing purposes. However, it's important to note that all the content was authored by the thesis author in accordance with Laurea's guidelines (Uusi-Mäkelä 2023). Additionally, ChatGPT was employed in the creation of persona cards, as explained earlier in the thesis.

5.2 Transferability and further developments

While the business models designed during this thesis are specific to the case company and, more specifically, its business unit, the process developed can serve as a starting point for other business units to construct their own business models. However, they may encounter similar challenges as described in the previous chapter. By articulating these challenges, expectations for the results can be managed, and new approaches to organizing the work can be explored. For example, conducting business model development in a shorter timeframe, such as a design sprint, where the development work is condensed into five days without other tasks (Stickdorn et al. 2018, 808). This approach could help teams fully immerse themselves in business model development, temporarily setting aside daily challenges and enabling the generation of more innovative ideas.

The developed process can also assist other small companies in clarifying their business models efficiently, without significantly impacting customer operations. Furthermore, this process offers valuable customer data and can even enhance customer relationships through interview participation. Conducting interviews to develop one's services demonstrates a high level of commitment to customers and a genuine interest in their feedback. It fosters

personal relationships through confidential one-on-one discussions and conveys the company's dedication to continuous improvement and better service provision.

Using the B2B elements of value framework as the foundation for analysing the interviews may suggest that all customers value similar things, as implied by the authors (Almqvist, Cleghorn & Sherer 2018). However, it's important to note that while the framework provides categories of valued elements, there can be significant differences in the details, especially among customers in various roles and industries.

If it were possible to identify the collaboration phases where different elements of value are most prominent, it could be valuable to emphasise these aspects in customer projects and incorporate them into business models and working processes. Additionally, if correlations could be established between specific customer types and particular elements of value, it might become feasible to create tailored business models for customer segments, focusing on the aspects they value most. This approach would allow for a more personalised and targeted approach to delivering value to different customer groups.

Incorporating the B2B elements of value framework (Almqvist, Cleghorn & Sherer 2018) into business model design could involve mapping the value elements to specific parts of the business model. This approach would provide insights into which elements of value are most relevant to various aspects of the business model, allowing for a more targeted and effective strategy.

The framework offers a valuable starting point for this endeavor, as it deconstructs the concept of value into distinct components (Almqvist, Cleghorn & Sherer 2018). It also highlights the diversity of perspectives on value, particularly in discussions related to collaboration and customer interactions. Exploring the relationship between different business logics (see, for example Vargo & Lusch 2014; Grönroos & Ravald 2011; Grönroos & Voima 2011) and the B2B elements of value framework could be a fruitful area for further research, especially within the context of service logic. If more suitable ways of integrating the framework into business model design can be developed through additional research, it has the potential to enhance value creation through customer understanding and customer-centricity in companies, which are essential factors for sustainable business success.

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Appendix 1: The interview field guide

Designing business models for digital service design. Case: Designing a business model for continuous learning business unit in case company

Teen YAMK-opinnäytetyötä Laurea-ammattikorkeakouluun Service innovation & Design -koulutusohjelmaan. Aiheenani on kehittää Yrityksen jatkuvan oppimisen ja ennakkoinnin yksikölle bisnesmalli palvelumuotoilun menetelmin ja sitä kautta luoda malli jota voidaan hyödyntää myös muiden yksiköiden bisnesmallien kohdalla. Tämän opinnäytteen kontekstissa keskityn vain yhteen asiakaskohderyhmään, joka on korkeakoulut.

Haastattelen kolmen meidän asiakaskorkeakoulun henkilöitä tiedonkeruuvaiheessa. Tarkoitukseni on selvittää tarkemmin arvonluontia yhteisissä verkkosivustoprojekteissamme: minkälaiset tekemämme asiat erityisesti koetaan arvokkaina korkeakouluissa ja toisaalta mitkä eivät.

Tutkimuskysymyksiä tällä hetkellä ovat

- Mikä on suurin yhdessä luotu arvo projekteissa ja miten se luodaan?
- Miten voidaan luoda palvelumuotoiluyritykselle bisnesmalli joka pohjautuu spesifiin aiheeseen josta on opittu aiemmissa asiakasprojekteissa?

Opinnäytetyö on julkinen dokumentti, mutta siinä ei julkaista toimeksiantajan nimeä, tai esimerkiksi haastateltujen nimiä tai mistä korkeakouluista he ovat. Kuitenkin taustatietoja, kuten titteli/asema organisaatiossa ja miten on toiminut jatkuvan oppimisen verkkosivujen kanssa, julkaistaan jotta haastattelun tulokset voidaan asettaa kontekstiin.

Haastattelu on luottamuksellinen. Nauhoittaisin sen mielelläni, jos sopii. Nauhoitus säilytetään Googlen Drivessä siihen asti kunnes opinnäytetyö on julkaistu, sitten se tuhoetaan. Samaten toimitaan nauhoituksesta tehtävät muistiinpanot/osioiden litterointien kanssa. Kukaan muu kuin haastattelija ei tule näkemään nauhoitusta tai muistiinpanoja.

Sopiiko tämä? Jos ok niin laitan nauhoituksen päälle.

Haastattelu

- Taustatiedot
 - Esittely: mitä teet edustamassasi organisaatiossa tällä hetkellä
 - Koulutustausta
 - Teetkö ostopäätöksiä tai oletko budjettivastuussa
 - Minkälaisia asioita teet päivittäisessä työssäsi verkkosivustoihin ja/tai jatkuvaan oppimiseen liittyen
 - Minkälaisia haasteita päivittäiseen työhösi liittyy

- Suhde jatkuvaan oppimiseen
- Yhteistyö Yrityksen kanssa
 - Minkälaista yhteistyötä on tehty ja miten se meni (posi/nega)
 - Miksi Yritys valittiin kumppaniksi projektiin ja mikä oli alkuperäinen syy että projekti ulkoistettiin
 - Mitä projektissa saatiin aikaan ja onko sille asetetut tavoitteet saavutettu? Minkälaisia mittareita on käytetty?
- Arvo ja arvonluonti
 - Minkälaisia asioita arvostat kollegoissa
 - Mikä on sinulle arvokasta kun mietitään yhteistyötä kumppanin kanssa - henkilökohtaisesti ja työn kautta
 - Minkälaisia asioita organisaatio yleensä ulkoistaa tai hyödyntää konsultteja selvittääkseen (liittyen digitaaliseen designiin, verkkosivustoihin, jatkuvaan oppimiseen)
 - Minkälaista konkreettista apua tai tukea kaipaisitte jatkuvaan oppimiseen ja digitaalisiin palveluihin liittyen?
 - Mitä ongelmia jatkuvaan oppimiseen liittyy teillä?
 - Kerro joku esimerkki hyvästä ja huonosta yhteistyötilanteesta jonkun kumppanin kanssa
 - Mikä erottaa kumppanuuden asiakkuussuhteesta
- Tavoitteet tulevaisuudelle
 - Mitä toivot saavuttavasi ensi vuonna työssä
 - Mitä toivot kumppanilta
 - Minkälaisia toiveita tai tavoitteita organisaatiolla on tulevaisuudelle (sivustojen, digitaalisten kanavien ja viestinnän, palvelumuotoilun suhteen)
 - Mihin yliopistojen jatkuva oppiminen tulee menemään seuraavien vuosien aikana, mitä muutoksia on tulossa
- Mikä yliopiston vahvuus ja erottautumistekijä jatkuvan oppimisen kentällä

Appendix 2: The first versions of the personas created



University persona - communications

CARI COMMS

Works as the communications manager and is responsible for the university's online presence, including the technical development of digital channels. Has worked at the university for some years. Educational background is broad: has studied, IT, marketing, and Finnish literature. Is always looking to learn new skills.

"With good partners it is always possible to find out the best ways to work - even if they are not perfect from the start."

Challenges

- Lack of time
- Work is scattered between multiple topics and projects
- Work is part hands-on and part strategic
- Communication is a support/service function and serves the whole university, meaning that there are multiple internal clients who have even opposing needs and aims.

Ease of doing business needs

- Website brings together multiple topics, faculties etc., and a numerous amount of content editors. Everything should still be aimed to serve the customer in a unified way. The partner/service provider should remind of the customer and be able to facilitate changes within the university, even on process level. Website is often the driver for internal changes
- University as an organisation is big, slow and there can be a lot of bureaucracy.
- Transparency:** what happens and when, why things are done the way they are done. Clear communication & expectation management.
- Suitable and clear processes for each phase, usable and suited tools & communication channels.
- "If the consultant does not understand, our users / customers understand even less."

Individual needs

- External consultants/service providers bring clarity to internal matters. They have new and exciting facilitation methods to get people enthusiastic and talking.
- Collegium-like connections are valued, as well as professional skills. Also efforts towards getting to know each other.
- Possibility to learn new from partners and collaboration.

Inspirational needs

- Wants to be a forerunner in digital equality through accessibility
- Constant need for self-development

"It can be seen when someone is genuinely interested and who is just selling more"



University persona - continuous learning

LEFTY CONTLEARN

Continuous learning manager. Responsible for developing everything related to continuous learning, including the offering, communication, and processes. Team leader for a cross-disciplinary team working on continuous learning. A cross-functional role that operates with all faculties and units of the university. Has worked at the at the university for over 10 years in various roles and units. Educational background is broad, has studied technology, economics, and educational studies.

"A good partner provides added value instead of added work"

Challenges

- Continuous learning funding
- Continuous learning is still a "side business" at universities (degree-studies are the main business, most systems & processes support mainly those)
- Different system regarding fees of continuous learning in Finland vs. other countries -> how to compete internationally?
- How to be an expert and team leader at the same time. Leading other experts is difficult.

Ease of doing business needs

- Need to adapt more customer-centric ways of doing
- Continuous learning service provider needs to be in interaction with their customers: collect feedback, listen, act based on feedback
- No-one else will sell the university's offering: Digvisio will only be an information channel
- Showing the full continuous learning offering online makes it visible also internally
- To get the siloed organisation see and understand the paying ccontinuous learning customer and their purchasing path
- Change internal ways of working to best serve the customer
- The need for transparency between collaborators in regard what will be done and what are the responsibilities
- Partners need to justify what has been/will be done, or why things are how they are. Fact-based rationale (this is what the university does too)
- With continuous learning, there is a constant need to make compromises. It is easier for an external partner instead of someone within the organisation
- Partner who understands the university as an organisation and is interested to learn more.

Individual needs

- Visual presentations often provide positive surprises - it is easier to grasp and value when something is shown instead of telling
- Partner's personality is important: easy to interact with, understands the big picture and the specific details of the organisation.
- Always looking for something that has not been done before
- Growing the business outside Finland
- Follows what is happening in the field and expect partners to follow too

Inspirational needs

- Foresight is needed to be able to respond to changing customer needs. It can be collected by networking, piloting, collaborating etc.
- What happens now in continuous learning /digital/marketing/comms will be in degree studies in five years
- Happy to receive sales that are done well, thoroughly and well rationalised. They are easy to buy.

"Expectations are always extremely high - looking for "päättyys""

Appendix 4: The business model designed for the university communications customer group

