

# Service Design Methods in the Development of Small-Sized Enterprises

**CASE STUDY**

**Daa Henkilövuokraus Oy**

Hashi Mukhtar Sheikh Mohamed

Thesis for a Master of a Business Administration

The Degree Programme of Leadership and Service Design

Turku 2018



## DEGREE THESIS

Author: Hashi Mukhtar Sheikh Mohamed

Degree Programme and place: Master of Leadership and Service Design

Specialization Alternative:

Supervisor(s): Elina Vartama

Title: Service Design Methods in the Development of Small-sized Enterprises

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Date

Number of pages 72

Appendices 6

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### Abstract

This study tried to provide entrepreneurial thinking to develop small-sized businesses especially the immigrant-owned enterprises in Finland. The main objectives of this thesis were to motivate and support those entrepreneurs by describing the essential procedure of starting a business and the key issues to be considered to operate a sustainable business. The study highlighted how small-sized enterprises could utilize service design thinking to improve their services or products and to plan survival strategies in the highly competitive market by developing their mindset, and make them think differently and in holistic way.

Mixed methods were utilized to collect the required data. A service design toolset was practiced in both collecting and analyzing data and applied in Daa Henkilövuokraus Oy, the case study of this thesis to create a clear strategic and understandable vision that identifies the essential factors related to service improvement and business growth.

The thesis comprised three main theories: Entrepreneurship, Small business and Service Design Thinking to build a good background that provided a detailed overview of different stages of the business establishment and its improvement. Outcomes of this study contain lists of four factors of challenges that commonly face the small enterprises in their business journey into the success. The thesis also provided recommendations for solutions to those problems discussing the available solutions to overcome those challenges and tried to build a stronger and sustainable business.

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Language: English Key words: Small-sized business, sustainable business, innovation, entrepreneurship, design thinking, planning, strategizing, Customer centricity,

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# 1 Introduction

Innovation became more critical and necessary for the small-sized enterprises in this fast-changing society and economy; therefore, a lot of books were published in this area because the innovation itself is a fast developing area; however, discussions of those books focus on large enterprises while there is a limited consideration in the field of small-sized business.

Business improvement and innovation strategy of small-sized enterprises are facing the challenge of the fast-changing economy, and consequently it is required holistic thinking, collaboration and innovation that enables the company to create products or services, add value to the traditional business and receive acceptance in this changeful market to create competitive advantages for the organization (Reason, et al. 2015 6).

Many small-sized enterprises are growing and developing their business activities more than their competitors because of their business innovation, creativity and deep understanding of customer's needs and desires. The current technology makes the customer engagement to the business activities much easier, and that obligates the organization to apply customer centricity to meet their changing needs and expectations (Reason et al. 2015, 11).

Narrow thinking, unclear vision and time mismanagement are the common problems that face the small business owners and destroy their business dreams as a consequence, very few of them can stay the same for long by continuing to exploit new opportunities to improve their business process and practice and make the required growth (Lowe 2006, 20.)

This study will explore the importance of service design not only in large organizations and public but also in small-sized and privately owned business development, discussing the challenges that the small enterprises face in general, to come up with an understanding of the business trends and co-designing new solutions of improving work performance. The primary goal of this thesis will remain on how to develop and modernize those businesses and keep the growth which is based on service design concepts and tools.

This research is mainly focused on the innovation management and development process of small-sized businesses and enterprises in Finland especially immigrant-owned enterprises. Since self-employment and entrepreneurial thinking is increasing among masses, this study will motivate entrepreneurs who are going to start with new ventures to be familiar with the startup principles and the process of selecting the appropriate formulation to enable them to improve the current businesses performance and strategies for the future. The study provides

support and useful and applicable tools and models, through a service design thinking process; it also concentrates on how it is possible to reshape and develop existing small businesses.

This study is based on the results of conducted investigations on the opinions of the staff and the owner of the case study company compared with the similar companies in the Helsinki metropolitan area. The research tries to identify the main factors that play a critical role in the running of a successful and sustainable business and discusses the obstacles and challenges that new ventures face here in Finland.

### 1.1 Daa Henkilövuokraus Oy in brief

Daa Henkilövuokraus Oy has one office in Finland that was established in 2015 in Helsinki. There are about 50 employees who work constantly. However, developments in Working life is something noticeable and strongly desired in the current market and creating new ways of working life is a good idea.

One of these ways is manpower leasing which made the labor market more flexible and developed providing a good alternative to traditional recruitment, especially when the company needs to gain more flexibility and rapid operational capability. Daa Henkilövuokraus Oy deals with different stakeholders that represent to its key partners who involved to generate this company, those factors will be illustrated in figure 1.



Figure 1: The structure of the company's stakeholders.

This figure illustrates the stakeholders of the company, articulating the key partners and providing the required data that demonstrates their involvement in this business activities. It helps to prioritize stakeholders by their influence and participation in the project. The process of mapping identifies all stakeholders in this company. The interest of each stakeholder in this business should also be specified after those Stakeholders with multiple interests will be underlined as a higher priority for communication purposes.

**Taxicab owners** who are responsible to bring clean and usable car. Taxicab must be all the time clean and free of any visible or mechanical defect at all times it is also should be free of body damage, mechanical defects, cracked windows and broken lamps. Another very important stakeholder is **Finnish Transport Safety Agency**, according to (Trafi 2017) this Agency improves the safety of the transport system, enhances transportation solutions that are environmentally friendly, furthermore, it is in charge of transport system regulatory duties.

**Helsinki Data Center** is another key partner in any taxi company according to Taksi Helsinki Oy. It is the largest taxi dispatch company that provides taxi dispatch services throughout the Helsinki metropolitan area daily, about every hour. It is responsible for the quality, safety and availability of taxi services for all its customers.

**Employees:** The main aim of any business owners is profitability and the success of any business is directly affected by the performance of the workers within the company. The managers who have a clear understanding of the impact of their employees' performance are better able to manage and coach employees to maximize the output and productivity.

**Customers** are people who the company want to be engaged with in order to serve their needs and desires.

**Tutors:** There are tutors who teach the employees before they start the job.

## 1.2 Problem area

Today there are challenges and difficulties that the small businesses face during the process of both initiating and developing the business. There is competition in the market and customers and employees rarely want to remain loyal to the company forever, and both of them need to take part in the service design process and decision making. For this reason it is not an easy task for the foreign entrepreneur to design a working business idea and to enter the Finnish market. It needs to make deep changes and to redesign the business to apply new

tools. It needs to glance at the whole business process and practicing to strategize and build a stronger business.

Small enterprises owned by immigrants are struggling to develop their business, and they try to improve their brands, but that needs feasibility studies and thinking carefully before initiating business and turning dreams into a viable business. Strategies that can make the business more useful and attractive need to be adopted

Adopting service design concepts and approaches creates new business models which can be one of those new strategies because service design provides business tools and modern models that are applicable and valuable for the clients and effective and powerful for the company. It defines the manner by which the enterprise can improve their existing service or product to create a new business which can deliver value to customers (Stickdorn, & Schneider 2011.).

### **1.3 Research objectives**

The main aim is to investigate the challenges that can affect the performance of small-sized businesses at all stages, from the establishment process to running a successful business. It is also aimed to explore the main obstacles that prevent business progress. it discusses all available alternatives and opportunities for those enterprises. The second aim is to examine the usability of service design theories in real business and turn its innovative idea into useful strategies and applicable tools in small-sized enterprises to create stronger and sustainable business.

The scope of research is to focus on the immigrant-owned enterprises' development in the Helsinki area. The researcher discusses how those enterprises can provide professional service with high-quality standards based on the customer's needs and designed for a sophisticated society. It emphasizes on how they can define, plan, design and implement the brand of their small-sized business, improving their work-performance and integrating ;with society.

### **1.4 Research questions**

This study will investigate the challenges that face small-sized enterprises especially immigrant-owned business compared with other similar companies and try to revitalize their activity of doing business to survive and grow in this highly competitive market and to

develop business performance by doing changes in both thinking and implementing business that can meet customer expectations and needs.

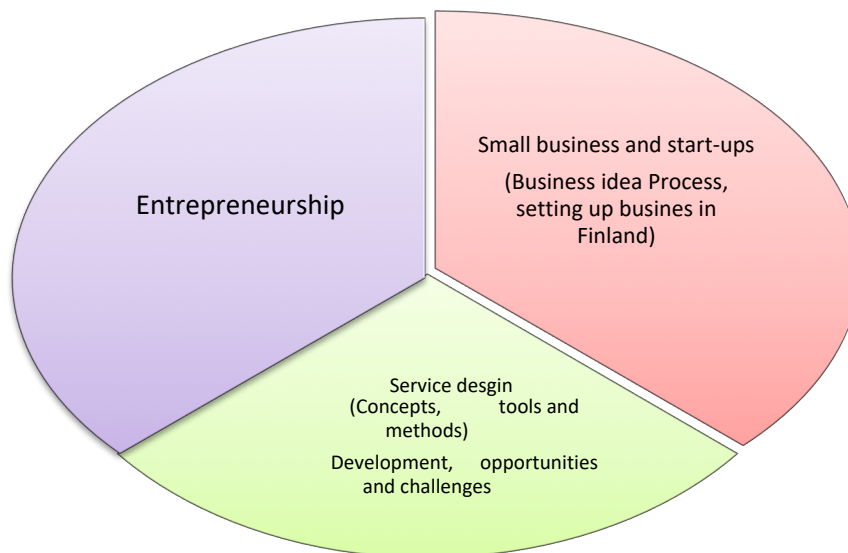
This study tries to find answers to the following research questions:

1. How service design can be utilized in terms of strategizing and development in small-sized enterprises?
2. What obstacles and challenges affect business performance?
3. What are the available alternatives in development?

This research discusses these questions using service design methods and tools and doing interviews and survey to investigate all challenges and do required analysis suggesting solutions and available alternatives.

## 1.5 Frame of reference

This study discusses to review three different kinds of literature to design a strong background which gives a good understanding of the research's framework.



**Figure 2: Structure of the framework and reference.**

The researcher discusses the importance of entrepreneurship in today's business, emphasizing the needed characteristics that can be useful for the new entrepreneur who wants to think creatively when turning dreams into viable business economically and

suitable to the human desires. Business success comes as the consequence of creativity and innovations that are embedded in services, products, process or idea that answers market expectations by providing value to customers.

The second literature review discusses small business intensely to figure out the process of initiating and launching an enterprise, formulating and creating a company that is legally acceptable and can add new value in the market. The theory of small businesses discusses how to get the right formula which can lead growing rapidly; it enables the entrepreneur to understand the local business culture to design robust marketing strategies. This study gives them the skills of self-reliance, enterprise and entrepreneurship to survive and progress.

The research uses service design concepts and tools to analyze the current business process and practice, and through those tools, the problem will be identified and the necessary ideas for organizational growth and development will be discussed. The products and services of this enterprise will be developed and delivered to fulfil the needs and desires of the customers and potential clients.

## 1.6 Structure of the research

This research contains five chapters, the introduction, three for literature reviews and two chapters regarding methodology and key findings. Those chapters are visualized in figure 3.

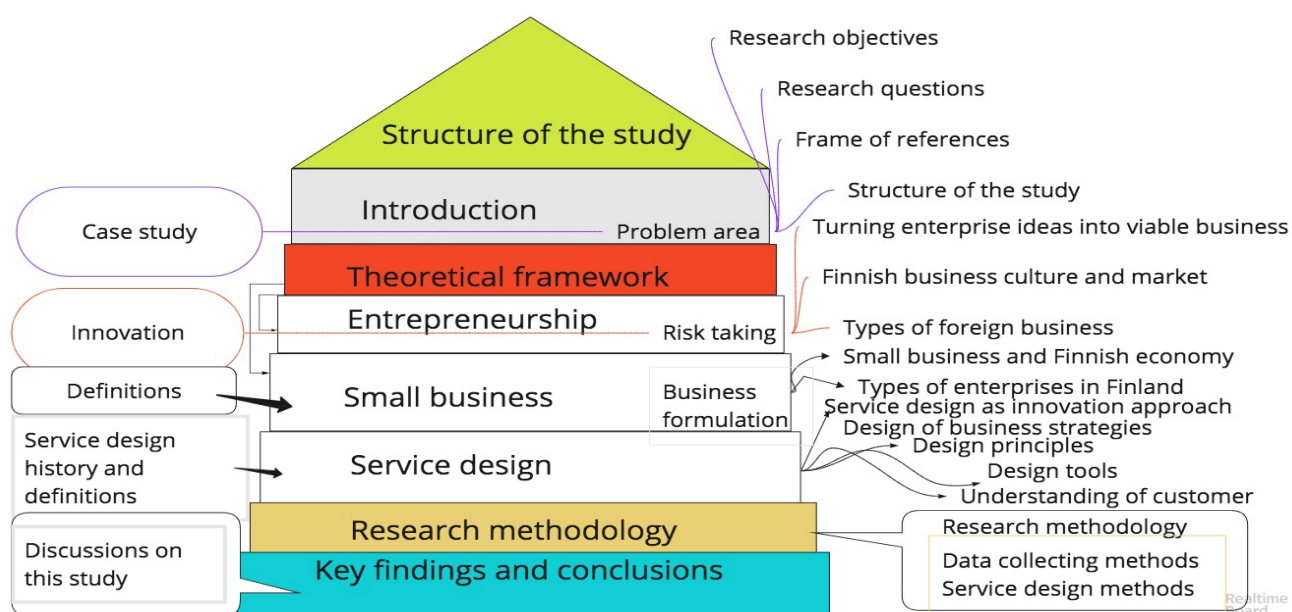


Figure 3: The structure of the research.

Chapter one presents the orientation to the research study by explaining the case study company and discussing the objectives and problem area and poses research questions. Chapter two discusses the underlying theories of entrepreneurship emphasizing how to turn an enterprise idea into a viable business as well as the Finnish business culture and market.

This chapter also focuses on the types of foreign companies in Finland and clarifies the definition of small business and its importance in the local economy as well as the kinds of enterprises according to Finnish law. This chapter concludes with a discussion of legislation and the process of initiating businesses and start-ups in Finland.

Chapter three discusses the service development and design. It explains the concepts, methods, and tools of service design. It also provides an understanding of how to generate business in holistic way that creates and delivers value to potential customers.

Chapter four is for the research methodology and strategies used in developing the investigation. The chapter explains the appropriate methodologies which are used in this research and the reasons behind the use of qualitative methods. Interviews and survey are also used as a data collection methods. This chapter also analyses the collected data via service design tools and techniques.

Chapter five provides a discussion of the findings from both the theoretical study and the informal and formal interviews. This chapter also deals with the research findings of the data obtained from the survey in the phase of the data collection process.

## **2 Entrepreneurship and Small-sized Enterprises**

This chapter builds a strong background to cultivate entrepreneurial thinking which is essential for establishing and developing business. The section discusses the importance of entrepreneurship and explains its meaning as well as the characteristics of entrepreneurs including innovation and risk-taking. This chapter also provides a good understanding of the business environment and culture which should be taken into consideration at the time of creating a business plan, and it presents the types of foreign enterprises located in Finland to support new entrepreneurs to turn their dreams into a viable business.

This chapter also defines small-sized business by discussing its importance in local economic growth. The researcher explains the available formulation of any business as well



as the procedures of establishing a business. The aim is to understand the legal way of starting a business.

## **2.1 Entrepreneurship**

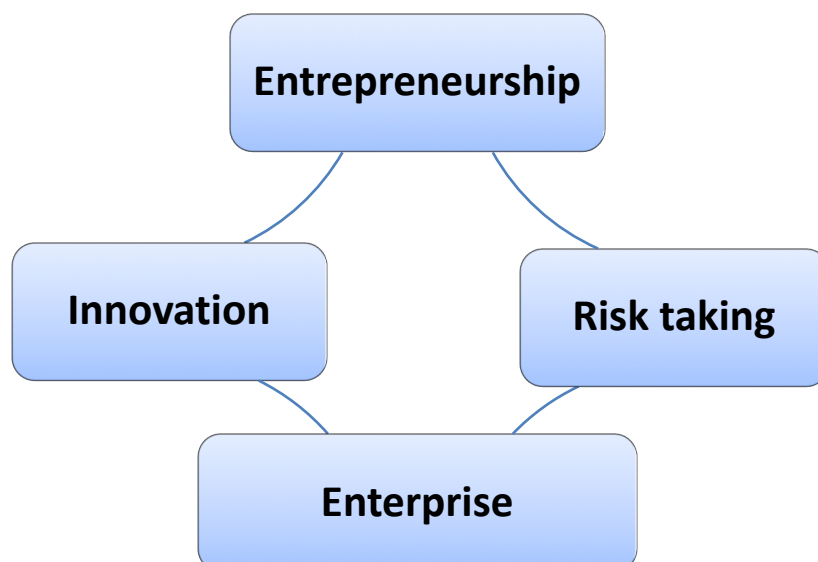
There is no single valid definition of entrepreneurship, many authors have offered views on what entrepreneurship means and the role that entrepreneurs can play in economic growth. This study tries to get a common language which is suitable for the thesis' purpose. Entrepreneurs are innovators who create something new, for instance they initiate new businesses. In general, entrepreneurship is the ability and willingness to develop, organize and manage a business venture along with any of its risks to make a profit. (Lowe 2006, 4-7.).

It could be said that the word entrepreneurship came historically from 13th-century French verb *entreprendre*. Some people try to mistranslate this word and say it means work or not to work and that makes confusion, but the real meaning is someone who undertakes something. This last translation makes the meaning closer to the fact (Cowdrey 2012, 8.). However, entrepreneurship is not to have a good business idea, but it is to have an ability, willingness, and action. It is to think differently from competitors in a way that allows serving the customers better and more profitably (Zook 2011, 110).

The characteristic of entrepreneurship that can be taken from the above definition is that entrepreneurship is more related to business and that means to have plans to initiate and develop a business. To be an entrepreneur is not an easy job, it needs to have further knowledge skills to assume calculated risk in the management of the company and to take necessary decisions at the right time.

Innovation and creativity are the core of entrepreneurship in the making of sustainable development of the business as well as to have the ability to take a decision and react quickly enough to the multifaceted opportunities arising from the almost daily changes around us so entrepreneurship is everywhere (Ries 2011, 9).

It is the willingness to assume full responsibility of taking calculated risks, and that does not mean that entrepreneurs are all the time reckless, but that is their job nature to think differently and creatively in making decisions with no guarantee of success (Cowdrey 2012, 6).



**Figure 4: The Characteristics of entrepreneurship**

This figure illustrates the main characteristics of entrepreneurship that most entrepreneurs have. Entrepreneurship required to think innovatively and to take the risk of creating a new enterprise. The figure shows that any new entrepreneur needs to have enough courage to face uncertainty in the new business.

### **2.1.1 Innovation and entrepreneurship**

Innovation is the specific factor of entrepreneurship, and it is the tool which the entrepreneurs exploit to make changes by seizing the opportunity and creating a different business or a separate service in the market. It is the action that endows spirit with a new capability to generate resource and wealth. (Drucker 1985, 21-26.).

The organizations that are successful and have achieved their best business goals are those who are doing the business more creatively and innovatively. Those companies do not imitate what other companies do, but they have their own way to generate new ideas or use others' ideas as a springboard to come up with their unique product and service that answers customer's needs and desires (Cowdrey 2012, 7).

The long-term success can be achieved if the team members are more creative and innovative because innovation is the key driver to organizational success and change for the best is the unavoidable consequence of the innovative process which is based on knowledge (Burrus 2017).

### **2.1.2 Risk-taking and entrepreneurship**

Entrepreneurship and risk-taking are two correlated words studied in the entrepreneurial literature. It is not considered an entrepreneur if there is no embracing of risk-taking. One of the most significant factors in entrepreneurship is risk and uncertainty, so entrepreneurs must be ready to take chances of realizing their business ideas. (Lowe 2006, 6-7.).

However, risk-taking is essential to be entrepreneur but that does not mean to put the business blindly into a bad situation in which there is a danger of loss or failure and then expect great results. Taking risks in entrepreneurship involves careful planning and hard work (Burrus 2017).

Every business venture involves uncertainties, and there are so many ways that an enterprise may be harmed so that those risks should be calculated and managed carefully to protect against them. The entrepreneur must be ready to take risks and turn it into a business opportunity as well as to succeed. Some of those risks are a personal risk, job risk, market risk, competitive risk, credibility risk, technology risk, and financial risk. Taking risk means to put all these things into account when calculating the risk (Suomen Uusyrityskeskukset ry 2018, 21-22.).

### **2.1.3 Turning an enterprise idea into a viable business**

A lot of things should be taken into account before starting a business, and it is not enough to be an innovator, but it is imperative to have the willingness of taking the risk and rethinking wisely to put dreams into a plan and then into action, as mentioned in the previous chapter.

Coming up with a great business idea is not a big problem but putting this idea into practice is more challenging that faces any new entrepreneurs. It needs to turn dreams into tangible and valuable reality, that is a delicate process where the entrepreneur must calculate every step from the first one in the right way (Zook 2011, 110).

A successful idea can be born after the studies and analysis made by the entrepreneurs to see whether it could be viable or not. The first step is to be ready for the future problems, being able to solve them by finding the red thread that joins the needs of people and the offer of the market (Cowdrey 2012, 50.).

A significant part of this process is collecting all the information needed already during the initial stages of the project. Afterwards, a second evaluation will underline the development

of the business during the running process. Furthermore, it is essential to be able to prevent challenges and think to get new ways to fulfill the business obligations and the motivation in the project (Razavi 2015).

The mindset should be concentrated on the product and the service that the business aims to provide, calculating how it should succeed in the market. The entrepreneur should also take into full consideration the customer's needs and expectations, trying concretely to meet their requirements and desires (Cowdrey 2012, 6).

Some organizations and business mentors like Espoon Seudun Uusyrityskeskus ry, NewCo YritysHelsinki, TE-service, et cetera offer business incubators or accelerators to help startup businesses by providing services such as business advice, finances, and access that will facilitate the up-growing process.

#### **2.1.4 The Finnish business culture and market**

This part will examine the Finnish business environment and culture that is desired to have in-depth knowledge about society, their lifestyles and culture before starting a business. Attitudes and values are the base of any culture and reflect the ways people think and act with others. Understanding these issues is critical to effective communication with their peers, while ignorance of these issues can cause poor communication and increase cultural barriers that may prevent communication and close communications and can negatively affect the success of business activities. (Passport to Trade 2.0 2014).

**Geographically**, Finland is located in northern Europe, neighboring countries are Russia, Norway, Sweden and Estonia on the other side of the Finnish Gulf. Forests cover three-quarters of the country. Also, Finland has 190,000 lakes and many islands. The Aland Islands between Finland and Sweden is an autonomous region which is also part of Finland (Passport to Trade 2.0 2014.).

**Politically**, Finland is a democratic parliamentary with a multi-party political system and a president as the head of the country. Finland gained her independence from the Russian Empire on 6 December 1917. Since that independence, Finland has lived with its Western democracy intact through the Second World War and the Cold War and has been a member of the European Union since 1995 (Embassy of Finland, Riga 2017.).

**Socially**, Finnish language and Swedish are the two official languages in Finland: The vast majority of Finns, 92% speak the Finnish language while 6% of the population speak the

Swedish language. Russian speakers are the largest foreign language minority in Finland, at 0.75% (Passport to Trade 2.0 2014.).

Finland has long been a culturally homogenous country. Finnish people know foreign traditions and religions, but this sometimes leads to confusion or misunderstanding in multicultural transactions. Finland has considerable diversity in society, and it is a culturally homogeneous country. The number of foreigners in Finland is on the increase, from Russia, Estonia, Somalia, Iraq, et cetera, so that the foreign customs and religions became familiar to many Finns. It may help operate a business as a foreigner in Finland. (Passport to Trade 2.0 2014.).

Finland has a good reputation in the world, and it is one of the best countries in social progress in the world and the second position of the social development. Finland is well-known for its social welfare policies and stable lifestyle in basic medical care and personal rights and freedom ( Porter 2017, 26.).

**Economically**, Finland is a modern welfare state with highly developed services and infrastructure as in other Nordic countries. The Finnish welfare system is extensive (Passport to Trade 2.0 2014.).

### **2.1.5 Types of foreign businesses in Finland**

Foreign companies in Finland were providing work for 243,350 people in 2016 more than the previous year. Companies from Sweden, Germany, the United Kingdom and the United States, recruited the most of those employees.

Interestingly, the share of Swedish companies in Finland was the highest (35.5%). The most important industry is manufacturing in both measurements by turnover and staff. Companies from Sweden employed 21% of manufacturing workers. The number of foreign companies grew slightly, reaching 4,570 (Statistics Finland 2017.).

In the metropolitan area, every third company that has been founded in 2016 is by an immigrant as well as that 40 per cent of visitors in only YritysVantaan työpaikkaohjaus and nearly 30 per cent in Espoo were immigrant entrepreneurs who created their own company. However, entrepreneurship and job creation in a new society is even more important than the parent population (Ronkainen 2014.) .

Immigrants run businesses in different industries from lunch restaurants to cleaning, from agents to car wash, from leasing manpower companies to construction companies, from cafeterias to small shops, from interpreter companies to travel agencies et cetera, therefore there are many professional entrepreneurs among migrant entrepreneurs. As other, immigrant Somali entrepreneurs have a lot of small enterprises, most of them are in east Helsinki (Ronkainen 2014).

## **2.2 Small-sized enterprises**

This section gives a comprehensive theory of small businesses and addresses all the functions of an early-stage enterprise to provide clear guidance on how to make business decisions by formulating company strategies and creating an infrastructure to aspiring entrepreneurs.

Generally, a small-sized enterprise (SME) is a business with relatively small turnover and staff numbers. They are privately owned and operated and typically seen as constituting part of a specific commercial or economic sector. However, the definition of a small-sized business is quite broad and there are numerous factors that should be taken into account to define small-sized enterprises, such as turnover and balance sheet total, sales, and employment, as for the concern in size. For this reason, the European Commission defined the small-sized business according to those factors because there are a lot of small enterprises which require assistance, so it is essential to identify which enterprises genuinely are SMEs (European Commission 2016, 4.).

The SMEs are defined as enterprises when they have fewer than 250 employees and also have an annual turnover which is not more than EUR 50 million (EUR 40 million before 2003), or an annual balance-sheet total not exceeding EUR 43 million (EUR 27 million before 2003). Those parameters conform the criteria of independence as defined below (Statistics Finland 2016).

Small business and entrepreneurship are considered the key to ensuring economic progress and growth, innovation, job creation, unemployment reduction and social integration in the European Union. The European Commission disseminated this definition on their official statistics related to small and medium-sized enterprises that saying the only way of SMEs identification is employment size (Muller et al. 2017, 11). In fact, an organization can be too small in these terms, but it can run a business which is owned or partnered with a larger enterprise and receive significant additional resources which make the company not eligible

for SME status, therefore, the size is not the only factor that should be taken into consideration as mentioned above (European Commission 2016, 5-6).

### **2.2.1 Small-sized businesses and Finnish economy**

Small and medium-sized enterprises are a focal point in any economy because they have shaped the enterprise policy in the European Union contributing to the local economy by bringing innovation and development to the society in which the business is founded. Small-sized enterprises help animate economic growth to provide employment opportunities to people who may not be employable by larger corporations. Small companies try to attract talents who can create new products or execute new solutions to develop existing ideas (Papadopoulos et al. 2018.). Larger businesses also obtain benefits from small businesses within the same local community, as many large corporations depend on small businesses completing various business functions through outsourcing.

Small-sized businesses do not always stay small because the large corporations like Kone and Nokia began as small enterprises that grew to become great players in the local and global marketplace. Many prominent computer-industry leaders start as tinkers who were working on hand-assembled devices out of their garages. Microsoft is a good example of how a small business idea is essential and can change the world.

Small businesses that grow into large companies remain in the community in which the business was first established. Having a large corporation headquartered in a society can further help provide employment and animate the local economy. It is necessary to know the right process of starting up business, utilizing all available tools as well as service design experts that will provide their services and facilitate the business making it more viable and exciting.

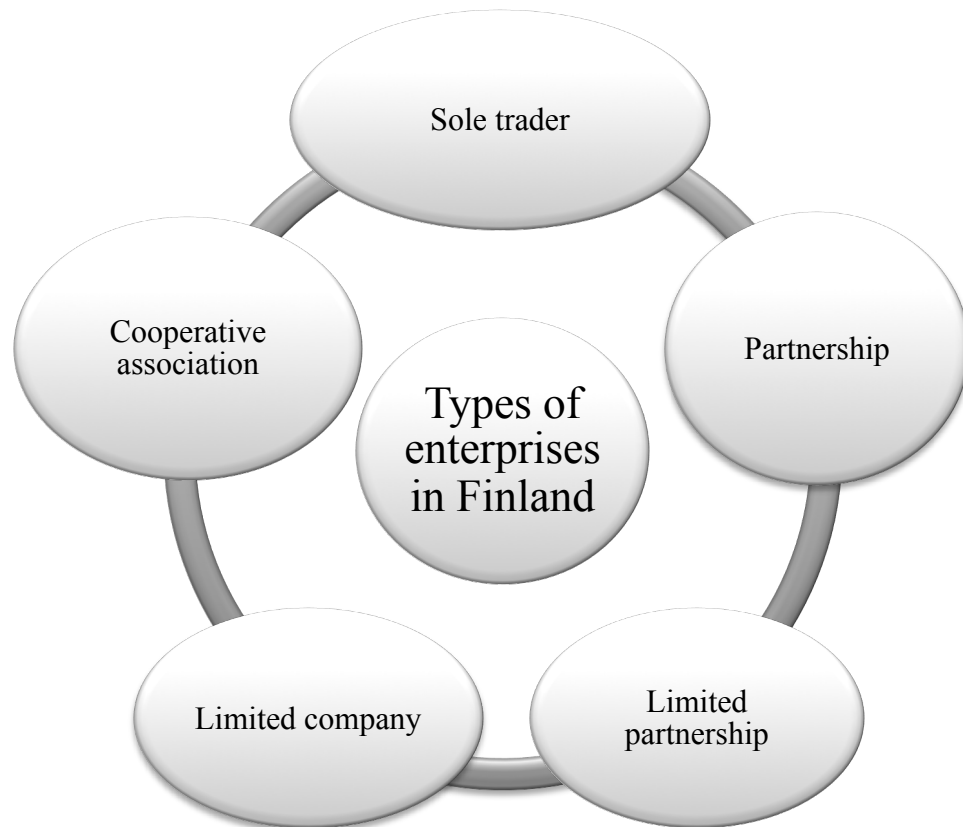
### **2.2.2 Types of enterprises in Finland**

A business entity has defined as an organization created by one or more natural persons to operate a trade or business to get the most out of this new entity. It needs a complete plan to select the right structure and right type of company for the new business that will be formed and administered as each corporate law to engage in business activities which helps maximize the chances of financial and operational success.

Running a business as a foreign entrepreneur in Finland requires understanding of the formulation of companies. It can be conducted through public or private limited liability

companies, or within a branch office in Finland. A business can also be carried through general or limited co-operatives or partnerships. A foreign organization or foundation can also establish a branch in Finland (Invest in Finland 2017, 13-17).

In Finland, any entrepreneur regardless of his nationality must choose the form of initiating a company, he or she can select between a general or a limited partnership, limited liability company or a cooperative. Whatever, the selected form should be entered for registration in Trade Register.



**Figure 5: The five various forms of companies (Lowe 2006)**

This figure illustrates the different forms of companies that any entrepreneur may think to choose the suitable company form and after that, it is recommended to contact an establishment offering business advice.

### **Sole trader**

The easiest and most popular way of starting a business and needs minimal formality is to run business activities as a sole trader using a company name. The proprietor has sole ownership and complete control over the way the business is run (Lowe 2006, 358).



Any person with permanent residence in the European Economic Area (EEA) can operate business as a sole trader in Finland, while it is needed from the person who lives outside the EEA to get a permission from the National Board of Patents and Registration of Finland at the time of establishing a business (Suomen Uusyrityskeskukset ry 2018, 44).

It is essential to understand that only one person is registered as a sole trader, this person operates the business activity alone, makes decisions and is responsible for the business's commitments. It is often recommended to start as a sole trader because starting up a business in this way is speedy, easy and uncomplicated (Suomen Uusyrityskeskukset ry 2018, 44).

### **General Partnership**

If the business relationship formed by the agreement between two or more people who share management and profits, then it is legally called partnership so that partnership is a business with multiple owners and all the partners are jointly and severally liable if things should go wrong. In general partnership, all partners participate in business operation including implementation and decision making, and they are fully liable for the partnership's commitments (Lowe 2006, 358-359.).

Being a partnership where the profits, the liabilities and the decision making are shared between the co-workers is one of the of the advantages of partnership. Diversity is very important where the partners have different skills and they can join efforts to coordinate their business activities. But over the years and as businesses grow, the circumstances of the partners may change and problem of disagreement appear, so it is recommended to start preparing and signing a partnership agreement. This is the key to anticipating and resolving potential partnership problems. So, the agreement should address clearly the purpose of the business and the authority and responsibility of each partner.

### **Limited partnership**

A limited partnership is like general partnership. Two or more people are going into business together intending to make a profit, but at least one of them is an active partner who is the accountable partner while one or more are sleeping partners who participate only with his money and acts as an investor (Suomen Uusyrityskeskukset ry 2018, 45).

A sleeping partner contributes with a defined amount of capital to the business, and they receive agreed interest on the earnings but is generally not liable for its debts or obligations.

## Limited company

A limited liability company is formed as a corporate structure which is liable for its debts and commitments, while the members of the company are not personally responsible for the company's debts that means this kind of companies have separate and distinct legal entity from the partners, it has the potentiality to take on contracts and obligations rather than this having to be done by the people involved. In Finland, the minimum share in a private company should be EUR 2,500. (Linna et al. 2011, 2).

## Cooperative Company

A cooperative is a company that is jointly owned and governed by its members. A single founder is enough to establish a cooperative association. Each member has liable in the cooperative company according to participation shares that they own.

The main formulation of companies in Finland

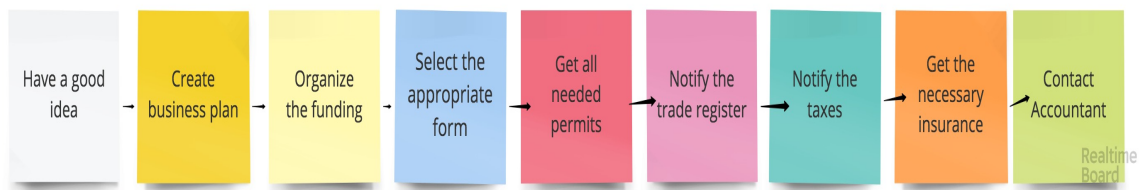
Differences	Sole trader	General Partnership	Limited partnership	Limited company	Cooperative association
Number of founders	One entrepreneur works alone	At least two responsible partners	At least one general and one silent partner	One or more persons	At least one person
Need for capital	Only limited capital is needed	No minimum investments	Contributions will be as agreed in the partnership agreement.	required initial capital of €2,500	No minimum shares
Decision-making	The entrepreneur himself makes all the decisions .	As agreed in the partnership agreement	The general partner	General meeting, board of directors and managing director	General meeting, board of directors and managing director
Risks and liabilities	The entrepreneur is liable for all business debts	Both partners are liable for all business debts	General partner is personally liable for all debts and other liabilities.	Owners' liability is limited to their invested capital as a shares.	The liabilities of cooperative members are limited to the participation shares they own.

Figure 6: The comparison in forming company (Suomen Uusyrityskeskukset ry 2018).

This figure illustrates the main available formulation of companies in Finland, discussing the needed members, and minimum capitals as well as decision making and taking risks.

### 2.2.3 Starting-up process and journey

This section discusses necessary information and decisions that the new entrepreneur requires, it gives a good understanding of the requirements for forming a new company, involving thinking of a business concept, turning business ideas into action, deciding on ownership, obtaining premises at a suitable location and legal protection for the organization and its activities; understanding the financial side and creating marketing strategies and plan before launching the new business. All those things are the underlying process that the new entrepreneur should consider before beginning a business. (Suomen Uusyrityskeskukset ry 2018.). The basic stages and process of starting a small-sized business are represented in Figure 7.



**Figure 7: The basic stages of starting business (Suomen Uusyrityskeskukset ry 2018).**

Starting a business is not an easy trip as some people believe, practically, a few people can make their ideas a commercial reality. Doing viable business is a massive undertaking that needs to identify the market opportunity and understand the target group of this business.

The business idea should be described in a clear business plan. This idea should be improved and developed to fulfill customer expectations and wishes. A successful business plan starts with writing a full and specific description that will allow the business to explain itself and to define business goals to help the entrepreneur to achieve those entrepreneurial goals (Lowe 2006, 356).

The most critical step in the creation of a new company is to think about how and where to get the necessary financial investment and organize the funding to manage business activities. It is also essential to choose the suitable form from the business. Making

notifications to the trade register and taxes office is also required as well as contacting the insurance office and then organizing the accounting with specialized offices for that purpose.

### **3 Service design thinking**

This chapter displays a literature review of service design for small enterprises, focusing on how its tools can be utilized in term of strategizing and development. This chapter also describes the meaning of service design and differentiates services from goods and products. In addition to that this chapter discusses service design as an innovative approach to give useful service design tips for the new entrepreneurs who want to improve their business performance to redesign the business strategies.

Some people think that service design is only for the big companies or public projects and that is not true, because the usability of service design tools is proved in many small companies which adopted service design ideas and thinking. This study explains the importance of the service design approach in today's business and how its toolset are excellent and applicable for any organization regardless of its size.

Applying service design thinking can transform the way small enterprises build its products, services, processes, and strategies because it provides successful tips for startups to design and plan innovatively while the existing business can improve its service or products creatively through adopting service design tools (Toshiaki 2015, 10.).

To be successful in business needs to put in mind that it is not enough today to have a good idea or create a great company or product. People who are old-fashioned think that if the business idea is good enough, it is easy to get investors and introduce a product to start selling - and that is it. That is not true as management researchers argued the invalidity of this thinking and say this old process leads the new enterprises to a rapid failure (Lowe 2006, 355).

Gaining good financial rewards is one of any business owner's dreams, but many challenges can block to run like this profitable business. For instance, the calculated money for this project may be less than required, the needed time may be higher than expected, the way of gathering customer insights maybe not clear enough, or the channels may be an old formula.

There are good business models that recently can make the process of operating a company less risky, by using those tools with some careful planning, you can anticipate the business

challenges and be able to overcome them. This study tries to give a good understanding of those tools and to make it usable and adaptable for the small enterprises, especially in the process of growth to redesign the development strategies.

### **3.1 Service design in brief**

Historically service design has its roots in manufacturing, architecture and industrial design, Service design has become familiar with the close-knit community of American designers during the 1920s, it was defined by Raymond Loewy, Walter Dorwin Teague, Norman Bel Geddes, and Henry Dreyfuss. They used industrial design while the Bauhaus school was the center of the European industrial design. They were concentrating on how to turn industrialization into a force for growth and development to fulfill the basic needs, creating more effective and useful products was the focal point of their designs at that time (Polaine 2013, 31-32.).

In 1991 service design was for the first time introduced as a design discipline. Dr. Michael Erlhoff from Koln International School of Design proposed that service design is considered a design discipline. He started to go on forming an international conglomerate of institutions that provided service design education and a network for academics and professionals involved in the discipline. In 2001 the first service design and innovation consultancy were opened for business in London by Livework, and after that, in 2012 the Savannah College of Art and Design became the first college in the United States that offer an accredited program in Service Design (Dervojeda 2014, 3.).

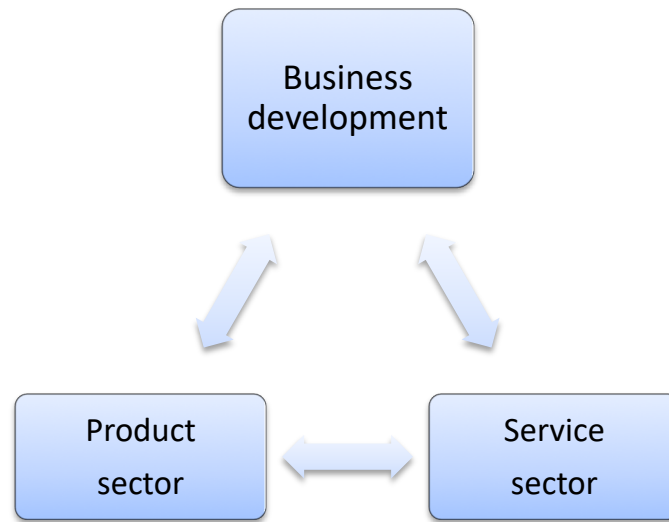
All focus was on the product innovation at that time while very little research and discussion on change in the service sector that has today vast growth (Morelli 2002, 3). The past ten years have seen unprecedented growth of service design. It could be said that the service design is at its maturity phase. Today service design is a different field, and it is an interdisciplinary approach that combines different methods and tools from various disciplines and has different uses. Therefore, service design makes up for the significant contribution towards business development in both big companies and startups (Moritz 2005, 22).

### **3.2 The distinction between products and services**

Today's economies are increasingly characterized as a service economy, the most highly developed countries like the United States and Nordic countries have experienced a shift in

the basic structure of their economic activities, and two-thirds of their gross national product (GNP) come from non-industrial business (Normann 2007, 1-5).

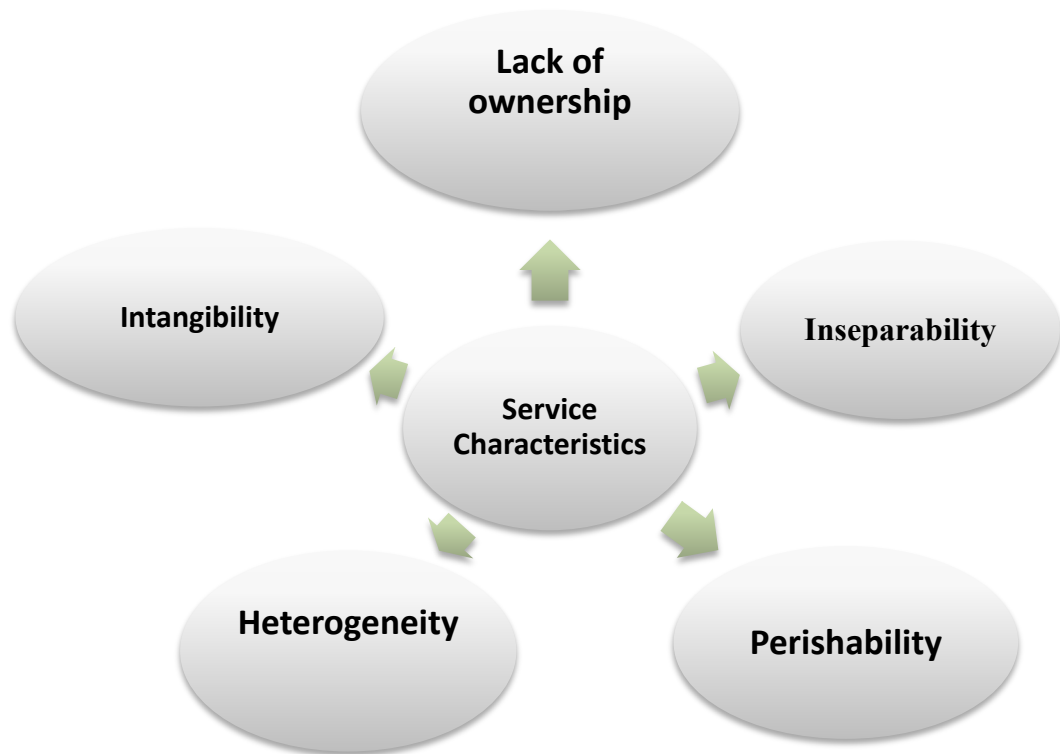
This is mainly due to the rising importance of the service sector and its share in whole economies; this change has become possible primarily as a result of raising in production efficiency. Therefore, in traditional economics, tangible material and consumable things can be defined as a product while immediate exchanges that are intangible and do not result in ownership can be described as a service (Normann 2007 18.).



**Figure 8: The structure of any company (Normann 2007 18)**

This figure shows that service is entirely different from goods or product. Some authors argued that there is no longer a clear distinction between goods and services and it may be correct according to what Adam Smith said in 1776, but today the revolution of technology affected the service-dominant logic and treats the service differently from the product. Currently, service represents an integral part of the product, and this interconnection of goods and services are represented on a goods-services continuum (Lindberg-Repo & Dube 2014, 10).

The service marketing literature discusses how to differentiate between goods and services. For instance, the American Marketing Association defines services as business activities that can be offered for sale. It is a valuable action, benefits, and satisfaction, efforts performed to satisfy a need or to fulfill a demand (Regan 1963, 57). This section addresses what makes the service different from the goods. So, the services can be described regarding their key characteristics (Lindberg-Repo & Dube 2014, 15-16).



**Figure 9: Service characteristics ( Normann 2007, 19)**

**Lack of ownership:** The consumer does not secure the ownership of the service. Instead, he pays only to ensure access or use of the service, and it is consumed at the time of sale.

**Intangible:** Services are invisible and do not have a physical existence that can be tangible, unlike a product. Hence services cannot be touched, held, smelt or tasted. The intangibility of service is that the customer cannot see or feel its performance before deciding to buy and obtain it. So the customer trusts on the brand of the service provider (Lindberg-Repo & Dube 2014, 15). The intangibleness is the most defining feature of service and that which primarily distinguish it from a product.

**Inseparability:** The services should be delivered at the time of service consumption, Service cannot be demonstrated physically and separately of the service provider at the time of rendering the service (Lindberg-Repo & Dube 2014, 16).

**Perishability:** Services cannot be saved, stored, resold or returned once they have been used. Once rendered to a customer the service is wholly consumed and cannot be delivered to another customer (Lindberg-Repo & Dube 2014, 16).

Each service offering is unique and cannot be exactly repeated even by the same service provider. While products can be produced massively and be homogenous, the same is not true of services. For example, when traveling by plane, the service quality may differ from the first time you traveled with that airline to the second.

### **3.3 Service design definition**

Today it is very fashionable for organizations and companies -regardless of their size- to claim that they are adopting service design concepts. Perhaps the reason is that they saw how service design could help to solve some critical challenges faced by organizations and how service design helps to get customer experience understanding their needs. But what does that term mean?

Service design can be defined as an application of a well-established design process and skills to develop services. It is an innovational and practical way to provide better by improving existing services and create new services. It is all about offering service that can be profitable, applicable, efficient for the service providers and useful and desirable for the clients. (Stickdorn & Schneider 2011, 23.).

Service design examines all business activities, organizational foundation, infrastructure, people interactions, and material elements involved in the service to develop both its quality and the relationship between the provider of the service and its clients making the service more beneficial, usable, acceptable for customers and efficient as well as useful for organizations (Stickdorn, & Schneider 2011, 23).

While the definition of UK Design council was that the service design is concerned with designing services to make it match better for the user's needs and expectations by improving an existing service or creating new services (UK Design Council 2010, 4).

When two organizations provide for their customers same product at the same prices but one of them is more attractive and has more customers therefore, service design is what makes people go to this specific company, come back again and tell all friends and relatives. (Stickdorn & Schneider. 2011, 23.). This definition presents service design in a wide-ranging and makes the meaning of service design more relevant and understandable to the ordinary service provider.

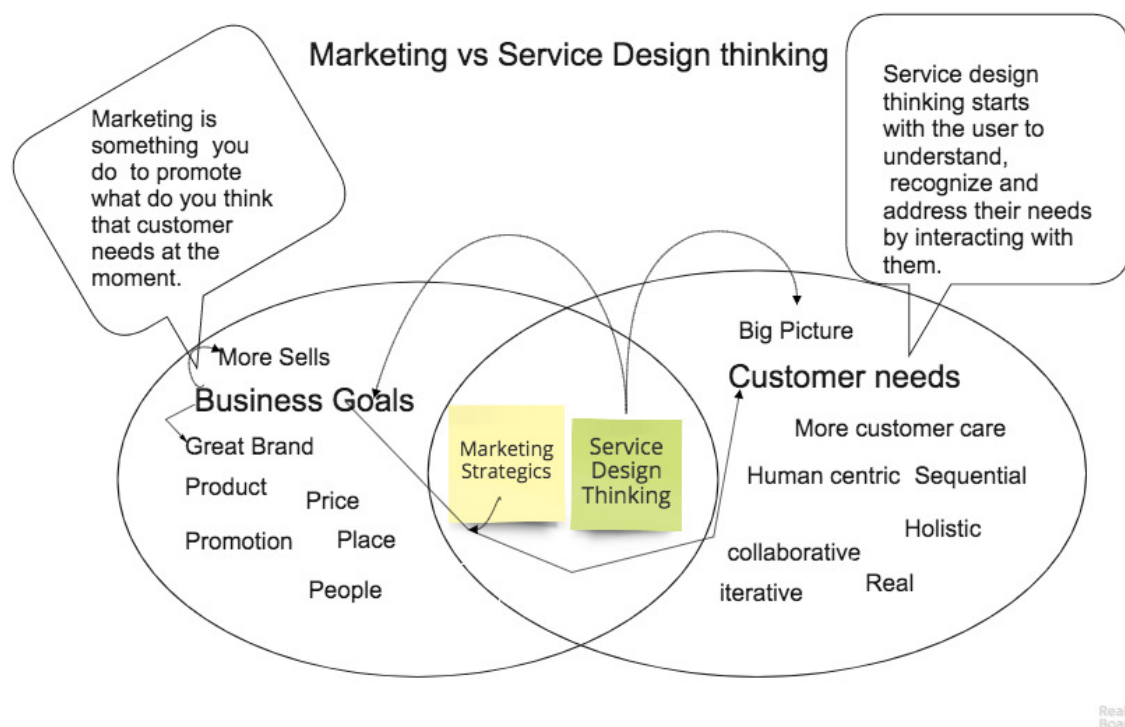
It is clear that service design has many different definitions, but the focal point is that service design is a process of translating ideas into reality and unseen services to visible, by using



special tools for that purpose to help identify available opportunities to unlock innovation and improve the current businesses.

### 3.4 Service design as an innovation approach

The marketing discipline has been involved primarily with goods and products, while the service design is an emerging discipline that concerns mostly the productivity and quality of services. The marketing strategy is based on market demands, while the service design strategy is based on the human needs and help harmonize the object of the service provider with the customer needs and expectations, through providing a systematic and innovative approach (Stickdorn & Schneider 2011, 23).



**Figure 10: Service design thinking harmonize the business goals and customer needs.**

This figure shows that marketing strategies primarily aim to innovate and create a great product or service that can be attractive for the customers to sell more and more. The old marketing strategy serve for the customer needs by focusing on the factors that have significant influence on the brand and the quality of the product, while the whole concept changed through service design thinking from product centric to service centric, from putting the product on top into putting the people on the top of their priorities.

Service design focus on the customer to put them at the center of the business framework to co-create what kind of services that they need. Service design provides a holistic look of solving the problems and makes it clear for the directors to recognize the gaps in the experience ( Stickdorn & Schneider 2011, 40).

### 3.5 Service designing basic principles

The focal point of service design is thoughts, concepts, and experiences that turned from mere ideas into a practical application. These concepts should be described carefully through designing useful tools that can be applied to serve all stakeholders by meeting companies needs to be competitive in a way that the company's service can comply with the customer's growing expectations of quality and choices. Service design also concentrated on seizing the technology to double the capacity for creating, delivering and communication (Interaction Design Foundation 2012.).

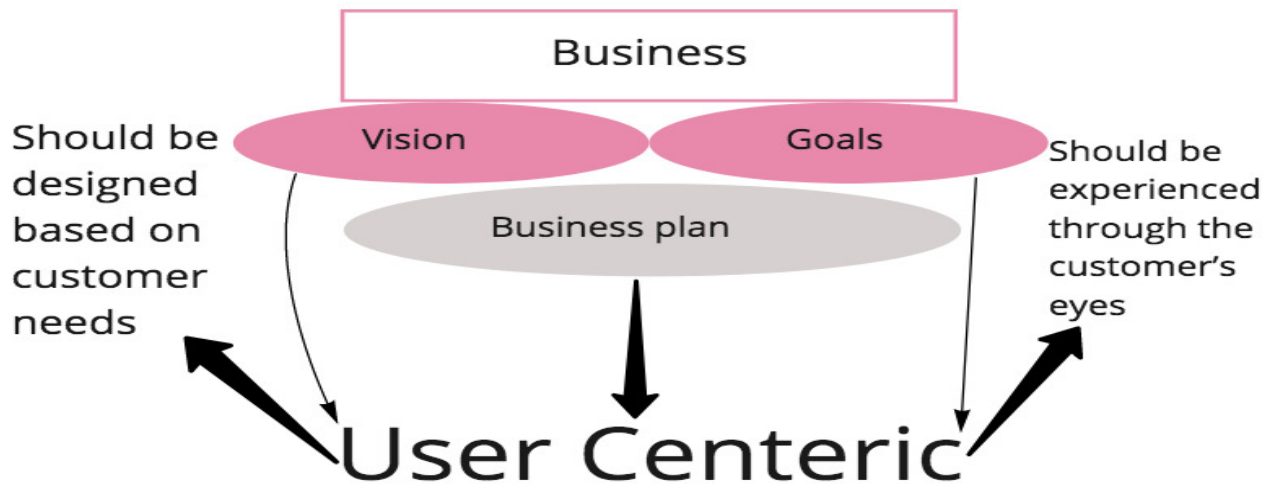
Today, the reader of service design can get a lot of attempts from various specialists in this field. Those experts have worked barely in development of service design's thinking. For instance, Marc Stickdorn and Jakob Schneider have the most frequently read books in this field. They explained the basic principles of service design that every designer should consider when creating and delivering services.



**Figure 11: The new Principle of service design ( Stickdorn et al. 2018).**

**Human-Centricity:** Customer needs and expectations should be considered at the time of creating and designing service. Services should be developed and experienced through the customer's eyes, and that does not imply focusing on the customer only, but it is also to serve for other business objectives. Customer-centric is a new business strategy that puts the

customer on top of the business' priorities to comply their needs by reconciling the customer wishes with the business goals ( Stickdorn et al 2018, 25).



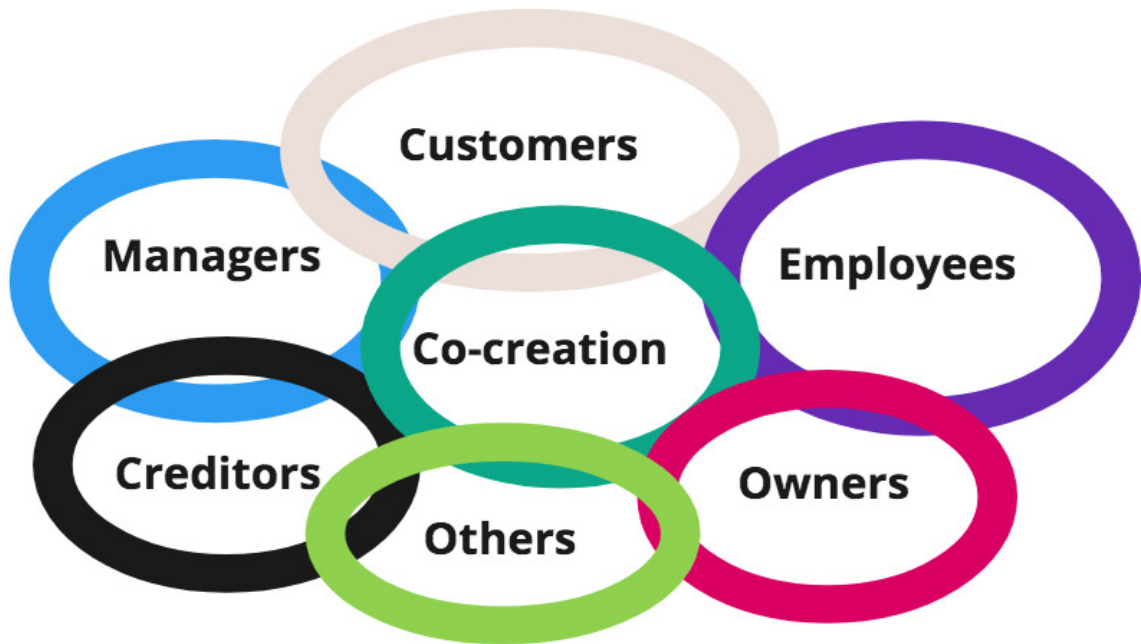
**Figure 12: People are the Center of the Service design.**

As this figure shows, the user is at the center of the business plan and services are designed and improved based on customer needs and experienced through the customer's eyes. It is understandable as explained above that service design is an approach of user-centered but the question is who that user is, a customer or the staff?. Marc Stickdorn suggested in his new book another term which is more explicit and more suitable here. Human-centered which means by all stakeholders including service provider, the customer, the user and even non-customers who are influenced by the service (Stickdorn, et al. 2018, 25).

**Collaborative concept:** As the previous principle stated, the customer is the core of today's business and understanding their experiences, needs and desires are critical for the company to be succeeded, It is an essential factor that contributes the basis for customer-driven service to make improvements and innovation. There are other factors which are not less important than the first one, like for instance, employers and other stakeholders (Stickdorn et al. 2018, 25).

In the era of the customer centrality, business as usual is not enough. It is necessary for the companies to apply a new strategy to provide faster innovations and delivering better service, and comprehensive experience that delights people so much to share it, therefore, it is needed a new concept that can bring additional value to the business and turn customer centrality into the practice to make it user-centered (Stickdorn et al. 2018, 25).

Co-creation is a new methodology whereby various actors work together to a common purpose to achieve business benefit by creating and co-designing a valuable and profitable service, which delivers excellent customer experience in all business channels so that different stakeholders should be involved in the design process (Stickdorn. 2018, 25).



**Figure 13: Co-creation concept where customers and other actors work together.**

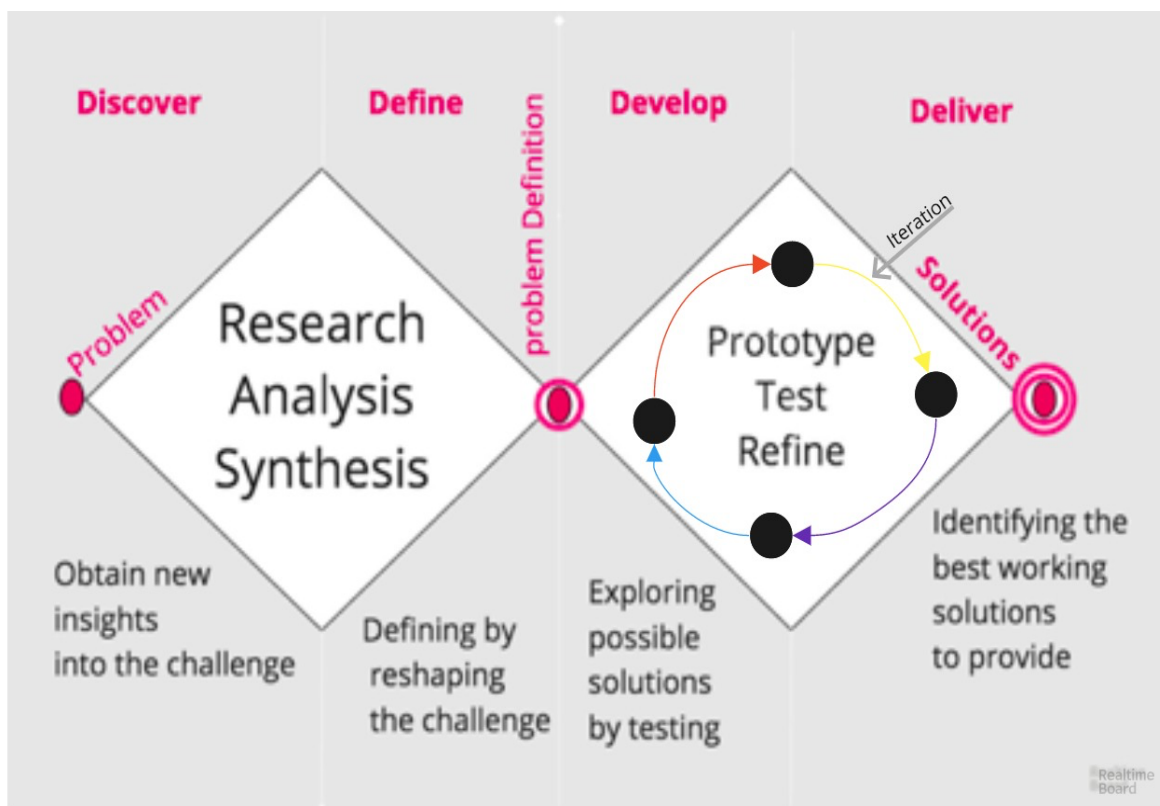
This figure shows that all actors are working together and how could be involved other people, especially those who are a part of a system or have an impact on service.

There are many companies eager to adopt new concepts to improve their business, but they don't know where to start. Applying the co-creation concept at the beginning of the business activity could foster the discovery of customer interest and value, which can turn into innovation processes, tools and competitive advantage for better enable and expedite value co-creation. That will lead the organization to a better understanding of the customer experience allowing to serve their needs and expectations (Stickdorn & Schneider 2011, 30).

Co-creation principle is applied when differing stakeholders involved in creating, providing and consuming service ( Stickdorn & Schneider 2011, 30). It is an integration of service stakeholders into the design process, this integration of all stakeholders into the design process gives the customer the opportunity to add value to the service in collaboration with

the service providers in the early time of the business development and growth. This method makes customers feel that their proposition was taken into consideration and their idea was heard at the time of designing and creating the process. This will inspire the customer to the long-term engagement and increase their loyalty to the company (Stickdorn, et al. 2018, 28).

**Iteration design:** Design thinking is a flexible approach whereby a series of stages conducted concurrently and repeated many times to narrow down the best possible solution to accomplish a particular goal. The obtained idea or experience from the stages is utilized as feedback to earlier steps. This creates a perpetual loop which is called iteration approach.



**Figure 14: The Double Diamond process of (Design Council 2010).**

Iterative design is described as a cyclical process of preparation, planning, designing, prototyping, analyzing, testing and making improvements in the current work, this process continuously reiterated and reformed to achieve the progress over the time. (Stickdorn, et al. 2018, 25).

**Sequential:** Services are dynamic processes that happen within specified time periods. Thus It is critical to consider timelines when designing the services, the rhythm of service has a

significant impact on the customers' mood. For instance, the waiting at the hospital for a long time to meet a doctor can make the customer get bored, especially when he is seriously sick, and maybe he feels unhappy if it goes too fast. Services should be well-arranged and visualized as a logical sequence of interrelated operation and actions (Stickdorn & Schneider 2011, 32).

**Real:** The needs should be based on reality by doing a real investigation to identify those needs and its possible solutions. The ideas should be designed and prototyped in fact. All intangible values should be evidenced and turned into physically or digitally tangible (Stickdorn et al. 2018, 25).

**Holistic:** This approach means taking care of anything relevant to service entirely in all aspects. It is the surrounded environment which should be taken into consideration during the design process, for instance, designing and holistically operating a business means a complete and vast understanding of all the aspect of the company and way of designing, testing, developing and delivering the service (Stickdorn et al. 2018, 38.).

It covers everything that enables you to provide the best service to your current and prospective customers and keeping in mind the goals that the company targeting with the complete fulfillment of the real needs of the customer in a full harmonization between all these aspects (Stickdorn et al. 2018, 38.).

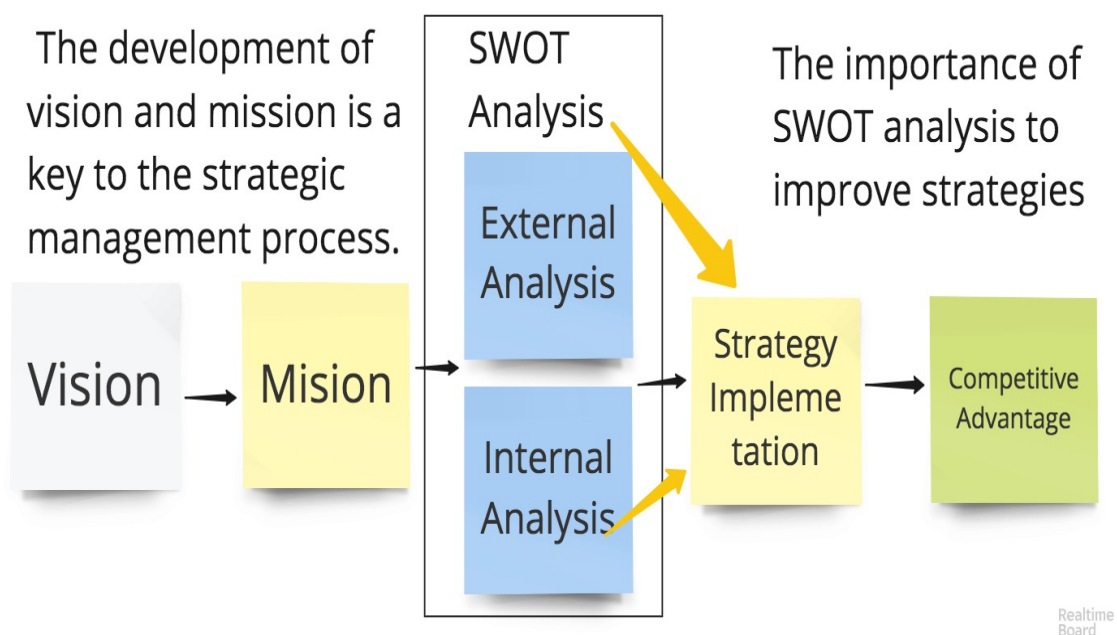
In spite of that the main focus for any company is to satisfy their customer needs, in most cases, the holistic approach says that the concentration remains at a comprehensive level. For this reason, why once, the customer's satisfaction was taken as a bigger picture, calculating the other benefits coming from services, the goals of the company will be achieved. The idea behind any business is to win as more customers as possible, without forgetting the main achieving goal of the project.

### **3.6 Designing business strategies**

As it has been already enlightened in the previous chapter, the most crucial step that entrepreneur should think about before launching a business or creating services or products is that the company needs to get customers and market. This is the reality that should take into consideration in early time to define the features around the person who will use or buy the offered product or service.

Any enterprise wishes to continue earning an appropriate return on its business activities, and there are more competitors with same business in the marketplace, so it is fundamental for the entrepreneurs to identify their business target group and categorize them in different segments ( Normann 2007, 89).

Many economists and financiers have argued that to make money is a single aim of any business to be successful, but these theories narrow the image by focusing on maximizing only the short-term profits. Companies have a lot of objectives. One of those objectives is to make the clients happy and keep them. Great companies think their way to success that their organizations are an integral part of the society, they shape their business by considering the lives of the employees, partners, and consumers on whom they depend. The entrepreneurs should think as a great company and in a holistic way when putting the plan. They understand the need of building people and society and adding values to their lives by giving them more care and making them understand their role in the organizational development by committing to improving labor standards and connecting people to decent work (Kanter 2011).



**Figure 15: The strategic management process.**

The competition in today's marketplace creates a never-ending loop of choices and alternatives, where consumers have more options than ever before. However, to remain successful in this changing world, the company needs to make persistent efforts in emotional

connection with the customers creating long-term relationships associated with a level of credibility, quality, and satisfaction as well as redesigning your business's visions and strategies (Toshiaki 2015, 6.).

### **3.7 Deep understanding of customer needs**

In this section, the researcher discusses how to adopt previous principles to redesign business strategies and make improvements in the way you want to provide services to your current and attract new customers. The focus in this section is on customer and how to understand their needs in depth by determining who is the target of this business.

Developing customer experiences requires a deep understanding of the customers, it requires a thoughtful consideration analysis of where and how extensive data can be collected. It also needs proper tools to acquire that knowledge, and the commitment to obtain the most from that information and continuously.

Applying a customer-centric vision will support business operators to design a comprehensive plan, and that will be the first step towards lasting success for the business. To clarify in a better way which features are most significant to the business one need to take into consideration the way business can be improved or modified the service that it is offering for the potential customers by measuring and analyzing the current situation in order to reach more customers in a better way (Reason et al. 2015, 102.).

The significant challenges that any business will encounter are not only how to understand the customers, but it is also how to gather their insights to get them involved with the organization and continue attracting them through appropriate marketing plans. For this reason, a business cannot survive in this competitive market without conducting an ongoing strategy for a better understanding of the customer needs through better usage of the available technology (Reason et al. 2015, 12.).

Deep understanding the customer's behavior, culture, and needs are the pillar that allows the offer of excellent and suitable service as well as to be able to anticipate their needs and exceed their expectations. Decoding the consumer's mindset is a very critical step which addresses the problems from a customer or user point of view, through design thinking.

One of the customer centricity advantages is fruitful communication which will increase customer loyalty, bringing as well new business activity through a positive engagement



which has a positive impact on the market and creates high reliability for the clients and also allows ultimately to understand and fulfill their expectation, desires, and needs.

### **3.8 Understanding customer needs through design thinking**

Better design offers the key to market success and more importantly, to improve the business, and that doesn't mean that practicing service design tools giving customers what they want but service design will be as a means to advance business models and understand the customer better. Service design facilitates to strategize better and makes the business vision and goals understandable and clear for all stakeholders (Dervojeda et al. 2014, 5.).

The biggest challenge that faces business owners and managers is how to understand the customer better. Business shifts to e-commerce and online shopping which offer to the customers massive options which seriously booming nowadays. The market also shifts from a predictable market to technology-driven market which is unpredictable.

The customer can go shopping in China or the USA when they are at home. Therefore, today customers are less loyal and far less trusting than they used to be due to the social media which offer all required details at the speed of light in a marketplace which provides limitless options and overflowing information over the complex market. However, increasing data flood, offered by the internet, makes harder to understand the customer in a deeper level, adding the fact that there is considerable diversity in the customer purchasing attitude prone to determine them in different segments. For that reason, it is getting harder to identify who the customer is and to understand their needs. It became necessary to build strong strategies that make you know how to address today's customer correctly (Reasonet al. 2015, 115).

A customer can be a person, a company, or another entity which is believed to buy or offer goods and services produced by another source. A customer is not necessarily only someone who is currently purchasing the products or services. The target group of a business should be identified carefully and classified into different segments, for instance, existing customer, lapsed customers and potential customers.

Attracting customers and maintaining them is the essential aim of most public-facing businesses. This strategy should be modernized to apply the aphorism which says "the customer is always right" because when customer feel that he is receiving suitable care, then he will be expected to continue purchasing goods and services from companies which give more consideration to meet their needs (Ingrid 2011, 8).

Building good relationships with the customers is very important for the business organizations to utilize that relationship and communications with the customers to achieve their required goals, thus creating new products or adjustments, in responses to customer's feedback (Polaine et al. 2013, 31).

Understanding the customer and recognizing his needs and desires is the most crucial strategy for the company and that needs to redesign the relationship with the customer to create strong customer loyalty, it's worth of it. It is vital for every business to implement a customer database effectively to keep customers coming back and to rebuild a good communication system that makes it easy to be always in touch with the customers, former or perspective so that all the factors that determine the purchasing of those will be presented clearly (Polaine et al. 2013, 31).

The most important step the entrepreneur can take to understand the customer profoundly is to imagine himself in the situation or the circumstances of his customer, to understand or empathize with his perspective. It is vital that business operators know their customer's culture, nationality, ages, social class, and their daily routine. All these details should be collected from customers to utilize in building relationships with the customers. This will deepen the comprehension of competitors and help to prevent their moves (Ingrid 2011, 7.).

Any business without a clear strategy towards gathering customer insights will be ultimately an unsuccessful business and cannot address relevant attention to the customer needs in the market. Identifying the target customer and gathering insights will give the entrepreneur an insider perspective on the business ideas he should invest in, realizing which are the ideas he should put aside (Polaine et al. 2013, 45.).

### **3.9 Service design and brand**

Companies provide symmetrical products or similar services, there is a high competition in this complex marketplace, for instance, Apple and Samsung offer the same products to their customers, but they create a good image which makes some people tend to feel sympathy for one company instead of the other. What is the reason that makes people fall in love with some companies but not with others? It is the excellent relationship that the company has built up with the customer that creates loyalty and trust which leads company itself to the success helping the customer to choose this last one between the wide and crowded opportunities of the market (Wheeler 2018, 2).

To be successful in this complex marketplace needs to apply the right mindset that makes the business effectively compete. This process starts with being honest in evaluating the difference and value of your products compared to those of the competitors developing the strengths of the business and that strategy called “brand.”

Designing the brand means to think differently from the competitors, distinguish the company's product from others in the market by creating own symbol, mark, logo, name, word. All these words are called the brand.

Designing own brand is critical because customers view a brand as an essential part of a product, and branding can add value to a product. For example, most consumers would perceive Apple products like iPhone as a high- quality, expensive product, in the other hand, the same products from other companies will be automatically evaluated as of lower quality, even if in reality their quality is equal (Wheeler 2018, 12).

For example, most consumers would perceive a wristwatch as a high- quality, expensive product, in the other hand the same wristwatch without trademark will be automatically evaluated as of lower quality, even if in reality their quality is equal. A brand can provide a guarantee of reliability and quality. Another example, a customer might not entrust his credit card details with an unknown online shop store but would have little hesitation doing so when buying from a well-known brand like alibaba.com or amazon.com as experience had taught him to trust those brands. It is hard to succeed with unbranded products in the market it needs to think when designing or creating your brand.

A strong brand is a key to be successful in today’s fiercely competitive global marketplace. Companies cannot purely survive behind a weak brand; business operators must seek a market that cares about their brand and supports for innovating it for better.

The brand is no longer be about beautiful names or numbers that designed, and one time used, it should be revitalized and developed continuously on a deeper level addressing people authentically down to the roots being loyal to its business model. In today’s innovative workplace, brand management is a time-sensitive business imperative.

Internal branding is the core of the company grows it ensures that employees are satisfied and live up to the company's values. All employees and the managerial representatives will be involved in branding design process to improve work performance and develop the customer experience. This can create a positive organizational culture that supports the building of a strong internal brand and motivate the staff to deliver the best possible

performance in creating the best customer experience (Lindberg-Repo & Dube 2014, 59-61).

### **3.10 Service design tools**

This section discusses how to use service design tools to tackle small enterprises challenges explaining the most frequently used tools at the strategic business level which links business activities and propositions with details of how they are presented and delivered to the potential customers. Since having a mindset is not enough when designing future strategies for the business, but it is essential to have toolsets that support the business activities and plans for future to be more clear and visible for the whole vital partners (Toshiaki 2015, 14).

Customer centricity is a focal point of service design principles, and that is why it is a fashionable fact nowadays. Organizations struggle to adapt on becoming customer oriented, but unfortunately, it doesn't make sense if there is no a real market testing. Service design provides useful tools to innovate a wide range of solutions to gather customer insights to understand their needs. Those tools include in this manner few major characteristics like needs, behavior. Adopting those tools can lead the business to the success, because it allows accessing information that shapes the business revealing strategies that needed to adopt.

Service design tools are used to define interaction modality identifying all touchpoints and giving the full particulars of each selection by visualizing all concerned things including staff behaviors and activities, customer journey and actions as well as devices that service required. Service design tools will turn all these things into tangible and visible.

Service design approach has wholly changed business vision and the whole economies from industrial manufacture to services. There is a lot of companies that still provide their services with an industrial mindset managing the service market like products. Today it is remarkable that service design has necessary changes in the business world and has become widely used in every kind of business, regardless of its size. Service design is recognized as a way to improve service quality by directing these improvements to both users and personnel of the company (Service Design Toolkit 2014).

This means approaching the human-driven design way of thinking. The approach of this method starts from the needs and requirements of users to look for joint solutions with other stakeholders. Ideas are quickly crystallized using images, designs and models and systematically evaluated with users (Service Design Toolkit 2014.).

### **3.10.1 Personas**

Persona is a profile that represents a cluster of users from various stakeholders, this profile is not a stereotype, but is a service design model based on real research. However, people with specific service needs and goals will not necessarily align with traditional segments in marketing. Instead, the needs expressed in personas will often cut across several groups, thus breaking down marketing silos that may hinder service design efforts. Whenever possible, personas should be based on research and represent a group of people with shared needs or common behavior patterns (Stickdorn et al. 2018, 41.).

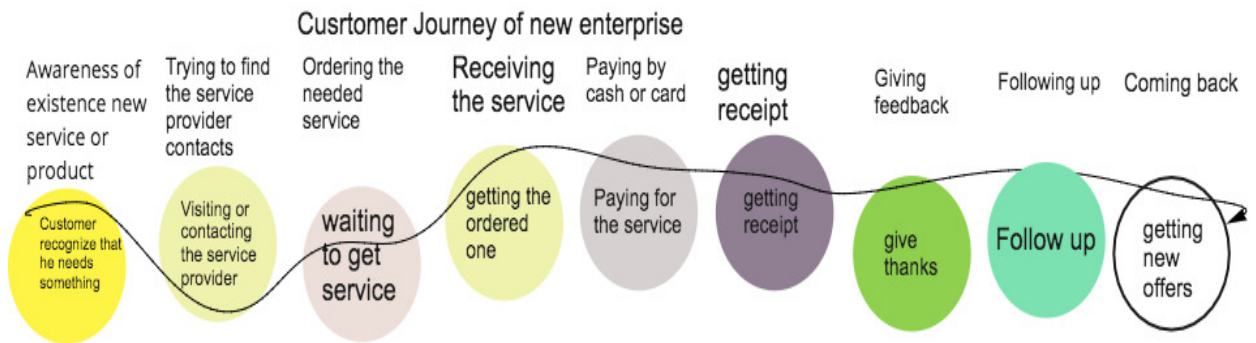
Personas are a useful tool mainly if used in combination with other methods such as user journey mapping. Creating and designing personas can lead to determining the real customer and recognize what they expect and need from this service.

Understanding customer needs and expectations is critical for the organization to comply with their needs and the service that company want to offer them, additionally, opportunities can be identified through personas to develop a new product or services and solve problems customer might have.

### **3.10.2 User journey map**

User journey map explains the user experience over a period and visualizes the journey step by step. This map includes all end-customers interactions with the provided product or services. Visualizing customer journey over time by mapping to recognize the customer actions in a specific service starting for instance from making a reservation until receiving the service and giving feedback. All these steps will be illustrated carefully to know the gaps or if something goes wrong (Stickdorn & Schneider 2011, 151).

Mapping the user experience is very important to help understand the steps people go through when dealing with a product or a service, the strengths and the weaknesses of this experience and how they can be improved.



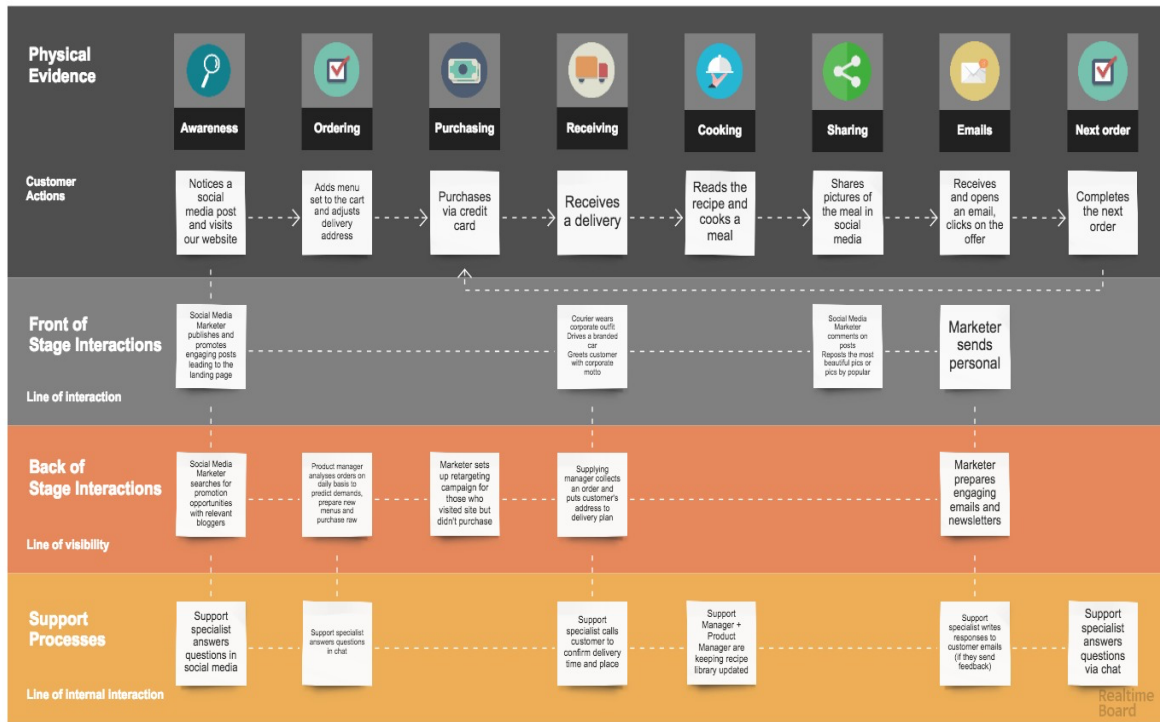
**Figure 16: Journey map of new enterprise.**

This figure illustrates the journey mapping for a company which is new explaining the relationship of a customer with a business over a period using storytelling technique and visual cues. This story is being told from a customer point of view to provide insights into the total experience from this last one to give a better understanding, to address customers' needs and gaps as they experience provided product or service.

User journey mapping helps to put the service provider in a customer's shoes and see the business from the customer's viewpoint. This multipurpose tool that can be used to know where customers interact with the company by obtaining insights into common customer needs and pain points. It is a useful tool that supports to improve the customer experience and define their needs; it shows where customers interact with the business as well as the gaps between the desired customer experience to enhance the customers' experience and meet their needs (Stickdorn & Schneider 2011, 152).

### **3.10.3 Service blueprinting**

Creating a good journey map can lead to building a model called service blueprint which can be understood as an extension of journey maps. A blueprint is an operative tool that determines the nature and features of service interaction with sufficient details to validate, execute, and keep it (Stickdorn & Schneider 2011, 203).



**Figure 17: The structure of Service Blueprint example from RealtimeBoard.**

The service blueprint is based on a graphical technique that presents the operation functions above and below the customer's line of visibility. All contact points and front and back operations are documented and consistent with the user experience. (Stickdorn & Schneider 2011, 203).

Service blueprinting is prepared to identify and describe each aspect of service along the timeline attaching the user experiences with both frontstage and backstage employees processes as well as support processes. This map explains all interactions and communications between staff and customers. Frontstage represents direct contacts of the customer to the people and processes, while backstage means people and operations that are not visible to customers. Support processes indicate to the all accomplished activities and actions by the external partners in the organization (Stickdorn et al. 2018).

### 3.10.4 Business model canvas

A Business Model Canvas is a valuable business tool, for describing, analyzing, and creating business models by using various variables that show the values of an organization. The Business Model Canvas can be utilized as a strategic tool for the development of a new

organization. Furthermore, it also analyses the business situation of an existing business (Osterwalder & Pigneur 2010).

It breaks the business model down into nine easily-understood parts: Key Partners, Key Activities, Key Resources, Value Propositions, Customer Relationships, Channels, Customer Segments, Cost Structure, and Revenue Streams (Osterwalder & Pigneur 2010).

### **3.10.5 Stakeholder map**

Stakeholder mapping represents an analysis tool that organizes all business key players according to the criteria including interest, influence, financial stake and emotional stake. It is a beneficial tool for understanding who is the key stakeholders are? Where they come from, and what they are looking for the relation to the business? Stakeholders are the people, groups, or individuals who either have the power to impact or are influenced by the efforts they are involved in somehow (Dam & Siang 2018).

Stakeholders can be classified into internal and external players; however, they have authority over the company; some of them have shares in the organization, others are the customers who receive the service or buy the product while other people are staff who has great influence on the business activities. Some of those stakeholders have more power and control over the company than others, so the stakeholders map helps define who has the most potential to impact the business by analysis (Stickdorn & Schneider 2011, 154.).

## **4 Research Methods and implementation**

This chapter starts with a discussion of methods providing an overall understanding of the methodology used in this study and the reasons for choosing those methods used in the research work and describes the reasons behind selecting an appropriate method of inquiry to gain answers for research questions. After that, the researcher discusses the qualitative research justifying the reason why qualitative methodology is used in this particular study. The chapter also discusses the implementation of the case study by exploring collecting data methods as well as the service design analysis

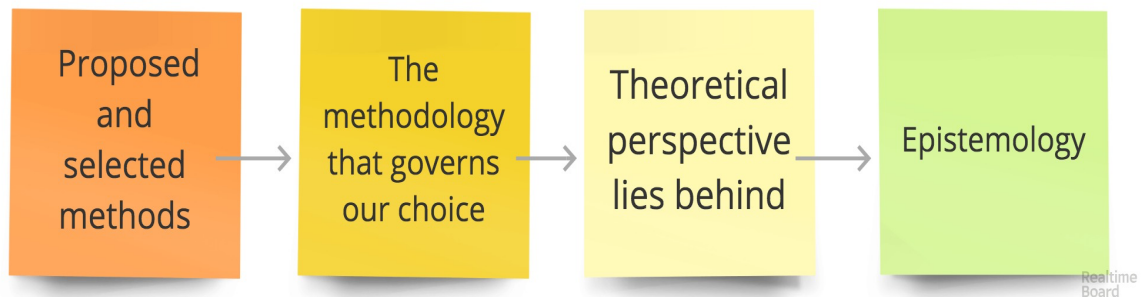
A description follows how the data was gathered and analyzed. The critique mentioned in previous chapters had clarified that there are a lot of business opportunities in Finland that can be seized and invested by the new entrepreneurs. However, still there is plenty of challenges in the path, and that needs to make a thorough inquiry into the problem, this



investigation gives a good understanding to break down the barriers that block to set goals or to fulfill business.

#### 4.1 Selecting an appropriate methodology

Developing and designing a research approach by finding a suitable framework that help to think logically and clearly about the decision-making process when deciding on the research approach. Crotty has excellent and very logic suggestions that can be considered as fundamental elements for researchers. He suggested four factors which are considered as the base of doing research and that needs to be clearly defined for any researcher (Crotty 2015 2-4).



**Figure 18: Logic suggestions of (Crotty 1998)**

Crotty (2015) takes the view that any researcher during the research phase should be able to respond to four simple questions, he determines these four questions as the essential elements of any research process:

What methods are proposed to use? Methods are the techniques for doing research, it is the tools and procedures used to gather and analyze generated data by the investigations. It is the tools that provide the study with new ways to have validity based on knowledge and come to conclusions (Walliman 2011, 7-8).

What methodology governs choosing and using of methods? The methodology is a way to solve the research problem systematically. It is to examine the various steps, strategy, plan of action, a process that are generally adopted by a researcher in reviewing his research problem along with the logic design lying behind the choice and use of specific methods (Kothari 2004, 8-9).

Methods and methodology are sometimes confusing. It is imperative to know the techniques and methods that the researcher wants to employ to collect the data as well as to know what kind of plan of action, strategies, the process of design lying behind the selection and use of these specific methods.

According to (Crotty 2015, 2-4), the answer to the second question lies with the goals of the research, in other words, with the research question that the piece of inquiry is seeking to answer. It is obvious enough the importance of a process capable of complying those purposes and responding to that question.

**What theoretical perspectives lay behind the methodology in question?** The answer is that the methodology is a philosophical stance informing the methodology and providing context for the process and grounding its logic and criteria.

**What epistemology;** informs this theoretical perspective? The fourth question answers that the epistemology is the theory of knowledge embedded in the theoretical perspective and thereby in the methodology.

The researcher discussed in previous chapters three different sections, entrepreneurship, small-sized business, and service design to build good background and knowledge that can be a good base for this study to get useful responses for research questions. So, the research methodology that was considered appropriate in this study is a qualitative methodology. Interviews, questionnaires and observations were used as instruments of this study, and that is because of its ability to enhance the validity of the research. It is also used along with service design methods to gather purposeful insights and do analysis as well.

## **4.2 Data collection methods**

In this section, the researcher discusses the different methods that were used to collect needed data in this research focusing on how it is utilized in service design tools to make an analysis that answers the research questions.



**Figure 19: Data collecting methods.**

### 4.2.1 Focus group interviews

Interviews are dialogue and discussion of collecting information in which one person has the role of researcher (David 2004, 213). These research interviews are conducted to ask questions that participators respond to. Face-to-face, over the telephone or internet, are the tools of the conversation. Interviews are an appropriate method to gather in-depth information on user's opinions, thoughts, feelings, and experiences. Interviews are an effective method and functional tool in service design-based research.

In this study, three entrepreneurs who have their own business with different backgrounds and different experience participated and were interviewed to investigate the challenges. Clear questions concerning the real problems, challenges, and opportunities of the participants were asked. The participants are two Somalian business owners and another businessman from Iraq; they are running small enterprises in the Helsinki area. These enterprises provide different services like taxi service for its customers, a shop which sells fresh halal meat and food and a happy park, an establishment which primarily serves for whole families to make them happy.

The interviews were conducted in two stages; the first stage was conducted in 15 March 2018 and focused on gathering background information about the companies, the owners and the current business. In 27 of April 2018, the researcher conducted the second stage and discussed in depth with the problems that they are facing as a new entrepreneur and how to overcome current challenges. The interviews took one hour and a half with each participant and also was discussed the available opportunities that can be seized. The answers that have been received from the participators are categorized and visualized in an affinity diagram.

The researcher conducted an additional interview in May 2018 with the owner of Daa-Henkilövuokraus Oy as a case study company. All questions that were asked directly in Somali language and the translation into English is attached in the (appendix A). This interview was designed to know about the current situation of the company, its long journey from initiating and turning dreams to feasible business to running it in real life as well as its vision and what it will be in the future.

The interviews with the owner of Henkilövuokraus Oy was conducted four times and to collect the required details. The main focus was to understand the current situation of the business, the problem, and the opportunity to get answers for the research questions and to investigate the real challenges to give suggestions of its solution as well as discussing the development opportunities.

The same questions were asked other owners and the answers that were found from all of these discussions combined and identified to categorize in five different types illustrated in the affinity diagram which is a useful tool for generating, organizing, and consolidating information related to a problem that was investigated in this research to arrange that information according to their affinity, or similarity. The researcher uses this analytical tool here to organize many ideas and data that collected from different sources into subgroups with common relationships.



**Figure 20: Interviews with the business owner in Affinity diagram.**

As the figure shows, five main challenges emerged from the data. To formulate these insights from collected data and understand in depth to discuss how to overcome the obstacles.

**Starting process:** All interviewed people said that the main problem that they faced was not to get business idea but how to manage the time, how to prioritize the tasks and the hardest thing was to make a business plan. Getting a business idea is not tricky, any person can come up with a business idea. But to go on one step forward and turn the entrepreneurship dreams into reality is a challenge.

It is not enough to run a great business only to have dreams or a good idea, but it is closer to success, and that can come at the time of starting a practical step toward making a dream come true. It is taking decisions and making actions not only dreaming and thinking. It is

managing the time and money prioritizing the tasks and doing the plans, if there is a clear vision, it is easy to make proper preparation.

Before starting a business, it is good to get skills that are needed to succeed in business, of course, money is everything, but that doesn't mean that success is guaranteed for this business. If someone helps to make the business plan or give some loans that are not the way the business goals can be achieved, still, the same problem is existing if there is no good starting.

**Funding problems:** the view that was shared by most of the interviewed owners is that funding is main problem facing startups and establishing any business to serve its business objective and achieve desired success requires funding. Furthermore, they also agreed that the amount they can get as a grant is insufficient to cover all their needs in this business.

The self-funding: Before starting your business, it is crucial to discuss your ability to receive contributions from different sources of funding or to get fundraising ideas - not only from relatives and friends - therefor thinking about funding sources is significant for the startups along with the funding procedure.

During that meeting and after a long debate on the different sources that can give contributions which make the business succeed. The interviewed people said that the problem is not lack of funding but the nature of funding and the requirements of getting that funding so that it could be said that the most severe obstacles that faced any immigrant-owned business like those companies are a funding problem.

**Marketing problem:** It is discussed the importance of marketing and agreed that without marketing the business couldn't survive because marketing is the heart of any business. To survive in this competitive market, enterprises should put in place more strong and innovative marketing strategy that can attract potential clients. In addition to that good marketing can make the business or brand the first option of the potential clients to turn to when they need a specific service or product. Good marketing can enhance reputation to maintain customer's loyalty, and the more the reputation grows, the more business and sales will increase.

Lack of a clear marketing strategy and poor skills that regarding this matter, make all focusing on a particular market, and that can ultimately lead to fail and destroy all business dreams in high competition market.

**Communication problem:** Effective communication system both internal and external, are necessary for startups as well as corporate giants. In this case, there is an active open channel of communication at all times between all staff, and they do the work as a friend, but the problem is not that, the problem is that everything is not through clear communication strategy, but it is through the traditional way of communication.

Like other startups, those companies need to be heard and seen by a large number of people. The current traditional communication methods don't meet those needs anymore, but it requires to go further create a real link with all stakeholders and adopt a powerful communication strategy and a good plan of building a common language among the stakeholders.

**Other problems:** The problem of information overload is widely recognized, although it is not a new phenomenon or even it is not something related only new companies but this term, has been in existence for a long time. (Edmunds 2000). Information overload is a fact of life for company directors, managers, and all professionals the information is available from different channels, media, emails, social media, and unwanted details may be received and mixed with useful information.

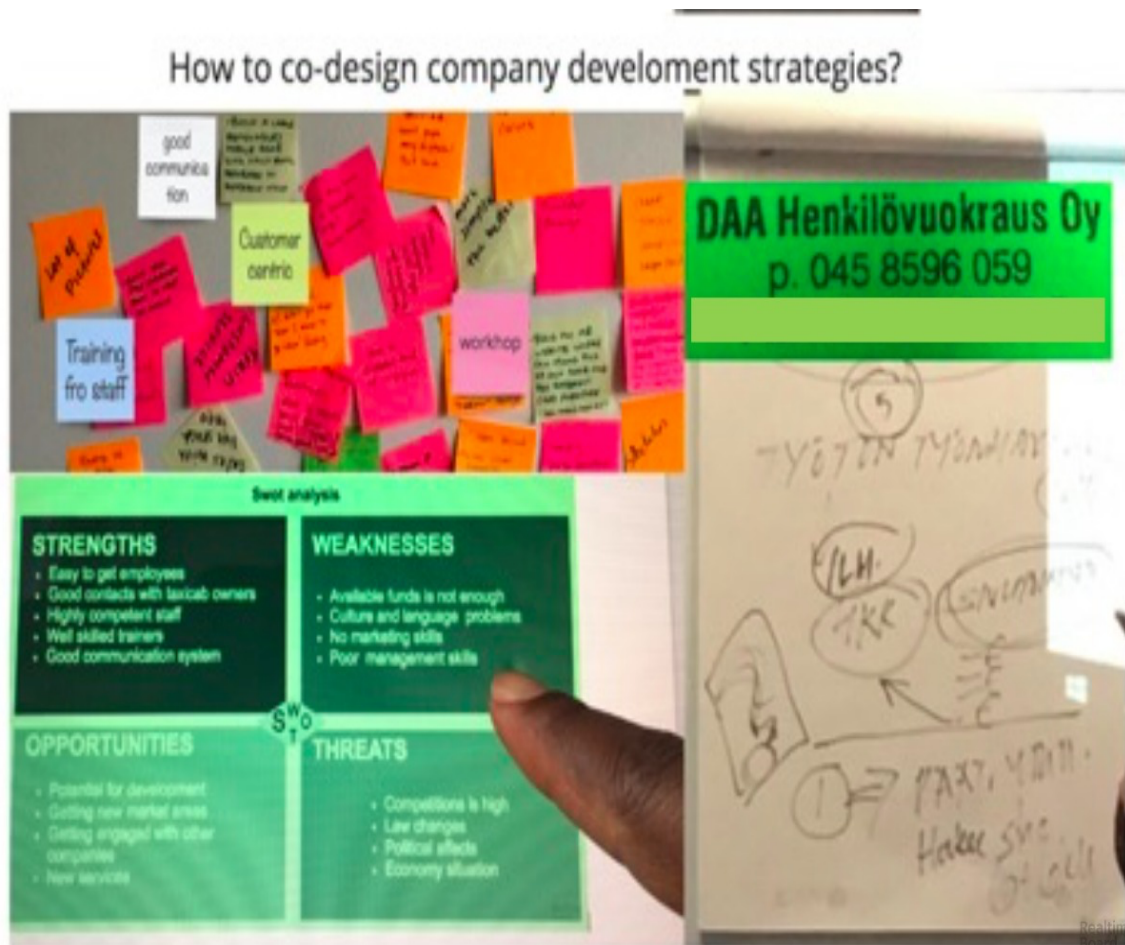
Getting too much information for an organization can minimize the ability to focus the most important messages and manage the workload problem while less information is not good and can cause a lot of problems.

The way of coping this problem is not to ignore some these messages or answering only parts of some messages, but it is how the reality of the new business environment and this considerable information can be turned into an opportunity and a competitive advantage that can keep the service quality in acceptable level.

#### **4.2.2 Participatory workshop**

To practice collaborating and co-creation principle in order to explore communication gaps among the staff and creative environment of collaboration in problem-solving. In this workshop which held in 27 of April, participants discussed how the employee can be involved in creating an environment in which people have an impact on decisions and actions that affect their jobs. How the staff can participate effectively in the designing organizational plan and set development strategies and how they can co-design to build novel forms of communication among all stakeholders. Participants also discussed how the results of the

co-designed workshop could be applied in development of services that have already been introduced to the market in order to meet customer expectations.



**Figure 21: Development workshop.**

The participants discussed the available opportunities that should be seized and the current challenges that block to reach more customer to provide profitable services and what is the best applying of a customer-centric approach that will be the new strategy for the company. 12 participants were involved in this workshop to practice human centricity and co-creation approach in real business. The researcher asked the participants who were involved in this workshop to do together a SWOT analysis to identify four things in each factor, after in-depth explanations of each factor to understand them. After that, participants were asked to create customer journey and service blueprint to share their experiences, and all data that was collected for that purpose was analyzed.

At the end of the workshop, employee's involvement was adapted as a company new strategy so as to be continuously practiced enabling the staff to contribute improvement and the ongoing success of their work performance in this company. Participants were pleased, and



their suggestions were considered as an opportunity for the business growth. They added that applying this new strategy can increase their positive feelings towards the work and motivate them to more commitment, productivity, and creativity.

#### 4.2.3 Survey

Survey is a useful research tool that allows collecting data from large samples, surveys involve the systematic collecting of data by using interview and questionnaire methods, surveys can be classified into two kinds: an analytical survey which can provide the foundation for more detailed investigations and descriptive survey which is capable of obtaining associations between two variables (David 2004, 121.).

This study uses descriptive survey to examine the staff views about the work improvement through a questionnaire as a method of collecting data. Survey questions (appendix C) were conducted with the staff in 27 April 2018. Ten people were participated as a focus group and they were asked 20 questions and they filled the survey form.

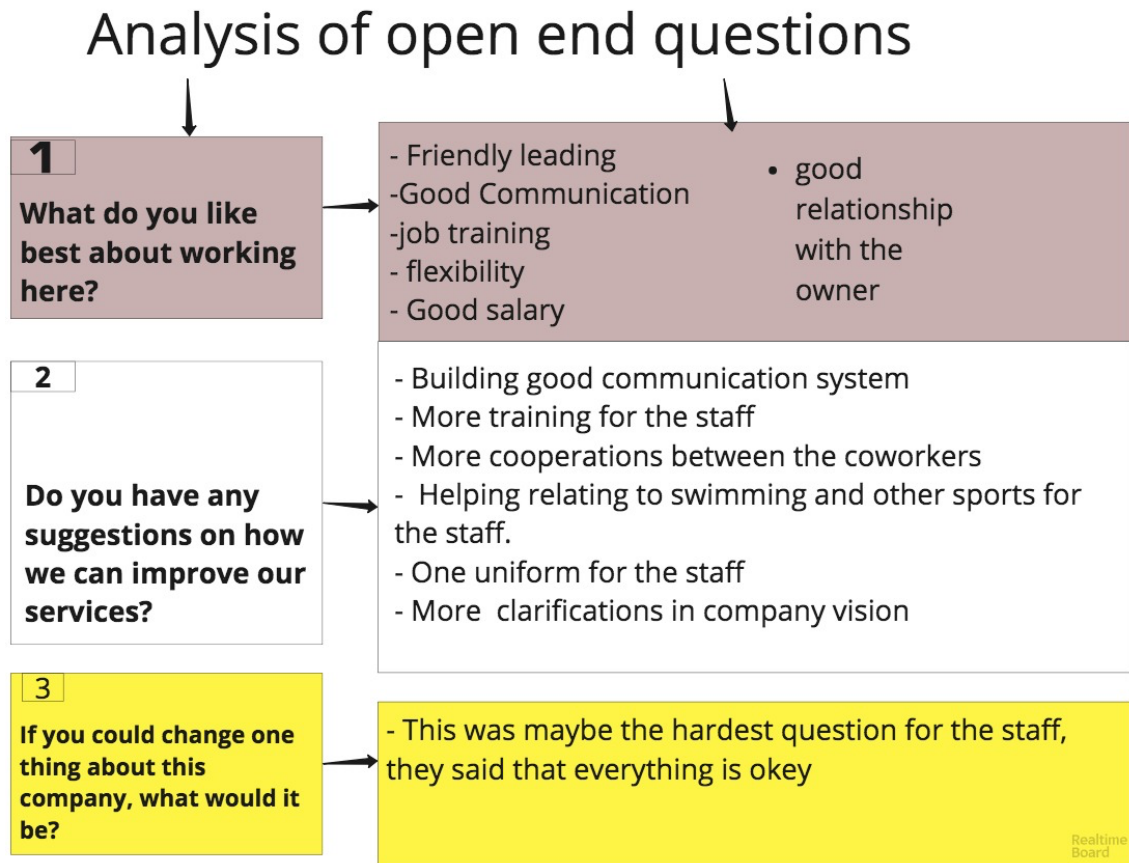
All repeated comments and responses in both formal and informal interviews by the staff were noted by the researcher. It gives the researcher flexibility to follow lines of questioning based on employees' views on current work processes and practices within the case company. Questions are arranged in three different sections. The first five questions discuss the ongoing work performance to investigate how employees are satisfied with their job, and to understand their opinion deeply towards the workplace, while the second section regarding the managing team to know how well the different stakeholders interact to improve their communication effectiveness.

The third section investigates if the staff have confidence in their management system as well as to examine how well they are engaged in decision making. These three sections are illustrated here in figure 22 while more details can be found in appendix D.

<b>My Job</b>	
1- I am satisfied with working to this company	Participants Strongly agreed and said that they are satisfied with working to this company
2- I have received the job training I need to do my job well	Participants Strongly Agreed
3- I am satisfied with the worktime flexibility offered by my company	80% of answers said that they Strongly Agree. Only 20% said that they agree.
4- I am satisfied with my total benefits package	80% of answers said that they Strongly Agree. Only 20% said that they agree.
5- I feel well informed about everything related to my work?	Participants Strongly agreed and said that they are well informed about everything related to work.
<b>My Boss</b>	
6- My Boss helps me understand how my work is important to the company	Participants Strongly Agreed
7- It is easy to talk and communicate With my boss	Participants Strongly Agreed
8- My Boss creates motivations to energize the workers	80% of answers said that they Strongly Agree. Only 20% said that they agree.
9- My boss shares information across the organization?	Participants Strongly Agreed
<b>My organization</b>	
10- I am satisfied with involvement in decisions that affect my work?	80% of answers said that they Strongly Agree. Only 20% said that they agree.
11- The vision and goals of the organization are clear and important for me personally	70% of answers said that they Strongly Agree. Only 30% said that they Neither agree nor disagree
12- I am satisfied with the management system?	Participants Strongly Agreed
13- This company provides attractive opportunities for training and self-development?	Participants Strongly Agreed
14- Company management system is supporting my work?	Participants Strongly Agreed
15- I am satisfied with that I receive information from management on what is going on in this company?	Participants Strongly Agreed

Figure 22: Survey analysis

At the end of the survey questions, participants were always asked three open questions, if they had any final words, which usually led them to explain what they like best about this particular company and also, they provide suggestion on how to improve the work performance as well as recommendations for required changes.



**Figure 23: Open end questions analysis**

From the interviews that were carried out with the staff members and during the survey, the researcher realized that they are satisfied with working for this company. They said that they have flexible work time and the company management system is supporting their work as well as they are willing to participate the development process. "Building our brand is what I want to recommend to my boss," one of the interviewed employees said while another said that they want more care for employees, for instance, to get support in doing sports like swimming. Building communication system to create a common language among the stakeholders is also highlighted. They also suggested creating a uniform for the staff members which is a good idea. Uniforms promote and improve a consistent company image, identifies employees, and can affect consumers and their decision-making. Some researchers said that the uniformed employees have a significant effect on the Consumers, (Doncaster 2015, 3-4). when customers see the employee in uniform, they expect a better product and higher quality of service.

### 4.3 Design methods for further analysis

The section focuses on analyzing and evaluation of the current process and practice to get a deep understanding of the business activities to make a strategic plan for the future. It discusses the vital elements that matter most and will have the most significant impact on driving growth to visualize the touchpoints, the customer's experience, and employees' reactions through the service.

The analytical toolset that is used here facilitate to see the overall picture of the business and thereby spot areas of strength and weakness depending on the inputs. The information that was used in these tools were collected as insights from the staff, customers and the owner of the case company to analyze in this service design tools.

#### 4.3.1 Personas

**Personas:** The main goal of using personas is to create understanding and empathy with the users and also to get wide understanding of his behavior and needs. However, this company deal with different user, taxicab owner, employees and customers.

The company provide employment services and training for the staff and try to make the staff happy and satisfied with that services. Taxicab owners are treated as a business to business (B2B) customers as they receive driving services offered by the company. The ordinary people who use taxi are also getting services from this company. The researcher communicated and discussed with those users and then created personas to analyze their insights by visualizing in this tool.

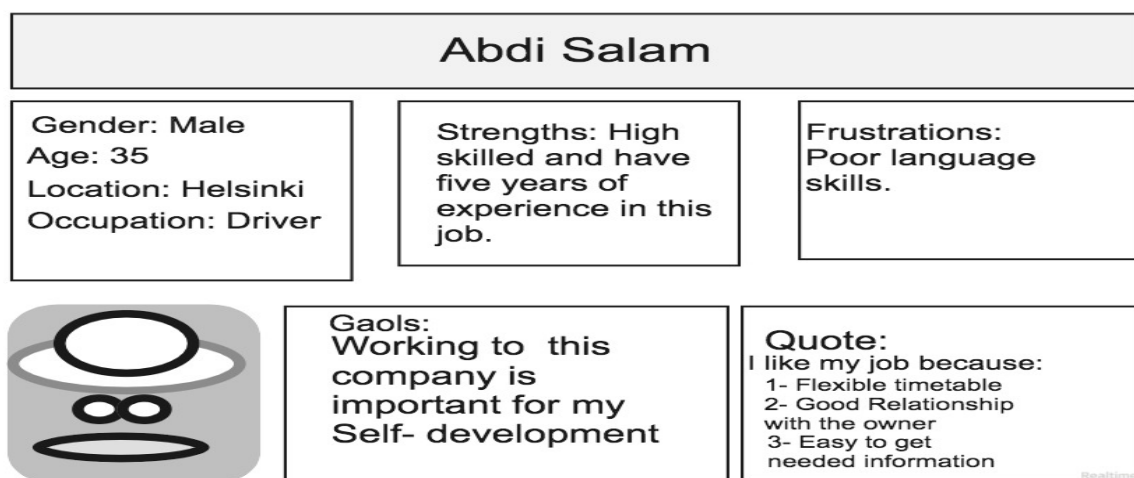


Figure 24: Personas of one of the company's staff.

The information that was illustrated in this figure was collected from one of the staffs who allowed using that information in this research to get an in-depth understanding of the user expectations and satisfaction.



**Figure 25: Two personas of two different users.**

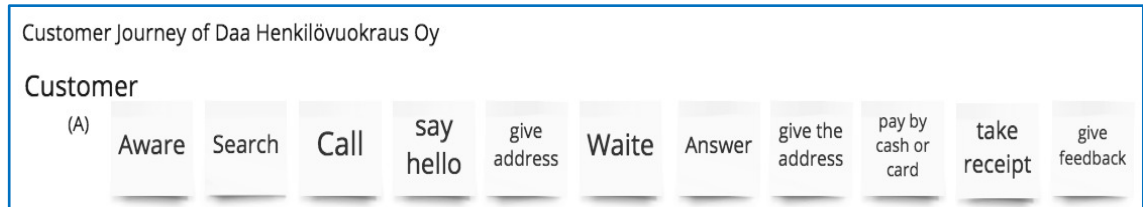
Figure 24 explains the taxicab owner who has good experience in the taxi business and his goal is to achieve success; he stated that he is feeling happy about the services he gets from the company. There is also another man who is a doctor and work in Helsinki area; he told that he is satisfied with the company service.

### 4.3.2 Customer journey Daa Henkilövuokraus Oy

User journey is a useful service design tool that concentrates on the customer like personas but the difference being is that it focuses more on tasks and also it expresses the customer's experience over time. The focus of personas is on getting a deep understanding of the customer, and the concentration of customer journey is getting a good understanding of the customer's experience. The visualized customer journey will help to understand the context

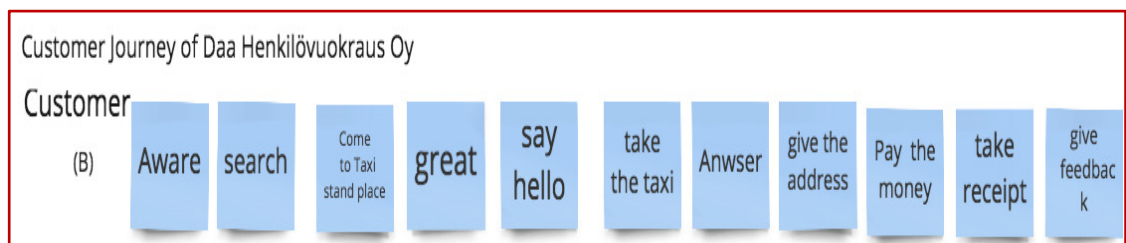
of users, gaining a clear picture of where the customer has come from and what they are trying to achieve.

In this stage, the researcher will discuss data that was collected from the staff of Daa Henkilövuokraus Oy and according to their point of view the company deals with different customers, and it has two way to deliver the taxi service to the customers:



**Figure 26: Company's customer journey A.**

Customer (A) who wants to get taxi service at his home or work place. He can call taxi data center by researching their numbers and tell the address after a view minutes taxi will be at home welcoming the customer and ask the address where he or she wants to go. When they arrive at the address pays and takes the receipt.



**Figure 27: Company's customer journey B.**

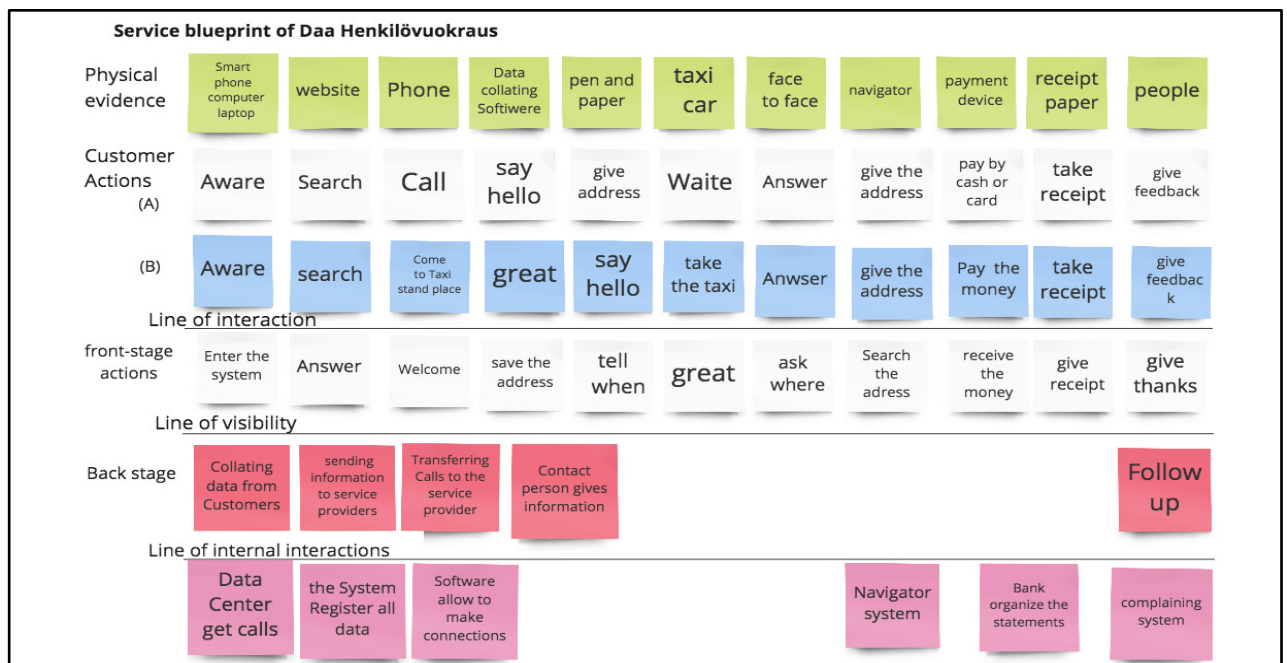
Customer (B) comes to the taxi stand place and takes the cab from there. The driver after welcoming the customer asks where he wants to go, and the customer gives the address or tells the place. When they reach the needed location, the driver asks would you like to pay the money by cash or card and then the customer pays and takes the receipt saying thanks.



### 4.3.3 Service blueprinting

The service blueprint has become one of the most useful tools that give from the organization a comprehensive understanding of its service and the underlying sources and processes that are visible or invisible to the user which make it possible. Service blueprint also defines the nature and the quality of the service interaction in sufficient information to substantiate, implement and keep it (Stickdorn & Schneider 2011, 203).

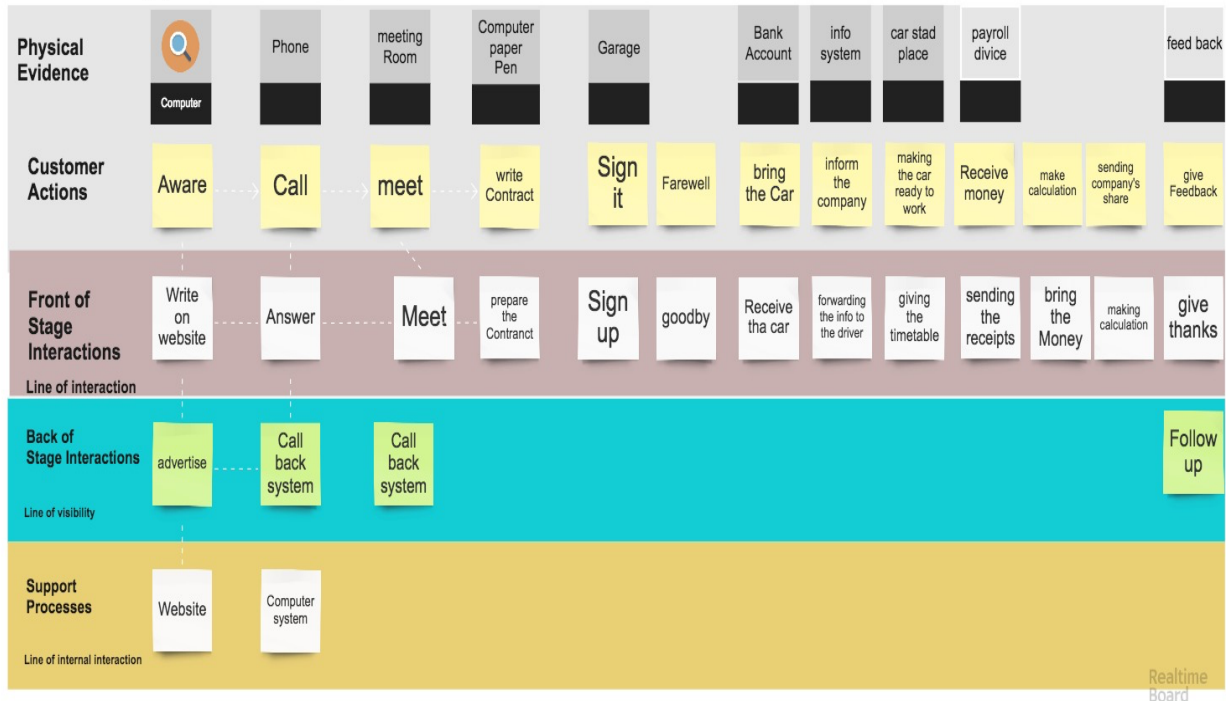
It could be said that service blueprint is a more detailed and in-depth customer journey which facilitate analyzing these collected data. It is also designed from a user-centered perspective showing all the customer's and staff member's interactions that can occur during the journey on one diagram.



**Figure 28: Company's service blueprint.**

The previous customer journey and the service blueprint illustrate the service that Daa Henkilövuokraus Oy provides its customers and what actions the workers take. The service blueprint was done together with the staff of the company.

### User Journey (Taxi cab owners)



**Figure 29: User journey of taxi cab owners.**

This blueprint illustrated the different steps and process that was done in this business starting from awareness of the existence of this company and calling to meet them and write contracts that need to sign it. After that bringing the taxi car and informing the company that the car is ready, the company provides driving service and prepare the timetable of the work and the drivers start working and obtaining money. The taxicab owner get the money to make needed calculations to give the company its portion and give feedback.

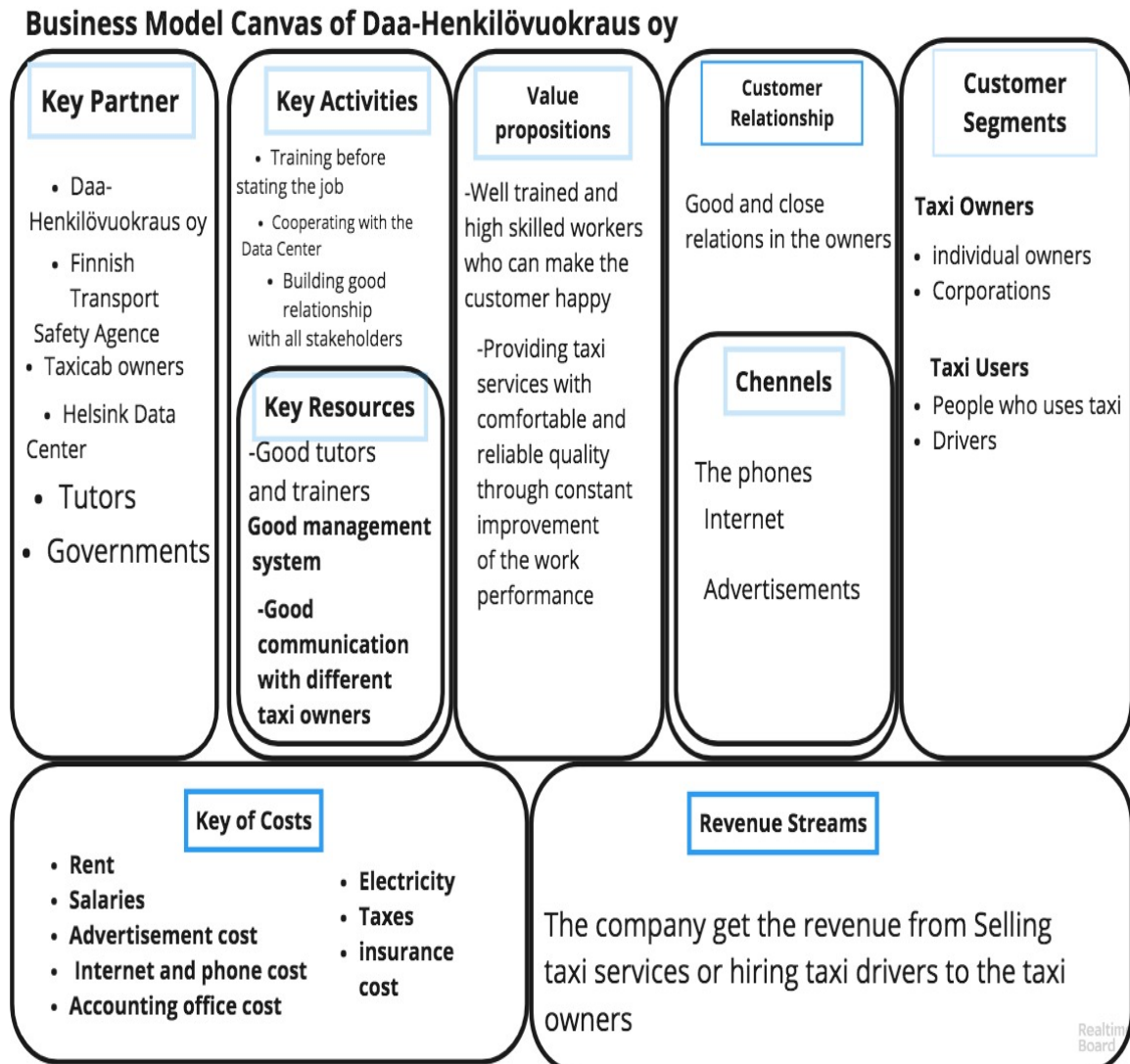
#### 4.3.4 Business model canvas

Business model canvas is a valuable instrument for business modelling since the model is created and stored to decrease the risk of miscommunication and maximizing the impact of cooperation, it describes how an organization can improve services that add value for the customers. In addition to that Business Model Analysis will help to identify the strengths and weaknesses through associating building blocks and providing insight into cash flows by calculations (Osterwalder & Pigneur 2010, 26.).

This study uses the Business Model Canvas to visualize all the building blocks of starting a business, including customers, track to market, value proposition and finance displaying all relevant keys. In this respect it allows the company to understand how each aspect relates



to the others; how the functions, activities, and processes interconnect and interlock. It makes you think about your business more systematically and formally, assuring that each area is successfully covered to produce a more comprehensive and considered picture of the company.



**Figure 30: Company's Business Canvas.**

This company has different key partners who have directly affected the success of this business, and that was discussed in a stakeholder's map in the first chapter. The company's key activities are to train the staff in order to improve their work performance when they start the work. The company cooperates with the data center to get customers.

Also, the company builds a good relationship with all stakeholders to create an excellent image for the company. The company deals with all customers in this mass market, regardless of their background and there are two segments of customers as explained in

customer journey map. However, there are no private customer for this company, as the owner told.

In the future, it's not on the table to create new ways to attract the customer, and the currently used channels are traditional like phone and advertisements so, that also needs to be developed in the future. In customer segments company has two different target group.

The company provides driving service for taxicab owners who are individual or another company and deals them as a B2B business. A taxi company has two different taxi service users, people who are getting the taxi service by calling or coming to the taxi station and drivers who are getting workplace and training service.

Comparing between the key of costs and revenue it is evident that there are a lot of costs and one resource, and that means the company need not only to generate the day to day tasks but also to think about the future.

After getting the whole picture of the company and gaining deep understanding by using the previous tools and from the owner's special interview that was conducted to create a business model canvas, the researcher started to use SWOT analysis. The tool was filled, analyzed cooperating with the staff; it displays all available opportunities that can be seized and describe the obstacles that can block to make the required developments in this company.

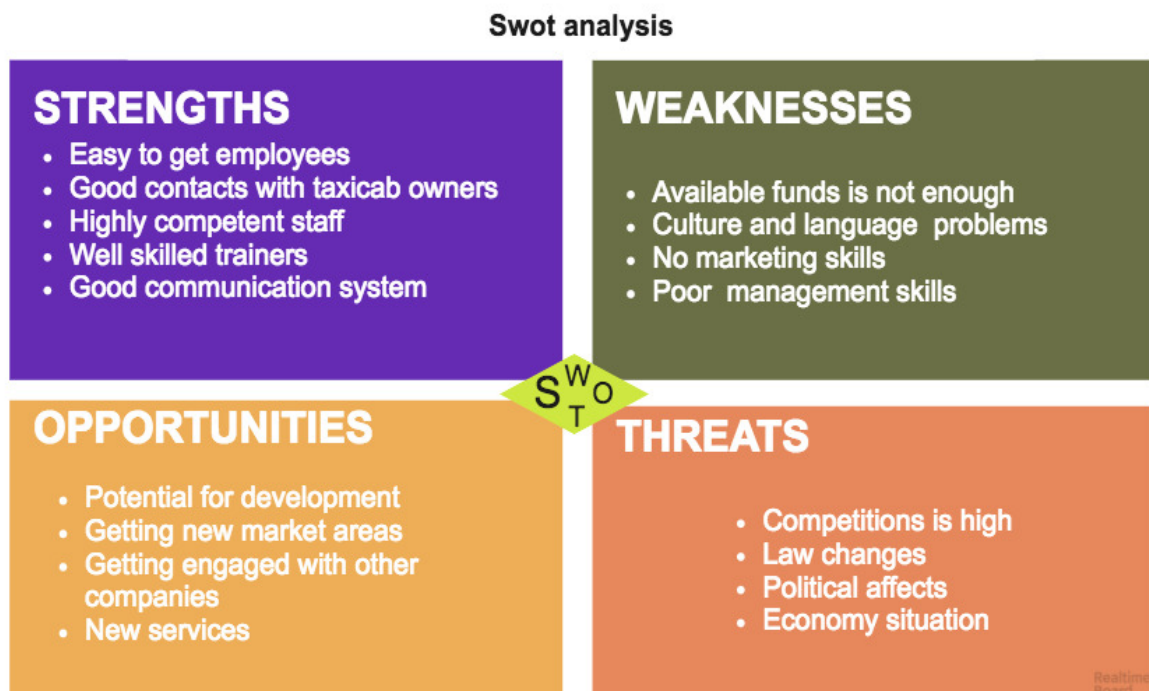
#### 4.3.5 SWOT analysis

It is merely an acronym which stands for Strengths; Weaknesses; Opportunities and Threats. This tool refers to the internal and external factors that will affect the company's future performance. The strengths and weaknesses of the company are the internal factors while opportunities and threats are external factors. SWOT analysis is used as part of the overall corporate planning process in which financial and operational goals are set for the upcoming year and strategies (Seth, Ch. 2015 5).



Figure 31: SWOT analysis factors.

The internal factors are all about organizational functions, and internal analysis is used to identify resources, abilities, core competencies, and competitive advantages inherent to the organization while the external factors represented external environments like competitor environment, so the external analysis identifies market opportunities and threats by looking at competitors' resources, the industry environment, and the general environment. The strength and opportunism are helpful while the weaknesses and threats are harmful to the company, the external factors simply are things that the company cannot affect, linked to the environment in which it evolves while the internal factor is things that can be affected or changed by the company (Seth, Ch. 2015 5).



**Figure 32: The SWOT analysis.**

SWOT analysis is used to create knowledge about the internal and external environments of the organization to formulate and redesign its strategy accordingly. As figure 25 illustrated that the SWOT analysis is used to create knowledge about the internal and external environments of the organization to formulate and redesign its strategy accordingly. SWOT analysis is used to help an organization be more productive by helping guide the allocation of resources to achieve goals. The company's strategic planning could be designed through SWOT analysis which is a key to successful strategic management.

## 5 Key findings and conclusions

The final results of this thesis are presented in this chapter, within the linking to the research questions that helped to get answers to them. The chapter summarizes the key findings of this research and provides a discussion of theoretical perspectives.

The purpose of the study was to highlight how small-sized enterprises can improve their work performance utilizing service design thinking and principles. This study was focused on creating survival strategies in the highly competitive market for the case company and tried to develop their mindset. It is also aimed at how to design an excellent business models that can improve the current work performance and define how the company can create and deliver value to its potential customers.

### 5.1 Results

This section tries to find the main challenges that commonly face the small enterprises in their business journey towards success, and that was stated throughout the interviews that were conducted in the last chapter.

After careful analysis of the interviews with the owners and survey that was conducted with the employee to investigate their satisfaction, as well as the workshop, it will become evident for the researcher where the successes and challenges in this organization lie.



Figure 33: Key of findings

As this figure illustrates there are four challenges that the researcher wants to be discussed deeply. First, the main challenge that blocks to make any development is that insufficient training: there is no constant training after the employee starts his job, while the second problem is that the target and the vision of the company are not as clear as required.

The third problem is that there are communication gaps which can affect development, so the communication system needs to be updated and developed to ensure that the all stakeholders are talking the same language. The fourth problem is that employees should be involved to improve their work performance.

## **5.2 Conclusion**

This study has sought to advance understanding of the effectiveness of adopting service design tools by the small enterprises to give a big picture of the current business (processes and practices) to facilitate to make organizational strategies for the future. The researcher realized that applying service design thinking can change the way of developing business to add new value.

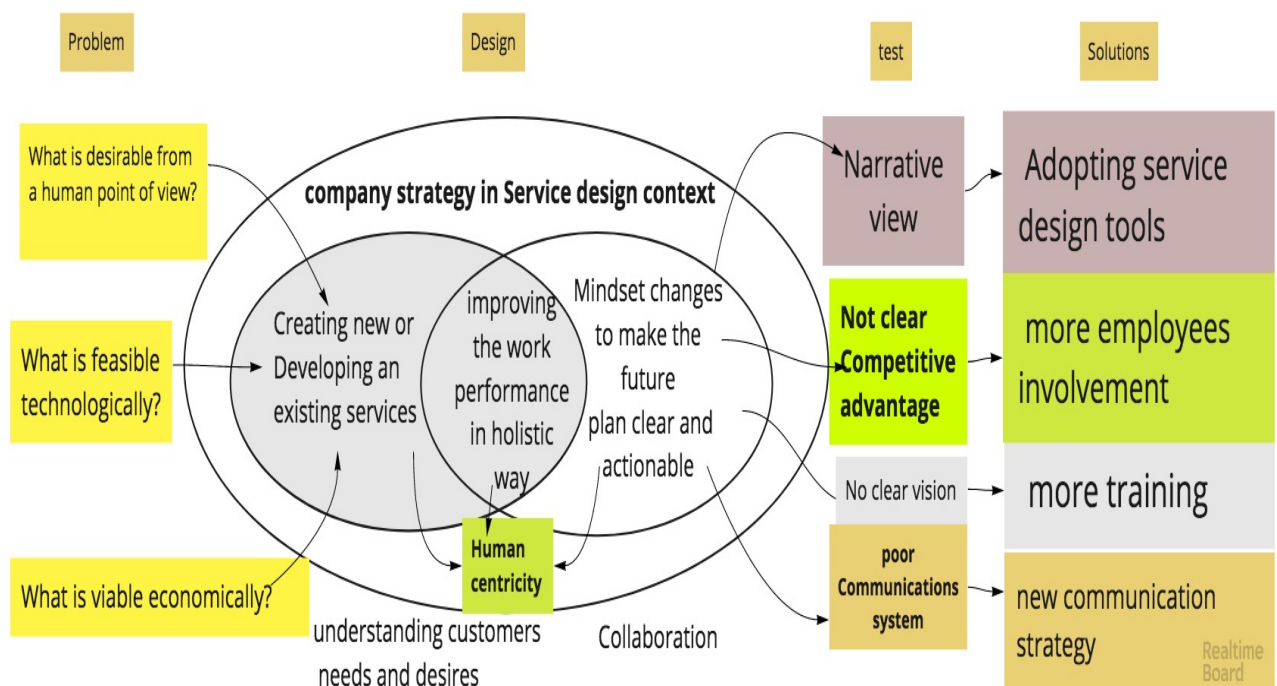
The first chapter discussed the introduction that focused on the problem area and gave a good explanation in the case study company asking three research questions. How could service design be utilized in terms of strategizing and development? What kinds of obstacles and challenges could affect the business performance? What are the available alternatives in development?

The researcher examined in the second chapter if the initiating process was done correctly and accurately. The researcher presented in chapter two the entrepreneurship by defining its main characteristics to dream innovatively and create a real business by turning ideas into an economically viable business. This chapter also emphasized the importance of business culture to provide a company that can be needed in the market by comparing the existing business. To motivate the entrepreneur the researcher discussed the importance of the small-sized enterprises in the local economic growth by identifying the different types of enterprises to overview the business starting process and practice.

The researcher explained in chapter three service design briefly to create a good background of service design just before testing its effectiveness, this chapter underlines the basic principles of service design and its approaches in term of innovation and designing business strategies utilizing its tools to redesign the image of the company.

In chapter four the researcher discussed the methodology and used different methods to gather needed insights. Interviews, survey and workshops were the main tools to collect data as well as service design methods. The current business process and practice were analyzed with service design tools which articulated the service logic that supports a value proposition for the customer, and a viable structure for the organization to create sustainable business.

It should be stated here that this chapter has focused attention on how different models and approaches of service design can contribute in organizational development in terms of making strategic plans to answer the first research question.



**Figure 34: The problems and its solutions.**

This figure tries to explain the whole process of definition the problem while service design adds the value to the solution. In the context of the literature and the basis of the research findings, it is possible to say that small-sized enterprises need to adopt service design tools in order to clarify the vision and make the future strategies.

It also should be stated that employees' involvement will play a vital role in the organizational development and will be more demanding on organizations in the future; thus, the researcher recommends adopting the design tools that facilitate the development of the

whole relationship and create effective communication system. This proactive strategy should be viewed as a competitive advantage of the company.

This thesis discussed the current problems and tried to get great solutions by evaluating the current work in the case company and diving the results in depth to come up with real solutions that can illuminate the path to success and awaken the potential of the case study company as well as other small-sized business.

### **5.2.1 Evaluation of current work**

Daa Henkilövuokraus Oy has appropriate infrastructure, ability, and willingness to compete; they have built during these two years a solid reputation among customers, employees and taxi owners, etc. as an ethical and professional business with a strong sense of mission, a genuinely human company. It has a common network and strong relationship and cooperation with the similar taxi companies as well as a good database that collects information about customers.

### **5.2.2 Human centrality**

This discusses the way that different stakeholders undertake their role functions and how this has a significant impact and brought about the organizational development, how they interact with each other? There is no doubt that people are who have the main effects on making any progress.

People provide investments and the company creates products and service for the people. The quality and motivation of the employee, their work and when and how they perform their role functions in the organization, determine the success that the company needs.

Only the people who are committed to succeeding can develop the business. If the company does not have that kind of people, it will succumb to doubt and give up; therefore, this study emphasizes that people must be at the center of the business plans and adopting a clear vision can create a good solution to avoid negativity among the staff members as well as other stakeholders.

### **5.2.3 A need for more employees' involvement**

Many small businesses face difficulties in maintaining close links between employees and the organization, they are unable to identify the factors that contribute to both employee satisfaction and loyalty. Since the employee satisfaction is one of the significant conceptual

frameworks for business development, the researcher conducted an employee satisfaction survey.

The survey discussed the service benefits package that links employee satisfaction to their loyalty, to know the detailed insights into the levels of satisfaction in this company by providing insights into the effectiveness of the improvement measures that must be taken in the future.

Involvement of employees in discussions and decision making has become a very significant topic today because employees can add a lot to the strategy process. It is essential to make the employees feel happy and appear significant for the company. Involving employees in the strategy process will make it easy to take crucial decisions for the development in the future and will prevent companies from taking excessive risks.

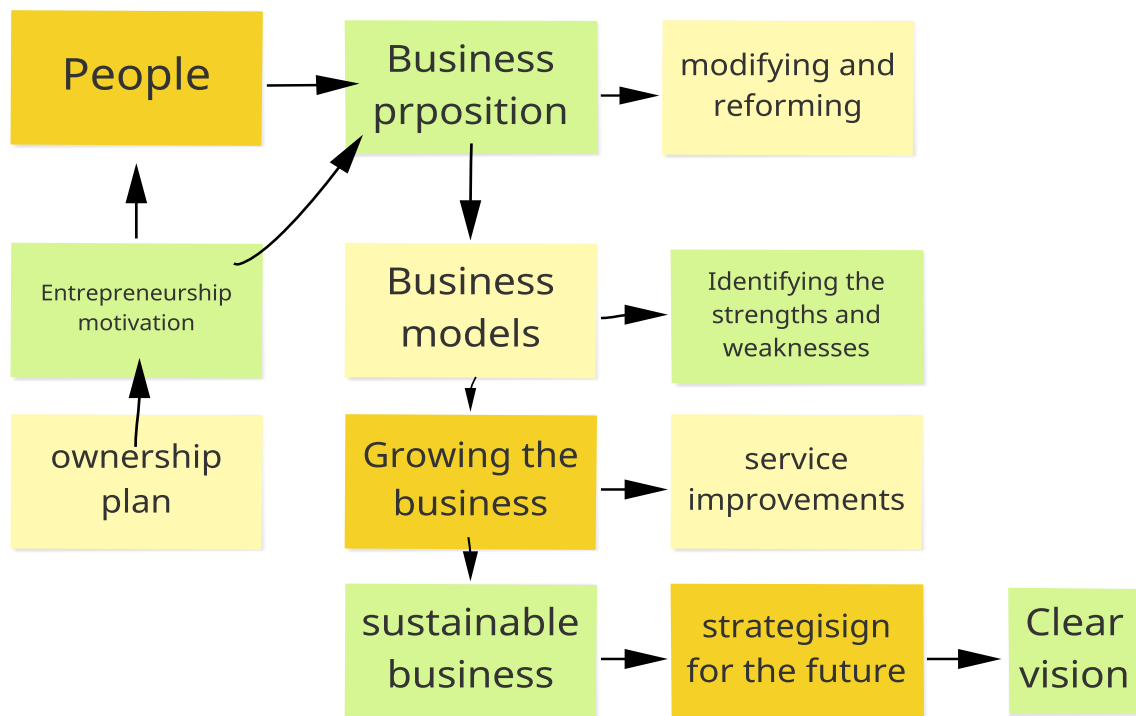
This involvement is essential for the organization to figure out if the employees are satisfied with their current situation and how they can involve in setting the company's strategy and the development process to create an environment in which the employees feel free to render assistance in the decisions and activities which affect their work.

#### **5.2.4 A need for more clarification of the company's vision**

Discussions in company's vision include comprehensively understanding the business and clarifying the vision of the company because having a good mindset is not enough to operate a successful business, but it is also necessary to have a toolset which supports the business activities and plans for future to be more clear and visible for the whole key partners.



Service design could be utilised to improve the business performance and develop the future strategy for the small-sized enterprises



**Figure 35: Strategizing process.**

This figure displays how service design can be used to systemize the development and to reshape the whole business to communicate with the customer desires and expectations and achieve the business goals.

### 5.2.5 A Need for more trainings

It is strongly discussed providing necessary training that is focusing on workforce development to improve employee performance in their work, and this can be organized as a regular program or meeting that all staff is well informed (the date, subject and the place). This kind of training can educate them by exchanging ideas and experiences related to the problem solving or giving them required courses and skills that focuses on employee growth and future performance to help them learn specific knowledge or skills to achieve the desired growth successfully.

### 5.2.6 A need for adopting a new communication strategy

The analysis of the interviews and workshops tell that priority issues of the current business should be added creating effective communication and that needed to be given full and immediate attention from the entire staff team. The current system of communication should be changed into a new and modern one that allows cooperation between all stakeholders in business development. The new communications strategy should be clear and define the business mission and vision to support the stakeholders and organization communicate effectively and meet core organizational objectives.

Finally, the service design tools that were explained in the literature review and applied in the implementation chapter showed the effectiveness of those tools in solving business problems and giving the ability to predict it, therefore, applying service design is valuable for the startups and new enterprises.

## 5.3 Discussion

The theoretical framework for this thesis comprised three main theories: **Entrepreneurship**, **Small business** and **Service Design Thinking**. The aim behind entrepreneurship theory was that the researcher tried to cultivate entrepreneurial thinking which can change the way small-sized enterprises' owners think and work, additionally, entrepreneurship theory provided great thoughts of generating new opportunities and develop the existing business for the case study company.

The theory of small business highlighted the process of starting a business and aimed to design its course along the sustainable business. It is also focused on all issues regarding business formulating, planning, prioritizing, organizing and implementation to make needed changes in service improvement and business growth.

In service design theory the researcher concentrated on the importance of the customer centricity and thinking in a holistic way to improve the service. This theory provided for the case company a good understanding of service design tools and principles which facilitated to adopt clear strategy in this changing market.

This theory provided good understanding of the current situation and the nature of challenges that face the business process and practices and the impacts of these challenges upon needed developments. It also emphasized how to seize the opportunities that are becoming available to consolidate all business activities in the sustainable development.

The discussions that follow also cover the key areas surrounding the developing of the existing business and strategizing for the future in the context of the findings emanating from the interviews. Thus, in the context of the primary research question, ‘How service design could be utilized in terms of strategizing and development?’ the following issues are discussed to answer that question.

How to shape the current business in modern tools, how the different staff undertake their role functions effectively, how all stakeholders can be involved effectively and creatively in setting the strategies of the development and good communication, all those topics are the focus of this discussion.

Service design thinking was served as a basis for service improvement with a focus on particular key points: problem definition, selecting the best solution, concept development, customer understanding, opportunity-creating, and implementation to make needed changes. Additionally, staff engagement in setting development plans and making decisions.

Finally, service design was utilized in this study as a research method, as well as a toolset for the development of small-sized enterprises and setting future strategies and turning the idea into a viable and sustainable business.

The first question aimed to explore how the small enterprises can utilize service design thinking to improve the current business processes and practice and create applicable tools through service design approach. The ongoing business process was examined by using contextual interviews and visualized by using service design tools which focused on potential opportunities for development.

The purpose of the second research question was to determine the obstacles that affect business performance. Those obstacles were discussed in the participatory workshop which highlighted the strengths and weakness and determined four things in each factor to analyze in SWOT. The analysis discovered that the current business is facing problems of lack of marketing skills, insufficient finance and unclear future plans according to the interviews conducted with the three small business owners and this still needs more investigations.

The purpose of the third research question was to guide an analysis of factors that might help describe the available alternatives in development. Since the objective was to develop the current business, the researcher tried to redesign business strategies and co-create future plans to achieve desired objectives in a sustainable way.

### **5.3.1 Reliability of the study**

To ensure the reliability of this research, the author collected information that was used in this study from three main sources. First from interviews conducted with the case company's owner and that was used to identify the main and real challenges as well the to understand the existing development and available opportunities of the case company. Gathered information from owners' interviews was categorized in an affinity diagram to analyze their answers. In addition to that the responses of the owner of case company were documented and attached in the appendix after confirmation of the translation with the owner.

Secondly, the history of the case company and details about its services were collected through the company's official website as well as websites of authoritative Finnish organizations that concern this issue. The last main source of this research is the interviews conducted with the employees of the case company and other users.

In this study, the researcher recommended the owners of new small-sized enterprises especially the case study company to think carefully, differently and holistically at the time of developing business. The researcher also emphasized that the prosperity and success in business are not just by performing a valuable job or providing good service or product as others do, but mostly being different from competitors in a way that allows serving the core customers better and more profitably.

Being different is the primary source of competitive advantage so, thus the researcher suggested for business owners to use service design toolset and principles to make it the new strategy of service improvement and business growth.

### **5.3.2 Suggestions for further research**

The literature review by the researcher has discovered that the phenomenon of economic change into service economy is a well-documented feature of contemporary life, which has been well defined and studied by the numerous researchers associated with design thinking.

It is generally recognized, the need for service design in modern organizations regardless of its size. According to the trends of today's economy, the service sector is growing in almost every country; since service design is new discipline the substance of that need and how the processes can be managed still required more studies in the future especially in the field of the small-sized business to develop other aspects while the current study is only on the

improving work performance and service development which mostly based on working team views as well as customers.

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## Appendices

### Appendix A: Interviews conducted with case company owner

This interview was done with the owner of the Daa hekilovuokra oy on 20.4.2018. All answers were translated from Somali into English and reviewed with him

#### BACKGROUND

1. How long have you been an entrepreneur or you are just beginning the business?  
Answer: since I started this business in 2015
2. what kind of business are you running now?

Answer: this idea aims to provide high skilled and hard worker drivers for taxi cab owners that provides good service to potential customers.

3. how big is your business?

Answer: now we have about 50 employees and this number is increasing all the time.

4. who are the shareholders in this business ?

Answer: the owner of this company is me there is no other shareholders.

#### BUSINESS GOALS AND TARGET

5. what are the goals that you want to achieve through this enterprise?  
Answer: Answer: to become self-employed is one of my goals and make this company great and trustful so as to develop my business and also take part the national economy growth and minimizing the unemployment.
6. what kind of co-operation between you and Finnish entrepreneurs ?  
Answer: I have good relationship with Finnish taxi cab owners as well as good cooperation with other taxi companies.
7. what is your business vision and future plan?  
Answer: to add other service in this business and also to get our own taxi cabs

#### REGULATIONS AND SUPPORTS

8. how long it takes the process of starting up business in Finland?  
Answer: a few days and how to be successful is another case and needs more thinking
9. What are the biggest challenges for initiating a business in Finland as a foreigner?  
Answer: making good business plan, it's easy to dream a business or to have good business idea but turning those dreams into business plan that is the real challenge. how to start your business plan and where? how to make financial section -for me the most difficult part of writing a business plan- there is a lot of business terminologies and numbers that is really big challenge.
10. what can be improved in term of networking possibilities or regulation framework during the process?

Answer: the more regulation framework is clear the more process can be easy, and motivate to do business, imagine! when you have business idea and starting from scratch and you don't have the required knowledge. you need to get clear regulation framework that you can follow to achieve your dreams, so that it could be said that the clarity of entrepreneurship regulation framework remains as an important strategy to enhance the immigrants and other entrepreneurs to run their business in Finland.

## **DEVELOPMENT PROCESS**

11. in your opinion, how small business especially immigrant-owned business in Finland can be developed?

Answer: joint efforts and corporation between small enterprises make business development possible and create great opportunity for exchanging experience and knowledge.

We should redouble this joint efforts in a spirit of partnership because if you are struggling alone to develop your business you will not be able to survive in the market over time.

12. As an entrepreneur, where do you need more support to improve your business idea?

Answer: We need courses and consulting related to the business

13. What kind of service would help immigrant entrepreneurs to develop their business further?

Answer: I think that they need something related to business culture and also the language is still one of the challenges. it could be said that immigrants are special case and need some special care.

14. Do you know how to get help in recruiting staff?

Answer: yes, our process is to educate people before hiring them and we have our own channels to reach them.

15. As a new entrepreneur, Do you get consultation when you need it and where?

Answer: Yes, we get some courses from Ilmarinen or Varma

## **MARKET AND CHALLENGES**

16. what kind of experience you have about Finnish business market and culture?

Answer: for me to know Finnish culture is very important, I have been working in business since 2010 and I have good experience about Finnish business market and culture.

17. what can be improved to make the immigrant-owned enterprises acceptable in Finnish market?

Answer: business which achieve high standard and good quality can compete in a market. joint efforts and education can raise the awareness and make difference.

18. In your opinion what is the main challenge on foreign-owned enterprises in Finland.

Answer: funding, marketing, communication and managing the time and business

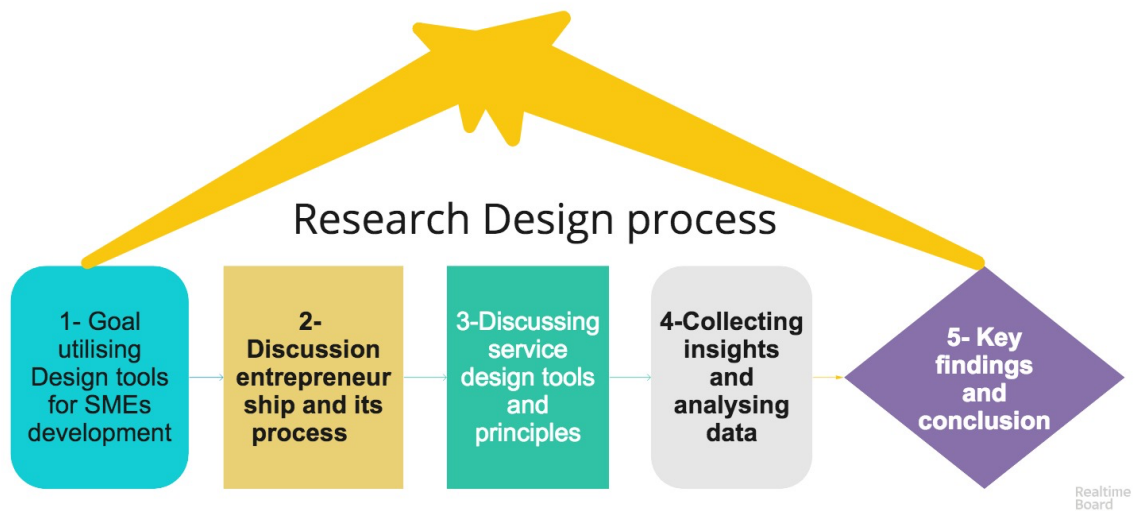
19. what can be improved in term of getting networks and cooperation to enter Finnish market?

Answer: strategizing and how to make meaningful business for the society as well as to be proactive to make good relations with others

20. who are the main segments of your customers?

Answer: Taxi owners, employees, government and Helsinki datakeskus

## Appendix B: Research process



## Appendix C: Employees satisfaction

In case we have any queries on your submission, please complete the following:

<b>Your name:</b>	
<b>Email address:</b>	
<b>Your Phone:</b>	

I am satisfied with the worktime flexibility offered by my company

<b>My Job</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither agree nor disagree</b>	<b>Disagree</b>
I am satisfied with working to this company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have received the job training I need to do my job well	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am satisfied with the worktime flexibility offered by my company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am satisfied with my total benefits package	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel well informed about everything related to my work?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>My Boss</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither agree nor disagree</b>	<b>Disagree</b>
My Boss helps me understand how may work is important to the company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It is easy to talk and communicate with my boss	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My Boss creates motivations to energize the workers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My boss shares information across the organization?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>My organization</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither agree nor disagree</b>	<b>Disagree</b>
I am satisfied with involvement in decisions that affect my work?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The vision and goals of the organization are clear and important for me personally	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am satisfied with the management system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This company provides attractive opportunities for training and self-development?

Company management system is supporting my work?

I am satisfied with that I receive information from management on what is going on in this company?

What do you like best about working here?

.....  
.....  
.....

**Do you have any suggestions on how we can improve our services?**

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**If you could change one thing about this company, what would it be?**

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## Appendix D: Survey results

### 1. I am satisfied with working to this company

[More Details](#)

● Strongly Agree	10
● Agree	0
● Neither agree nor disagree	0
● Disagree	0



### 2. I have received the job training I need to do my job well

[More Details](#)

● Strongly Agree	10
● Agree	0
● Neither agree nor disagree	0
● Disagree	0



### 3. I am satisfied with the worktime flexibility offered by my company

[More Details](#)

● Strongly Agree	8
● Agree	2
● Neither agree nor disagree	0
● Disagree	0





#### 4. I am satisfied with my total benefits package

[More Details](#)

● Strongly Agree	8
● Agree	2
● Neither agree nor disagree	0
● Disagree	0



#### 5. I feel well informed about everything related to my work?

[More Details](#)

● Strongly Agree	10
● Agree	0
● Neither agree nor disagree	0
● Disagree	0



#### 6. My Boss helps me understand how my work is important to the company?

[More Details](#)

● Strongly Agree Disagree	10
● Agree	0
● Neither agree nor disagree	0
● Disagree	0



## 7. It is easy to talk and communicate with my boss?

[More Details](#)

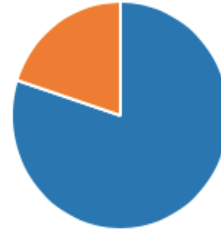
Strongly Agree	10
Agree	0
Neither agree nor disagree	0
Disagree	0



## 8. My Boss creates motivations to energize the workers?

[More Details](#)

Strongly Agree	8
Agree	2
Neither agree nor disagree	0
Disagree	0



## 9. My boss shares information across the organization??

[More Details](#)

Strongly Agree	10
Agree	0
Neither agree nor disagree	0
Disagree	0



## 10. I am satisfied with involvement in decisions that affect my work?

[More Details](#)

Strongly Agree	8
Agree	2
Neither agree nor disagree	0
Disagree	0



## 11. The vision and goals of the organization are clear and important for me personally?

[More Details](#)

Strongly Agree	7
Agree	0
Neither agree nor disagree	3
Disagree	0



## 12. I am satisfied with the management system?

[More Details](#)

Strongly Agree	10
Agree	0
Neither agree nor disagree	0
Disagree	0



### 13. This company provides attractive opportunities for training and self-development?

[More Details](#)

● Strongly Agree	10
● Agree	0
● Neither agree nor disagree	0
● Disagree	0



### 14. Company management system is supporting my work?

[More Details](#)

● Strongly Agree	10
● Agree	0
● Neither agree nor disagree	0
● Disagree	0



### 15. I am satisfied with that I receive information from management on what is going on in this company?

[More Details](#)

● Strongly Agree	10
● Agree	0
● Neither agree nor disagree	0
● Disagree	0



## Appendix E: Survey with taxicab owners

<b>Nimi:</b>	
<b>Sähköposti:</b>	
<b>Puhelin:</b>	

1. Kuinka tyytyväisiä olette teidän ali hankkijan (Daa-henkilövuokra oy)?

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2. Kuinka arvioisitte Daa-henkilövuokra oy palvelu laatua?

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3. Näettekö kysynnän kasvavan tulevaisuudessa ?

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4. Kuinka tärkeitä on maahanmuuttajan taustaisten yritykset Suomessa?

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5. Suosittelesitteko maahanmuuttajan taustaisten yritykset muille?

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Thank you for giving a time.

## Appendix F: Interviews with the immigrant entrepreneurs

## Somali enterprise problems - Affinity Diagram

