



**LAUREA**  
UNIVERSITY OF APPLIED SCIENCES  
*Together we are stronger*

# Enabling Change with Service Design

## Case: Bean Society

Kinnunen, Emmi

2017 Laurea





Laurea University of Applied Sciences

**LAUREA**  
UNIVERSITY OF APPLIED SCIENCES  
*Together we are stronger*

## Enabling Change with Service Design Case: Bean Society

Emmi Kinnunen  
Degree Programme in Service Innovation and Design  
Master's Thesis  
November, 2017

Emmi Kinnunen

**Enabling Change with Service Design, Case: Bean Society**

Year	2017	Pages	78
------	------	-------	----

In today's rapidly evolving business environment one thing is constant - change. In order to stay relevant, develop competitive advantages and all in all, keep the business sustainable, companies must endure change. Employees are the biggest competitive advantage and asset of a company, so encouraging them to take co-ownership of change initiatives and being active actors in the change process can be the key to successful change efforts. This thesis asks whether service design could be used to enable change in an organisation that wants to start the change from within.

This thesis is a research-oriented development project for the case company Paulig Coffee Division. The aim of this thesis is to design a service concept that would trigger change in an organisation that has noticed the need to involve employees in the change process. The theoretical framework of this thesis explores change by comparing prevailing change management theories to the change process that is designed by using a service design approach.

The service concept is designed with a service design process and by using service design methods. The empirical part of this thesis uses the phases of the so-called Double Diamond, concentrating on its Define and Develop phases. The data in this thesis consist of 14 semi-structured interviews, that are analysed in a workshop by using affinity diagramming and by generating design principles for the service concept. Different service concept ideas were generated in an ideation workshop. This thesis introduces the process until the initial service concept proposal.

Based on the theoretical part of the thesis, it can be argued that compared to prevailing change management models, service design offers an alternative approach to change management. People, employees affected by the change are empowered to lead the change. Also by using a service design approach, the change process can become more organic and behaviour-driven. A company that leverages service design can create a new culture of collaboration where the focus is on designing with customers, not only for them. Service design highlights co-operation and user-centricity and changes simultaneously the way of thinking in the whole organization and therefore also has an impact on the organizational culture.

The service concept designed as a result of this thesis development project is called Bean Society. The thesis suggests that a service concept that is co-created, creates a sense of community that changes the behaviour of employees and triggers the change. By changing the behaviour, the mind-set can change. The service concept created within this thesis facilitates the change that starts from within.

In order to research whether the service concept triggered the change in the company culture, further research should be made by following the Deliver phase of the Double Diamond process. Also, as the change of a corporate culture takes time, it could be beneficial to research the topic when the Bean Society has worked for some time.

**Keywords:** Service Design, Designing change, Service concept

Emmi Kinnunen

### Palvelumuotoilu muutoksen mahdollistajana, Case: Bean Society

Vuosi 2017 Sivumäärä 78

---

Muutos tuntuu olevan ainoa asia, joka tämän päivän liike-elämässä on jatkuvaa. Yrityksen on kestettävä muutosta mikäli aikomus on pysyä ajankohtaisena, kehittää kilpailukykyä ja ylipäättään toimia kestäväällä pohjalla. Työntekijät ovat yrityksen tärkein kilpailuvaltti ja voimavara myös muutoksessa. Avain onnistuneeseen muutokseen saattaakin olla se, että työntekijät motivoitetaan ottamaan osa-omistajuutta muutosaloitteista ottamalla heidät mukaan muutoksen suunnitteluun aktiivisia toimijoina. Tämä opinnäytetyö tarkastelee, mahdollistaako palvelumuotoilu muutoksen, joka alkaa yrityksen työntekijöistä?

Tämä opinnäytetyö on tutkimuksellinen kehittämisprojekti, jonka toimeksiantajana toimii Pauligin kahvidivisioona. Yritys on huomannut että työntekijät pitää sitouttaa muutosprosessiin. Työn tavoitteena onkin kehittää palvelukonsepti, joka käynnistäisi muutoksen yrityksen työntekijöissä. Opinnäytetyön teoreettinen viitekehys tarkastelee muutosta näkökulmasta, jossa vallitsevia muutosjohtamisen teorioita vertaillaan muutokseen, joka on muotoiltu palvelumuotoilun keinoin.

Palvelukonsepti on kehitetty seuraten palvelumuotoilu-prosessia ja käyttäen palvelumuotoilun menetelmiä. Työn empiirinen osuus seuraa niin kutsutun Double Diamond -prosessin ”Define” ja ”Develop” vaiheita. Laadullinen tutkimusaineisto käsittää 14 haastattelua. Haastattelut analysoitiin työpajassa käyttäen palvelumuotoilun menetelmiä. Palvelukonsepti-ideat työstettiin ideointi-työpajassa. Tämä opinnäytetyö kuvaa prosessin alustavaan palvelukonseptiin saakka.

Opinnäytetyön teoreettiseen osuuteen nojaten, voidaan sanoa että vallitseviin muutosjohtamisen malleihin verrattaessa, palvelumuotoilu tarjoaa vaihtoehtoisen lähestymistavan muutokseen. Muutoksessa, joka on mahdollistettu palvelumuotoilun menetelmin, työntekijät valtuutetaan johtamaan muutosta. Huomioitavaa on sekin, että palvelumuotoiltu muutosprosessi voi olla luonteva ja tekemistä-painottava. Yrityksellä, joka hyödyntää palvelumuotoilua, on mahdollisuus luoda uudenlainen yhteistyön kulttuuri, jossa painotus on siinä, että toiminta on asiakaslähtöistä. Palvelumuotoilu korostaa yhdessä tekemistä ja asiakaslähtöisyyttä, tämä näkökulma saattaa muuttaa koko yrityksen tapaa nähdä asiat, ja sitä kautta vaikuttaa myös yrityksen kulttuuriin.

Palvelukonsepti, joka kehitettiin tämän opinnäytetyön tuloksena, on nimeltään Bean Society. Yhteistyössä käyttäjien kanssa kehitetty palvelukonsepti luo yhteisöllisyyden tunnetta, joka käynnistää muutoksen vaikuttamalla työntekijöiden käyttäytymiseen. Käyttäytymistä muuttamalla luodaan mahdollisuus ajattelutavan muutokselle. Palvelukonsepti fasilitoi sisältäpäin tapahtuvaa muutosta.

Jotta voitaisiin kertoa käynnistikö palvelukonsepti muutoksen toimeksiantajan yrityskulttuurissa, tulisi prosessia jatkaa Double Diamond -mallin ”Deliver” -vaiheeseen. Myös se tosiasia, että yrityskulttuuriin muutos ottaa aikansa, on otettava huomioon, ja sen vuoksi olisikin tarpeellista tutkia aihetta sen jälkeen kun palvelukonsepti on ollut käytössä jonkin aikaa.

**Avainsanat: Palvelumuotoilu, Muutoksen muotoilu, Palvelukonsepti**

## Table of Contents

1	Introduction .....	6
1.1	Background .....	7
1.2	Research objective and methodology .....	9
1.3	Research-oriented development project .....	10
1.4	Key concepts and theories of interest.....	11
1.5	Delimitations of the thesis .....	12
1.6	Case company: Paulig Coffee Division .....	13
1.7	Structure of the thesis .....	14
2	Change by design.....	15
2.1	Introducing service design and design thinking .....	15
2.1.1	Principles of service design and the service design process .....	18
2.1.2	Double Diamond - Service design process.....	19
2.1.3	Engaging with co-creation .....	21
2.1.4	Service concept.....	23
2.2	Designing change .....	24
2.2.1	From change leadership to change with design.....	24
2.2.2	Employee engagement .....	28
2.2.3	A sense of community .....	29
3	Project Beanie .....	31
3.1	Visualization of the design process .....	31
3.2	Discovering the secondary research data .....	32
3.3	Exploring the case via desk research .....	33
3.4	The development project background .....	35
3.5	Building up a project team and gathering data.....	36
3.6	Analysing the data and defining project scope .....	39
3.7	Generating service concept ideas .....	47
3.8	Towards an initial service concept proposal .....	52
3.9	Delivering the service concept .....	55
3.10	Feedback about the service concept .....	57
4	Conclusions.....	59
4.1	Summary .....	59
4.2	Contributions and transferability of results .....	63
4.3	Future research development.....	64
	References .....	65
	Figures .....	70
	Appendices .....	71

## 1 Introduction

“All companies must endure change to survive or grow” Mootee (2013, 108) writes. When the industry around develops significantly, the traditional way of working might suddenly become fruitless. In today’s rapidly evolving business environment one thing is constant - change. Changes in economy, population, environment, technology and politics all have an affect in organizations that are looking for ways to be more agile towards change. It is of course important to keep up with the change but there is also the opportunity to become the force of change - to sit in the driver seat instead of next to it.

The conservative view towards change has focused on handling resistance until things return to normal. Change initiatives often focus on how to communicate the vision and the next steps, thinking that if the information is there, people will start to embrace it. Instead of focusing on communication strategies, it is more important to understand how to make people part of the change. (Brown 2009.) Change is more likely to succeed and be sustainable if the people effected by the change are able to participate in the process. By creating a sense of community atmosphere and a culture of collaboration, an organization can support the change to take place. Community and collaboration can guide people towards the common goal. (Juuti & Virtanen 2009.)

According to Cambridge Dictionary the word *change* means *to make or become different*. Instead of forcing the change, one can try to *influence* it. Honkanen (2016) explains that there are two different ways to influence: personal influence or influence design. Influence Design means purposely designing one’s psychological environments in a way that it influences and changes the person’s way of thinking, her/his attitudes, activities and decisions. Service design is a design principle that enables influencing. Another point of view is to “do” the change, like John Shook (2010) suggests. Instead of changing thinking in order to change behaviour, the behaviour is changed in order to change thinking. All in all, in both of the examples, change is *designed*.

Co-creation being one of the principles of service design the design process itself emphasizes teamwork and bonding (Polaine, Løvlie & Reason 2013; Stickdorn & Schneider 2013). People are in the heart of service design and that is why they are active actors in the design process. With their knowledge and engagement in the job, employees, the ones providing the service, are important assets in designing process. Together with customers employees are the real expert of the service and of course happy staff equals happy customers. (Polaine et al. 2013, 43-44.) A good employee experience influences business performance; its effect on company’s return of investment is clear. According to global study conducted by Aon Hewitt (2015), companies who ranked the best as employers had 57% higher return on investment than their competitors.

The co-design methods can support the change of employees' and stakeholder's mind-set and behaviour. Co-created services, together with the service design process itself, can create a new type of platform for interaction that can support collaboration and a sense of community atmosphere. Mintzberg (2009) explains that because people are social animals, they are not capable to function without working social systems. A community can be a social glue that brings people together for the unified cause. Mintzberg & Caldwell (2017) continue that when managing change companies should be interested in communityship. The emphasis should be on the group or the community, rather than focusing on a particular individual.

In this thesis service design methods are used to enable change, by enhancing bonding, communityship and engagement. The aim is to facilitate people to become active participants in the change process. And with an active community there is an opportunity that the whole company culture changes.

***In other words, this thesis aims at showing how service design can be an enabler of change.***

## 1.1 Background

The economic basis in the developed countries has changed in the recent years from manufacturing towards the information and services. Nowadays between 60-70 % of developed nations' gross domestic product comes from services. (Mager 2009.) Because of the fact that companies are confronting commoditization of offerings and ever growing competition, they are creating service experiences that make their offering different compared to other offerings and trigger the growth in business (Ostrom, Parasuraman, Bowen, Patrício & Voss 2015). Although all economies are service economies in the first place, looking the business through service-dominant logic, is the way to describe the "new service economy" (Lusch & Vargo 2014, 19).

Ostrom et al. (2015) point out that the context in which service is delivered and experienced has fundamentally changed and therefore there are new opportunities and needs also from the academic research perspective. To keep up with the changing landscape of service Ostrom et al. (2015, 127) identified research priorities that have "the potential to advance the service field and benefit customers, organizations, and society". The Figure 1 below presents 12 identified priorities, highlighting the priorities in the scope of this thesis in yellow.

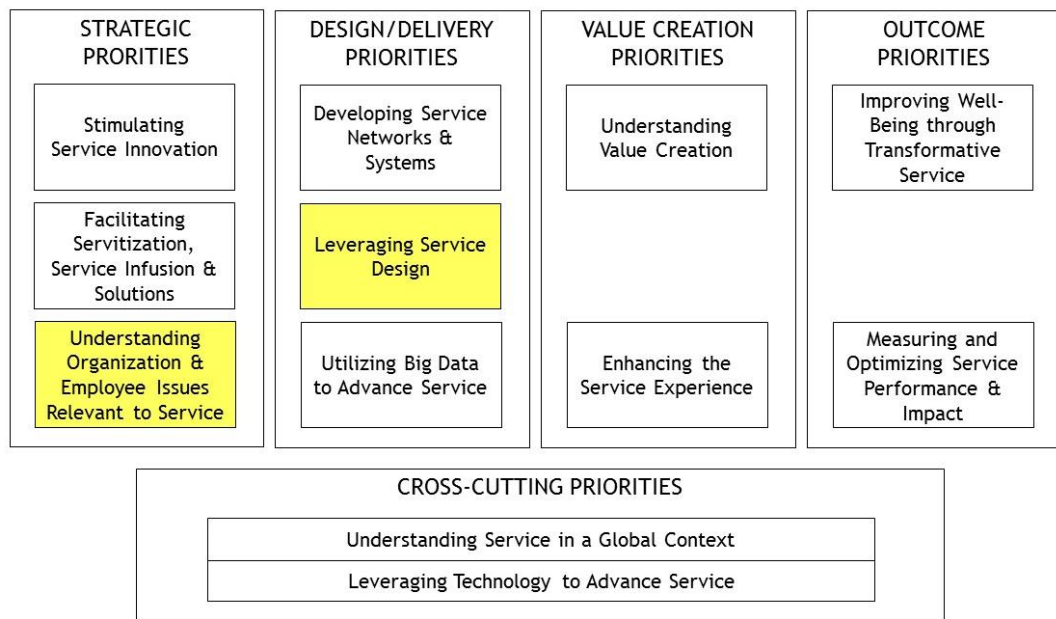


Figure 1: Service research priorities 2015: An organizing framework (Ostrom et al. 2015, 129)

From a viewpoint of this thesis one research priority is particularly interesting: Leveraging Service Design. The concept of service design will be explained in detail in the chapter 2. Ostrom et al. (2015) introduces subtopics under each priority. The subtopics for “Leveraging Service Design” are presented below in Figure 2.

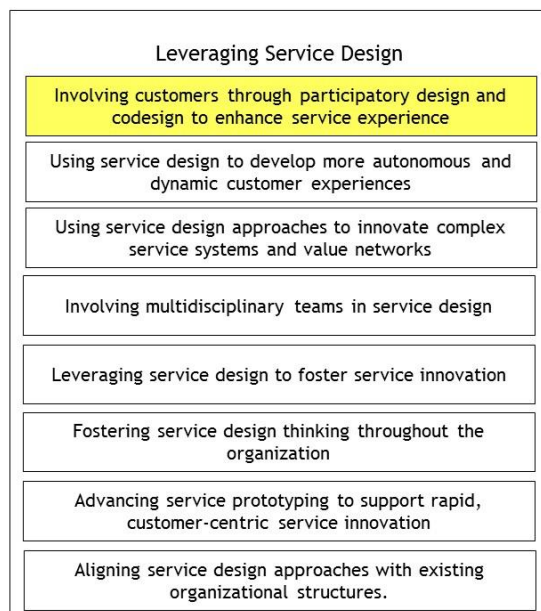


Figure 2: Subtopics: Leveraging Service Design (Ostrom et al. 2015, 136)



From the subtopics especially “Involving customers through participatory design and codesign to enhance service experience” lays in the ground of this thesis although in this research customers are employees. That is why also another priority: “Understanding organization and employee issues relevant to successful service” is considered in this thesis. Ostrom et al. (2015, 135) point out that an overarching research question is: “Where does the employee fit in a service operation?” The research article also starts an important discussion about organization and employee issues: “there is a ‘need to rethink the way in which companies are internally structured and align it with the way in which companies show themselves to the outside world’ and to broaden ‘the service concept to include both outward-looking phenomenon and inward-looking phenomenon’” (Ostrom et al. 2015, 135).

## 1.2 Research objective and methodology

Based on the information provided in the introduction, new approaches towards the change are required in order for companies to keep up with the growing demands of changing business environment. Instead of externalizing change management or focusing on management-led change initiatives, creating a company culture that supports company’s agility towards change may be the key in succeeding in change efforts.

According to Juuti and Virtanen (2009) creating a sense of community and emphasizing collaboration can be beneficial for a company that is undergoing a change or starting a change process. Both, community and collaboration require involvement of people, therefore it can be stated that involving employees in the change is important. What if the change process is not something that is facilitated top-down or from outside-in, but it starts from within?

The purpose of this thesis is to challenge the prevailing change models with service design approach by understanding what service design could offer in the context of change, especially when the focus is on employees. The aim of this thesis is to design a service concept that facilitates the change that starts from within, putting the employees in the heart of the process.

This thesis considers, could a service concept create an opportunity for bonding and building a sense of community and by doing so enable change that starts from within? Could a service concept influence a new kind of behaviour and with that a mindset where the goal is not only to keep up but to lead the way? The thesis describes and analyses how a service concept triggers a change in behaviour with an aim of building a sense of community.

This thesis research is based on service design, and utilizes tools from this methodology. The thesis concentrates on the service design process, Double Diamond, and especially its' second and third phases: Define and Develop.

This thesis explains how a service concept was designed to enable change in an organization. Therefore the research question is: **What kind of service concept could trigger a change in the organization?** And furthermore: **Can service design be an enabler of change?** The theoretical framework of the thesis focuses on exploring service design in the context of change; as an change enabler and the empirical part of the thesis, introduces what kind of service concept was designed to trigger the change in organization.

### 1.3 Research-oriented development project

This thesis is a research-oriented development project, with the aim of creating a new service concept. Like this thesis, research-oriented development projects consist of practical problem solving, ideation and implementation of the concept. The project is documented as a report that introduces the starting point and the goal of the project, methods that are used during the process, the process itself and findings. (Ojasalo, Moilanen & Ritalahti 2014, 18-21; Kananen 2012, 21.)

In the research-oriented development project, the empirical is linked to one or several theories (Kananen 2012, 13). In comparison with a scientific research project, a development project uses theoretical concepts to understand and develop in a practical setting. The goal is to solve problems that are identified in practical settings. (Ojasalo et al. 2014) Kananen (2012, 13) also points out that when the aim of the development project is to solve a problem, the problem needs to be defined and understood in order to find solutions by using suitable research methods and analyzing tools. Problem definition is one of the key parts in every service design process (DesignCouncil 2015; Stickdorn & Schneider 2013; Tschimmel 2012).

The research-oriented development approach aims to develop current practices and to create new data from the market (Ojasalo et al. 2014; Kananen 2012). Central theoretical concepts are used when analyzing data in this research approach. Research methodologies are diverse and active co-operation among stakeholders is underlined. The fundamental goal is to define problems and to solve them. (Ojasalo et al. 2014.) Development project uses several research methods that are chosen based on the target of the development and the situation in question. Research methods can be both qualitative and quantitative. (Kananen 2012, 33.)

Project management and development skills are needed within the research-oriented development approach, as the projects often require careful planning, creative thinking, networking, change management as well as critical approach. The approach also demands deep understanding of the research topic. It is crucial to define the research perspective, to build a suitable theoretical framework, to choose methods and to make delimitations for the research. The process goes on with analyzes, results and conclusions. (Ojasalo et al. 2014.) The research-oriented development project does not settle in understanding the current state or in describing phenomena, the aim is to develop better practices (Kananen 2012, 44).

The research-oriented development project approach was chosen because of the practical nature of the design project. It was clear that a service concept needed to be designed in a certain timeframe, therefore the hands-on approach felt like being the most suitable one. Also the fact that part of the research was done prior the project, and that this project was a continuum of a bigger strategy supported the selection of the approach.

#### 1.4 Key concepts and theories of interest

The theoretical foundation and the practical report part of the thesis covers subject areas of service design and change, merging them as a topic of designing change. From the service design methods, especially co-creation is in the heart of this thesis. In this chapter the key terms are defined through a lens of this thesis although more profound understanding will be build in the theoretical framework.

##### **Service**

Grönroos defines service as “a process consisting of a series of more or less intangible activities, that normally (but not necessarily always) take place in interactions between the customer and service employees, and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems.” (2000, 46)

##### **Customer**

*Customers* in this thesis are employees as the service concept is designed for and with them. In this thesis also terms *users* and *employees* are used as a synonyms to customers.

##### **Service design**

In this thesis *service design* is defined as a process and a selection of tools to create new services (Tuulaniemi 2011).

## Change

In this thesis the verbs *lead*, *manage* and *design* are used in connection with change. In this thesis *change management* and *change leadership* represent the traditional approach towards the organizational change. The wording in touch with *change* is chosen based on how it is used in the literature in question. In this thesis change is mostly *corporate cultural change*.

## Service Concept

Goldstein, Johnston, Duffy and Raod (2002) explain that the *service concept* answer the questions how and what the service offers, connects them together and creates a bridge between the customer needs and the strategic intention of the organization.

## Co-design & Co-creation

In this thesis both terms are used to present activities where designing is done *with* customers. In the thesis *co-designing* is seen as involving customers in the whole process as a active part of the design team, and *co-creation* as a service design method where a given service experience is examined and/or innovated by involving any of the stakeholders.

Sanders and Stappers used the term *co-design* to refer to the “collective creativity as it is applied across the whole span of a design process” and *co-creation* to refer to “any act of collective creativity, i.e. creativity that is shared by two or more people” (2008, 6).

## Community

In this thesis when the term *community* is used, *sense of community* is actually what is meant. In community psychology sense of community is defined by McMillan and Chavis as “a feeling that members have of belonging, a feeling that members matter to one another and to the group, and a shared faith that members’ needs will be met through their commitment to be together” (1986, 9).

### 1.5 Delimitations of the thesis

As explained in the previous chapters the foundation of this thesis lays in the service design and explores it in the context change enabler. Because of this approach, the human cognition aspect is not explored in this thesis even though it of course plays a crucial role when designing change. Psychological aspects such as emotions and motivations towards change are not covered. Also the topic of community psychology is left out of the scope.

The viewpoint of the thesis is to concentrate on co-creation, employee engagement and creating a sense of community, even though focusing on concepts concerning marketing, such as brand experience and internal marketing, could also be relevant to this research.

The design process of the thesis follows UK Design Council's Double Diamond model that consists of four phases: discover, define, develop and deliver (DesignCouncil, 2015). The scope of this thesis covers partly the discover phase, focuses on the second define, and third develop phase, and leaves the last deliver phase out of the scope. In the last deliver phase the service concept would be evaluated and further developed based on the deeper understanding of the customer experience. This phase will be done, but because of the timing, the process will not be reported in this thesis.

## 1.6 Case company: Paulig Coffee Division

Coffee is a huge business and one of the most traded commodities in the world. In Finland, the biggest player in the coffee business is Paulig. Paulig Roastery roasts two thirds of the coffee that is drunk in Finland. Smaller roasteries' market share is only around two percent. (Nieminen & Puustinen 2014, 28.)

Paulig is a family-owned company that was founded in 1876. Paulig Coffee Division is part of Paulig Group and represents 38% of the whole company. Over 70% of the market is in Finland but Paulig operates also in e.g. the Baltics and Russia. Paulig is a market leader in Finnish coffee sales. The turnover of the Coffee Division was 346 million euros in year 2015 and the number of employees 596. (Paulig Group 2016.) Paulig Coffee Division is divided in two units: Retail and Professional. Paulig Professional serves customers in Food service environments (restaurants, hotels, cafés), offices and store-concepts

Finns are the biggest coffee drinking nation, with around 12 kg roasted coffee consumed per year per person. Even so, Finland has not been known for its' café culture or nature of introducing new coffee trends. Nowadays, Finland's coffee culture is developing; Finns are visiting cafés more often, espresso-based drinks and speciality coffees are becoming more common and new ways of consuming coffee, like on the go from take away -cups, are part of everyday life for some people. Besides big roasteries, smaller roasteries are founded to challenge the "average coffee" with interesting alternatives. In 2014 there were already more than ten micro roasteries operating in Finland. (Nieminen & Puustinen 2014.)

Paulig is known for its strong coffee brands such as Juhla Mokka and Presidentti. (Paulig Group 2016) Juhla Mokka is the biggest coffee brand in Finland, its market share is around 40% (Nieminen & Puustinen 2014, 28). In the recent years, Paulig has renewed it's master brand after realizing that the Paulig brand was becoming part of the "old world", even though the world around was rapidly changing and coffee as a ingredient was trendier than ever before. With the new brand identity, Paulig wants to showcase its never-ending passion

and curiosity towards coffee and by doing so enter the “new world” that is urban and global. (SEK, 2016.)

The author of this thesis works in a case company as a Program Manager, Training & Community and acts as a Project Manager for this thesis development project. The service concept reported in this thesis was made for Paulig Professional but serves the needs for the employees in the whole Coffee division.

### 1.7 Structure of the thesis

The thesis starts by explaining why the research topic was chosen and what the purpose of the work is. The chapter one also covers the research objective, structure and delimitations of the thesis. Also information about the case company is given. The second chapter creates the theoretical framework of the thesis; introducing the themes of service design and design-change. The third part of the thesis explains the design project using the theoretical concepts from the theoretical framework. The final chapter of the thesis concludes the research and gives further recommendations how to iterate and research the topic further.

The core of this thesis lays in service design and design thinking. This is why visuals are being used throughout the content. As Cross (2012) and Tschimmel (2012) point out designers use visuals to explore and understand the project problem and solution together. Visuals are used to clarify ideas and to simplify the complexity of the research subject. Visuals give an opportunity to communicate the idea externally and facilitate mutual understanding. Hence, the visual in this thesis serves two purposes; they facilitate reader’s understanding by showing the “big picture” but they are also an important method for the writer of this thesis to explore and understand complexity.

The Figure 3 below visualizes the structure of this thesis.

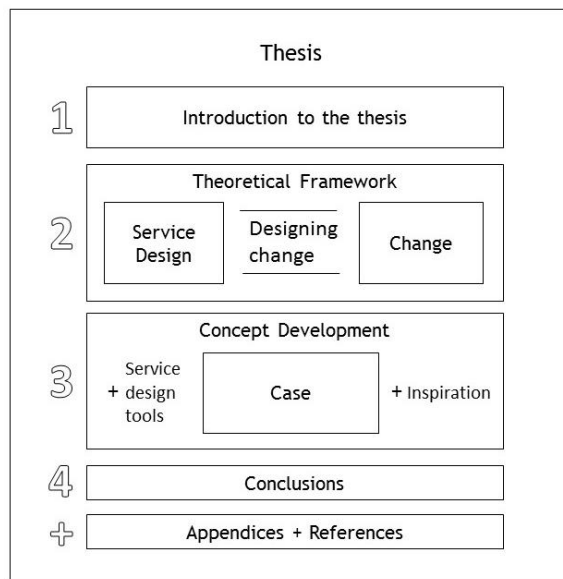


Figure 3: Structure of the thesis

## 2 Change by design

The theoretical framework of this thesis lays in service design and design thinking. In the following chapters both are introduced as well as the concept of co-creation. Double Diamond, the service design process used in this thesis, is introduced in the chapter 2.1.2. Service design methods and some relevant theories are introduced also in the empirical part of the thesis in chapter 3. In chapter 2.2 service design is discussed in the context of change; the concepts of employee engagement and communityship are introduced.

The theoretical framework is examined in the context of change remembering the research question: *Can service design be an enabler of change?*

### 2.1 Introducing service design and design thinking

”If you would ask ten people what service design is, you would end up with eleven different answers - at least” Stickdorn & Schneider (2013, 28) point out. Because of the complex nature of service design, it is impossible to give a single definition to it. Regardless of that, one thing is clear: there is a growing interest towards service design.

Lusch & Vargo (2014) introduced the concept of service-dominant logic that showcases the environment where service design plays. Compared to the product-oriented goods-dominant logic, service-dominant logic is experience-oriented and value is not added but co-created

with customers. Because of the unique nature of services, the design approach also needs to be different from the traditional product development process.

By defining what services are, it is easier to understand the characteristics of service design. Grönroos defines service as “a process consisting of a series of more or less intangible activities, that normally (but not necessarily always) take place in interactions between the customer and service employees, and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems” (2000, 46). Kotler and Keller explain that service “is any act or performance one party can offer to another that is essentially intangible and does not result in the ownership of anything” (2012, 356). Tuulaniemi (2011) sums up four characteristics that define service: it solves customer’s problem, it is a process, we experience the service but cannot own it and in the heart of service lays the interaction between people.

Hence, service design is a way of thinking and acting as well as common language when designing services. It is also a process and a set of tools - a systematic way to approach service development and service innovation, both analytically and intuitively. (Tuulaniemi 2011.) Service design is a complex science that corporates multiple contributions from service marketing, operations, and information technology, all integrated through design-based methods and tools (Patrício & Fisk 2013). In the very heart of service design lies the fundamental truth that services differ from products, that is why the methods of designing services have to be different from the methods used in designing products. If this is not the case, the results might be customer-hostile rather than user-friendly. (Polaine et al. 2013.)

There are three key things to consider when the service design approach is used. Firstly the right problem needs to be found and it should be solved in the right context. Secondly the design team should develop a strategy how to work together with the customers they are designing the service for. Thirdly the design team should have expertise in design thinking and be able to use the right design methods. (Katzan 2011, 48.)

Meroni and Sangiorgi (2011, 203) point out that the field where service designers operate can be extremely diverse and therefore the way designers approach the challenges also vary; they work in different level, use different methods and have different aims. Nevertheless, there is a common feature in the practise of service design: it is the application of a human-centered approach, the focus is on people.

Even though service design is difficult to define precisely, Saco and Goncalves (2009, 161) tells that the service design network agrees on few things that service design is: it aims to



create services that are useful, useable, desirable, efficient and effective; is a human-centered approach that focuses on customer experience and the quality of service encounter as the key value for success; is a holistic approach that considers in an integrated way strategic, system, process and touchpoint design decisions; is a systematic and iterative process that integrates user-oriented, team-based interdisciplinary approaches and methods in learning cycles.

The concept of design thinking is closely related to service design. Whereas service design is a discipline to design services, design thinking is a human-centred approach to innovation. According to Brown (2009) design is about delivering a satisfying experience. Design thinking on the other hand is about creating a multipolar experience in which everyone has the opportunity to take part in the conversation. Like Katzan (2011) states; design thinking involves people and culture. According to Verganti (2009) design thinking aims towards meaningful solutions. Lusch (2015) sums up design thinking as a creative problem solving approach.

Brown (2008) defines design thinking as a discipline that fuses together the designer's knowledge, sensitivity, and design perspective with technical feasibility and design methods to help a client in resolving a perceived need so that the end result provides value for the client and the designer. Or as Lusch puts it: "one is approaching problems, and their solutions, as a designer would" (2015, 2). Agarwal, Selen, Roos and Green (2015) explain that design thinking can be seen as a process that enables and facilitates open service innovation. It is firstly about unwrapping the problem solving process, making complex things simpler to understand although the process itself is not straight forward and linear but overlapping and iterative. Design thinking requires people from different backgrounds. Jakovich, Schweitzer and Edwards (2012) sum up that design thinking is about failing forward, rapid prototyping and testing early, and co-designing meaning using the wisdom of crowds.

Kotler and Keller (2012, 356) describe that in design thinking, the idea is brought into the reality by studying consumers through ethnographic research, holding creative brainstorming sessions and by co-creating. Tschimmel (2012) highlights that design thinking is not only a mindset or a cognitive process that deals with the problem like designers' would, but the approach has become an effective toolkit that any innovation process can benefit from. Design thinking connects traditional business thinking and creative design approach.

Design thinking has gained also criticism especially in a sense how it is merged into the business. Kupp, Anderson and Reckhenrich (2017, 42) argue that the process of design thinking does not actually work "as in textbooks". They explain that the root of the most challenges faced when pursuing design thinking initiatives, is the disconnection between design thinking

and conventional business processes. Design thinking requires risk-taking, which many companies avoid, also the way teams are organized is often an obstacle, because of the fact that design thinking teams need a lot of autonomy to function. However, Kupp et al. (2017) introduce steps to succeed with design thinking: 1. encourage top managers to champion design thinking initiatives, 2. balance the teams, 3. set ground rules, 4. integrate design thinking into product-development processes and 5. redefine the metrics.

All in all leveraging service design and adapting design thinking in service innovation, new ways of working, mindsets and opportunities comes along. The way service design highlights co-operation and user-centricity, may change the way of thinking for the whole organisation and therefore also have an impact on the culture. (Mager 2009.) Service design methods increase empathy, which may just be the key in designing meaningful services (Stickdorn & Schneider 2013).

#### 2.1.1 Principles of service design and the service design process

Service Design is characterized by a set of principles that are unique and differentiate it from another approaches. (Stickdorn & Schneider 2013; Lusch 2015; Moritz 2005.)

- User-centred  
*Service design truly represents customer's perspective.*
- Co-creative  
*Service design is cross-disciplinary, collaborative and interactive.*
- Sequencing  
*The service should be visualized as a sequence of interrelated actions.*
- Evidencing  
*Intangible services should be visualized in terms of physical artefacts.*
- Holistic  
*Designers see and consider relationships, interactions and the connections between seemingly disparate ideas.*

Service design as a discipline is characterized with a set of principles, so does the service design process. The service design process used in this thesis is the Double Diamond and that is introduced in the next chapter. The figure 4 below summarizes the characterizing features in service design process. Stickdorn and Schneider (2013, 126) point out that every service design process should start by designing the process itself, because there is not a single process model or framework that would suit every project.

According to The Design Council and Stickdorn and Schneider (2013), design process consist of certain phases that guides designers to diverge and converge their thinking. The Design Council and Stickdorn and Schneider structure the process in four phases but for example in Ideos Human-Centered design process the process is divided into three phases (Ideo 2015).

In different models the names of the phases are different, but the process is characterized by starting by exploring the subject area by using research methods, then analyzing the research in order to find insights and define the project scope, after that starting to ideate in order to find problem solutions and finally developing a solution by testing and evaluating. (Stickdorn & Schneider 2013; DesignCouncil 2015; Tschimmel 2012). Even though the process is often visualized in linear model, in reality, service design process is iterative and non-linear and typically different phases loop and overlap. Stickdorn and Schhneider (2013, 122-123) highlight that after each stage designer should evaluate whether it is necessary to take a step back or even start again from the beginning. The most important thing is to learn from the mistakes of the previous iteration.

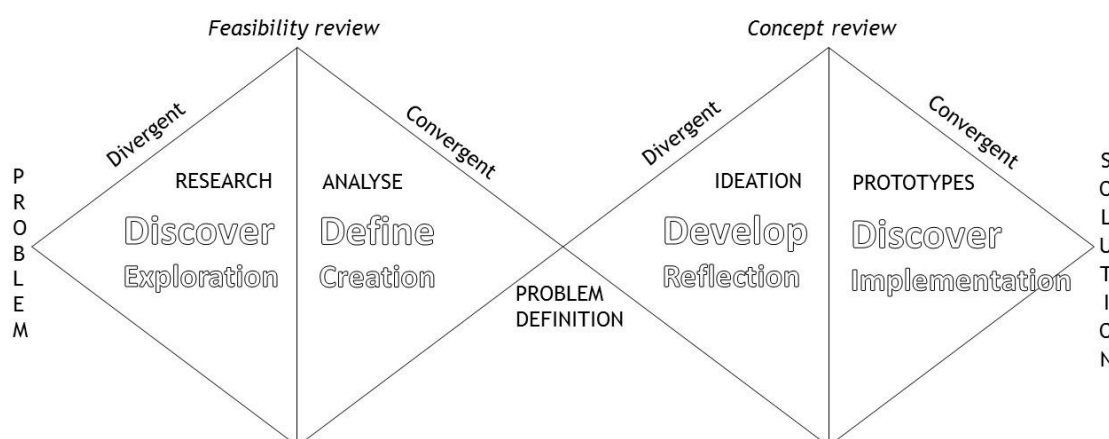


Figure 4: Service design process, as described from The Design Council and Stickdorn (Design-Council 2015; Stickdorn & Schneider 2013, 122-123)

### 2.1.2 Double Diamond - Service design process

According to Katzan (2011), Brown (2009), Polaine (2013) and Kotler and Keller (2012) the design project should have three phases: inspiration, ideation and implementation. In the process, observations are translated into insights and insights into solutions (Brown 2009). The service design process is intentionally non-linear and designers explore and solve the problems through iteration. The process encourages to quickly generate possible solutions, develop rough prototypes as a “vehicles” to test the solutions and then based on the customer

feedback and the gained knowledge iterate towards a better solution. If simplified, the service design process consists of two parts: identifying problems and solving problems. (Lusch 2015.)

The Double Diamond design process model was developed at the UK Design Council in 2005. It is a simple diagram that describes design processes' divergent and convergent stages. The process is often called "4 D Model" because the name of each of its' phases start with D: Discover, Define, Develop and Deliver. (Design Council 2015; Tschimmel 2012.)

### **Discover**

Discover phase is the initial divergent part of the project (DesignCouncil 2015). In discover phase new customer insights are being discovered. In service design, this is often done through qualitative research, by gaining empathy with customers. The qualitative data is translated into specific customer insights. (Lusch 2015.)

### **Define**

In the converging define phase customer insights are being crystalized and specific insights are framed as well as defined problems. It is important to identify right problems, with the biggest opportunities. Often the needs and insights are translated into problem statements that act as a base for ideation in the next phase. (Lusch 2015.) Key activities during this phase are project development, project management and corporate sign-off (Tschimmel 2012).

### **Develop**

Develop phase is divergent period where design-led solutions are developed, iterated and tested (Tschimmel 2012). The purpose of develop phase is to develop a concept or set of concepts that can be shared to the target audience for the feedback, and with that knowledge, through iteration can be developed further. Develop phase starts with divergent phase with idea generation, continues with refining and grouping of the idea towards converging the idea with multivoting methods. The phase ends with testing; the most effective way to collect the feedback is through rough prototyping because it gives designers to opportunity to observe actual behavior. (Lusch 2015.)

### **Deliver**

Deliver phase is convergent period where final concept is tested, produced and launched (Tschimmel 2012). In deliver phase feedback and knowledge is gained so that the service can be, through iteration, developed further. Deliver phase therefore is not the "final step". (Lusch 2015.) The Deliver phase is not included in the design process reported in this thesis

but parts of it are explained in the conclusions part, information is based on the expert interview.

### 2.1.3 Engaging with co-creation

Service design is about designing with people and not just for them (Polaine et al. 2013, 41; Tschimmel 2012). Stickdorn and Schneider (2013, 34) highlights user-centricity and co-creation as two of five design thinking principles together with sequencing, evidencing and holisiticity - meaning that the user is always in the heart of the service and all stakeholders should be included in the service design process.

Mahr, Lievens and Blazevic (2014) point out that customers are the most important asset in the service design process. Understanding their unique knowledge about usage and latent needs is the best information for innovation and new service success. In the service design process users are considered as experts. (Tschimmel 2012.) Besides customers also employees, ones providing the service, are important for designing process with their knowledge and engagement in the job (Polaine et al. 2013, 43-44).

According to Trischler et al. (2017, 3) codesign is a form of customer co-creation practice characterized by distinct features; it consist of creative and “designerly” approaches where “joint inquiry and imagination” is achieved in an explorativity process where problem and solution goes hand in hand. Codesign empowers participants to become legitimate and acknowledged members of the design team (Visser, Stappers, Lugt & Sanders 2005). Co-creation can be seen as an action within a co-designing process. According to Ramaswamy, co-creation is “the process by which mutual value is expanded together, where value to participating individuals is a function of their experiences, both their engagement experiences on the platform, and productive and meaningful human experiences that result” (2011, 195).

Sanders and Stappers (2008, 6) used the term co-creation to refer to “any act of collective creativity, i.e. creativity that is shared by two or more people”, and used the term co-design in a more specific sense to refer to the “collective creativity as it is applied across the whole span of a design process”. In co-design, wide range of experts cooperate creatively, these experts can be researchers, designers or developers, and customers and users as a “experts of their experiences” (Sleeswijk et al. 2005).

Designing does not mean that only designers are capable in participating in the process. Like Moritz (2005, 17) explains, service design combines the expertise of many design principles to develop holistic concepts. By facilitating a way-of-working where different experts are co-operating, a new platform of multi-disciplinary work can be enabled. Stickdorn and Schneider

(2013, 198) point out that anyone from staff, customers, executives and designers can be involved in co-creation. The aim of the co-creation session is to collect wide range of perspectives in the process so that as many potential directions are covered as possible.

Employees and customers are the main sources of innovation in service industries. Co-creation is a practice of engaging customers into the innovation and design process and it is adapted into the way of working in many companies (Hoyer, Chandy, Dorotic, Krafft & Singh 2010). However, even though studies show that co-creating may help to build creativity and increase company's capabilities to innovate, it is still unfortunately rare that companies actually involve customers in the service design teams (Steen, Manschot & Koning 2011).

There are many benefits in co-design in service design projects; for the project itself co-design can improve the creative process, develop better service definitions and with the help of co-design, the project can be organized more effectively and efficiently. On customers' side co-design helps creating a better fit between the service offer and customers' needs and also in overall to create better service experience as well as higher satisfaction. (Steen et al., 2011.) Pirinen (2016) points out that in order to benefit from co-design, the challenges with poor management, lack of resources or incentives, conflicts, wrong focus or timing, discontinuity and the inability to utilise the outcomes should be dealt. Also designers should be familiar with the concepts and methods to avoid disappointments or resistance. Creating co-design culture throughout the organisation requires search for mutual value, the reconciliation of divergent goals and the building of trust.

According to Vermeulen, "co-creation involves both involvement and decentralization in design, moving it from development by a corporate office to development by a true change lead that understands the power of engaging stakeholders in the process" (2014, 8). Co-creation not only enable engagement between stakeholders but almost forces the nature of engagement to shift.

Trischler et al. (2017) compared design projects that were designed with customers and without them; the comparison showed that codesign teams generate concepts that score significantly higher in user benefit and novelty but lower in feasibility therefore specific conditions need to be met for the fruitful use of co-design. Trischler et al. (2017, 5) argue that truly collaborative approach is the most effective way to co-design: "It is imperative that service designers facilitate the codesign process in a way that fosters team cohesion and collaboration between all members."

Then on the other hand Norman (2005) argues that because human-centricity has become such a trendy topic in the field of design, it is accepted without any criticism. He claims that

a deep understanding of the activities could be superior to user-understanding. Focusing mainly and only into a certain group of users, the other groups might suffer from it. He also points out the fact that user's needs and values do change making them "moving targets" (2005, 16).

Nevertheless, by designing *with* customers not *for* them, service design methods enable the possibility that users feel co-ownership for the service concept. Co-ownership on the other hand effect the way users feel towards the service; in the best case scenario, engaged users are proud and loyal to use the service as well as interested in developing the service concept further. (Honkanen 2016; Tschimmel 2012.)

#### 2.1.4 Service concept

Introducing the theoretical background of service concept is important because the aim of this thesis is to design a service concept for a case company. According to Goldstein et al. (2002, 121-125) service concept has a key role in service design and innovation; it is a way to concretize the nature of the service. Service concept defines the how and the what of the service, connects them together and creates a bridge between the customer needs and the strategic intention of the organization. According to Katzan (2015, 5) the service concept includes "the manner in which the service is delivered, the customer's service experience, the service result, and the value of the service to both the provider and the customer." Service concept crystallizes the essence of the service and brings the value into the form that in can be experienced by customers, it captures the shape and the outcomes of the service. A service concept is more than an idea, it is an outcome of it, after being developed from several discussions and screenings. (Clark, Johnston & Shulver 2000.) Concept defines what the service is in high level (Tuulaniemi 2011).

Clark et al. (2000, 73) point out that service concept is not organisation's vision or mission, the service concept captures what organisation does, what customers can expect from it today and how service delivery system is designed to provide both customer and business value. The process of concept development is a flow from the ideation to the design and lastly to the deliver and launch of the concept (Goldstein et al. 2002). Because service design process is iterative, the process of concept development does not stop to the launch (Stickdorn & Schneider 2013).

## 2.2 Designing change

The basis of this thesis lay on the ground of service design. Previous chapters introduced the interdisciplinary and collaborative field of service design that is in this chapter explored in the context of change. Service design is seen as an enabler of change and in this thesis change is *designed* not *managed*.

### 2.2.1 From change leadership to change with design

In this chapter the transformation from change leadership towards change with design is explored.

According to Moran and Brightman (2000) change management is the process of continually renewing an organization's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers. Traditional change management theories often see change as a process that is driven by an appointed change expert and instead of change being a group activity change is planned within isolated teams. Most often the barriers of change are described being people-related, including poor communication and the lack of employee involvement (Shook 2010).

Kotter (2013) explain that a new methodology of change leadership is required to successfully keep up with the rapid changes in the business world. He explains that the change is shifting from being episodic to continuous. Kotter suggest a popular 8-step model (as presented in Figure 5): first the change process is started by establishing a sense of urgency, then a guiding coalition is formed in which top management is in the core of it. This coalition should build a vision and introduce it to the others so that they are empowered to carry it out. The process moves on to planning short-term wins, consolidating improvements, and institutionalizing new approaches.



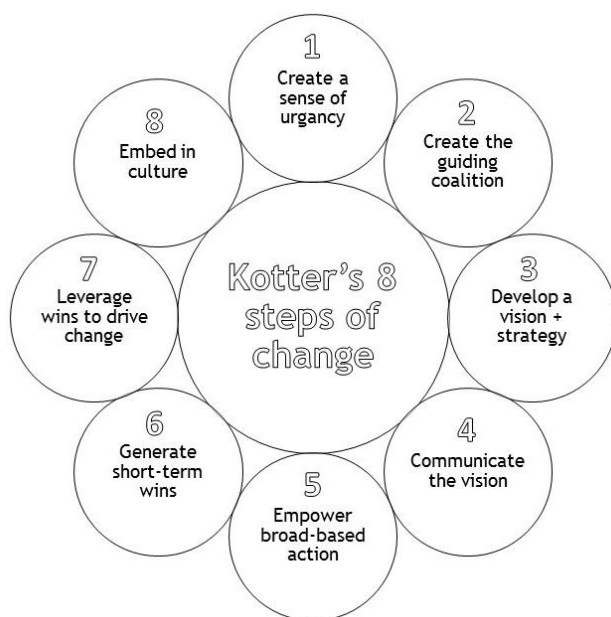


Figure 5: Kotter's 8 steps of change -model (Kotter, 2013)

On the other hand Mootee (2013) argues that there is no theory for change. She claims that companies that expect change, not only prepare for it, are those that succeed. The reasons for success or failure of the change initiative can be tracked on the leadership skills, level of energy and knowledge of the individuals leading the change. Organizations easily stay satisfied with old ways of working instead of improving the processes towards being more agile towards the change, even though the most successful companies are those that nurture the ability to change and motivates employees to develop creative ideas. (Mootee 2013.)

Weiner (2009) explains that there are several strategies in establishing organization's readiness for change. Readiness for change is multi-level construct that involves change commitment and change efficacy, meaning that part of it is employees shared understanding to implement a change as well as their common belief that they do have capabilities to do so. In the organizations where the readiness for change is high, the implementation of the change is more effective. Employees are more likely to adopt the change initiatives, make an effort for it, showcase greater persistence towards it and in overall be more cooperative. Rafferty, Jimmieson and Armenakis (2012, 112) argue that change readiness is isomorphic, meaning that all organizational members, as well as individuals, consider change readiness the same way. Company culture, identity and leadership are likely to contribute to the readiness to change in an organizational level. On the other hand Weiner (2009) states that there is no single best way to increase organizational readiness for change.

John Shook's (2010) model on changing company culture highlights that instead of trying to change people's mindsets he suggests starting by changing what they do. He claims that "it is

easier to act your way to a new way of thinking than to think your way to a new way of acting” (2010, 63). It is easy to see Shook’s model (as presented in Figure 6) closely linked to service design, that is often characterized by its’ hands-on elements; learning by doing, testing and so on. Also Shook’s concept highlights the importance of how problems are seen in the company, as that attitude reflects company culture.

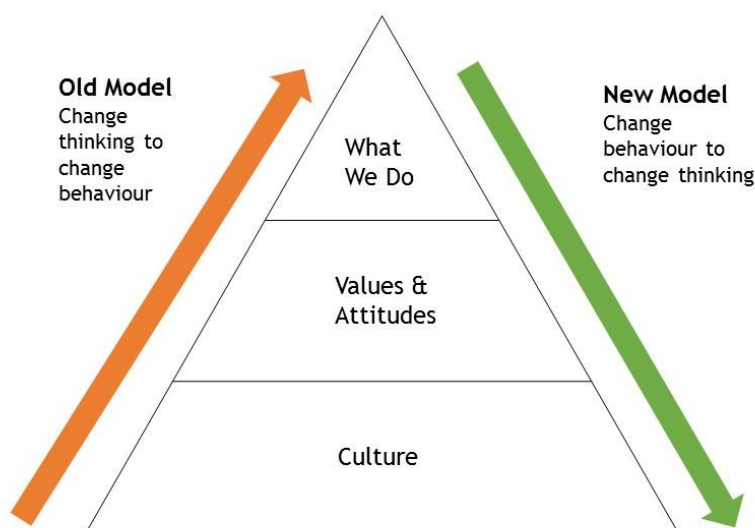


Figure 6: Shook’s model of changing culture (Shook 2010)

Honkanen (2016) introduces the concept of influence design. He states that there are two different ways to influence: personal influence or influence design. Influence Design means purposely designing one’s psychological environments in a way that it influences and changes the person’s way of thinking, her/his attitudes, activities and decisions. Service design is influence designing.

It is clear that service design is able to put a customer in focus and therefore improve customer experience but the scope of service design is much wider; it has the potential to support strategic and organizational change (Mager, 2009). In service design influencing towards change is done with the help of dialogue, collaboration, inspiration and involvement. When designing change initiatives, involving customers and other stakeholders in the design process, increases their engagement towards it. The desire to involve into the process should raise from the inner motivation, curiosity and excitement, instead of incentives. In a best scenario, customers who are involved in the design process, feel co-ownership towards the service. (Honkanen 2016.) Moritz (2005) points out that people need to work together if a company wants to offer successful services. Co-creation gives an opportunity to get everyone on board when the change is designed and happening.

The goal of service design process is to create a “safe space” where people are able to open up for new experiences, to sense a stronger autonomy in their life, interact with others in a deeper level and in overall increase people’s competences and the sense of empowerment by facilitating the right kind of physical and mental space. When designing change, the understanding of influence psychology is needed, so that the designer is able to motivate people, maintain the interaction that is needed for co-creation, create trust and engagement and also to build a platform that nourishes creativity and innovation. (Honkanen 2016.)

Figure 7 below compares conventional change management features to design principles that can be also used in the context of change.

<b>Change management</b>	<b>Designing change</b>
Change thinking to change behaviour	Change behaviour to change thinking
Urgency	Understand
Powerful guiding coalition	Engage everyone
Top-down communication	Informal networks & buzz
Rules & processes	Framework for continuous change
Leader	Community
Knowing	Testing & learning
Lead by organizing & planning	Comfortable with ambiguity and uncertainty

Figure 7: Change management vs. designing change

All in all, it seems that by leveraging service design in the organisation, also the way change is *managed* might alter. When the change is designed, the change is started by changing behaviour; by understanding why the change is needed as well the needs and values of the ones affected by the change; change is done by engaging everyone in the process and by creating informal networks and buzz around the change; change is not a single act, it is continuous and on-going, and ambiguity and uncertainty is part of it; it is not led by a manager, it is driven by a community of forerunners that shows the way; change is designed by testing and learning through iteration.

### 2.2.2 Employee engagement

Kahn (1990) described employees that are engaged as being fully physically, cognitively, and emotionally connected with their work roles. Macey and Schneider (2008) noted that engagement refers to focused energy that is directed towards common goals organisations have. Robinson, Perryman and Hayday (2004) define employee engagement as a positive attitude held by the employee towards the organization and its values.

According to Chartered Institute of Personnel and Development (2006) there are three dimensions in engagement: emotional, cognitive and physical. Emotionally engaged employees are emotionally involved in their work, cognitively engaged employees are focusing hard when working and physically engaged employees are willing to go an “extra mile” in order to benefit the employer. Robinson et al. (2004) point out that the two-way relationship is required in order to engage employees. Companies must aim to develop, maintain and grow the level of engagement whereas engaged employees work alongside colleagues in order to improve the performance for the benefit of the organisation.

Kumar (2012) explain that companies have understood the importance of employees in the global market that is highly competitive and therefore by investing in human capital, companies are trying to achieve the maximum output from their personnel. According to a 2011 survey conducted by the Society for Human Resource Management, 99 percent of human resource leaders anticipate that employee engagement will continue to be a key strategic challenge. Employee engagement is clearly suffering in today's tough economic environment (Cross 2012). Typically efforts like employee engagement programs are made to improve motivation and commitment of selected employee groups like high potentials and leaders. Cross, Gray, Gerbasi and Assimakopoulos (2012) argue that programs focusing only on 10 % of the employees do not live up to expectations. The solutions are not founded in individual reward systems but in workplace relationships. Organization's performance depends on all employees being more engaged.

Workplace relationships play an important role in employee engagement, therefore leaders who rely on traditional approaches for motivating employees miss an important fact: how we feel at work - and thus how we perform - is driven only partially by roles and reward systems. Emotional, physical and cognitive well-being are shown to be improved by positive interactions with co-workers. Energizing interactions with colleagues also increase organizational commitment and innovation, and are a key distinguisher of high performers. (Cross 2012.) Therefore when designing a service to increase employee engagement, designers need to look beyond traditional formats.

Nowadays, especially millennials, are more interested in personal development and the ability to enjoy every day work. For the sake of employee satisfaction, companies need to help employees to cope with fast changing work life but also support their goals to enjoy their work and to develop. (Jaatinen, Vaajakallio & Belgeonne 2017.)

According to Glasser (1994) having fun is the highest level of need of employees: The need is often unmet at workplace even though managers are increasingly enhancing employee motivation and commitment by incorporating fun, play and humor to a corporate culture (Fleming 2005). Carefully designed and well-intended play at work will most likely boost employees' motivation because it satisfy their emotional needs. Karl and Peluchette (2006) links workplace fun with job satisfaction. According to Choi, Kwon & Kim (2013) the management in hospitality businesses should support fun-loving cultures and avoid employees having guilt-feeling emotions when having fun at workplace especially when it comes to y-generation employees.

Hence, engaged employees are the biggest asset of the company. Nayar (2010) explain that employees full potential can be unlocked by fostering employees entrepreneurial mind-set, decentralizing decision making, and transferring the ownership of "change" to the employees themselves. And as Polaine et al. (2013) explains, engaged employees have a clear impact on customer experience.

### 2.2.3 A sense of community

As a counterpart of the conventional conception of change management, Mintzberg (2009) introduces the idea of communityship. He suggests that instead of rebuilding companies from the top down, it should be done from the middle out - through groups of middle managers who bond and drive key changes in their organization. Communityship requires engaged and distributed management - overall more modest type of leadership. "A community leader is personally engaged in order to engage others, so that anyone and everyone can exercise initiative" (Mintzberg 2009, 141).

Mintzberg (2009) put forward that people are social animal and therefore not capable to function without working social systems. A sense of community can be a social glue that brings people together for the unified cause. "Community means caring about our work, our colleagues, and our place in the world, geographic and otherwise and in turn being inspired by this caring" (Mintzberg 2009, 141). Candi and Beltagui (2015) highlight that humans have a need to belong and therefore a sense of community among service customers can fulfil this need. Therefore designers should design the services to boost the sense of belonging with

other customers. Communities can provide important information for the company and also increase their loyalty towards the service.

The idea of tribes is closely related to communityship. Godin (2008) argues that tribes are everywhere, they are just waiting for someone to come and lead the way. He suggests a process to follow when leading the tribe: start by telling the story, continue by connecting the tribe, then lead to movement that just started and make a change with it. He claims that everyone has a chance to start a movement by bringing together a group of like-minded people and start doing amazing things with them. He claims that tribes can be found everywhere because people are looking for connection, meaning and change.

This chapter 2, forms a theoretical framework of the thesis. Service design is the fundament of this thesis, therefore collaborative and multidisciplinary approach of service design was explained meticulously in the first part of the theoretical framework. Besides service design approach, service design disciplines and characteristics of service design process were introduced. The theoretical framework concentrated on exploring co-creation discipline more closely, focusing on its ability to engage. Also service design process, the Double Diamond, used in the empirical was explained more carefully in this chapter. Theoretical dimensions of the service concept was also included. The second part of the theoretical framework concentrated on viewing service design in the context of change by exploring prevailing theories of change management together with concepts familiar in change by design. The theoretical setting of employee engagement was included especially in a viewpoint of its' effect on employee experience. Exploring the concept of creating a sense of community concluded the theoretical framework by enhancing the human need of belonging.

The designing of the change process is visualized below in Figure 8 and it concludes the chapter 2. Design by change process starts by understanding the problem or an opportunity that starts the change. Service design enables seeing the change from the perspective of employees and by using the service design methods, especially emphasizing co-creation and by establishing a sense of community, a service concept that facilitates change that starts from within can be designed. The service concept that is designed by following service design process increases employees engagement towards the company, engagement towards the service concept itself and engagement towards the change. Engaged employees become the drivers of change by believing and living the change. When the behaviour change, ways of working may change as well as the company culture.

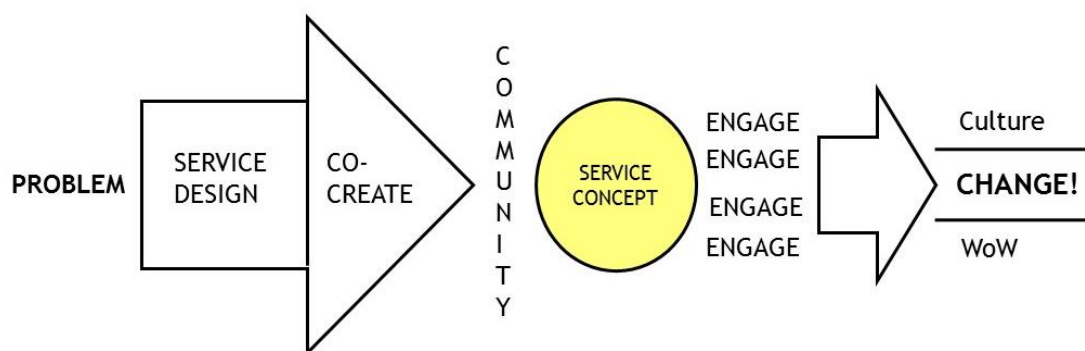


Figure 8: Designing change process (in the context of this thesis)

### 3 Project Beanie

The following chapters report the empirical part of this research-orientated development project. The process of a service concept development is explained in such a way that the practical report is deepened with theory that complies the theoretical framework introduced in chapter 2. The report is enhanced with rich visuals. The author of this thesis is the Project Manager of the Beanie-project.

The report part of the thesis is explained with an aim of answering the research question: What kind of service concept could trigger a change in the organization?

#### 3.1 Visualization of the design process

Design thinking goes beyond being only a process. As the name hints, it is a mindset and way of doing things - identifying and solving right problems as a designer would. (Lusch 2015.)

The Figure 9 below visualizes and summarizes the design process.

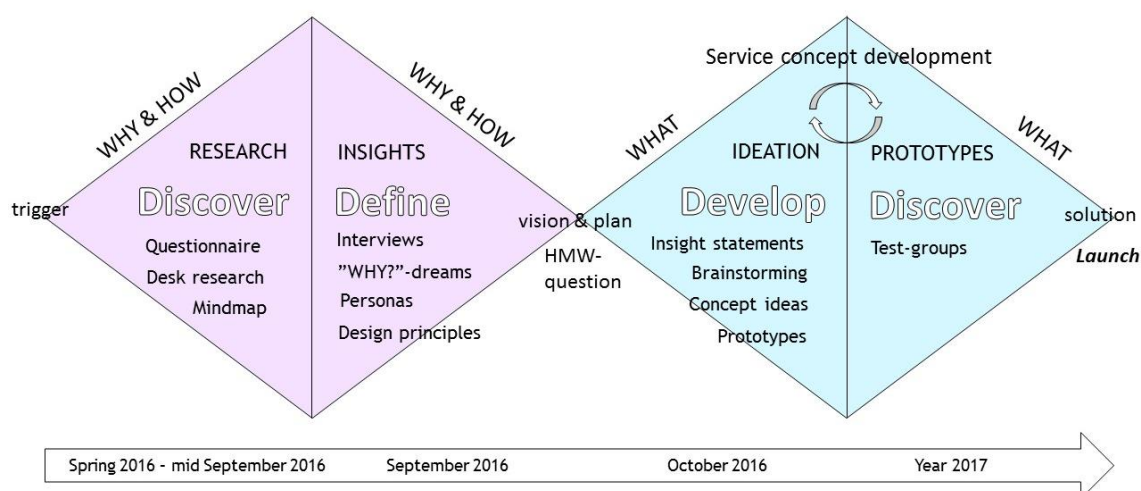


Figure 9: Visualization of the design process

### 3.2 Discovering the secondary research data

In the end of 2015 Paulig Professional Marketing Team workshopped around the theme of category drivers; strategies that will produce the growth for the company. In the workshop the team tried to tackle a problem that was defined based on a research conducted earlier: Increasingly Paulig is not present in moments where consumer truly wants to enjoy coffee. Paulig is not perceived to be right for this new game. The problem statement for the workshop was stated: How do we motivate Coffee Enthusiasts to desire Paulig brand in those moments when they want to truly enjoy coffee?

To support their work the team conducted an internal questionnaire to research how Paulig's own employees interpreted Paulig's brand. The questionnaire was conducted by sending an individual email to people working in Paulig Professional sales. The question was: "With which three adjectives would you spontaneously describe the Paulig brand?". The answering percentage was not available for this thesis research but altogether 20 employees answered the question. The number of adjectives received was 74. The questionnaire was not anonymous.

The internal questionnaire showed that employees' views were similar to consumers' views: the brand is traditional, safe, reliable and high quality. The word cloud in Figure 10 shows the words that were used by Paulig employees when describing the Paulig brand. The size of the word showcases how often the word was used. A word cloud is a research deliverable that can be seen as "a visual summary of the textual data" (Martin & Hanington 2012, 206). Based on the new found information, the team realized that if the brand wants to be relevant for the target consumer, Coffee Enthusiasts, it needs to be relevant for its own employees first, as



they will be the enablers telling the brand story first to the customers and from the customers to consumers. Category driver was named “Made in Paulig - employees as Paulig Coffee ambassadors”. The key was to bring brand essence alive through people working in Paulig.



Figure 10: Word cloud from the internal questionnaire

### 3.3 Exploring the case via desk research

In order to successfully kick off the development project, the design team needs to gain an understanding of the target (Ojasalo et al. 2014, 28). Because of the fact that the project was done mostly internally, with the core team working in the case company, it was clear that the company and the target audience was very familiar for the core team. On that account, it was more important to understand the industry, especially what was happening with the competitors, in order to understand how the company was seen in comparison to them.

In the desk research the analyzed data is produced by others, not the researcher (Verschuren et al. 2010, 194). The desk research was done in a form of a popular media scan (Kumar 2012, 25) by browsing the most interesting Finnish coffee roasteries websites and social media channels, focusing especially in the way they were communicating things about their personnel. Also articles in the electronic publications were searched to understand what type of articles and news were written about coffee industry in Finland. In a popular media scan, researcher focuses on registering what is happening in a cultural landscape, in this case in a Finnish coffee industry. The scan provides information about the latest trends, what people in the specific scene are thinking and what is emerging. This information helps the design team to understand the initial intention of the project. (Kumar 2012, 25.) The Project Manager started the process of popular media scan by identifying broad topics to the project. That was

done by mind-mapping emerging thoughts from a project brief and materials gathered from the workshop before the project as explained in chapter 3.1. The media scan concentrated on three themes: What are the things media highlights from the competitors, who are the people behind the brands and how competitors are communicating passion and curiosity? The mind-map of emerging themes can be found from appendices. After identifying the themes, the Project Manager made the scan. The websites that were researched were chosen by the Project Manager, based on her knowledge of Finnish coffee industry. The list of websites visited can be found from appendices. If the company mentioned in the list also had a Facebook and/or Instagram page, those were also visited. Based on the scan, the Project Manager was able to find emerging patterns. According to Kumar (2012, 25) patterns provide general sense of the culture. The patterns were then generated in key findings of a popular media scan.

Key finding from the desk research were:

- The passion towards coffee is showcased in all communication.
- Smaller roasteries highlight their employees expertise as well as their unique personalities.
- The personnel group is shown as a “one big family”.
- Entrepreneurship is an undertone in all the communication.
- Employees are having fun together.
- Smaller roasteries are showcased as “alternatives” and “trendsetters” in media.

After getting to know the subject area and by forming an understanding about current situation, a problem statement started to form. Instead of thinking how to make employees coffee ambassadors, the core team thought that it was more important to activate the employees in general; the interest about coffee already existed, it was only the matter of giving a forum to feed that curiosity. The new master brand also emphasized Paulig’s passion and curiosity towards coffee - why not to facilitate those things also in employees?

All in all secondary research is a useful way to establish boundaries that the project might face and to create an understanding about the earlier research. The data is collected from existing data rather than original material in primary research. (Martin & Hanington 2012, 154.) To conclude the secondary research done for this development project; a popular media scan was done in order to understand the current situation of the industry as well as to generate the starting point for the project and to understand the Why (Sinek 2009) behind the change process. Key findings of a media scan are presented as bullet points earlier in this chapter. The available secondary data was an internal qualitative questionnaire that had been conducted via email. Altogether 20 employees answered question “With which three ad-

jectives would you spontaneously describe the Paulig brand?”. 74 adjectives were used to describe the brand and from the answers a word cloud was created to visualize the answers in Figure 10.

### 3.4 The development project background

A project “Beanie” was launched after identifying “Made in Paulig”, a initial project idea. An internal questionnaire was made to research company’s own employees’ views about the Paulig brand and results backed up the understanding that there was a need to engage employees into the change process. Paulig master brand was renewed recently to represent the “new world” that is urban and global, and the brand wanted to highlight Paulig’s passion and curiosity towards coffee. It seemed that employees had not yet adapted the “new Paulig”.

The core project team of three, a Project Manager, a marketing professional and a hr professional started to think whether service design could be a method to use in creating a service concept to engage employees into the change. The form of the concept was very much unclear still, even though words like “community”, “training program”, “tribe” and “internal culture” were often used. As Lusch (2015) points out, design thinking is best applied in situations where the problem or the opportunity, is still unclear and cannot be defined, or there is a need for a breakthrough idea or concept. Also Stickdorn and Schneider (2013) emphasizes that first step of any service design process is to design the process. This was exactly the case with the Beanie project. Also co-creation being one of the main principles in service design, the core team saw that the project could benefit from the service design approach.

The core team chose to follow the “Double Diamond”-process and the project concentrated on the second “Define” part and third “Develop” part of the process because the earlier “Discover” phase was successfully started already prior to the project. Two workshops were held based on the process. The initial service concept was developed after the workshops. This thesis is describing the process until the initial concept development, also information how the process went on is described based on the expert interview of a current project manager. Service design processes are iterative and further development will be done as the process continues.

The following chapter will explain the design process in detail, from research phase until the concept development phase. The project was done internally with a multidisciplinary team, the only part outsourced was the detailed concept development and visuals.

### 3.5 Building up a project team and gathering data

Project Manager started working with a project plan which was built around the Double Diamond process. The core team agreed to have two workshops: one for the Define phase, focus on analyzing the research data and to define the problem statement, and one for the Develop phase, focus on having an Ideation session where the service concept ideas were generated. The project Manager set up the goals for both of the workshops and thought with what service design methods to use to reach the goals. The first workshop drafts and agendas were shared with the core team and together those were modified to serve the purpose in a best possible way. It became soon clear that it was excellent strength to have a diverse core team; one was very familiar managing big projects, one excellent in managing people and one expert in service design. Planning the process was a team effort.

The first part of the project was held in the International Sales Meeting in June 2016, where Paulig Professional's International sales team and some key persons from international marketing and innovation were present. Paulig Professional's Country Manager gave an inspirational speech about the future of coffee business and an introduction what would it mean for employees of Paulig. She admitted that she herself did not have enough knowledge to be able to change her mindset and asked whether others felt the same. To make the statement, the core team had printed a big board titled: "Sign up for learning! To create enriching coffee moments" where she encouraged everyone who felt the same to sign in their names. After that, the Project Manager spoke about passion towards coffee and shortly introduced the plans to kick off the project-Beanie. Project Manager asked everyone who wanted to be part of the project team, to mark a dot after their names. Hence, the project team was formed from the employees that attended the Sales meeting and that were volunteering to be part of the team. Besides the volunteers, the Project Manager invited some people to the team to guarantee diversity especially so that each country would have representative in the team.



Figure 11: Beanie Project team board

For the sake of the project and the service design process, it was important to have a diverse team. According to The Copenhagen Institute of Interaction Design's (2008) definition, service design is a cross-disciplinary practice that combines skills in design, management and process engineering. Service design is a multidisciplinary field that involves marketing, human resources, operations, organizational structure, and technology disciplines (Ostrom, Bitner, Brown, Burkhard, Goul, Smith-Daniels, Demirkan & Rabinovich 2010). According to Steen et al. (2011) creating multidisciplinary teams in co-creation in service design projects, the organization involved can benefit from it in many ways; the creativity improves, the focus shifts on customers or users, the cooperation between disciplines is easier and capabilities and enthusiasm for innovation increases.

Project team members were asked to participate in the research process before the first workshop. This "Discover" phase of the project was about gathering inspiration and insights. The goal was to identify user needs and to develop initial ideas by interviewing colleagues. Each team member were asked to interview a colleague and ask what was their perception towards coffee? How confident they were in their coffee knowledge? What would they like to learn more? What ways of learning they would prefer? With an agreement of the respondent, they created a profile-card of the person. These profile cards were the research data for the project together with secondary data explained in chapters 3.2 and 3.3.

Even though the core team was aware that not every member of the team is a "professional interviewer", it was agreed that interviewing is an effective research method to engage the project team with the project as well as gather the research data in order to find insights that will help the team to anchor the service concept in a research data. By interviewing a user, in this case a colleague, everyone is able to build empathy and understand the user better. To make the pre-task as effortless and simple as possible, so that every team member could still make the interview even with their hectic schedules, a Project Manager created an interview template as a support. Also few introductions and tips were sent for the project team members with the Workshop 1 agenda.

## Example!


<p>Emmi Kinnunen, Training Expert</p>	<p>Emmi has worked in Paulig for 4 years. She thinks herself as a true Coffee Geek. Does coffee-related-things also off work.</p>	<p><u>Company's aspect:</u></p> <ul style="list-style-type: none"> <li>- Emmi thinks that every credible coffee company should have personnel that are true coffee professionals.</li> </ul>
	<p><u>Personal aspect:</u></p> <ul style="list-style-type: none"> <li>- For Emmi coffee is a passion. She especially enjoys exploring new cafés and browsing coffee-related blogs and Instagram accounts.</li> <li>- Emmi is confident in her coffee knowledge but she thinks that there's still lot to learn. She struggles to find "new" knowledge.</li> <li>- She would love to learn in an community-type environment, where everyone learns together, not just someone lecturing. She would be impressed if the learning method/way is surprising and unexpected.</li> <li>- Most inspiring thing in coffee is barista lifestyle – everything in it. And of course the taste of coffee.</li> <li>- Sometimes Emmi thinks that coffee courses and education is too boring, she would like it to be more fun! Quite often it get's too geeky or scientific.</li> </ul>	<ul style="list-style-type: none"> <li>- She thinks that internal coffee community would also grow personnel's motivation and would make the work more enjoyable. It is horrible if you're not quite sure about things.</li> <li>- Emmi reckons that with passionate people the whole image of the company can change.</li> <li>- Emmi thinks that being Beanie could mean that you are part of a group, coffee community in Paulig, where you can discover, explore and learn new things – and have fun meanwhile!</li> <li>- She hopes that being Beanie could also be something that each employee is proud of ☺</li> </ul>
<p><i>"I hear it all the time: 'I don't have any taste buds what comes to the coffee'. I think it is sad, you're missing the best part of it."</i></p>		

Figure 12: Example of a Profile Card

## Pre-task

### To get into the mood...

- Casually chat with a colleague/have a cup of coffee: what's their perception towards coffee? How confident they are in their coffee knowledge? What would they like to learn more? What ways of learning they would prefer?
- Create a profile-card of this person -  
FIND TEMPLATE ON THE NEXT SLIDE:
  - ✓ Picture if possible, can be also drawing ☺
  - ✓ A short coffee profile
  - ✓ Add quotes! What were the most interesting things she/he said
  - ✓ Be neutral, just listen ☺
  - ✓ Remember that the one you talk to is the expert of the subject!

Figure 13: Interview instruction (capture from an agenda)

By interviewing employees of Paulig, the design team gathered information about the customers of the service concept; what were their needs and values and what they found interesting and exciting. It was important for the team to interview colleagues in order to design a service concept for the customer, not for themselves. The data gathered from the interviews would be analysed in the first workshop and based on the analysis, insights would be generated. According to Polaine et al. (2013, 40) the designers do research so that they would be

able to generate insights about customer needs and behaviours. Based on that knowledge they are able to lay a solid foundation for a productive project and robust ideas. Ethnography research is a qualitative research method where the data is gathered e.g. through observation and interviews. (Lupton 2011, 26.) Portugal (2013) note that interviewing can be a valuable way to identify new opportunities before the team is aware what to design, to refine design hypothesis. Insight boards are used for presenting insights in a visual, relatable way. It is important to have a photo of the interviewee so that the designer team can easily relate to the participant. (Polaine et al. 2013, 90.)

Frontline staff is considered to be the experts of the service as they are the ones having interaction with the customers. They have practical knowledge and also hidden knowledge about user needs and ideas. The exponents of employee driven innovation introduce employees as an active innovators of all parts of the innovation process. (Agarwal et al. 2015, 173.)

In order to move into the Define-phase of the design process, altogether 14 semi-structured interviews were conducted by project team members. One of the interviews was a group interview with 3 persons, and two interviewees answered the questions themselves because of scheduling issues. The data collected in the interviews was analysed during the first workshop. Each interview took 30-60 minutes and was conducted with the language that was common for both parties, interviewer and interviewee. The interview template with themes and questions was formed by a Project Manager as a support for the interviewer to structure the interview but allowed enough freedom to include other topics that might have felt relevant to the individual respondent.

### 3.6 Analysing the data and defining project scope

The Define-phase of the service design process is visualized in the Figure 14 below.

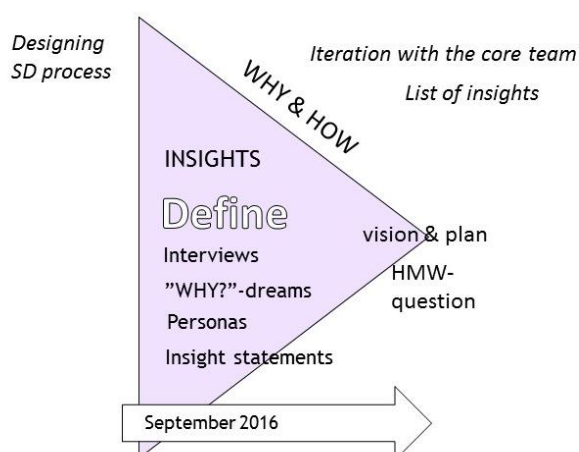


Figure 14: Visualization of the workshop1

A rough agenda with instructions about the pre-task was sent to all the team members beforehand. A detailed agenda was made for the facilitators and it can be found from appendices.

The data gathered from the interviews was analysed during the workshop 1 by using service design methods. Affinity diagramming was used in order to cluster observations and insights from the interviews. Martin & Hanington (2012, 12) describe the method as a process to meaningfully cluster observations and insights from the research so that the design teams' development work is grounded in the data. It is the simple and effective way to organize field data. The clustering is done in three steps: first the most interesting learnings are written on post-its, then the data is clustered based on the similarities and finally clustered notes are labelled under themes and translated into insights. (Holtzblatt & Beyer 2017, 127.) After the affinity diagramming, personas were created as a research deliverable. Personas emerge at the beginning of the design process because they act as a part of problem definition (Chen & Liu 2015). Personas are created by clustering collected data from the primary research, in this case from the interviews (Cooper, Reimann, Cronin & Noessel 2014). Based on the insights generated by using affinity diagramming, design principles were generated from them. In this thesis design principles are referred also as insight statements and concept building blocks. By generating design principles, design team is able to translate the researched data into the guidelines and stepping stones that will help in the ideation phase. Design principles are statements that support easy concept exploration. (Kumar 2012, 189.)

Workshop 1 (in September 2016) gathered the whole project team together for the first time to discuss about the Beanie project. The introduction of a project team can be found from appendices. The workshop was held in a Business Centre where the Project Manager had chosen a room that would be totally different from the meeting rooms that the project team usually worked in. It was important to choose a right environment to support creativity and to make it easier for everyone to get away from the work duties.





**W**hen you  
**E**nter this room  
**L**earning is fun and  
**C**ooperation is expected  
**O**ur positive attitude and  
**M**utual respect are part of  
**E**verything we do and say

Figure 15: Workshop 1 facilities & “rules”

A six-hour workshop was about analysing the research data, and to define the needs and values of the customers. The goal was to analyse the research data in order to create design principles for the project. The following goals were introduced for the team:

- Define “Dream Statement”
- Identify customer profiles
- Find building blocks (insights) for the service

The purpose of the “Dream Statement” was to clarify what the project was all about, to understand the “Why?” behind it. The core team of three shared their own “Dream Statements” to inspire the project team to think about their own vision. Each project team member could think about what they thought being Beanie meant and what was the dream situation for them.



Figure 16: Example of a Dream Statement

## Beanie Dream Statement

“Paulig Beanie has a soul of a coffee farmer and an attitude of a barista. Beanies are endlessly curious about coffee and for that reason they created a coffee community where they can share their passion with likeminded colleagues.”

The skills they learned, conversations they had and ideas they shared in the Beanie community affect their daily work at Paulig. Genuine love for coffee shows. Beanie goes deeper than being a program to learn about coffee, it is way to be.”

The Dream Statements were discussed in a facilitated warm-up situation so that the team could get into the right mood and get their ideas and creativity flowing. All the team members created a line across the room so that the person who had the shortest working experience in the company was in the opposite end to the one that had the longest working experience. Opposites formed a pair and discussed topics such: share a moment when your knowledge enriched a coffee moment, if you would not have any boundaries what would a coffee community be like etc.? After a short discussion, each pair shared the highlights of their discussion which a facilitator wrote on flipcharts so that everyone could see them. During the discussion the team members were also advised to write down any coming ideas on a post-it note.

In the Beanie-project, where the goal and desired outcome was still very much unclear, it was important to start by gaining a mutual understanding of why the project was done in a first place. Sinek (2009) introduces a three-layer circular model, with ‘what’ on the outside, ‘how’ in the middle, and ‘why’ at the inside. When selling the vision to others, he suggests that one should start from the centre and first answer the question: “why?” Why is the leader’s clear vision that combines the purpose, cause and beliefs he/she has. By starting with why, a leader can inspire others to believe in the “same why”. After why, one should move into “how?” and finally into “what?”. “People don’t buy what you do, they buy why you do it”, Sinek (2009, 46) argues.

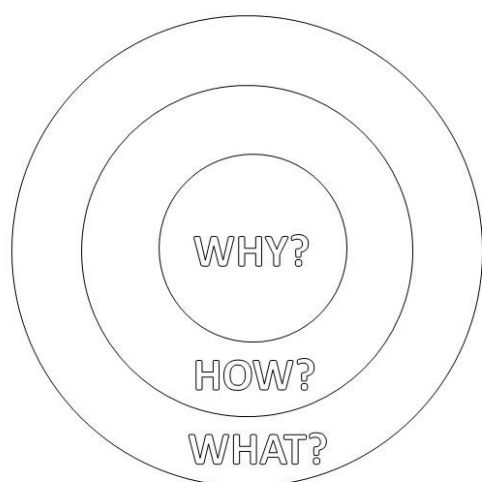


Figure 17: Golden Circle (Sinek 2009, 41)

Even though the purpose of the first session was not to create anything, only get the project team into the right mood, it was surprising how many ideas and thoughts the team already had about the not-existing service concept. The main advantage of this facilitated warm-up was to help team members think and dream big. The exercise also set up the tone for the rest of the workshop; all the ideas were welcome and the space was safe for everyone to express

their feelings. The warm-up also acted as an opportunity for brain dump, so that everyone could get over the top-of-mind ideas and issues they might have had about the project.

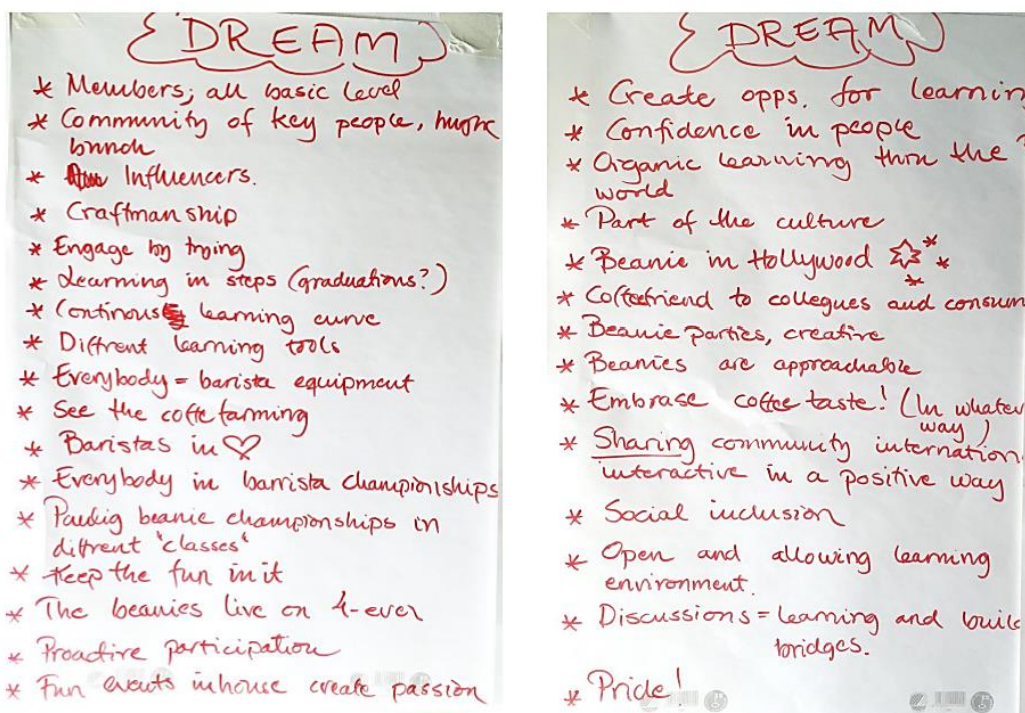


Figure 18: Examples of Beanie Dreams

The second part of the workshop was to define customer profiles, “Beanies”. The purpose of this session was to define the needs and values of the customers that would be using the service - bearing in mind that every single team member would also be a future customer. Because people are the heart of the service, it is important for designers to understand who they are. Designers must listen what they say to able to gather the information that help them to give users what they need, when they need it. Service elements need to be designed also for the person who delivers service not only for the customer. (Polaine et al. 2013)

Stickdorn and Schneider (2013, 178) explain that personas are fictional characters that represent a certain group based on their common interests. Personas act as clients that the team can engage with. Chen and Liu (2015) point out that personas are a tool that helps the designer team to relate to and emphasize with users and also helps the team to understand the problem from the users’ point of view.

Creating personas was a first tool to analyse the data gathered from the research. In a small groups, everyone shared the most interesting things about their interviews. Others were asked to “actively listen”, meaning taking notes on the things that they found most valuable.

All the notes were collected on the wall around the profile sheet. Based on the shared stories, the groups drew a "general Beanie-profile", a persona that represent team's pre-task data collectively. They were advised to try to find patterns, shared values or issues and to build the persona around that knowledge. After the session each team presented their own Beanie, so after all there were three different personas to further work with.

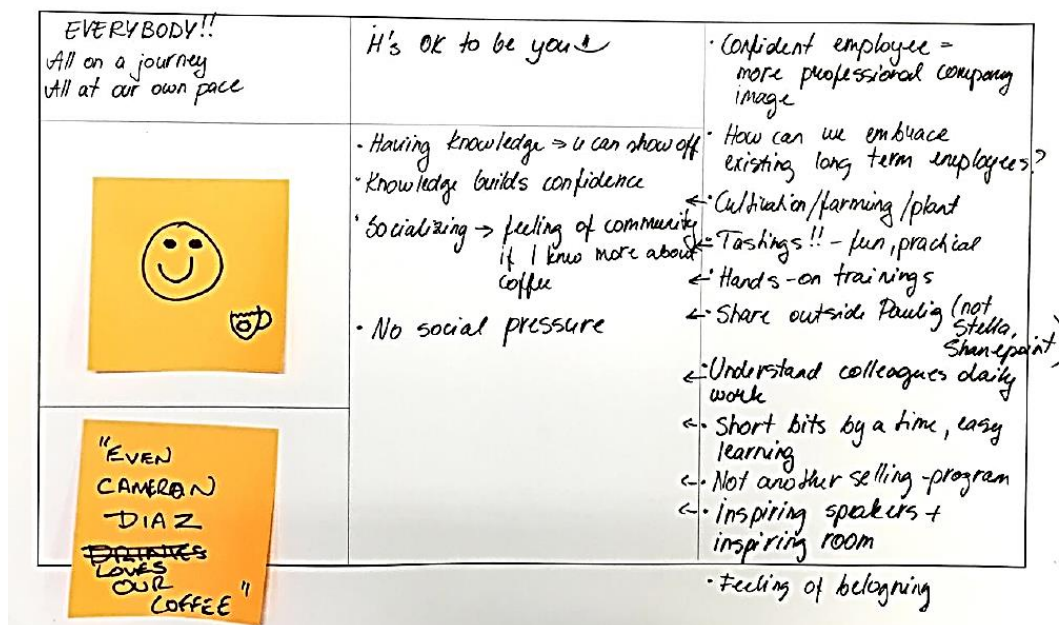


Figure 19: Example of Beanie profile

In the persona session, the Beanie profile was designed so that the team could then later on recall it. Beanie was the customer of the service concept, it was basically a collective person, representing everyone in a project team but also all of their colleagues. By creating "Beanie"-profile, it was easier for everyone to understand that the service concept was created to someone, a customer, and that he/she had special needs and values. "Beanie"-profile build the project team's empathy and made the customer more tangible. Also Beanie-profiles grounded to future ideation to the research, making sure that the concept would actually be backed up with researched data.

The third part of the workshop was to continue analysing the research data by using Affinity diagramming. With the research analysing method, the team tried to find themes and to build design principles, or insights, based on the clustered ideas. This final part of the workshop was the most challenging and demanding for the project team. Three teams all had pile of post-it's where they had written their ideas and thoughts during the previous sessions. Now they gathered all those on a wall and started to cluster them, trying to find themes and patterns from them. They were advised to move the most compelling, common, and inspiring

quotes, stories, or ideas to a new board and sort them into categories. They were looking for patterns and relationships between categories and moved the Post-its around as they continued grouping. The goal was to identify key themes and then to translate them into opportunities. Each group was arranging and re-arranging the Post-its, discussing, debating, and talking through what was emerging. It was important not to stop until everyone in a group was satisfied that the clusters represented rich opportunities.

Then each group took the themes that they identified in Step 1 and put them up on a wall. They took one of the themes at a time and rephrased it as a short statement. It was important to remember that they were not looking for a solution, just transforming a theme into what feels like a core finding of their research. The idea was to find a building block for the project, not a resolved question. Once they were done with all the themes, they were advised to look back at their original design challenge and shift through their statements, discarding the ones that did not directly relate to the challenge. The goal was to end up with three to five design principles, or insight statements, that were presented to the other teams.

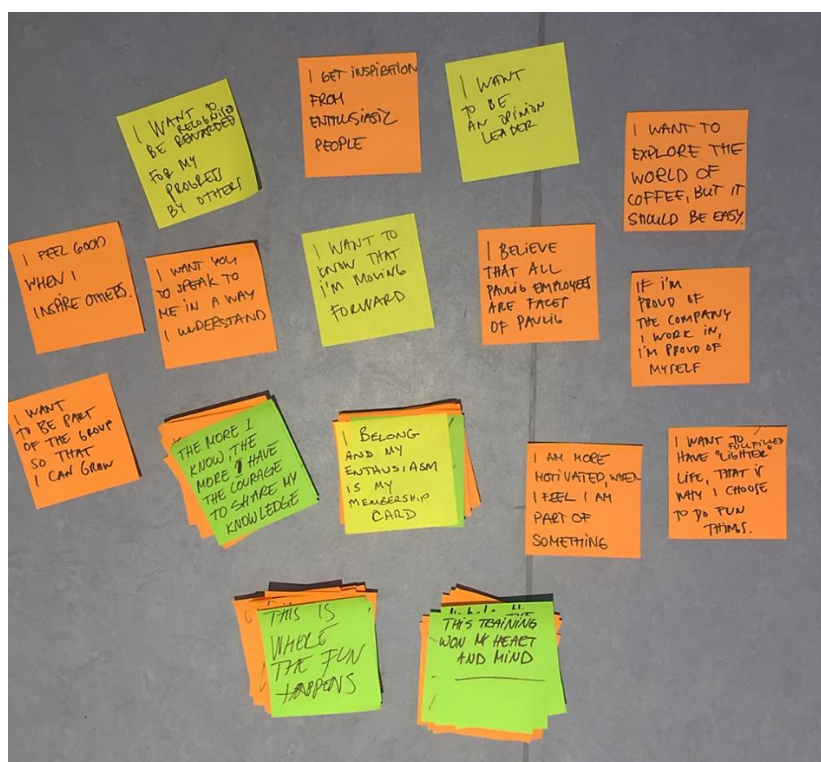


Figure 20: Beanie design principles

When services are developed truly based on researched insights, for the benefit of the potential users, designers can be confident that the services brings real value. Although services bring value only when we use them. (Polaine et al. 2013, 18, 23)

Insight creation is the basis of the creative process and customer insights is a way to regain a clarity in the fog. Insights can act as a wisdom to make a right kind of business decisions. Ackoff's method "from data to wisdom", as presented in Figure 21 below, presents information hierarchy as a pyramid where data acts as a base, then information, then knowledge and on the top wisdom. Wisdom helps defining right problems to solve. (Ackoff 1999) Service designers are interested in people's needs, behaviours, and motivations because that knowledge forms the basis of design problems that designers tackle (Polaine et al. 2013).

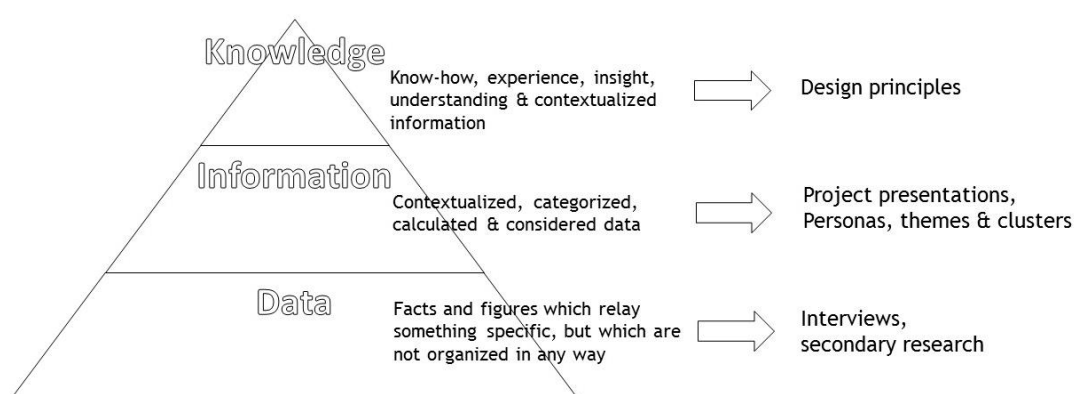


Figure 21: From data to wisdom model (Ackoff 1999)

In the context of Beanie project; the data gathered from the interviews and the secondary research data forms the base of the pyramid. Project presentations where the information is already somewhat clustered as well as personas, and themes and clusters generated in Affinity diagram form the Information level of the pyramid. The design principles represent the top of the pyramid.

Building the design principles was demanding for the teams but after all the team ended up with 16 principles that represented collectively the data gathered about the customer. 16 statements being too many to continue to work with, the core team worked them into 10 statements, by re-phrasing and clustering the statements even further. Those 10 statements were the building blocks and so called "check-list" for the service concept. Design principles can be found for the appendices of this thesis.

Based on the findings in the workshop 1, the project core team was able to define a How might we -question. The problem statement that the team defined was: How might we design a community that encourages Paulig employees to be more curious and enthusiastic about coffee?

### 3.7 Generating service concept ideas

The Develop-phase of the service design process is visualized in the Figure 22 below.

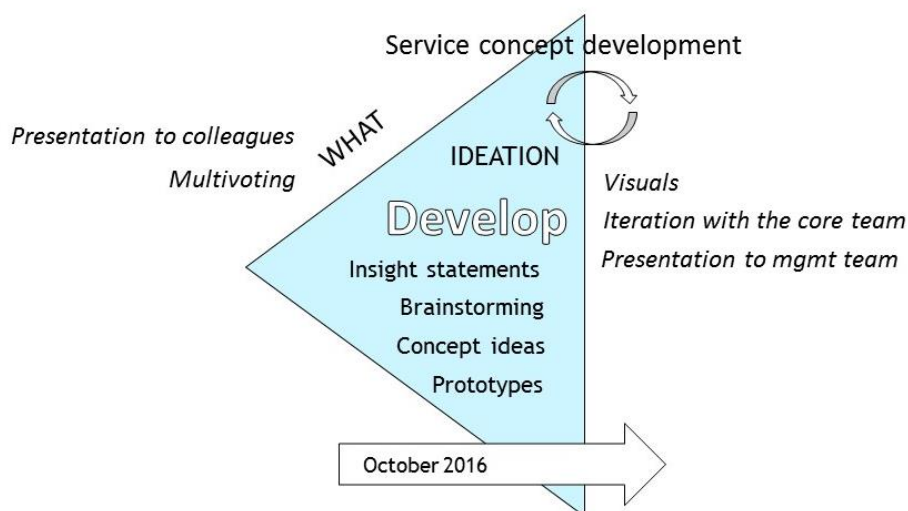


Figure 22: Visualization of the workshop2

An agenda was sent to all the team members before-hand with a summary of what was done during the workshop 1. A detailed agenda was made for the facilitator and it can be found from appendices.

In the Development phase of the project, an ideation session was held in order to generate service concept ideas based on the defined insights and design principles generated in the previous phase. Compared to general brainstorming, ideation session is more structured and carefully facilitated. (Kumar 2012, 212) Kumar (2012, 212) introduces the steps in the ideation session: first the session is planned, then the participants that represent variety of expertise are selected, then the insights and principles from the analyses phase are organized as a phase for ideation, after that a comfortable environment is created for the session, next the session is started and guided with a facilitator, and during the session the aim is to generate as many concept ideas as possible and lastly concept ideas are captured and summarized in a one-page template.

Workshop 2 (in October 2016) was organised about a month after the first workshop. It was an ideation session with a goal to create as many executable concept ideas as possible, so that those could be diverged then into one service concept proposal that would be presented to the management board later on. The workshop started with a reclamation of the work done in and after the first workshop and some inspirational words to get the project team's minds

focused into the topic. A warm-up session “Yes but - Yes and”, woke up the team and set the atmosphere for the day.

Before starting the ideation, the project team voted the design principles that the team would continue to work with. 10 statements were printed on the wall and each team member had 5 voting stickers to give. They could give all the votes for one statement or divide the votes to several statements. After the vote it was clear which statements resonated with the team. Multivoting is a method used when the group has many possibilities and wants to converge on the most promising ideas (Lusch 2015).

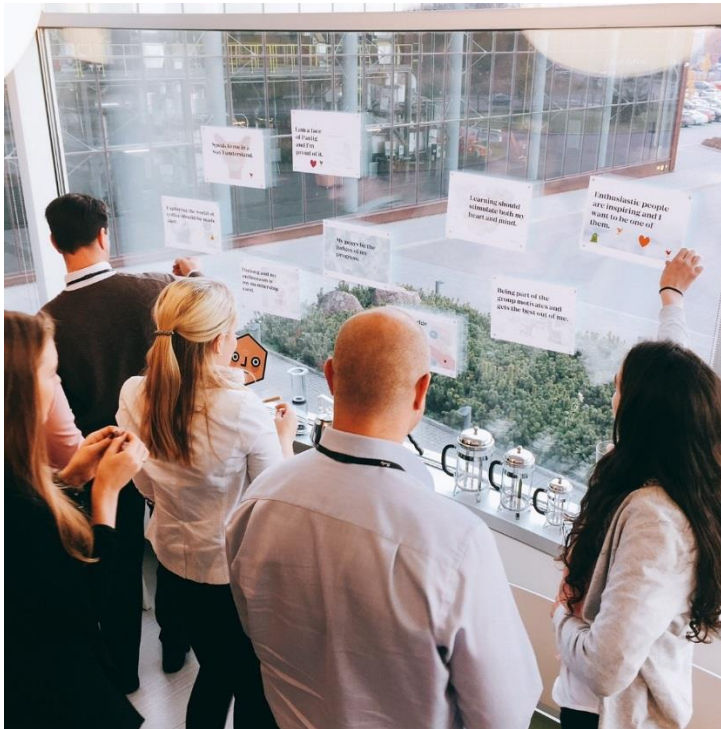


Figure 23: Project team voting the design principles



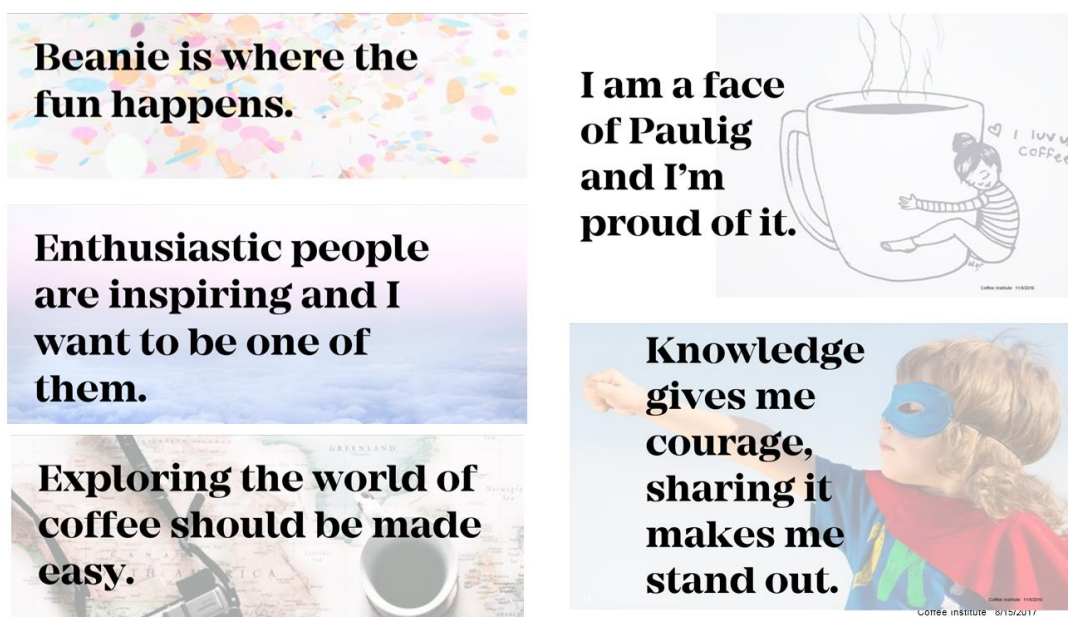


Figure 24: Design principles

The first part of the ideation session was about generating as many concept ideas as possible concentrating on two main topics: Beanie Entry/1<sup>st</sup> level and Program Launch. The topics were defined by the core team. Beanie Entry level ment what was required to start the community/service concept and Program launch topic concentrated on creating a buzz around it. With this kind of topic scope, it was easier for the team to focus their thinking, and not end up being too generic with their concept ideas. The general problem statement that was defined after the first workshop was introduced to the team: “How might we create a community that encourages Paulig employees to be more curious and enthusiastic about coffee?”

According to Moritz (2005) brainstorming means developing large number of ideas with a group of people. It is a session where wild ideas are encouraged and where criticism towards the ideas should not exist. Usually one theme or topic is in focus and the team generates as many ideas about it as possible, optimally ideas build on each other. A session should be facilitated and all ideas needs to be written down. Brainstorming can benefit if the session is held in an inviting environment that encourages creativity. A brainstorming is very quick, cheap and effective way to get large amount of ideas. Ogilvie and Liedtka (2011) point out that successful brainstorming session should generate many possible alternatives which the team can then select few for further development.

The teams started a brainstorming session where they wrote down their ideas on post-its, read others ideas, build on them, clustered the ideas on a mind map or similar and finally built and discussed the ideas together in a team. The second part of the brainstorming session was to make choices; converged by picking their favourite 2-3 ideas and fill in a pre-printed

idea sheet where they dug deeper into the concept idea. The idea sheet can be found from the appendices of the thesis.

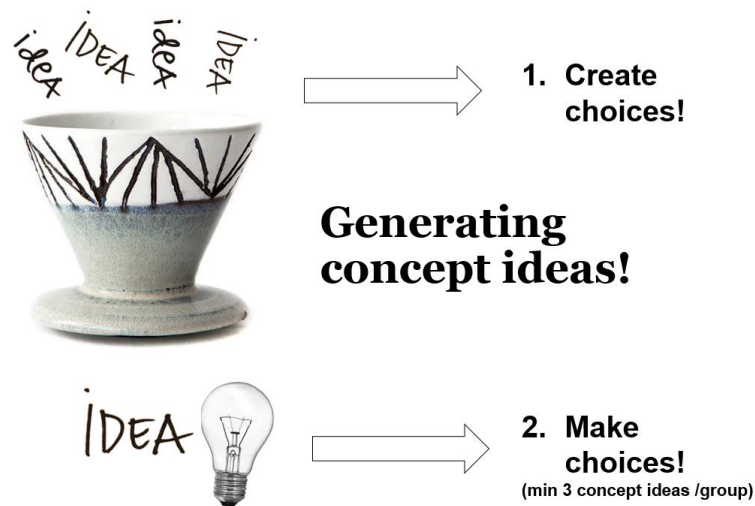


Figure 25: Goal for the workshop 2

This time the workshop was held in Paulig premises and therefore extra effort was made to make the meeting room as inviting as possible. By decorating and supplying inspiring props, the meeting room became a space that was different from a typical meeting room; it encouraged creativity.



Figure 26: Workshop 2 space

After the first part of the ideation session, the project team stepped into the field of prototyping. The session started with a warm up called “One Hand Paperplanes” where the purpose was to build a paper plane out of a single a4 sheet in teams of three by using only one hand per person. This warm-up acted as an energizer after a lunch and also introduced the concept of prototyping; by iterating, the teams were able to refine and innovate designs to the fullest potential. The team developing their paper planes further were most likely to make the best possible planes.



Figure 27: One hand paper planes

Prototyping the service in the early stage of the process can save the organization lots of time and money (Polaine et al. 2013, 154). The idea is familiar also from the lean start-up, to succeed sooner, one must fail early. The sooner you understand what features and ideas does not work, the easier is to develop them further (Blank 2013). In this context prototyping means giving a very basic experience of a service (Lusch 2015). It is only natural that the fear of failing can kill a new idea. With rapid prototyping, a design team can become more confident about the concept. (Brown & Martin 2015.)

After the warm-up, teams were advised to choose one of their concept ideas for prototyping. They were encouraged to plan, build and create a Beanie-session to the others to test a whole concept or a concept feature. After planning, the team hosted the session. Afterwards other teams were able to comment and give development ideas. It was easier to grasp the idea when it was actually brought into life, and it made the ideas more tangible. Also the prototyping clearly showed what type of features or concepts got the team excited.

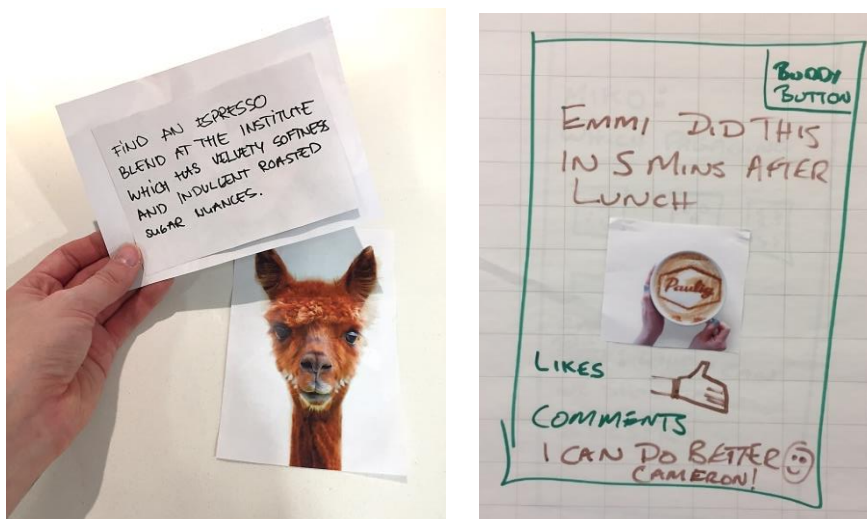


Figure 28: : Prototyping

After the ideation session, the core team ended up with altogether 12 idea worksheets, 7 of them mainly about the “entry level” of the service concept and 5 of them about ideas and concepts for the concept launch.

## Power to the People



### EXPLAIN YOUR IDEA IN ONE SENTENCE.

Members get members.

### WHAT EXCITES YOU ABOUT THIS IDEA?

- It is a recommendation who got to be Beanie. It is by invitation only and starts from ground up → core team.
- Beanie ambassadors, who can choose 1 person to invite to the secret club, “Ripple effect”
- Dram attention by wearing a distinctive element (hat, beanie, shirt), but do not tell what it is when asked about → keep the mystery!
- Choose a person to invite to a certain location & time

### WHAT IS THE NEED YOU ARE SOLVING?

✓ Belonging to a tribe / “Secret Club”

### VISUALIZE IT!



Figure 29: Example of idea worksheet

### 3.8 Towards an initial service concept proposal

According to Ogilvie and Liedtka (2011) concept development means the act of choosing the most potential ideas from the brainstorming and putting them together as a detailed solution and evaluating them by using business and customer criteria. As opposite to brainstorming, concept development is best done with the project core team instead of diverse group.

Based on the ideation workshop 2, a service concept proposal for the core team was created. 12 idea worksheets on a desk, a Project Manager, started putting pieces together in a mind map. Quite quickly it was clear that there were few features that stood out in all the ideas:

- Sharing. Sharing knowledge in modern, interactive and informal way.
- Commitment & Attitude. We should all love what we do.
- Enthusiasm. Let the most passionate ones to lead the way, rest will follow.
- Rituals. Emphasise the sense of belonging through signs & rituals.
- Society. You are part of something new.

After mind mapping and brainstorming with the core project team, finally a service concept idea called Beanie Buddy was developed: a concept that creates two internal communities - Buddies and Beanies. Beanie Buddies being the Coffee Enthusiasts that start to host workshops and events for the Beanie community. The process starts with Buddy recruitment where anyone interested in joining the group is welcome. The recruitment campaign also serves as a teaser for the rest. After the Buddies are chosen, a Buddy Camp is held where, by using the service design methods, the form and the content of the workshops and events are designed. Then the Beanie program will be launched to everyone and a Beanie Booking opens up where everyone can choose the sessions they are interested to attend. The key is to aim for an ongoing community, where the Buddies act as hosts of the program, who also regularly meet up to stir new ideas for the program. They can also invite the most active Beanies to become Buddies. Beanies will be awarded points based on the events they attend: Buddies will authorize Beanie batches when a Beanie achieves certain level of points. There will also be surprise give-aways for active Beanies to support external marketing activities e.g. to take pictures for social media or to prepare coffee for friends and family.

In the Figure 30 the service concept process is explained and visualized.

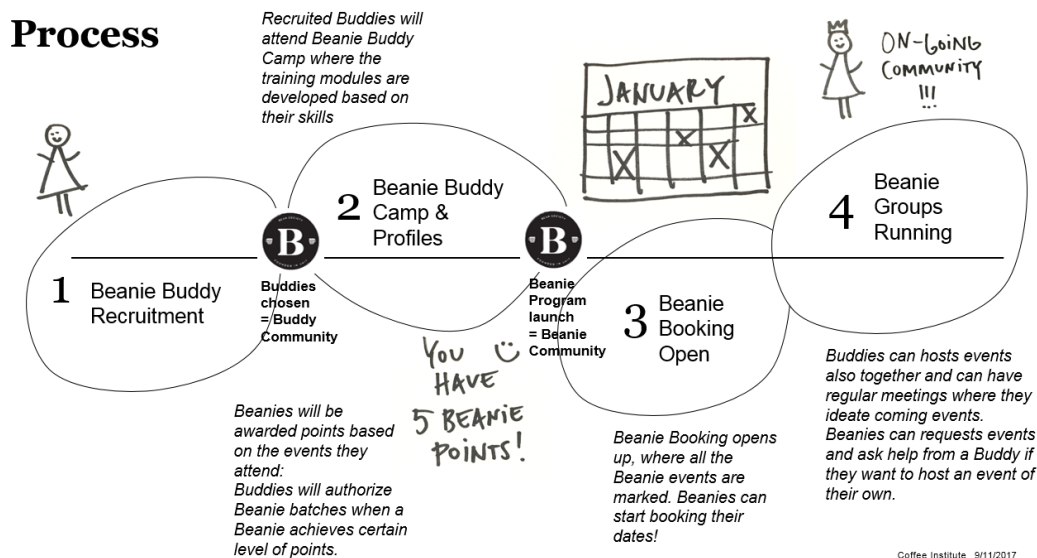


Figure 30: Concept process

The first draft of the Beanie Buddy concept was introduced for the core project team in October 2016, when the team agreed that the concept represents well the work that was done before and during the workshops. The team decided to book a design agency to fine-tune the concept and to create a visual identity for the program. As a result of the cooperation with an agency, the service concept name was chosen to be “Bean Society”. Also a visual identity was created together with different kind of material to market the concept internally for Paulig employees. Final pitch for company’s Management Board was planned for November 2016.



Figure 31: Examples of visuals

Employees of an organization can make the brand come alive for the customers therefore internal marketing is the best way to help employees make emotional connection to the products and services the organization sells. When people care about and trust in the brand, they are motivated to work harder and their loyalty to the company increases. Employees are unified and inspired by a common aim, they sense a purpose and identity. (Mitchell 2002.)

An important thing behind the "Bean Society" -concept was also to make it an on-going, so that the community would develop and build the concept themselves. This would also make the concept itself iterative. Candi and Beltagui (2015) state that designing service experience is on-going process. Polaine et al. (2013, 44) highlight that by involving staff in the creation of the service they feel more engaged and by actually teaching them about the complex ecology of the service and how to use design thinking methods and tools, they are also able to develop the service themselves. "Service innovation should have a life span beyond the length of time the service designers are involved in the project. This means recognizing that other stakeholders may engage in many of the activities of service design as part of a continual process of change" Polaine et al. (2013, 44) sum up.

In order to effectively continue the Double Diamond process, as explained in chapter 2.1.2, the suggestions were made to further test the service concept before launch. Because of the iterative nature of the process it would be important to organise test sessions as prototypes of the service experience, observe the session and ask feedback from the participants, and based on that knowledge, develop the concept further.

### 3.9 Delivering the service concept

The service concept called Bean Society was launched in November 2017. The launch party was a success attracting over 100 employees (third of the people working in Paulig HQ) to see what the Bean Society was all about. The week before the launch party, employees curiosity was arised by playing a teaser video about the new formed coffee community in the information screens and the Bean Society take away cups appeared on everyone's personal desks.



Figure 32: Teaser coffee cup

Prior to the launch, 18 Beanie Buddies were recruited from Paulig employees. Buddies wanted to join the community just out of their own curiosity, no incentives were given. Two workshops were held with an aim to design the content of the sessions Beanie buddies were to host. The workshops were facilitated and designed by an external agency, with a close co-operation with the project core team and in a co-creative manner with Beanie Buddies. The service concept explained in this thesis in chapter 3.8, was developed further during the workshops. The process of the workshops also followed the Double Diamond process.



Figure 33: Bean Society



### 3.10 Feedback about the service concept

In order to get feedback and to understand how the process continued as well as to evaluate the success of the project, a current Project Manager was interviewed in an expert interview.

The secondary data that was available (desk research and internal qualitative research) was analyzed in order to understand the starting point and the problem the project was to explore. The service concept was designed using five design principles that were the insights generated in the workshop 1. The design principles presented the primary data (interviews) that was collected by the project team. The data was analyzed by creating personas based on it and also by generating insights by using affinity diagram method. When services are developed truly based on researched insights, for the benefit of the potential users, designers can be confident that the services brings real value (Polaine et al. 2013, 18).

Using a secondary data as a part of the research turned out to be challenging as the detailed information how the data was collected was not available, therefore the importance of it could not be stressed. Also, the decision that each project team member conducted the interviews themselves, was not problem-free. By doing so, a lot of time was saved, and team members were able to step into the shoes of the customer, but on the other hand, the quality of the data was versatile.

Co-creation was carrying method throughout the process and by doing so engagement was increased. The design process was altogether co-created in a diverse project team, but also the content of the service concept was later on co-created by the community. The recommendation for the future is that by using service design methods, co-creation continues to be a method to develop the concept further.

Even though the co-creation was highlighted in the design process, the gap was established between the project team and the community that was created later on. The project team's role basically ended to the workshop 2 and the communication after that vanished. A new design process started with the community and that had nothing to do with the project team at that point. It is clear that these two processes should have merged or at least be visible to each other in order to create truly collaborative way of working. The challenge here was the change of a Project Manager, and the time gap between the two processes.

The service concept named Bean Society, was kicked off by posting a job advertisement video in an internal company page "Stella". The video acted as a teaser for the Bean Society and it simply stated: "Do you have a colleague that makes suspiciously good coffee? Are you Coffee Superstar? Or just excited about coffee? Sign up your colleague or yourself. Join the forefront of coffee." The kick off followed the plan made in the concept development phase, where

the team ideated that a community should be built around the most curious employees in Paulig. The decision paid off, and altogether 18 people signed in to be Beanie Buddies.

As discussed in the theoretical framework of the thesis, when the change is designed, the process should be community-driven, therefore it was important to find an active group that would be the forerunners of the change. Also, the content of the Bean Society, was still unclear and by using service design methods, the plan was to co-create it with the community, to create a sense of belonging to the group as well as facilitate the community to take co-ownership of the concept.

After the 18 Beanie Buddies were recruited, two workshops were held to ideate the sessions the community was about the host. By using service design methods each Beanie Buddie designed their own session with the main challenge in mind: How might we share the passion towards coffee?, making sure it would be both educational and entertaining. The group was encouraged to do things in their own way; to create content that they are excited about, not minding about the traditional formats or structures.

By empowering the people themselves, the group became more engaged and took the leadership of the concept. When they were given a permission to do something they would enjoy themselves, it opened a new level of creativity. During the workshops Beanie Buddie group also became welded and the sense of community strengthened.

After the Bean Society sessions were designed, the teaser campaign started. First a short teaser video was made to draw attention to a launch date. The video proudly stated: "The coffee industry is in its turning point! We are not aiming to keep up, we aim to lead the way. Step aside from the routines: discover, explore and enjoy. This is Bean Society. Welcome to the forefront of coffee." Also a Bean Society takeaway-cup was put in every employee's desk a day prior to the launch. The launch party was held in the Barista Institute training centre where Beanie Buddies hosted stations were Paulig employees "Beanies" were welcome to explore different things about coffee. Beanie Buddies were helping Beanies to sign in to Bean Society sessions. Everyone curious enough to join the launch party received a Bean Society promotion package.

The launch party was a success, over third of Paulig employees came to see what Bean Society was about and the spontaneous feedback was praising: "Why have not we had this before?" many asked. By empowering the Beanie Buddy community to design the launch party themselves, they became proud ambassadors of the concept. And by creating a forerunners community, other employees wanted to be part of it.

In order to evaluate the success of the service concept further, the feedback should be collected from the users, from the Beanie Buddies and Beanies. That can be done after the Bean Society have been running for a while and there are some experiences how the sessions went. At the moment the only thing that can be evaluated is the design process and the launch. Therefore it is recommended that a thorough feedback interviews will be conducted after couple of months so that the content of the sessions can be evaluated and developed further accordingly. In the development phase it was suggested that test groups would have ran before the launch in order to collect early feedback but this was not done, therefore the first round of feedback is still to be collected. Service design is an iterative process and it is important to understand that the designing process does not have an end, but the development work should be continuous.

Still and all the biggest success in the thesis project has been the fact that a new way of working has been introduced to the case company. The company has successfully designed for customer and not with customer. In this project the process has truly been co-creative and the on-going nature of the service concept is built on it. In this context it can be argued that service design was an enabler of change because by leveraging service design in the case company, a service concept that triggers change in the organisation, was designed. Hopefully the service concept will be continuously developed and iterated by the users themselves.

*“We don’t aim to keep up, we aim to lead the way.”* (Bean Society)

## 4 Conclusions

In this final chapter the development project is summarized by representing the key insights from the theoretical framework as well as empirical part of this thesis work. Secondly the value of the development project is evaluated and finally prospects of future research are given.

### 4.1 Summary

The purpose of this thesis was to challenge prevailing change management models by exploring the change in the context of service design. The customers in this thesis were employees, so the focus was in involving employees in the change process. The aim of this thesis was to design a service concept that facilitates the change that starts from within, putting the employees in the heart of the process.

The service concept “Bean Society” was co-created with the employees by following the Double Diamond process and by using service design methods. The theoretical framework explored service design in the context of change by merging the theory into the concept of designing change.

The Figure 34 below summarizes the key findings from the theoretical framework and empirical part of the thesis. The left column introduces the key features of the change that is facilitated by using the service design approach. The right column showcases how these features were translated into the service concept, Bean Society.

<b>Designing change</b>	<b>Bean Society</b>
Change behaviour to change thinking	Service concept enables the mindset change
Understand	Concept Building blocks (insights) generated from the research data
Engage everyone	Designed <i>with</i> users
Informal networks & buzz	Recruitment campaign, teaser video, launch party
Framework for continuous change	Beanie buddy -driven
Community	Beanie Buddies + Beanies
Testing & learning	Service design process, continuous development
Comfortable with ambiguity and uncertainty	Adaptable and organic by nature

Figure 34: Service concept triggering change

The following research questions were asked in order to reach the goal of this thesis:

- Can service design be an enabler of change?
- What kind of service concept could trigger a change in the organisation?

To be able to answer the first research question, “Can service design be an enabler of change?”, the theoretical part of the thesis explores service design in the context of change by viewing it in a comparison to traditional change management theories. Co-creation, communityship and employee engagement are the key concepts of this thesis and are all explored in the viewpoint of change enablers.

By comparing features of traditional change managements models and features of change that is facilitated with service design, this thesis is able to point out the differences between these approaches. It can be argued that by leveraging service design in the organization also the way change is *managed* alters. When the change is designed, the process is started by changing behaviour in order to change mind-set as in John Shook's (2010) model in cultural change. In Kotter's theory of change leadership (2013), the change process starts by creating a sense of urgency, in service design the process starts with an understanding what the problem that needs to be solved actually is (Brown & Martin 2015; Moritz 2005). In change management the change process is led by a top management team with enough power to execute the change initiatives (Kotter 2013), where as in service design one of its principles is co-creation, where everyone involved participate in the design process (Stickdorn & Schneider 2013). Service design is a holistic approach, and the aim is to create sustainable solutions; therefore in the context of change this means creating a culture where change is continuous and the people affected by it actually become drivers of the change (Nayar 2010). Mintzberg (2009) challenges leadership-oriented change management models with the concept of communityship. He explains that employees have a need to belong in a community, and companies have ignored this. Business models like Lean start-up, that are often linked to service design, are iterative and the success is gained by testing and learning. Ambiguity and uncertainty are part of the change process, and to be able to succeed, one must fail fast. (Blank 2013)

The theories and concepts explored in the theoretical framework of the thesis indicates that compared to prevailing change management models, service design offers an alternative approach towards change, where the power shifts from the leader or management to the people affected by the change. Also, when the change is enabled with service design, the process can become more organic and behaviour-driven.

To answer the first research question - Can service design be an enabler of change? - this thesis suggests that it can. A company that leverage service design can create a new culture of collaboration where the focus is on designing *with* customer not only *for* them. The way service design highlights co-operation and user-centricity, can change the way of thinking for the whole organisation and therefore also have an impact in the company culture. (Mager 2009.) Service design methods aim towards increasing empathy that can be the key in designing meaningful services (Stickdorn & Schneider 2013).

The second research question was "What kind of service concept could trigger a change in the organisation?". Service design approach was used to develop the service concept that would trigger the change in the organization. The theoretical framework introduced the interdisciplinary and collaborative field of service design highlighting some of its key concepts such as

design thinking, the Double Diamond process and co-creation as a principle and a method to increase engagement.

In chapter three, the service design process to design a service concept that triggers change in the organization is explained in detail. The process that the project team chose to follow was UK Design Council's Double Diamond and this thesis concentrates on two of its phases: Define and Develop. In the discover phase, the team formed their understanding by using secondary research data. The research crystallized the core of the concept to be form around the idea of *Change starts from within*, instead of the preliminary idea of creating a program that makes Paulig employees Coffee ambassadors. The core team discovered that it was more important to activate the employees in general; the interest about coffee already existed, it was only the matter of giving a forum to feed that curiosity.

The design process continued to the Define-phase and the first workshop was held. Prior to the workshop the project team conducted altogether 14 interviews that each were about 30-60 mins. The interviews were analysed during the first workshop by creating personas based on the data collected by interviewing. Also the Affinity diagramming was used as method to analyse the research data. Design principles were created based from the insights generated from the affinity diagramming. Project team's own ideas and thoughts were gathered together in facilitated warm-up situation as "Beanie-dreams". By using co-creation methods, emphasising customer-centric approach and by increasing empathy towards the customer of the service concept, the team was able to write altogether 10 design principles that were created based on the primary data (interviews).

The Double Diamond's divergent Develop-phase gathered the project team together to ideate possible service concepts. With multivoting the team was able to choose five of the design principles that created the building blocks for the service concept. In a facilitated ideation session, by brainstorming and prototyping, the team ended up altogether 12 concept ideas. Using one of the concept idea as a base, the project manager designed a service concept called "Beanie Buddy" that merged together most of the ideas generated in the ideation session. The service concept was presented to the core team and management team and was developed further with the users themselves. In the concept development workshop, the design principles created based on the research were extremely important and were used as "checklist" for the service concept ideas. If the concept idea presented some of the design principles or even all of them, the project team could be confident that it brought value to the user. Also, during the ideation, co-creation was used as a service design method, and facilitated the project team to take co-ownership of the concepts they designed.

Based on the workshops, the project manager was able to design a service concept proposal to be developed further. The concept merged together themes that emerged during the workshops. Overall, the themes create an answer to the second research question of this thesis, “What kind of service concept could trigger a change in the organisation?”. This thesis suggests that a service concept that can trigger a change in the organization should consider:

- Sharing. Sharing knowledge in modern, interactive and informal way.
- Commitment & Attitude. We should all love what we do.
- Enthusiasm. Let the most passionate ones to lead the way, rest will follow.
- Rituals. Emphasise the sense of belonging through signs & rituals.
- Society. You are part of something new.

In more general, this thesis suggests, that a service concept that triggers a change, should be *co-created* with customers, and this culture of collaboration should be on-going in order to create a sustainable solution. The users of the service concept should be involved in every part of the design process. Also, by creating a sense of community, within the service concept, users can take true co-ownership of the service concept and with that become drivers in developing it. The thesis suggests that a service concept that is *co-created with customers and creates a sense of community* will change behaviour of the employees and by changing the behaviour a mind-set can be changed. The service concept facilitates the *change that starts from within*.

#### 4.2 Contributions and transferability of results

This thesis work contributes scientifically by researching themes that are extremely topical at the moment: change and design. Nevertheless these topics are current, the themes of change and design together have been scarcely researched. The practical value this thesis contributes is gained especially from the process used in designing the service concept. By introducing a design process of a service concept that triggers change in employees, this thesis offers a framework or a viewpoint that can be followed by other organizations also, especially ones re-thinking organization’s identity and brand image and looking for ways to engage employees in the process.

The results of this thesis bring value by offering an opportunity for transferability. The service concept presented in the thesis, as well as the conclusions drawn from the theoretical framework, may be appealing also in the perspective of internal marketing, human resources and communications. The service concept like Bean Society can offer great opportunity for company to improve the company image, to increase employee engagement, to build employee capabilities and to better customer experience.

As Ostrom et al. (2015, 129) identified, there are twelve research priorities that should be addressed from the academic research perspective. Amongst them is Leveraging service design, the theme that is covered in this thesis in the context of leveraging service design in a organization's change process. This thesis contributes by providing an empirical that explains a design process of a service concept that triggers change in an organization. The theoretical framework of this thesis contributes to the empirical so that the result is a combination of both. Above all, the main contribution of this thesis is to present an inspirational development project that highlights service design, employee engagement and a sense of community.

Ostrom et al. (2015, 135) also started a discussion about organization and employee issues stating that "there is a 'need to rethink the way in which companies are internally structured and align it with the way in which companies show themselves to the outside world' and to broaden 'the service concept to include both outward-looking phenomenon and inward-looking phenomenon'" (Ostrom et al. 2015, 135). In some level, this thesis contributes into this discussion because case company's aim was to conform the brand experience internally and externally in order to create a holistic brand experience.

#### 4.3 Future research development

As mentioned before, there is a need to further research design in the context of change. This thesis contributes in some extend in researching these themes but there are still plenty of research opportunities in this area.

This thesis focuses on a human-centered approach which is central in service design. When researching further it could be beneficiary to consider strategies to design change on a systems level, where e.g. technology interacts with humans.

This thesis is a research-oriented development project for the case company, therefore the empirical part was emphasized. As a future research, it would be intriguing to put the emphasis on the theoretical framework and towards the Discover phase of the service design process. This thesis covered the design process until the initial concept development phase, but as a future research project, it would be beneficial to explore if the company culture was affected by the service concept, and if so, what were the triggers in doing so?



## References

- Ackoff, R. 1999. *Ackoff's Best*. New York: John Wiley & Sons.
- Agarwal, R., Selen, W., Roos, G. & Green, R. 2015. *The Handbook of Service Innovation*. London: Springer London.
- Aon Hewitt. 2015. *2015 Trends in Global Employee Engagement*. Aon Hewitt Corp.
- Beer, M., Finnström, M. & Schrader, D. 2016. Why Leadership Training Fails-and What to Do About It. *Harvard Business Review*, 94 (12), 19-20.
- Bindl, U. K. & Parker, S. K. 2010. Proactive work behavior: forward-thinking and change-oriented action in organizations. In: Zedeck, S. (ed.) *Apa Handbook of Industrial and Organizational Psychology*. Washington, DC: American Psychological Association.
- Blank, S. 2013. Why the Lean Startup Changes Everything. *Harvard Business Review*, 91 (5), 63-72.
- Blomkvist, J., Holmlid, S. & Segelström, F. 2010. This is service design research: yesterday, today and tomorrow. In: Stickdorn, M & Schneider, J. (eds.) *This is Service Design Thinking*. Amsterdam: BIS Publishers, 308-315.
- Breevaart, K., Bakker, A., Demerouti, E. & Derks, D. 2015. Who takes the lead? A multi-source diary study. *Journal of Organizational Behavior*, 37(3), 309-325.
- Brown, T. 2008. *Design Thinking*. *Harvard Business Review*, 86 (6), 84-92.
- Brown, T. 2009. *Change by Design*. New York: Harper Collins.
- Brown, T. & Martin, R. 2015. Design for Action. How to use design thinking to make great things actually happen. *Harvard Business Review*, 93 (9), 57-64.
- Candi, M. & Beltagui, A. 2016. Designing Services that Sign and Dance. In: Luchs, M. G., Swan, K. S. & Griffin, A. (eds.) *Design thinking : new product development essentials from the PDMA*. Hoboken: Wiley.
- Chartered Institute of Personnel and Development. 2006. *Reflections on employee engagement: Change agenda*. London: CIPD.
- Chen, R. & Liu, J. 2016. Personas: Powerful Tool for Designers. In: Luchs, M. G., Swan, K. S. & Griffin, A. (eds.) *Design thinking : new product development essentials from the PDMA*. Hoboken: Wiley & Sons.
- Choi, Y. G., Kwon, J. & Kim, W. 2013. Effects of attitudes vs experience of workplace fun on employee behaviors. *International Journal of Contemporary Hospitality Management*, 25 (3), 410-427.
- Clark, G., Johnston, R. & Shulver, M., 2000. Exploiting the Service Concept for Service Design and Development. In: Fitzsimmons, J. A. & Fitzsimmons, M. J. (eds.) *New service development: Creating memorable experiences*. Thousand Oaks: Sage. 71-90.
- Cooper, A., Reimann, R., Cronin, D. & Noessel, C. 2014. *About Face: The Essentials of Interaction Design*. 4th edition. Indianapolis: Wiley.
- Cross, R. Gray, P. Gerbasi, A. Assimakopoulos, D. 2012. Building engagement from the ground up: How top organizations leverage networks to drive employee engagement. *Organizational Dynamics*, 41 (3), 202-2011.

- Fleming, P. 2005. Workers' playtime: Boundaries and cynicism in a "culture of fun" program. *The Journal of Applied Behavioral Science*, 41 (3), 285-303.
- Glasser, W. 1994. *The Control Theory Manager*. New York, NY: HarperBusiness.
- Godin, S. 2008. *Tribes: We need you to lead us*. London: Penguin.
- Goldstein, S. M., Johnston, R., Duffy, J. A. & Raod, J. 2002. The service concept: the missing link in service design research. *Journal of Operations Management*, 20 (2), 121-134.
- Grönroos, C. 2000. *Service management and marketing: customer management in service competition*. Chichester: Wiley.
- Holtzblatt, K. & Beyer, H. 2017. *Contextual design : design for life*. Cambridge, MA: Morgan Kaufmann.
- Honkanen, H. 2016. *Vaikuttamisen Psykologia: Mielen Muuttamisen Tiede Ja Taito*. Helsinki: Arena-Innovation Oy
- Hoyer, W., Chandy, R., Dorotic, M., Krafft, M. & Singh, S. 2010. Consumer Cocreation in New Product Development. *Journal of Service Research*, 13 (3), 283.
- Ideo. 2015. *Human Centered Design Toolkit*. Design kit. Canada: IDEO 2011.
- Iriarte, I., Alberdi, A., Urrutia, E. & Justel, D. 2017. Beyond customer satisfaction. Supporting organisational change through Service Design. A case study in the insurance industry. *The Design Journal*, 20 (1), 424-434.
- Jaatinen, M., Vaajakallio, K. & Belgeonne, R. 2017. Business Impact through Employee Experience Design. *Touchpoint*, 8 (3), 32-35.
- Jakovich, J., Schweitzer, J. & Edwards, M. 2012. *Practicing: U.Lab Handbook of Design-Led Innovation*. Melbourne: Freerange Press.
- Juuti, P. & Virtanen, P. 2009. *Organisaatiomuutos. Keuruu: Kustannusosakeyhtiö Otava*.
- Kahn, W. A. 1990. Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33 (4), 692-724.
- Kananen, J. 2012. *Kehittämistutkimus opinnäytetyönä : kehittämistutkimuksen kirjoittamisen käytännön opas*. Jyväskylä : Jyväskylän ammattikorkeakoulu.
- Karl, K. & Peluchette, J. 2006. How does workplace fun impact employee perceptions of Customer Service Quality?. *Journal of Leadership & Organizational Studies*, 13 (2), 2-13.
- Katzan, H. 2011. Essentials of service design. *Journal of Service Science*, 4 (2), 43-60.
- Katzan, H. 2015. Design For Service Innovation. *Journal of Service Science*, 8 (1).
- Kotler, P. & Keller, K. L. 2012. *Marketing management*. 14th edition. New Jersey: Pearson Education, Inc.
- Kotter, J. 2013. Leading Change. *Leadership Excellence*, 30 (2), 6.
- Kumar, R. & Kumar. S. 2012. Employee Engagement. *Management and Labour Studies*, 37 (1), 31-43.

- Kumar, V. 2012. 101 design methods : a structured approach for driving innovation in your organization. Hoboken, N.J.: Wiley 2012.
- Kupp, M., Anderson, J. & Reckhenrich, J. 2017. Why Design Thinking in Business Needs a Rethink?. MIT sloan management review, 59 (1), 41-44.
- Lockwood, T. 2009. Design Thinking : Integrating Innovation, Customer Experience, and Brand Value. New York: Skyhorse Publishing.
- Lupton, E. 2011. Graphic design thinking : beyond brainstorming. New York: Princeton Architectural Press.
- Lusch, M. G. 2015. A Brief Introduction to Design Thinking. In: Luchs, M. G., Swan, K. S. & Griffin, A. (eds.) Design thinking : new product development essentials from the PDMA. Hoboken: Wiley & Sons., 1-12.
- Macey, W. H. & Schneider, B. 2008. The Meaning of Employee Engagement. Industrial and Organizational Psychology, 1 (1), 3-30.
- Mager, B. 2009. Service design as an emerging field. In: Miettinen, S. & Koivisto, M. (eds.) Designing services with innovative methods. Kuopio: Kuopio Academy of Design: University of Art and Design Helsinki. 28-42.
- Mahr, D., Lievens, A. & Blazevic, V. 2014. The Value of Customer Cocreated Knowledge during the Innovation Process. Journal of Product Innovation Management, 31 (3), 599-615.
- Martin, B. & Hanington, B. 2012. Universal methods of design : 100 ways to research complex problems, develop innovative ideas, and design effective solutions. Beverly, MA: Rockport Publishers 2012.
- McMillan, D. W. & Chavis, D. M. 1986. Sense of Community: A Definition and Theory. Journal of Community Psychology, 14, 6-23.
- Meroni, A. & Sangiorgi, D. 2011. Design for Services. Burlington, VT: Gower.
- Mintzberg, H. 2009. Rebuilding Companies as Communities. Harvard Business Review, 87 (7), 140-143.
- Mintzberg, H. & Caldwell, C. 2017. Leadership, "communityship," and "the good folk". International Journal of Public Leadership, 13 (1), 5-8.
- Mitchell, C. 2002. Selling the Brand Inside. Harvard Business Review, 80 (1), 99-105.
- Mootee, I. 2013. Design thinking for strategic innovation: what they can't teach you at business or design school. Hoboken: Wiley.
- Moran, J. W. & Brightman, B. K. 2000. Leading organizational change. Journal of Workplace Learning: Employee Counselling Today, 12 (2), 66-74.
- Moritz, S. 2005. Service Design: Practical Access to an Evolving Field. Cologne, Germany: Köln International School of Design.
- Nayar, V. 2010. Employees First, Customers Second: Turning Conventional Management Upside Down. Harvard: Harvard Business Press.
- Newbery, P. & Farnham, K. 2013. Experience Design : A Framework for Integrating Brand, Experience, and Value. New York: John Wiley & Sons.

- Nieminen, P. & Puustinen, T. 2014. Kahvi - suuri suomalainen intohimo. Helsinki: Kustannusosakeyhtiö Tammi.
- Norman, D. A. 2005. Human-centered design considered harmful. *Interactions*, 12(4), 14-19.
- Ogilvie, T. & Liedtka, J. 2011. *Designing for Growth : A Design Thinking Toolkit for Managers*. New York: Columbia University Press.
- Ojasalo, K., Moilanen, T. & Ritalahti, J. 2014. *Kehittämistyön menetelmät: uudenlaista osaamista liiketoimintaan*. 3rd edition. Helsinki: Sanoma Pro.
- Ostrom, L., Bitner, M., Brown, W., Burkhard, K. Goul, M., Smith-Daniels, V., Demirkan, H. & Rabinovich, E. 2010. Moving Forward and Making a Difference: Research Priorities for the Science of Service. *Journal of Service Research*, 13 (1), 4-36.
- Ostrom, L., Parasuraman, A., Bowen, D., Patrício L., Voss, C. 2015. Service Research Priorities in a Rapidly Changing Context. *Journal of Service Research*, 18 (2), 127-159.
- Patrício, L. and Fisk, R.P. 2013. Creating new services. *Serving customers globally*, 185-207.
- Paulig Group. 2016. Annual Report 2016, Helsinki: Paulig Ltd.
- Pirinen, A. 2016. The barriers and enablers of co-design for services. *International Journal of Design*, 10 (3), 27-42.
- Polaine, A., Løvlie, L. & Reason, B. 2013. *Service Design: From Insight to Implementation*. New York: Rosenfeld Media, LLC.
- Portugal, S. 2013. *Interviewing Users. How to Uncover Compelling Insights*. New York: Rosenfeld Media.
- Rafferty, A. E., Jimmieson, N. L. & Armenakis, A. A. 2012. Change Readiness: A Multilevel Review. *Journal of Management* , 39( 1), 110 - 135.
- Ramaswamy, V. 2011. It's about human experiences... and beyond, to co-creation. *Industrial Marketing Management*, 40 (2), 195-196.
- Robinson, D., Perryman, S. & Hayday, S. 2004. *The Drivers of Employee Engagement*, Brighton: Institute for Employment Studies.
- Saco, R.M. and Goncalves, A.P. 2008. Service design: An appraisal. *Design management review*, 19 (1), 10-19.
- Sanders, E.B.N. and Stappers, P.J. 2008. Co-creation and the new landscapes of design. *Co-design*, 4 (1), 5-18.
- Shook, J. 2010. How to Change a Culture: Lessons From NUMMI. *MIT sloam management review*, 51 (2), 63-68.
- Sinek, S. 2009. *Start with why*. New York: Penguin Group.
- Steen, M., Manschot, M.A.J. and De Koning, N. 2011. Benefits of co-design in service design projects. *International Journal of Design*, 5(2), 53-60.
- Stickdorn, M. & Schneider, J. 2013. *This is Service Design Thinking: Basics - Tools - Cases*. Amsterdam: BIS Publishers.

Trischler, J., Pervan, S. J., Kelly, S. J. & Scott, D. R. 2017. The Value of Codesign: The Effect of Customer Involvement in Service Design Teams. *Journal of Service Research*, 1-26. Article accessed 20 November 2017. <https://doi.org/10.1177/1094670517714060>

Tschimmel, K. 2012. Design Thinking as an effective Toolkit for Innovation. Barcelona, Proceedings of the XXIII ISPIM Conference: Action for Innovation: Innovating from Experience.

Tuulaniemi, J. 2011. *Palvelumuotoilu*. Talentum, Helsinki.

Vargo, S.L. & Lusch, R.F. 2014. *Service-Dominant Logic: Premises, perspectives and possibilities*. Cambridge, UK: Cambridge University Press.

Vargo, S.L. & Lusch, R.F. 2008. Service-dominant logic: continuing the evolution. *Journal of the Academy of marketing Science*, 36 (1), 1-10.

Weiner, B. 2009. A theory of organizational readiness for change. *Implementation science*, 4 (1), 67.

Verganti, R. 2009. *Design Driven Innovation: Changing the Rules of Competition by Radically Innovating What Things Mean*. Boston: Harvard Business Press.

Vermeulen, P. 2014. The Power of Co-Creation. *People & Strategy*, 37 (1), 8.

Verschuren, P., Doorewaard, H. & Mellion., M. 2010. *Designing a research project*. 2nd edition. The Hague: Eleven International Publishing.

Visser, F. S., Stappers, P. J., Lugt, R. V. D. & Sanders, E. B.-N. 2005. Contextmapping: experiences from practice. *CoDesign*, 1 (2), 119-149.

Zomerdiijk, L. G. & Voss, C. A. 2010. Service Design for Experience-Centric Services. *Journal of Service Research*, 13 (1), 67-82.

#### Electronic sources:

Design Council, 2015. Design Council. Accessed Oct 23, 2017. <http://www.designcouncil.org.uk/news-opinion/design-process-what-double-diamond>

SEK, 2016. Cases. Accessed Dec 11, 2017. <https://sek.fi/cases/paulig-master-brand-identity/>

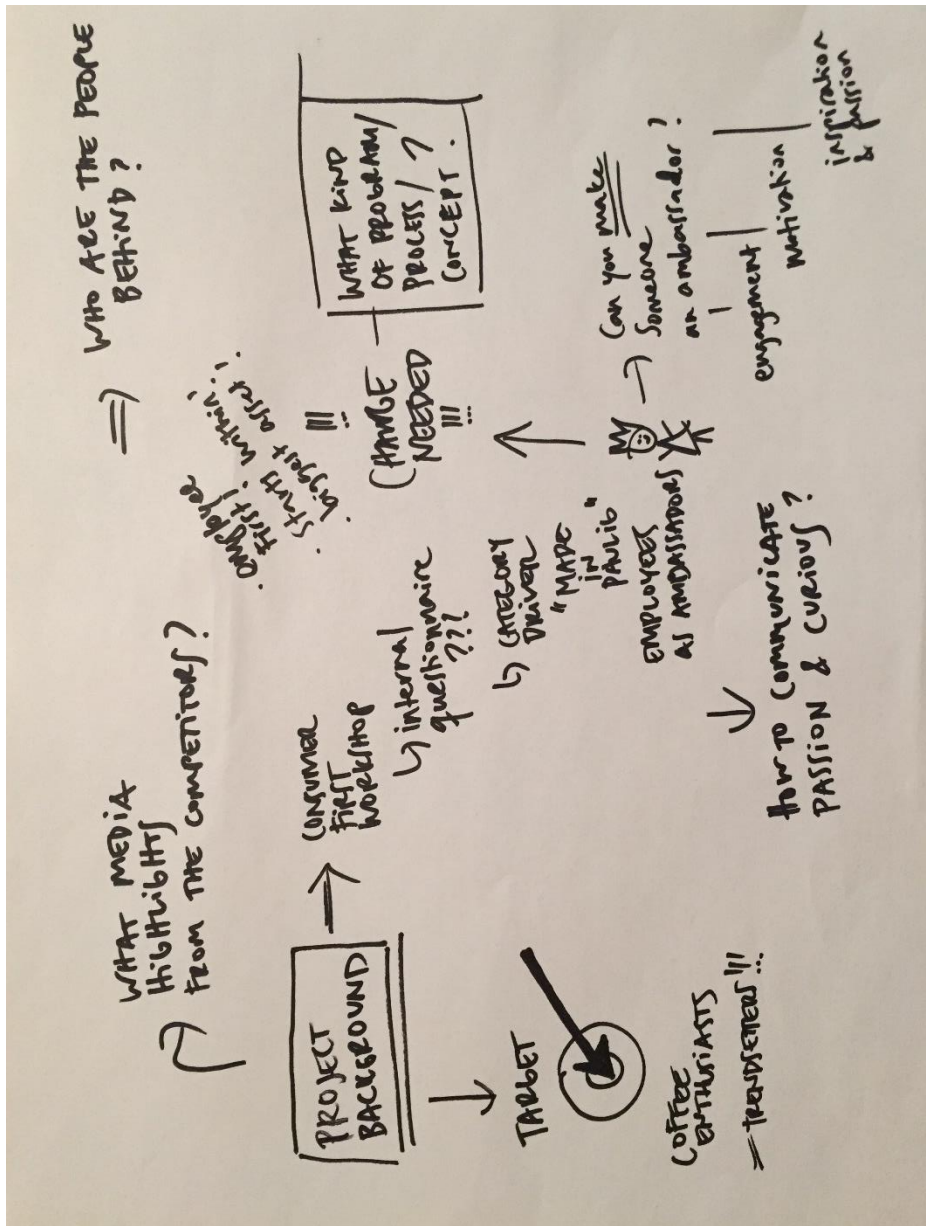
## Figures

Figure 1: Service research priorities 2015: An organizing framework .....	8
Figure 2: Subtopics: Leveraging Service Design .....	8
Figure 3: Structure of the thesis .....	15
Figure 4: Service design process, as described from The Design Council and Stickdorn ....	19
Figure 5: Kotter’s 8 steps of change -model .....	25
Figure 6: Shook’s model of changing culture .....	26
Figure 7: Change management vs. designing change .....	27
Figure 8: Designing change process (in the context of this thesis) .....	31
Figure 9: Visualization of the design process .....	32
Figure 10: Word cloud from the internal questionnaire .....	33
Figure 11: Beanie Project team board .....	36
Figure 12: Example of a Profile Card .....	38
Figure 13: Interview instruction (capture from an agenda) .....	38
Figure 14: Visualization of the workshop1 .....	39
Figure 15: Workshop 1 facilities & “rules” .....	41
Figure 16: Example of a Dream Statement .....	41
Figure 17: Golden Circle .....	42
Figure 18: Examples of Beanie Dreams .....	43
Figure 19: Example of Beanie profile .....	44
Figure 20: Beanie design principles .....	45
Figure 21: From data to wisdom model .....	46
Figure 22: Visualization of the workshop2 .....	47
Figure 23: Project team voting the design principles .....	48
Figure 24: Design principles .....	49
Figure 25: Goal for the workshop 2 .....	50
Figure 26: Workshop 2 space .....	50
Figure 27: One hand paper planes .....	51
Figure 28: Prototyping .....	52
Figure 29: Example of idea worksheet .....	52
Figure 30: Concept process .....	54
Figure 31: Examples of visuals .....	54
Figure 32: Teaser coffee cup .....	56
Figure 33: Bean Society .....	56
Figure 34: Service concept triggering change .....	60

## Appendices

Appendix 1: Desk research: Themes mindmap .....	72
Appendix 2: Desk research: Websites .....	73
Appendix 3: Workshop 1 Facilitator's agenda .....	74
Appendix 4: Project team .....	75
Appendix 5: Interview template .....	76
Appendix 6: Beanie Design Principles .....	77
Appendix 7: Workshop 2 Facilitator's agenda .....	78

Appendix 1: Desk research: Themes mindmap





## Appendix 2: Desk research: Websites

### COFFEE ROASTERIES

<https://www.kaffecentralen.com/tietoa-meista/>  
<https://www.rost.fi/>  
<https://goodlifecoffee.fi/>  
<https://www.kaffaroastery.fi/>  
<https://lehmusroastery.com/>  
<http://www.helsinginkahvipaahimo.fi/>  
<https://johanochnystrom.fi/>  
<https://keakoffee.com/password>  
<https://www.slurp.coffee/>  
<http://www.turunkahvipaahimo.fi/>  
<http://inkapaahimo.strikingly.com/>  
<https://punainenkirahvi.fi/>  
<http://kaffeobs.fi/>  
<https://kahvipaahimo.fi/>  
<http://holmen.coffee/>  
<https://www.warriorcoffee.com/>

### OTHER

<http://www.helsinki-coffee-festival.com/en/home/>  
<https://yle.fi/uutiset/3-7273722>  
<http://www.maaseuduntulevaisuus.fi/talous/suomessa-on-parikymment%C3%A4-kahvin-pienpaahimoa-suomalaiset-ovat-tottuneet-liian-halpaan-kahviin-1.184662>  
<https://www.jarkivalinta.fi/blogi/2015/11/asiantuntijat-ennustavat-kahvitrendit-2016>  
<http://www.helsinginuutiset.fi/artikkeli/387992-voikahvi-kummastutti-jopa-kahvifriikkeja-helsinki-coffee-festivalilla-jo-5-000>  
<https://www.hameensanommat.fi/teema/321386-pienet-kahvipaahimot-ovat-trendi-siina-kuin-lahiruoka-ja-pienpanimotkin>  
<https://yle.fi/uutiset/3-5628602>  
<http://www.rakkaudestaruokaan.com/2017/06/08/kahvi-pienpaahimot-ja-kahviteollisuus/>  
<https://www.aamulehti.fi/kotimaa/onko-nitrokahvi-seuraava-trendi-yha-useampi-suomalainen-kahvinjuoja-hifistele-24186166/>  
<https://www.hs.fi/nyt/art-2000005179858.html>  
<https://kahviaetsuklaata.wordpress.com/>

Appendix 3: Workshop 1 Facilitator's agenda

8:30	Let's meet
9:30-10	Breakfast
10-11:20	<b>Welcome &amp; Brief:</b> Welcome /Emmi & Sara (5 min.) Intro /Mariell & Maria (20 min.) General Dream Statements (5 min.) Intro-warmup / Sara (50 min.)
11:20-12:45	<b>Workshop part 1</b> Instructions /Sara (10 min.) Share the stories (40 min.) Build a Beanie profile (20 min.) Share the profile with others (15 min.)
12:45-13:15	Lunch
13:15-14:15	F.O.O.D.I.E -program /Steve Kent
14:15-15:30	<b>Workshop part 2</b> Instructions /Sara (10 min.) Cluster in themes, name the themes (20 min.) Phrase statements (30 min.) Share statements with others (20 min.) (Coffee served @3pm)
15:30-16	Summary of Workshop 1



## Appendix 4: Project team

Program Manager, Training & Community	Finland
Senior HR Manager	Baltics
Head of OOH Marketing	All
Business Manager	Finland
Marketing and Product Coordinator	Lithuania
Channel Marketing Manager	Baltics
Program Manager- Consumer 1st Program	All
Senior Marketing Manager, Insights & Innovation	All
Training Manager	Finland
Country Manager	Sweden
Training Expert	Finland
HR Manager	All
Senior Key Account Manager	Latvia

Appendix 5: Interview template

<p>Name title</p>	<p>Little brief about the person...</p>	<p>Company's aspect: What could coffee know-how bring to the company? Any good examples of internal training in other companies? How could they see using learned skills and knowledge in their work? What being part of "Beanie" coffee community could mean?</p>
<p>Picture (quick selfie etc.)</p>	<p>Personal aspect: What's their perception towards coffee atm? How confident they are in their coffee knowledge? What would they like to learn more? What ways of learning they would prefer? What's the most inspiring thing in coffee?</p>	
<p>"Quote from the conversation"</p>		

## Appendix 6: Beanie Design Principles

- Exploring the world of coffee should be made easy.
- Beanie is where the fun happens
- Enthusiastic people are inspiring and I want to be one of them.
- Being part of the group motivates and gets the best out of me.
- I am a face of Paulig and I'm proud of it.
- Knowledge gives me courage, sharing it makes me stand out.
- Learning should stimulate both my heart and mind.
- I belong and my enthusiasm is my membership card
- My peers be the judges of my progress.
- Speak to me in a way I understand

Appendix 7: Workshop 2 Facilitator's agenda

**3rd phase: Develop  
Workshop 2**  
@Paulig Barista Institute /  10-16



<b>9:30-10 10-10:45</b>	<b>Breakfast Welcome &amp; Brief</b> 10-10:30 Welcome & brief 10:30-10:45 Warm-up 1
<b>10:45-12:30</b>	<b>Workshop part 1</b> 10:45-11 Beanie Insight vote 11-11:15 Identify chosen Insights 11:15-11:30 Brainstorming Brief 11:30-12:30 1st set
<b>12:30-13 13-14:30</b>	<b>Lunch Workshop part 1 continues</b> 13-13:15 Warm-up 13:15-13:30 Brainstorming Brief 13:30-14:15 2nd set
<b>14:15-16</b>	<b>Workshop part 2</b> 14:15-14:30 Prototyping brief 14:30-15:45 3rd set
<b>14:30-14:45 16:00</b>	<b>Coffee break Workshop ends</b>

