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# Designing a concept model for developing a scalable catering business program for the refugee employment organization

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# Designing a concept model for developing a scalable catering business program for the refugee employment organization

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Degree Programme in
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**Abstract**

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The purpose of this thesis is to understand the needs of asylum seekers, refugees and immigrants when they attend the case organization's catering business program, and exploit these insights to design a scalable and sustainable catering concept model. A catering business refers to cooking, preparing and serving food for events. The intention of this model is to help scale the program to accommodate multiple teams at different maturity levels as entrepreneurs.

The case organization consists of parties that want to support refugee and immigrant employment. The program provides opportunities, counselling and help to teams, which aim to start their own businesses.

Qualitative research methods, including in-depth interviews and workshops were used with refugees, immigrants and the case organization's employees to gather insights about people's needs and jobs to be done. The insights are presented through customer profiles and a customer journey. Value proposition canvas tools were also used to generate and evaluate service ideas. The final model is based on co-creation between multiple actors including, but not limited to, catering customers, socially responsible businesses, the public sector, non-governmental organizations and business program teams consisting of refugees and immigrants.

Everything in the designed model aims at helping teams to engage in the "learning by doing" teaching method, which is also one of the guiding design principles utilizing empowerment and creating connections between people from different cultures.

Keywords: service-dominant logic, value co-creation, design principles, learning by doing, wicked problems.

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# 1 Introduction

The purpose of this thesis is to design a scalable and sustainable catering concept model for an organization that supports asylum seeker, refugee and immigrant employment and entrepreneurship. For simplicity, the organization is later referred to as *the case organization* or *the client organization*. The concept model should benefit asylum seekers, immigrants and refugees and help the case organization's employees to streamline their work with the catering program. Catering means preparation of materials and ingredients, cooking and serving food at events. The focus is on gaining an in-depth understanding of the problems, which do not allow the program to scale up properly and identify new linked service ideas through service design methods.

The goal is to develop a deeper understanding of the needs and expectations of asylum seekers, immigrants, refugees and employees of the case organization, when designing the model.

The scope of this thesis is the beginning part of a typical design process. Insights and new service ideas will be used to design a scalable model and give perspective to the client's team to develop the catering business program further. Larger scale testing and development of the model based on test results are out of the scope of this thesis. Small-scale testing and validation will be conducted by interviewing area experts.

This thesis aims to answer the following questions:

1. What are the biggest pain points in the current catering business model for the case organization's employees, refugees, immigrants and asylum seekers?
2. What kind of model and solutions can be designed and conceptualized to help the business program to scale up?

The idea behind the case organization is to create a network of partners including government officials, companies, non-governmental organizations, congregations, communities, universities, and individuals who support newcomers to get started with their business ideas or finding new jobs where they can use their skills instead of being idle in reception centres. Everyone who shares their principles and offers some concrete help can join the network.

The case organization's network connects asylum seekers, refugees and immigrants with Finnish society by offering work from the labour market, creating educational opportunities, and providing mentoring and training. They also offer support with a hands-on approach to learning new skills and provide useful information about the Finnish job market and what kind of information and mindset is needed to become an entrepreneur.

## 1.1 Case background

The case organization runs business programs for asylum seekers, immigrants and refugees, who wish to become entrepreneurs. They are a small non-profit organization with few employees. They have a hands-on type of approach to the work, and all their employees help people to find employment.

One important motivation of this work is that a significant amount of potential is wasted when asylum seekers are required to spend countless days waiting at reception centres. In addressing this issue, the client organization has initiated targeted programs; one of which is a restaurant and catering business. People may participate in the program as individual entrepreneurs or as a business team working together to build a company. In this thesis, both are addressed as business teams or teams. Many people are interested in catering business, but the program currently lacks the means to accommodate large amount of new business teams.

Apunen, Fukuyama, Haavisto, Ylisalo and Zakaria (2017) have studied the rise of populism in Europe and United States of America. They demonstrate how populistic movements have gained ground in many countries, and Finland is no exception. Apunen et al. (2017, 28-31) describe that populists in Finland focus most on topics like immigration and income difference.

In catering business, people get to learn the craft with a hands-on approach and make connections with Finnish natives while doing it. Virtanen (2007, 39-42) suggests that during a consumption of culture induced goods, in this case food, people can experience and empathize different cultures and traditions more openly. These kinds of efforts in return can help reduce populism.

The Ministry of the Interior (2015) reports that during the 21st century, Finland was receiving, on average, 1500 – 6000 asylum seekers each year. In 2015, European countries were receiving refugees in numbers never seen before since the Second World War, and Finland was no exception to this. Moreover, according to the Ministry of the Interior (2015) Finland received 32 476 asylum seekers during the year 2015. This wave of asylum seekers occurred as a result of the war and humanitarian crisis in the Middle East region.

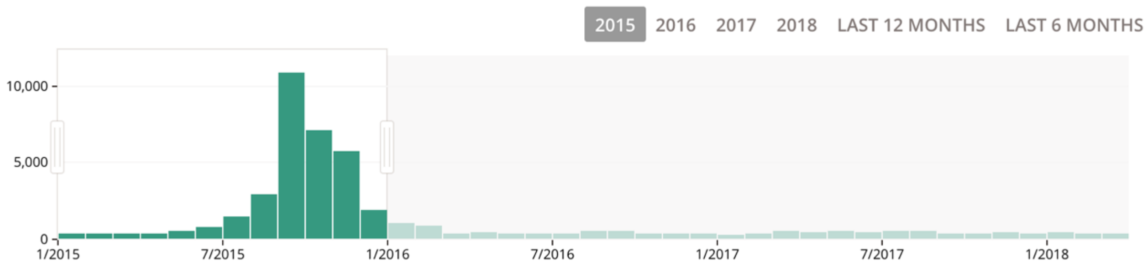


Figure 1. Number of asylum seekers arriving at different times during 2015 (Finnish Immigration Service 2018)

Additional information and statistics about asylum seekers can be found in appendix 1.

**Immigrant**

The Finnish Refugee Council (2018) classifies an immigrant as a person, whose purpose is to stay in the country for an extended period, usually at least one year. Every citizen of another country with the above-mentioned purpose is classified as an immigrant.

**Asylum seeker**

The Finnish Refugee Council (2018) categorizes an asylum seeker as a person who seeks shelter in a foreign country, because of the threat in their home country. Seeking asylum is considered a basic human right in Europe. However, only a small number of applicants are given a refugee status.

**Refugee**

The Finnish Refugee Council (2018) labels a refugee as a person who has received international protection outside of their homeland. These individuals have likely fled their home country because of human rights violations and threats; for which, they probably have reasons to fear persecution.

## 1.2 Thesis structure

The topic and the purpose of this thesis are introduced in the first chapter. The overview of the client organization, and the background of the problem are also presented in the first chapter.

The second chapter is about building a theoretical framework. The value proposition, wicked problems, biased logic, value co-creation, jobs to be done, service ecosystems, and looking at the design challenge with a service-dominant logic lens, are at the heart of this part.

The third chapter showcases the design process and facilitative methods used in this thesis with a hands-on approach. The last two chapters describe the results and the summary of the final outcomes of this thesis, design principles and the new catering business model. Additional research and design opportunities are also offered in the final chapter.

# 2 Theoretical framework

This chapter introduces the theoretical framework used in this thesis. It focuses on wicked problems, understanding cultural differences, how our logic can always be perceived as biased, scaling and measuring innovations, service-dominant logic, understanding service design in practice and how value is co-created between different actors.

## 2.1 Service Design

Broadly speaking, service design may be viewed from many perspectives. To this end, a unified definition of service design may not be feasible or even realistic. Therefore, in this subsection and following chapters, a suite of service design vantages are provided to give a holistic view that builds upon service dominant logic introduced by Lusch and Vargo (2016) and wicked problems theory explained in chapter 2.2.

> ”Design has many different definitions, but at its heart it is about the process of translating ideas into reality, making abstract thoughts tangible and concrete.” (UK Design Counsil 2015)

Wetter-Edman (2009) explains that designing services requires a holistic mindset and ability to grasp the bigger picture. Brown (2008) writes that innovating services using observations, interviews and other similar methods that aim to understand human needs and wants, are at the very core of service design and human-centric innovation (IDEO no date), and the concept of customer experience.

Stickdorn, Hormess, Lawrence and Schneider (2018, 2-3) describe the end result of the service design process as a customer perceived offering. Four different layers all affect how that offering is interpreted. The tools and systems we use are often the first layer people come in contact with. There are also processes in place before delivery of service, expertise provided by people and also different behavioural patterns of all the people involved in the process. All these together contribute towards how people feel about the overall experience. Stickdorn et al. (2018, 2-3) demonstrate this in figure 2 below.

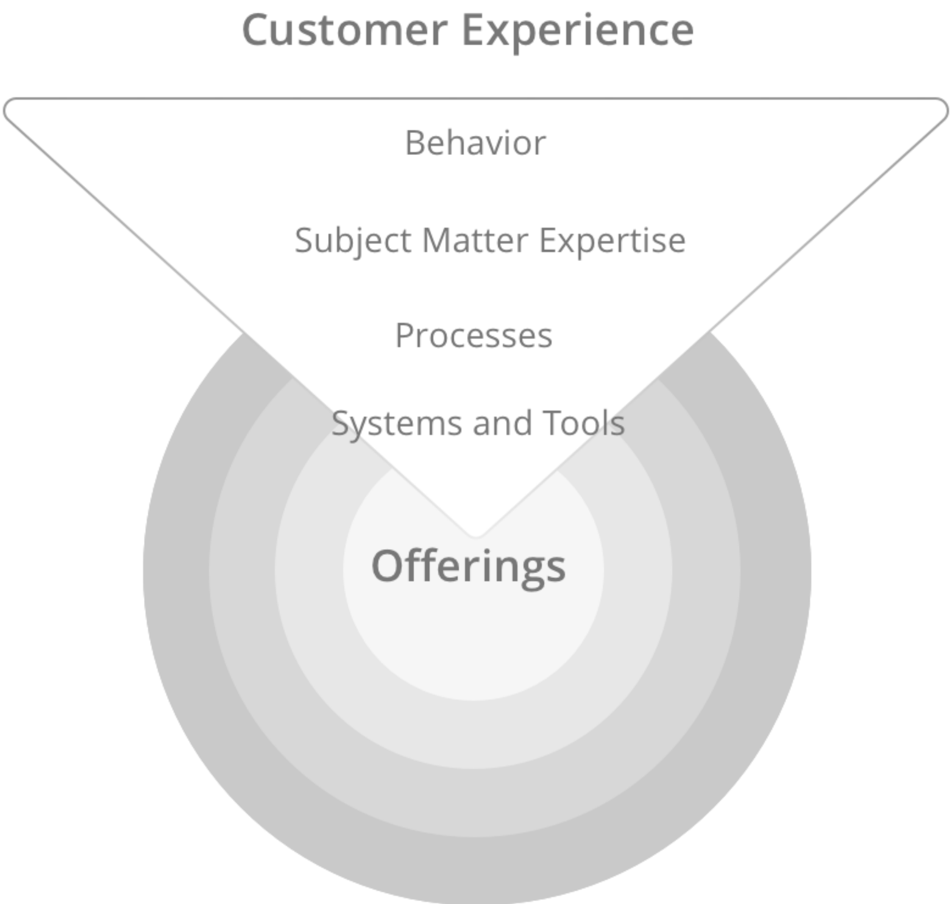


Figure 2. Customer experience stack affecting how offerings are perceived by customers (Stickdorn et al. 2018, 2-3)

Andreassen, Kristensson, Lervik-Olsen, Parasuraman, Mccoll-Kennedy, Edvardsson and Colurcio (2016) describe service design as an activity to facilitate and organize people and other structures of the service to develop it further and improve the service experience between service providers and their customers. Service design is a good set of principles and tools when the development of service needs ethnographic research methods and interviews, and it involves a concept of value being always co-created.

Holmlid (2009) writes that people's skills and expertise lie at the heart of service design process, and services are developed in collaboration with the intended users. A company called IDEO (no date) describes this kind of design approach as human-centered design.

Brown (2008) introduces five key personality traits many good designers have in common:

- *Empathetic* people can relate to different situations and conditions people experience and observe the world with a keen sense. A good designer can look the world through another person's eyes.

- *Integrative thinking* allows designers to, not only arrive at yes or no type of answers and solutions, but also look the problem from multiple angles. Using integrative thinking allows a designer to understand that there may be contradictory aspects with the solution.

- *Optimistic* people are not easily disillusioned when faced with a wicked problem. They understand that, by persisting and trusting their abilities, they will eventually come up with solutions that make the situation better.

- *Experimenting* is at the core of service design. Testing new ideas, asking questions and coming up with prototypes and solutions that may be interpreted will help to arrive at the right answers.

- The ability to *build teams* and *engage collaboratively* is essential in today's complex global world, where team members may work abroad and come from multiple different cultures. Also, being able to work with engineers, scientists and customers in a fluent manner requires this skillset. Brown (2008)

Amabile and Kramer (2011) discuss the importance of attaining small wins throughout the project journey and problem space. The power of progress helps to keep people on track when working with wicked problems. Setting achievable short term goals and more abstract long term goals keep motivation in balance.

In the context of this thesis, Service Design should also be viewed from an organizational performance and business program scalability point of views.

Andreassen et al. (2016) write that reliability, assurance, tangibles, responsiveness, and empathy contribute to customer experience, and ultimately to organizational performance. This means that focusing efforts towards these kinds of attributes helps companies persist during stressful times because of increased customer loyalty. This is further visualized in figure 3. Shown below.

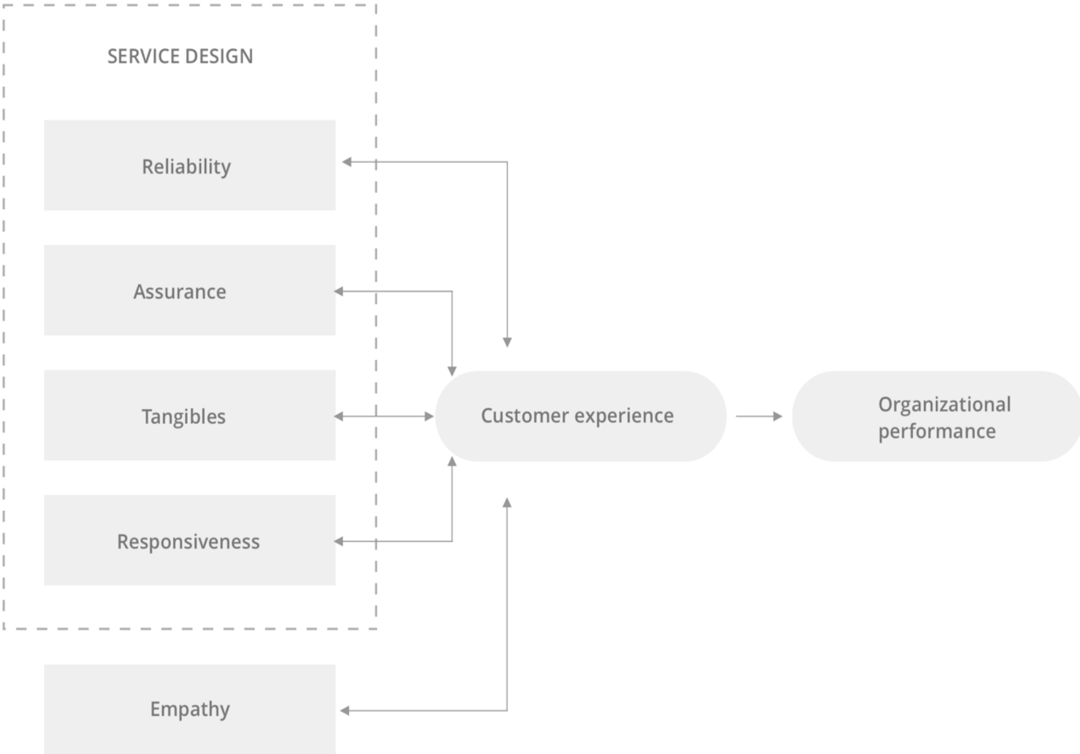


Figure 3. Service design looked at from organizational performance and scalability point of view (Andreassen et al. 2016)

### 2.2 Value proposition design

Osterwalder, Pigneur, Bernarda and Smith (2014, 34-39) introduce a concept of value proposition design, and a set of tools, that demonstrate how service providers can better match their offerings to customer's needs and wants. It is an iterative process where value proposition constantly evolves based on insights. It can be considered a layer for business model canvas, which brings customers and value co-creation to the forefront. In the context of this thesis, value propositions and/or services are mostly evaluated from business program teams' and case organization's employees' point of view.

#### 2.2.1 Customer profile

Osterwalder et al. (2014, 9) describe a way to create customer profiles to help designers in creating value propositions based on them. The profiles are constructed of three different types of insight categories called gains, pains and customer jobs. As part of this thesis, this method was used to profile people after in-depth interviews.

Osterwalder et al. (2014, 12-13) characterize customer jobs as things that people are trying to accomplish in their lives. These can also be simple tasks like taking out the trash or washing the car. Describing these tasks from customers' perspective and arranging them according to their importance is essential.

Osterwalder et al. (2014, 14-15) define customer pains as issues or parts of their lives that annoy them or create discomfort. These are things that prevent customers from performing their jobs. These can be categorized as risks, obstacles, and outcomes that customers wish to avoid. As with customer jobs, it is important to arrange pains according to their severity and effects on customers' lives.

Osterwalder et al. (2014, 16-17) specify customer gains as things that customers wish to achieve. For example, to reach financial stability or start their own restaurant business. Gains can also be categorized in the following areas:

**Required**, if this isn't available or possible then the customer will not be able to achieve their needs and concept isn't working. Osterwalder et al. (2014, 16-17)

**Expected**, gains in this category are things that customers expect from the concept; e.g., people expect to be paid properly for the work they do. Osterwalder et al. (2014, 16-17)

**Desired**, this in an intuitively provoking category because it plays a big part in creating good impressions among customers. These things customers may not expect but would be delighted to have. Osterwalder et al. (2014, 16-17)

**Unexpected**, these are gains that customers could not have anticipated receiving. These are hard to derive and customers likely often could not imagine them even if they tried. For example, self-driving cars were unheard in years past, but the latest vehicles are beginning to have features resembling automated driving. Osterwalder et al. (2014, 16-17)


Figure 4. Customer profile canvas (Osterwalder et al. 2014, 13)

### 2.2.2 Value map

Osterwalder et al. (2014, 8-9) introduce a value map as another tool to help in acquiring deeper understanding about customer needs. It is used in conjunction with the customer profile to create service offerings. During this thesis' project work, this method was used to map and evaluate service ideas in a workshop with focus group.

Osterwalder et al. (2014, 28) interpret products and services sections as a list of every feature and offering the service holds and then grouping them into essentials and nice-to-haves based on the feedback and insights, in other words, prioritizing ideas based on their relevance.

Osterwalder et al. (2014, 31) came up with a concept of pain relievers that help to ease the pains discovered when creating customer profiles. Using a value map, it is possible to identify how our offerings and services match these pains and help customers to do their jobs.

Finally, Osterwalder et al. (2014, 33) introduce gain creators in the value map. This section of the canvas should describe how the offerings and services help customer to achieve their goals.

These two canvas tools combined help designers to produce a holistic view of their customers and how their planned service portfolio matches the needs and pains.

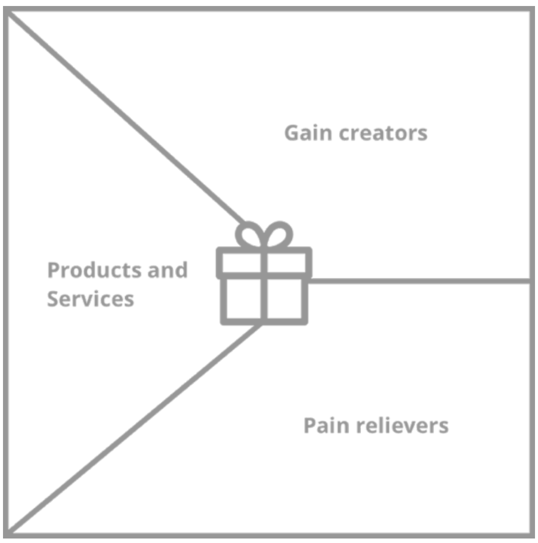


Figure 5. Value map canvas (Osterwalder et al. 2014, 28)

## 2.3 A wicked problem

Immigration is a complex topic. When dealing with such multi-layered issue, it is imperative to understand the theory behind wicked problems.

According to Daniel Yankelovich (2014), wicked problems share the following characteristics:

- Quick fixes do not exist because each problem is highly complex and needs to be looked at from multiple perspectives.

- Traditional means - alone - like legislation, money or technology often fail to produce good results.

Apunen et al. (2017) and Shuster (2018) write that populism is on the rise in Europe and immigration has been a popular topic for debate. This topic has multiple wicked problem characteristics like complexity. It involves multiple institutions and ecosystems and most importantly different cultures and political interests and agendas.

Churchman (1967) writes that wicked problems often have multiple actors with conflicting or overlapping interest, values, and needs. Customers and all related parties can be hard to identify and even the question itself can be ill-formulated. Churchman (1967) points out that because of the systematic confusion the solutions do not often help the situation but make it worse.

Seelos and Mair (2017, 17) argue that when working on such a problem, it is important to remember theoretical aspects regarding human irrationality and proneness to a false sense of security and biased logic. These problems can either get better or worse over time, but they cannot be fixed with traditional means and problem-solving. How biased logic relates to problem solving in a multicultural environment is discussed more in chapters 2.4 and 2.5

Buchanan (1992, 14-15) explains that the wicked problem approach in design steps out from the traditional linear process, where designers often start from understanding the problem space, then move to ideation phase to discover ideas, and finally progress to testing and validating one or more of solutions. Buchanan (1992, 14-15) argues, that design hardly ever happens in a linear way when applied with hard and complex issues.

Buchanan (1992, 15-16) writes about determinacy and indeterminacy in research and design methods. When using a linear process model, a determined underlying problem can be expected wherein the designers need to find, and then formulate, a specific solution for it. With wicked problems, it can be assumed that a simple or a single problem point cannot be determined and thus there are no specific solutions. This kind of indeterminacy can be found in all, but the simplest design tasks.

Rittel and Webber (1973, 155 – 169) introduced the following characteristics and definitions for wicked problems:

- According to Rittel and Webber (1973, 155–169) there is no definitive description of a wicked problem. It is hard to pinpoint what exactly needs to be fixed, improved and/or researched.

- As stated by Rittel and Webber (1973, 155–169) these problems are perpetual. There are no criteria to measure when the sufficient level of understanding of the case at hand has been reached. There are also no definitive ways to measure when a suitable solution has been found. What often happens, is that people agree that the situation has improved enough to move forward.

- Rittel and Webber (1973, 155–169) write that the solutions designers generate are not true or false as is often stated in design work. With wicked problems, the solutions are either interpreted as good or bad or by saying “things got better or worse”.

- Rittel and Webber (1973, 155–169) make and argument that testing wicked problems thoroughly is extremely difficult, if not even impossible. The full consequences of the designer’s action and work cannot be interpreted until enough time has passed. Observation of how the solutions affect the lives of people, the economy, political atmosphere is also required.

- Rittel and Webber (1973, 155–169) point out that when working with wicked problems every attempt counts significantly, because of the way problems, situations, and in the end, people’s lives are connected. Without deep understanding of the problem-space, a snowball effect can occur from decisions that made things worse. Situations can escalate and nullify some or even all of the progress made so far.

- Rittel and Webber (1973, 155–169) emphasize that methods or tools, that would allow designers to identify the level of advancement and to identify all the possible solutions, do not exist. Designers and researchers may even come to a point, where an event A needs to happen for solution B to work, and that the same event would also be detrimental to the overall situation or some parts of it. Because the problem and solutions are often ill-defined, choosing which solutions to take forward needs great judgement and deep knowledge of the topic.

- Rittel and Webber (1973, 155–169) write that wicked problems should always be treated as unique. Similar things can happen in different countries, but the situation in those places is framed by their cultural background, economy and social structures that make their specific solution work. Researching and using those solutions as a starting point is advisable. Simply copying ready solutions however is ill-advised and rarely works due to a multitude of socioeconomic realizations.

- Accoring to Rittel and Webber (1973, 155–169) problems are always connected with other problems. When working with such issues, it is imperative to understand the different socioeconomical layers in the problem space. As an example, creating a movement that helps people with a hands-on approach may even hinder the overall change, because some legislation related changes must happen first before wider trials. Then again, the legislation change may not move forward if there isn't enough evidence or prototypes of a working solution. Understanding the complexity, interconnectedness of problems, and the socioeconomical layers are the key to success.

- Rittel and Webber (1973, 155–169) describe that there are several ways to frame the problem and choosing the correct one(s) is often a challenge. For example, all of the following relate to many university students experiencing burnout symptoms and financial issues:

    - Housing is expensive in big cities which means students either need to take loans and pay them back after studies or work evenings and weekends.

    - This, in return, often hurts studies and may cause people to graduate later than expected.

    - Finding the first job - to pay back the loan - after university is challenging due to a lack of work experience. On the other hand, and paradoxically, how can a traditional student have meaningful work experience after initially completing university? This example highlights the challenge of the wicked problem framing and determining its focus.

- In science, hypotheses form the initial guess in an iterative process to determine a natural truth. In many cases, someone else tries to prove/disprove the repeatability of a scientific work by testing the hypothesis and (potentially) arriving at the same conclusion. Scientists are also not held accountable when their hypotheses are proved wrong, with the obvious exception of falsification, it is an essential part of the iterative scientific research and process. With wicked problems, such luxury is not feasible. Every solution affects people's lives and wrong turns may have very detrimental effects on society. All the aforementioned wicked problem characteristics described by Rittel and Webber (1973, 155–169) are further visualized below in figure 6.


Figure 6. Visualization of the wicked problem characteristics (Rittel and Webber, 1973, 155 – 169)

In the context of this thesis understanding how complexity affects decision making can lead to better results when working with wicked problems. Snowden and Boone (2007) present "Cynefin Framework" that has four levels of complexity. They argue that the complexity of the problem should guide how decisions are formulated. When the context is simple, decision making is easy. Everyone shares the same idea and ways to respond, and general best practices work well.

Snowden and Boone (2007) explain that in a complicated context, area experts are often required because multiple pathways and right answers exist. This level can also be explained by referring it to as "the realm of known unknowns" (Snowden and Boone, 2007).

Snowden and Boone (2007) describe the third level of complexity as the domain of emergence. In this domain, At least one correct answer exists. The biggest problem however is that understanding can often be reached only in retrospect. Service design methods work well in this problem space, because right answers need to be researched, probed and sensed before formulating a definitive solution and/or answer. This domain can also be called "the realm of unknown unknowns" (Snowden and Boone, 2007). Most wicked problems are in direct relation to this level of complexity.

Snowden and Boone (2007) write about chaotic context where finding the right answers may not even be possible. When facing this level of complexity, decision makers first response should be to establish appropriate level of control and stability. Taken actions are often rapid and focused on fixing things as they happen, because predicting outcomes is near impossible. These four levels of complexity are further illustrated in figure 7 by Snowden and Boone (2007).

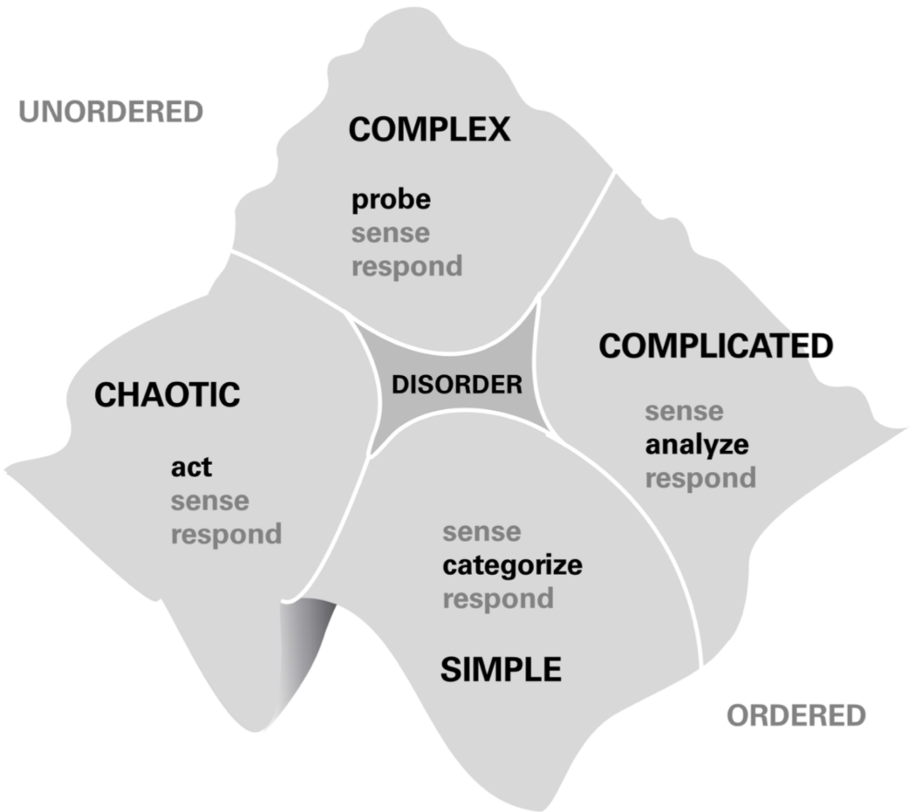


Figure 7. The Cynefin Framework (Snowden and Boone 2007)

## 2.4 Understanding the cultural differences

In relation to wicked problems and the context of this thesis, all the catering program's business teams come from non-western or non-European cultures. This adds another layer of complexity to finding a correct solution. The way business is conducted, what may be considered polite and what insults, should also be taken into account when planning and conducting interviews.

Geertz (1979, 55 – 60) argues that culture hasn't simply evolved from people's actions, but has also affected how people have evolved as a species. If we can assume that the roots of culture are ingrained as deeply as Geertz (1979, 55 – 60) explains, it is imperative to keep cultural differences and the way to interpret cultures in mind when designing solutions.

Chen, Benet-Martínez and Bond (2008) explain that people should aim to preserve their multicultural heritage by integrating their home culture and new culture as part of them. Together with aiming to build a bi-lingual competence, these factors create positive psychological outcomes. Supporting these principles in the catering program may make settling in at Finland an easier and less intimidating task.

Schein and Edgar (1984) say cultures can be looked at three different levels. 1) Artefacts like technology, music, art, and language can be seen, but just by looking at them it is hard to decipher the true cultural meaning. 2) Values and 3) basic assumptions are needed to understand artefacts full in-depth meaning.

Schein and Edgar (1984) write about basic level assumptions from our species: human relationship, and relationships to nature, environment, time and activities. Schein and Edgar (1984) describe these being mostly invisible and even preconscious for us. All these aspects of societal and organizational assumptions, patterns and items are easier to interpret through values that are constantly evolving. In their study Schein and Edgar (1984) illustrate the correlation between artefacts, values and basic assumptions shown in figure 8.

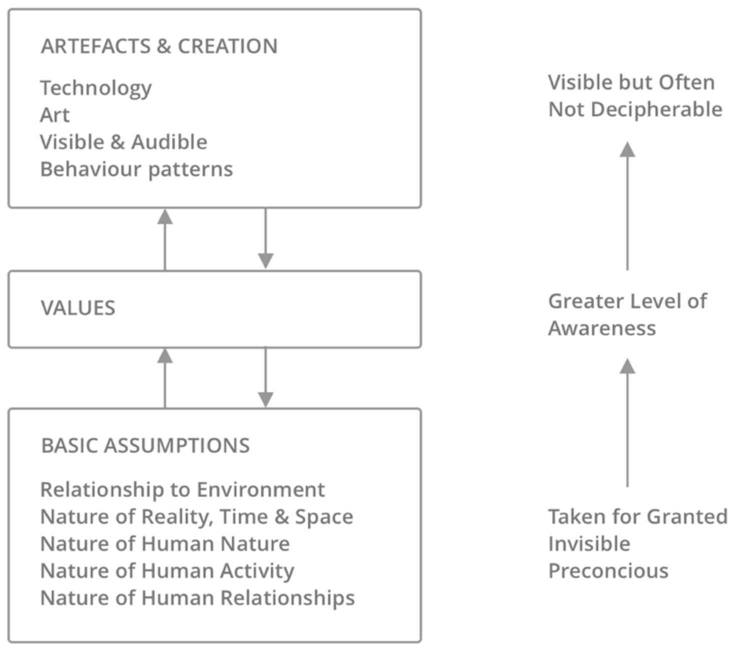


Figure 8. Levels of culture and their interactions (Schein and Edgar 1984)

Brown and Wyatt (2010) argue that designers working with societal and complex issues too often forget the needs and culture of the people they are designing solutions for. Brown and Wyatt (2010) also make an argument for letting go of bias and pre-meditated ideas that they have acquired through their own culture, when working with new cultures. This topic will be covered more thoroughly in the next chapter.

## 2.5 Biased logic

In the context of this thesis and finding the right solutions for wicked problems, understanding the bias in our thinking is very significant. That bias is also affected by our local Finnish culture. Perceiving this will make designers and researchers more open to deduce hidden meanings from interview and observation data.

Kahneman (2012, 20-24) introduces System 1 and System 2 in his book “Thinking, Fast and Slow”. The first system is responsible for the majority of automatic thought patterns and responses, such as identifying which direction a sound comes from or formulating an answer to a simple problem like 3+3=6, things that people do not need to think much about. The first system is quick to make association about what is seen and heard. The operation is mostly automatic.

According to Kahneman (2012, 20-24) system two’s operations are highly diverse, and what is common between all of them, is that they require significant amount effort and attention. These actions are easily disrupted when attention is taken away or starts to focus elsewhere.

Tversky and Kahneman (1974) highlight that every one of us is subjective to cognitive bias, and System 1 is mostly the reason for it, because it associates new information with existing and experienced patterns. In the context of service design and this thesis, it is important to be aware of the biased logic and seek to understand it. For example, when a researcher interviews someone, and makes preliminary notes of the situation, how much of that interpretation is formulated by System 1. In his book Thinking, Fast and Slow, Kahneman (2012, 20-24) illustrates the differences as shown in Figure 9.

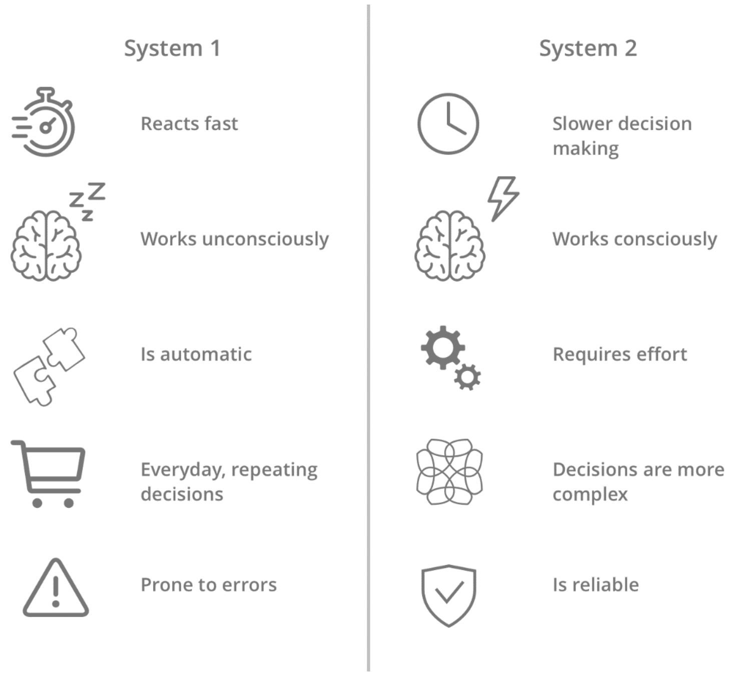


Figure 9. Interpretation of differences between System 1 and System 2 (Kahneman 2012, 20 – 24, Thinking, fast and slow)

## 2.6 Service-dominant logic

The client organization is built upon networks. Understanding how value is co-created between multiple actors and ecosystems adds depth to the empirical field work conducted during this thesis.

Lusch and Vargo (2016, 5-8) argue that goods-dominant logic, where one actor creates something, and another receives it, is inherently wrong. The problem lies in the thought process of seeing actors as providers and consumers where, as the term describes it, the value is being consumed and/or diminished. This also emphasizes that value would be created when goods are exchanged.

In contrast, according to Lusch and Vargo (2016, 56-58), the value is always co-created when actor achieves something of importance to them. Multiple resources from different sources are always tied together in this process. The value is also always perceived from everyone's unique perspective, so actors can only make value propositions and participate in value creation.

Ojasalo and Ojasalo (2014, 4) continue that customers must first be able to use and experience the offered resource before the value is actually created. Therefore, understanding value co-creation is essential for the work done in this thesis.

Important for the context in this thesis, Almquist, Senior and Bloch (2016) argue that when looked through societal and human needs based lens, value can be divided into four main levels of importance: On the lowest level of the pyramid there are functional topics, on second level emotional aspects, at third stage there are life changing events and finally on top of the pyramid is social impact. In their article Almquist et al. (2016) showcase these five different levels, where value can be created and interpreted as shown in figure 10.

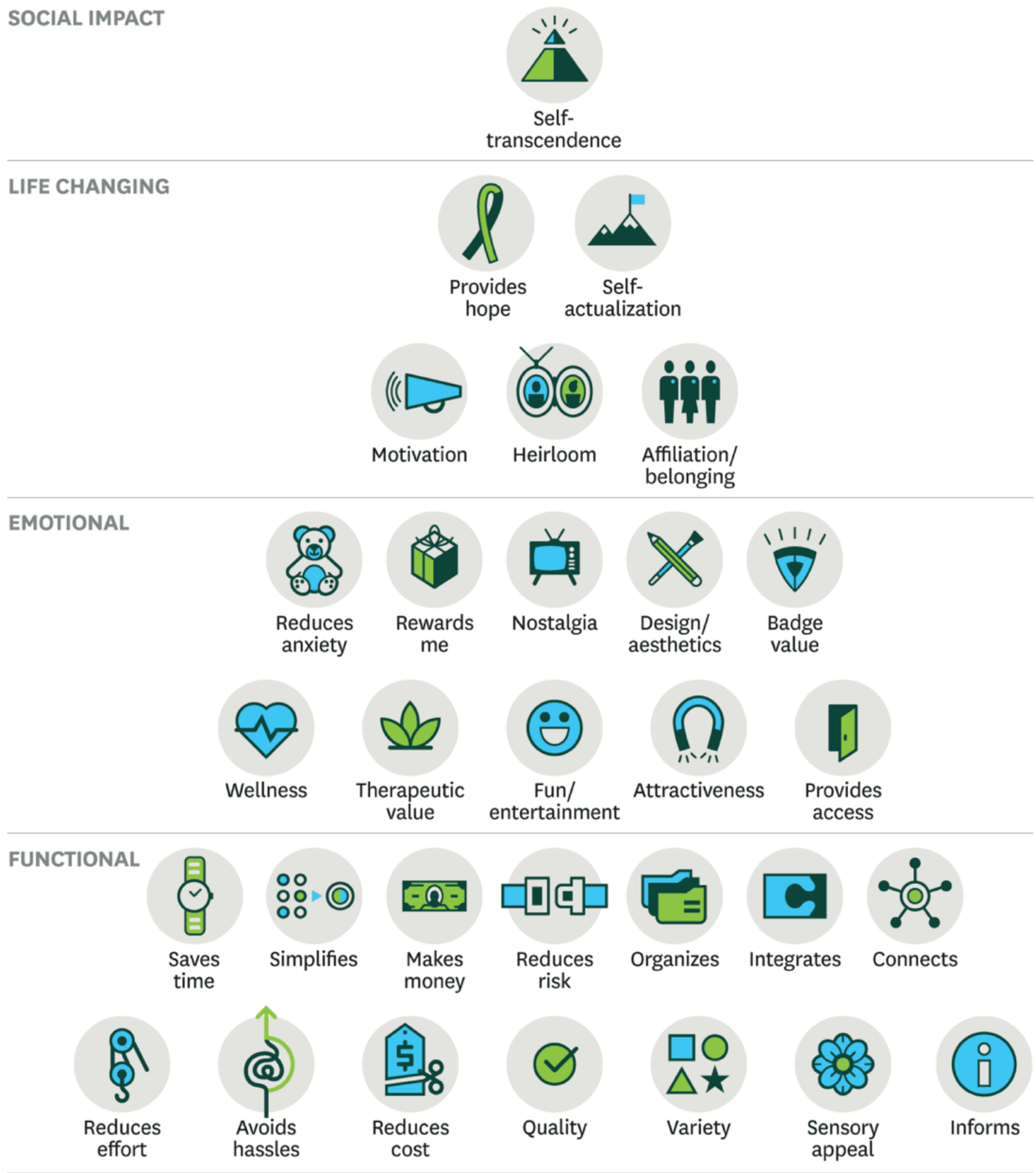


Figure 10: Value pyramid (Almquist et al. 2016)

## 2.7 Axioms of service-dominant logic

According to Lusch and Vargo (2016, 55-60) axioms of service-dominant logic can be seen as the basis for value co-creation, value ecosystems and networks. This is essential to understand because the concept model created during this thesis project relies heavily on these founding principles and themes.

**First axiom**

According to Lusch and Vargo (2016, 57-58), service is present in every exchange. Every person, organization or institution, which participate in the process is called an actor. There are two types of resources available to participate in value co-creation: physical deeds and use of mental resources.

**Second axiom**

A key assumption of Lurch and Vargo (2016, 68-74) service-dominant logic is that customer always participates in creating value. It is of paramount importance to distinguish economical value that goods have, from the value what is created by the customer when the goods are used. For example, gold has a market price, which largely assigns some economic value to a ring. In this example, according to service-dominant logic, the value is not created when a person purchases the ring but when the ring is used for a proposal or for a wedding and a couple’s relationship develops further. The seller of the ring participated in the value creation as an actor. According to service-dominant logic, value isn’t created or added during the production or in the event of the exchange.

Grönroos and Voima (2013, 10-11) introduce concepts of two types of interactions, which may occur between service providers and customers. The first one is direct interaction, which means that organization’s resources are in contact with the customer. For instance, when a person orders food at a restaurant, the waiter participates and interacts actively with the people by taking orders and making sure everything is going well.

The second type, according to Grönroos and Voima (2013, 10-11), is indirect interaction. This happens when a customer interacts with goods or processes in which the service provider has participated. A good example of this type of interaction would be retrieving carpets from a washing machine of the laundry service and being able to feel good about having a clean home.

**Third axiom**

Lusch and Vargo (2016, 74-77) introduce a concept of seeing all actors as resource integrators. Everyone is part of an ecosystem and networks and thereby everyone creates value or diminishes value. Customers usually experience the outcome of service, but it is important to understand that there may have been multiple participants to reach that point.

**Fourth axiom**

The fourth axiom presented by Lusch and Vargo (2016, 78) is about how value is perceived and interpreted uniquely by customers. For instance, when a person looks at a painting he/she may find it saddening and another viewer looking at the same artwork may experience emotions of mystery and excitement. This also highlights Schein and Edgar (1984) theory about how artefacts and our experiences using them also modify culture. This was was covered in chapter 2.4.

## 2.8 Service ecosystems

Lusch & Vargo (2016, 170-172) write that the concept of service is the basis for exchange and co-creation of value. When looking at the bigger picture before and after service happens there are processes, which are a part of larger ecosystems. Often multiple actors from different institutions participate in each process and interpret the created value from their own unique perspectives. Service ecosystems can be viewed at micro-, meso- and macro-levels.


Figure 11. Structuration of service ecosystems (Lusch and Vargo 2016, 171)

## 2.9 Measuring and scaling social innovation

In the context of this thesis, innovations are considered from social innovations perspective, that is slightly different from profit and revenue driven innovation. This chapter aims to provide a holistic view to what is social innovation and how to scale them.

Goldberg (2013) argues that social innovations are initiatives that have not been identified by market forces and capitalism-driven markets. That is to say, initiatives that often are not so heavily based on financial gain but overall value generation.

Seelos and Mair (2017, 21-23) argue that social innovations should be evaluated based on how much impact they can potentially make. Innovations should also be addressed systematically by measuring the required effort and outcomes. Acknowledging the different actors that are often present with successful innovations like funding and organizations participating as co-creators leads to more systematic thinking and better decision making.

Mulgan, G., Tucker, S., Ali, R., Sanders, B. (2007) describe that social innovations rise from the innate belief that people want to take control of their own lives and are entrepreneurial and achieving by nature. In other words, innovation starts, and ends with the people. Mulgan et al. (2007) encourage prototyping social innovations in their earliest stages, because reaching the final version often requires multiple iterations.

Mulgan et al. (2007) also introduce five most common paths social innovation initiatives usually take, when moving towards scaling up -phase. This is further demonstrated in figure 12.

PATTERNS OF GROWTH AND REPLICATION

| | |
|---|---|
| **Type 1**<br>**General ideas and principles** | Spread through advocacy, persuasion and the sense of a movement; e.g. the idea of the consumer cooperative |
| **Type 2**<br>**1+ design features** | Spread through professional and other networks, helped by some evaluation: eg the 12 step programme of Alcoholics Anonymous |
| **Type 3**<br>**1+2+ specified programmes** | Spread through professional and other networks, sometimes with payment, IP, technical assistance and consultancy. E.g. some methadone treatment programmes for heroin addicts would be an example, or the High Scope/Perry model for early years. |
| **Type 4**<br>**1+2+3+franchising** | Spread by an organization, using quality assurance, common training and other support. E.g. the one third of independent public schools in Sweden that are part of a single network would be an example; or Grameen's growth in Bangladesh and then worldwide. |
| **Type 5**<br>**1+2+3+4+some direct control** | Organic growth of a single organisation, sometimes including takeovers, with a common albeit often federated governance structure. E.g. Amnesty International or Greenpeace. |

Figure 12. Patterns of growth and replication for social innovations (Mulgan et al. 2007)

Dees and Anderson (2004) write that local social innovations affecting hundreds, or thousands of people, are easy to come by, but social innovations, which would affect millions of people are hard to come up with. They suggest that before moving forward with a hands-on approach, leaders should think about scaling the innovations. For example, one school may come up with a teaching method that improves understanding of mathematics for children. For that method to scale up and develop, it could be made to a model or a new modified math curriculum that would be taught at schools across the country after proper testing. Suddenly, you have invented the new way to teach math.

Dees and Anderson (2004) describe a method to identify potentially scalable solutions. They suggest looking for 5 R's that are Readiness, Receptivity, Resources, Risks, and Returns.

Gramescu (2016) identifies the following themes as the main obstacles for social innovations and social enterprises:

- Key performance indicators can be hard to set and even harder to follow because of the complexity of the issues.
- When donation-based business models are masked as purchases towards customers, it does not contribute as much to the overall customer-perceived value.
- It can be challenging to keep the pricing of provided services cost-efficient and desirable, because of the internal and environmental costs social innovations may face. Gramescu (2016)

Kataja (Sitra 2015) writes that many social innovation initiatives have transformed from not-for-profit organizations to businesses, that use their profits for the benefit of their non-profit work. These kinds of businesses are called for-benefit organizations.

# 3 Design process and methods

The Double Diamond by British Design Council (2018) was chosen as the design process for this thesis because it is effortless to adapt to specific needs. This thesis focuses mostly on the first three parts of the process, to create a concept which can then be developed further and tested by the service provider’s own responsible team.

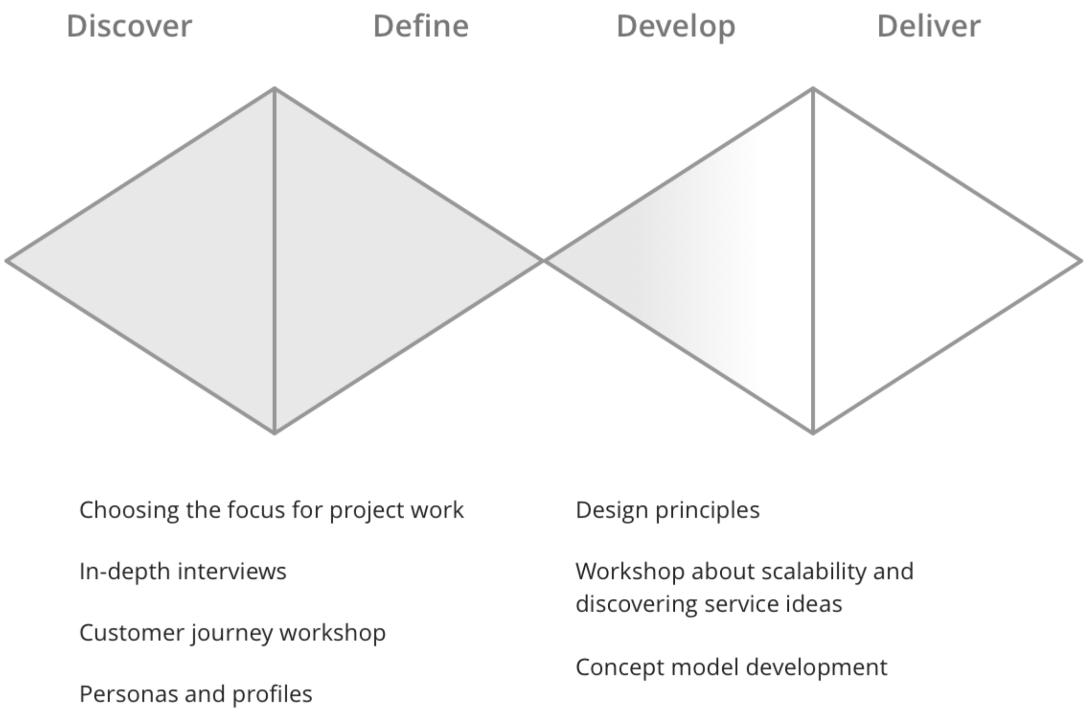


Figure 13. Double Diamond and highlighted thesis focus areas (British Design Council, 2018)

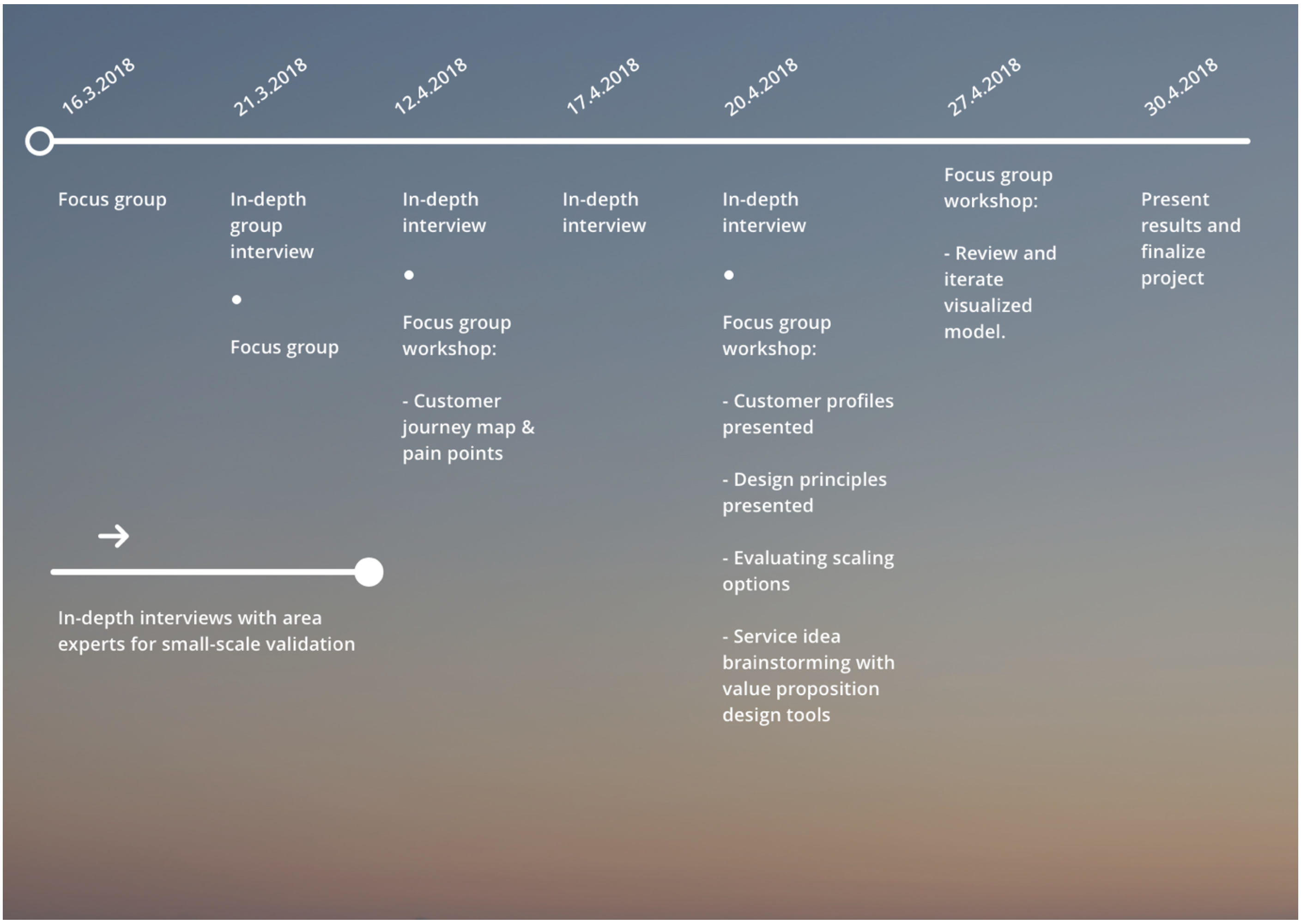


Figure 14. Visualization of project timeline

The different stages and outputs were discussed with the case organization's focus group, and all parties agreed that focus should be on the first two parts. One key factor for it was the time constraint from the client organization. Intensive part of the project work needed to be finished in one month, because new teams were about begin in the catering business program and they would need all the attention of focus group.

Focusing on the first two parts of the design process was sufficient for this project's goals. Further insights about future research and design topics are provided in the final chapter.

This research follows the qualitative methodology, and thus the findings and results are based on subjective interpretation of the qualitative data collected. (Taylor et al. 2015, Glaser 1978). This research does not aim to generalize the empirical findings and results.

Empirical data collection phases are presented in table 1 on pages 30 - 32. Focus group meetings and workshops are highlighted in orange and in-depth interviews are highlighted in blue.

Table 1. Empirical data collection phases

| Date | Time | Method | The purpose | Participants | Outcomes | Design phase |
|---|---|---|---|---|---|---|
| 16.3.2018 | 30 min | Focus group | Finding if the needs of thesis author and the case organization meet with this project. | Business Program Manager<br><br>Number of participants: 1 | Initial drafting of the project plan including scope and focus, building trust between parties. | Discover & Define |
| 21.3.2018 | 2 hours | In-depth group interview | Interviewing the focus group about their experiences with the business program, asylum seekers, refugees and immigrants. | Business Program Manager, Head of Business & Producer<br><br>Number of informants: 3 | Deeper understanding of focus group participant personal experiences and topic related knowledge gathering. | Discover |
| 21.3.2018 | 1 hour | Focus group | Reviewing and finalizing project plan based on the insights of focus group. | Business Program Manager & Producer<br><br>Number of participants: 2 | Finalized project plan with a notion that changes may occur. | Discover & Define |
| 12.4.2018 | 1,5 hours | In-depth interview | Understand business program participant pains, needs and jobs-to-be-done. | Interviewee (business program participant) & interpreter<br><br>Number of informants: 2 | Interview notes & recording, a deeper understanding of business program was developed. | Discover & Define |
| 12.4.2018 | 2 hours | Focus group | **Workshop 1** about creating a first version of *Customer Journey Map*. | Business Program Manager & Producer. One business program participant.<br><br>Number of participants: 3 | First version of *Customer Journey Map* illustrated with post-it notes and biggest pain points identified. | Discover & Define |
| 17.4.2018 | 1 hour | In-depth interview | Understand what kind of customers and partners might be interested in participating in the program. | Interviewee (catering customer)<br><br>Number of informants: 1 | Interview notes & recording, a deeper understanding of business program was developed. | Discover |

| | | | | | | |
|---|---|---|---|---|---|---|
| 20.4.2018 | 1 hour | In-depth interview | Understand business program participant pains, needs and jobs-to-be-done. | Interviewee (business program participant)<br><br>Number of informants: 1 | Interview notes & recording, a deeper understanding of business program was developed. | Discover |
| 20.4.2018 | 3 hours | Focus group | To be noted, that 20.4.2018 there was a three hours long gap between interview and workshop for thesis worker to create the third *Customer Profile* for the workshop.<br><br>- Presenting customer profiles.<br><br>- Presenting first version of design principles for review.<br><br>**- <u>Workshop 2</u>** about scalability using "Patterns of Growth and replication for social innovations" as a reference (Mulgan et al. 2007). And discovering service ideas using brainstorming and *Value Proposition Canvas*. | Business Program Manager & Producer<br><br>Number of participants: 2 | Finalized design principles.<br><br>First version of the concept model and service ideas drafted. | Develop |
| 27.4.2018 | 2 hours | Focus group | **- <u>Workshop 3</u>** about reviewing more developed and visualized version of the concept model.<br><br>- Continue service ideation and evaluation. | Business Program Manager & Producer<br><br>Number of participants: 2 | Finalizing the model and mapping of services. | Develop |
| 30.4.2018 | 1 hour | Focus group | Presenting insights including Design Principles, Customer Profiles & Concept Model and Services. | Business Program Manager, Head of Business & Producer<br><br>Number of participants: 3 | Ending the project and feedback. | Develop |
| 6.5.2018 | 1,5 hours | In-depth interview & Small-scale validation | Presenting the results to an area expert to evaluate the viability. | Area expert<br><br>Number of informants: 1 | Interview notes & recording, a deeper understanding of viability of results. | Develop |

| | | | | | | |
|---|---|---|---|---|---|---|
| 1.10.2018 | 1 hour | In-depth interview & Small-scale validation | Presenting the results to an area expert to evaluate the viability. | Area expert<br><br>Number of informants: 1 | Interview notes & recording, a deeper understanding of viability of results. | Develop |
| 1.10.2018 | 1 hour | In-depth interview & Small-scale validation | Presenting the results to an area expert to evaluate the viability. | Area expert<br><br>Number of informants: 1 | Interview notes & recording, a deeper understanding of viability of results. | Develop |

### 3.1 Focus group

During this thesis focus group was used as a qualitative interview research method and it also acted as a project steering group. Patton (2015) describes it as an opportunity to brainstorm ideas and insights from the interviews and other methods and project phases with area experts. Please refer to table 1. on pages 29 - 31 for full focus group and workshop related schedule highlighted in orange.

During project work of this thesis, mission of the focus group was to assist and discuss insights and act as a steering group making decisions. It was agreed, that during the intensive month-long working period the focus group would gather approximately once a week for one- to two-hour workshop and/or steering sessions. All group members also actively participated in creating the customer journey and other artefacts. Workshops where focus group participated were facilitated using service design methods and tools, by the thesis author, through this whole project.

This focus group included three employees of the client organization including their Business Program Manager, Head of Business and a Producer. Business Program manager works with the business teams and the case organization's network partners with a hands-on approach. She/he organizes events, participates in drafting offers for business teams and makes sure day-to-day work in the programs runs smoothly. Producer also works with the business teams and helps them from the office premises, takes care of social media and other material and media related production. Head of Business Programs is responsible for the overall success and metrics of the business programs.

### 3.2 In-depth Interviews

In-depth interviews were chosen as the main qualitative research method because of the small sample size of potential interview candidates and focus group had personal experience and deep knowledge of the topic. Please refer to table 1. on pages 29 - 31 for full in-depth interview schedule highlighted in blue.

Portigal (2013, 8-10) characterizes interviews as deleterious for statistical research method. In this case, this would not be a problem because the framework is focused on creating a concept of value propositions based on peoples' needs. It was also necessary to learn about the situations and conditions of refugees participating in the program more thoroughly. Doing quantitative research was not going to develop the level of understanding that was needed in this case. Conducting in-depth interviews gives a chance to connect with people and follow unique leads further that may arise during the discussions.

First, an interview guide was created to help the discussion. A total of four (4) interviews were conducted, of which one was a group interview. For this, three of the interviews were done at the case organization's office and one was held at the Mothership of Work premises, because it suited best for the interviewee. Three (3) more interviews were conducted with area experts for small scale validation. This is covered more in chapter 4.3.

All interviews were recorded using a phone with interviewees' consent. Because of language barrier, interpreter had to be used in one of the interviews. Before that interview, a fast brief of the topic and general guidelines about ethnographic interview techniques, were provided for the interpreter. After each interview, a quick draft of the most important insights was written down. Later, a more thorough analysis was conducted with the support of recording. Total time spent per interview analysis and profiling was about double to triple the interview length.

### 3.2.1 Creating profiles

Customer profiles were constructed from each interview according to Osterwalder et al. (2014, 9) template.

Grudin and Pruitt (2002) describe that personas are created from substantial amount of research data, interviews and observation. However, in the context of this thesis, to find specific pains and needs for the teams currently participating in the catering business program, the customer profiles were constructed separately for each interviewee.

These profiles were first presented in full to focus group in a workshop facilitated by the thesis author on 20.4.2018.

**Experienced entrepreneur**

The first interviewed refugee already had a background in restaurant and shopping business before moving to Finland. He had received a status of refugee and was in the process of building his own catering business. Of all the interviewees, one could say he was already quite experienced compared to many others, who were just starting to learn how to run a business. He already understood the business and liked creating offers and deals.

*Gains*

The biggest dream was to run his own business like he did before coming to Finland. Eventually, he would like to own a restaurant that serves Middle Eastern food. Creating connections with Finnish people and learning the language better were important long-term goals.

*Pains*

The entrepreneur already runs a small catering business with the help of the business program. However, because he does not own a restaurant or have an easy access to a professional-level kitchen, there are often difficulties in cooking big amounts of food for the catering events. With the help of the case organization, he has found companies, which lend their facilities for these purposes.

Numerous aspects related to law and taxation in Finland are confusing. There are plentiful regulations an entrepreneur needs to understand. The use of marketing and capitalizing on social media platforms to its full potential need to be learned.

Connections are also needed to run a successful business, to some degree because of the language barriers. An additional challenge is that the entrepreneur doesn’t receive enough offers to run a steady business. Most of the offers currently come through the client organization.

*Customer Jobs*

Main jobs include shopping for ingredients, finding the kitchens to cook in, finding clients and offers, creating offerings, which is also a pain due to a language barrier. Sometimes he needs to find an extra worker to help with preparing the food when he lands a large event.

**Passionate about food**

The second interviewee had a diverse background from studying arts and later finding his true passion for cooking. He approaches the food industry very differently from the first interviewee, who more appreciates the business side.

*Gains*

The entrepreneur has just started in the business program and would like to get to the point where he has a sustainable business. Eventually, he would like to open his own restaurant, perhaps, with a partner who would take care of the numbers. He was also interested in developing the business program further.

*Pains*

Finding a professional kitchen to cook in has been a big obstacle. He has tried contacting schools in the hope of possibility of cooking there during the evenings. However, every attempt to find a solution from public infrastructure has been blocked by bureaucracy.

Understanding taxation and regulations is a big pain point and he needs advice on it. He has tried asking Finnish friends about it, but even they do not always know how taxes exactly work.

The entrepreneur also had tried to get a loan for developing his catering business but was not given one. His passion lies in cooking and design, and he hopes he will find a partner to take care of the business aspect. Finding a mentor would help tremendously.

*Customer Jobs*

Main jobs include shopping for ingredients, finding clients and a kitchen to cook in. He tries to find good deals for quality ingredients to make savings.

**Passionate about helping people**

The third and final interviewee was a catering customer of the business program who works for a non-profit non-governmental organization.

*Gains*

Working where she does gives her a great opportunity to meet new people and make a tangible difference. She values the opportunity to help people and see the person behind a given status.

Being able to avoid bureaucracy and focus energy on helping people are benefits at working for a non-governmental organization. She feels, that in a government job that would be much harder. Currently, they can do things the way they feel right. She is passionate about learning different cultures and history and about social responsibilities. Creating opportunities for those who need them brings her joy.

When the association she works for ordered catering service from the client organization, she was happy to let them use their kitchen facilities.

*Pains*

When organizing the catering event, she needed to ensure everything is set and prepared appropriately. She was worried about the budget, the number of people and other similar tasks related to project management. There were some language barrier issues, but nothing major that they could not overcome.

*Customer jobs*

The last interviewees work is not related to organizing events or catering. All these things are extra load on top of the things she does daily. Making things as easy as possible should be a priority. Things she needed to double-check included:

- Is there sufficient amount of food for everyone
- Are there any special diets
- Is the price fixed because of a tight budget
- Is the schedule fixed (there are often tight time frames)
- Confirming number of people participating
- Drafting contracts for the catering event

## 3.3 Customer journey mapping workshop

Stickdorn et al. (2018, 44-47) advocate using journey mapping to make sense of the kind of experiences customers go through when dealing with different situations. In this specific case, a workshop was held where the focus group created a customer journey together about their typical catering process. The journey was constructed using post-it notes and then the group mapped main phases, which could be identified from the journey. Creating the customer journey was facilitated by thesis author in a workshop on 12.4.2018.

This team included a Business Program Manager and a Producer from the case organization. The Business Program Manager had full knowledge of difficulties refugees have had to experience due to his personal experiences in this matter. It was mutually agreed, that their own experiences on the topic and deep hands-on knowledge of how the client organization and catering business program functions, were enough at this point. It is remarked that one catering program business team also participated in reviewing the journey and in providing additional insights.

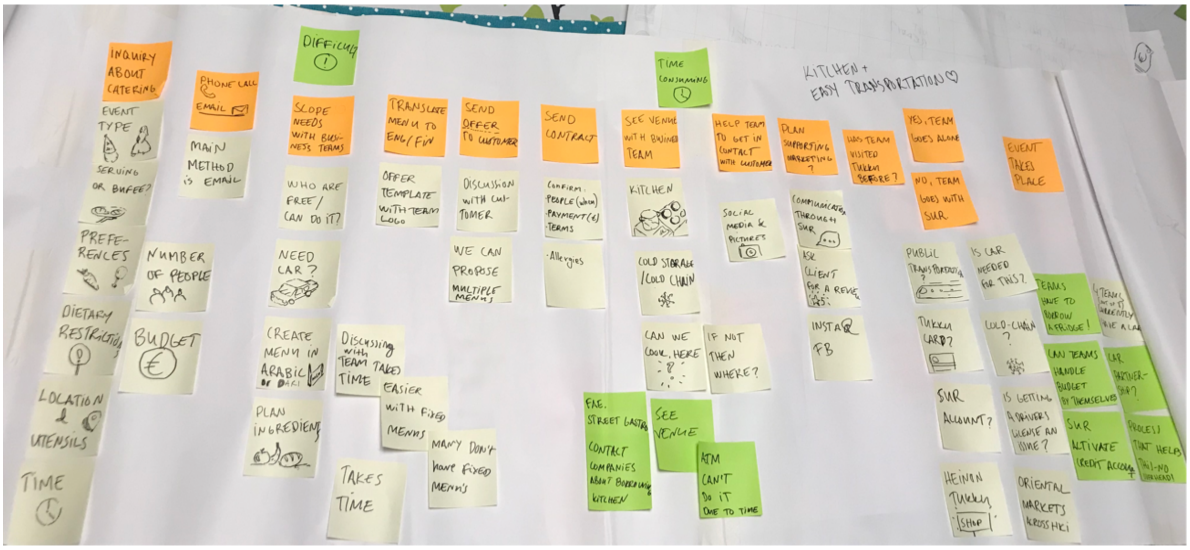


Figure 15. Catering event customer journey map from the case organization's employees' point of view

Creating the customer journey was of great help in identifying areas of focus and numerous pain points. For example, it was deemed that most difficulties occur when there is no easy access to kitchen and storage facilities. Transportation and finding enough offers to accommodate all the teams were also a pain points for the employees. After creating the first version of customer journey all the workshop participants agreed that having a clear structure to guide both the business teams participating in the program, and service provider employees, would help with issues that come up in preparation of catering events.

### 3.3.1 Focus and pain points in the customer journey

After creating the initial version of the customer journey, the focus of the workshop shifted to identifying pain points. Every participant from the focus group could pin down areas that were causing most difficulties.

It became evident that the beginning part of the process was in order. All business teams receive basic training from the service provider, visit companies and attend workshops. The problems start to arise when teams, which don't have access to a driver license or to a kitchen are doing catering. It was noted that visiting wholesale providers without a car is very time-consuming. Teams and the service provider's employees often must haul the products using public transportation.

The client organisation was having difficulties with scaling the business program, and that angle was chosen as a focus. This led to empirically exploring processes and streamlining steps in the customer journey, which were most inefficient.

### 3.4 Workshop about scalability

During a scalability workshop with the focus group facilitated by thesis author on 20.4.2018, a discussion sparked about a model based on the customer journey and customer profiles, which would bring clarity to the catering business and help in ideating services. This would act as a pain reliever and help business teams participating the catering program achieve their goals.

Patterns of growth and replication for social innovations introduced by Mulgan et al. (2007) was used as a reference when determining what kind of development practices would suit the case organization. For more information about the patterns, refer to figure 12. on page 26. It was concluded, that continuing their current approach with building networks and encouraging co-creation practices would also be the guiding values of catering business program scaling.

It became apparent, that some teams had no experience, and some had a varying degree of entrepreneurial or restaurant business experience from their home countries. Designing services, which suit every business team’s needs is difficult, because it was empirically identified that the needs may vary greatly. The model would need to support different kinds of needs and experience levels the refugee teams have.


Figure 16. Customer journey and the first version of the model from a workshop with focus group

To begin, three experience phases were identified, where different kinds of services are offered to teams. More advanced business teams can join more advanced phases and beginners' teams start from the basic trainings and workshops. There are services, which benefit each team and are not dependent on their experience, for example learning about Finnish tax laws, hygiene standards, which may differ from people's previous experiences, and also networking events and meeting successful Finnish catering entrepreneurs who wish to help refugees and immigrants.

The model is not meant to be used as a linear process, but more as a map for services and matching those services to business program teams based on their entrepreneurial maturity. In short, the model will help to identify teams experience and find the support they require which may vary greatly case by case.


Figure 17. First version of the new concept model laid out on the wall with the customer journey after workshop

Using a value map tool introduced by Osterwalder et al. (2014, 8-9), a brainstorming session using post-it notes was held during the workshop on 20.4.2018, to come up with service ideas for the model. In retrospect using Crazy 8 or similar method from Google's Design Sprint Kit (2018) would have been beneficial, because it enables people to see past their first ideas by quickly creating new ones. Garner (2014) advices that people should not get emotionally attached to their own ideas, or other peoples' ideas, because it diminishes the value of group based ideation. This chosen method has a rapid feedback cycle which encourages everyone letting go of their ideas.

*About using this method:* With this method a paper is folded so, that a person sees eight or four same-sized squares on it.

Every participant has one minute per square to write or draw an idea on it. After the first round, everyone introduces their ideas, and the group does another round with the same rules. After the second round, participants vote on the best ideas and they are moved to further study.

Introduced by Osterwalder et al. (2014, 9), customer profile pains, needs and customer jobs were used as the guiding principles when choosing services in conjunction with design principles. It became increasingly important to understand what kind of services refugees need at different stages of their journey. This approach can also be used as a framework, when the model is developed further.

In the workshop, a map of services for the model’s different stages started to take shape. Theory from value mapping was used to list services, which could be offered. The greater the value for the service provider’s employees, business teams, and end customers, the higher the service would be placed.

# 4 Results

## 4.1 Design Principles

To guide the design of the final version of the model and new service's creation, design principles were created to serve as general guidelines. These principles were all based on in-depth interviews and insights from the workshops with the focus group and the case organization's values. First versions of design principles were introduced to the focus group in a workshop facilitated by thesis author on 20.4.2018.

According to Alla Kholmatova (2017, 47), design principles are important in creating a sense of purpose for the team. They also act as guidelines and reference when designing new offerings. Sometimes principles are used for a very limited time but in this case, they will be present to guide the workflow continuously. These principles can also evolve based on the findings during the future testing period.

Alla Kholmatova (2017, 49-56) points out that design principles should be authentic and reflect the values of the organization and people. Simply stating, that by predicating that a solution is merely easy to use, is not enough. Principles should also be actionable, have a point of view and be memorable. Design principles should be something that every person in the design and development team can recite from their memory.

Design principles were used during this project to identify matching services for three different stages. Each new service should match the principles to qualify being offered. This means that, for instance, traditional lectures where people sit idle and just listen to a lecturer would not be acceptable because these sessions do not adhere to the learning-by-doing principle, nor do they help people connect with each other.

Alla Kholmatova (2017, 49-56) writes that design principles should also be present in everything the organization does. They are very close to organizational values and culture. Principles can even act as guidelines when creating artefacts such as newsletters, social media posts and recruitment ads.

Later, when the model is tested, the results should also reflect upon these principles. Better yet, if the test itself is built upon finding more insights based on these principles, they can - and should - be evolved or iterated to remain valid. These are important questions to keep in mind later on.

Furthermore, these principles were also used as general guidelines during the project work to keep the goal in mind. It should be reinforced that these principles help designers to stay on the assumed correct path.

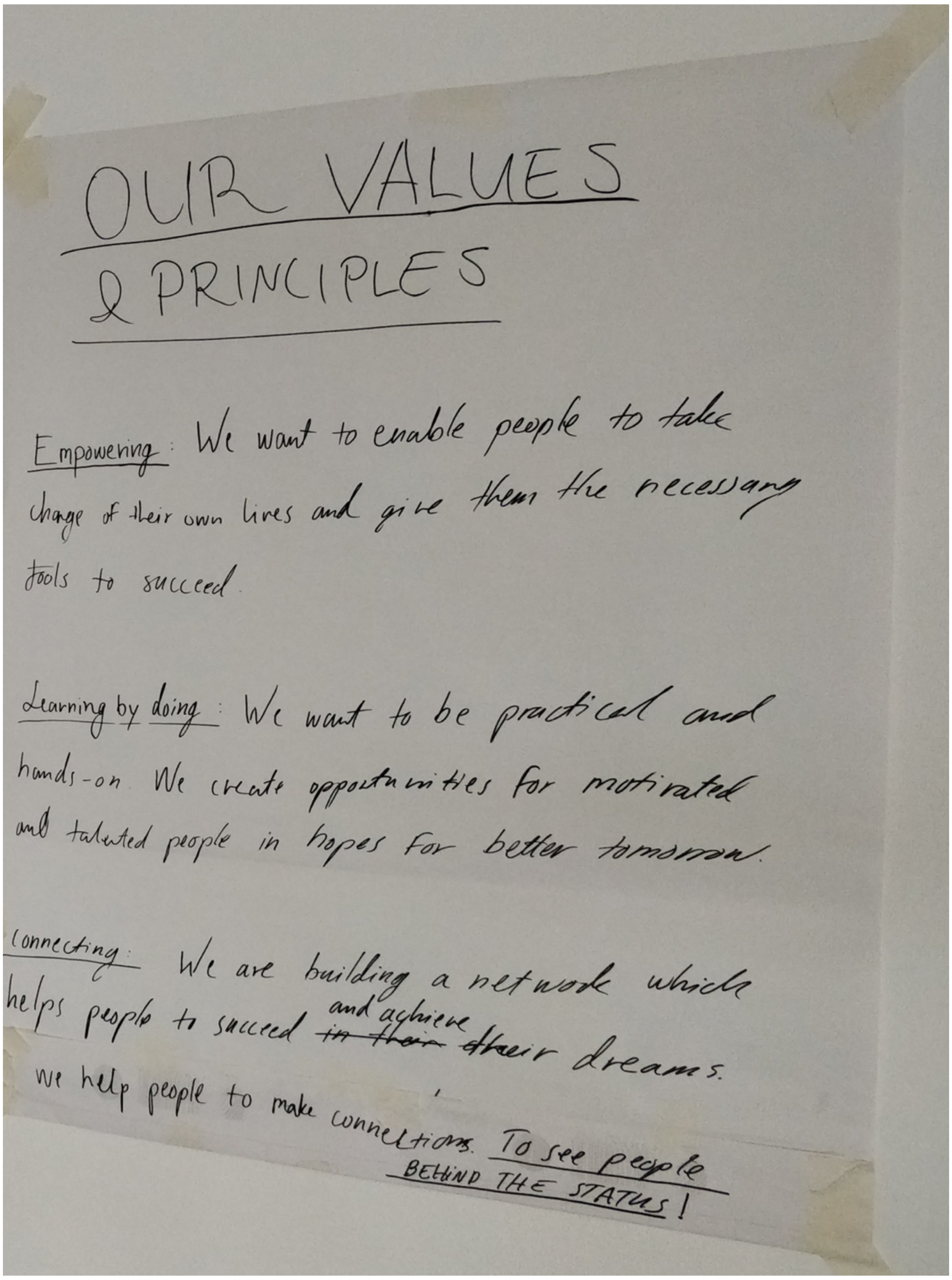


Figure 18. First version of the new design principles laid out on the wall

**Empowerment**

Empowerment was chosen as the first and key principle because some of the people participating in the business program come from austere environments. Their countries may be ravaged by wars and they have just completed an arduous journey to Finland through Europe, and have gone through a phase of living in reception centres.

Enabling people to take charge of their own lives and give them the necessary tools to succeed should be a top priority.

**Learning by doing**

The client organization's employees and business teams have a hands-on approach to doing things. Everyone wants to experiment and learn in practice. Cooking and catering are hands-on activities, that is why following this principle is inherently logical. It also goes hand-in-hand with empowerment by not placing people in traditional lectures, but instead giving them an opportunity to learning by doing.

**Creating connections**

During the interviews, a recurring theme was how people want to meet other people. Arriving in a foreign country, where you may not know anyone, can be an intimidating experience. Everything is new, culture and regulations are very different. There are language barriers everywhere. Because of the rise of populism in the world and Europe, it is imperative to show Finnish people the entrepreneurial mindset many refugees have.

Building a network, which helps people to succeed and achieve their dreams, aligns with the case organization's values and mission. One of the interviewees said during a discussion, that creating new connections helps to see people behind their status.

Three posters with the principles were created to be placed around the focus group work-space. Having the principles visible reminds people of their existence. These posters can be found from appendix 2.

## 4.2 New model ready for testing

The new model, which helps the case organization to scale the catering business program, consists of three distinctive phases, and each of them has unique service offerings for the business teams. Idea of the model is also to help the client organization to identify and map their future services in a way they match the needs of refugees and catering business clients. The following figure 19 describes the identified levels for the concept to be tested.

More in-depth description of the phases is shown in chapters 4.2.1, 4.2.2 and 4.2.3.

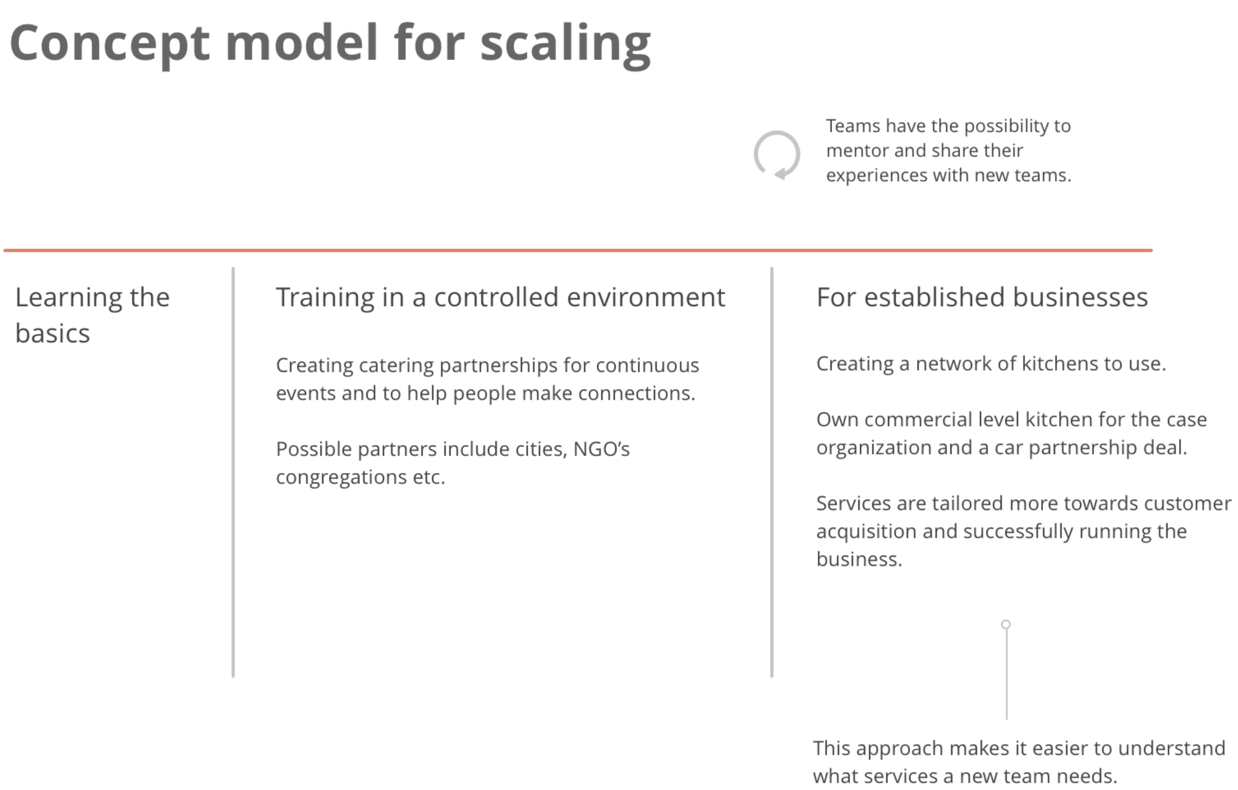


Figure 19. Initial phases identified and visualized for the scalable model

#### 4.2.1 The first phase: learning the basics

This is the first phase when catering and restaurant industry teams join the business program. Most of the events and workshops during this stage are universal and are suited for everyone regardless of how advanced they are in business and catering. Many of the events are also shared between business teams from different fields because revenue law, business regulation and funding concepts are universal for every business operating in Finland.

This phase, and many related services, are already well-established and running smoothly. During the research and interviews, it was qualitatively proven that focus should be on the stages where there are most problems. However, the importance of this phase, where people are firstly introduced to the program, is evident – in that - participants receive their first positive and encouraging experiences. It is noted that experiencing and observing the current services were left out of this thesis project, but it is something that should be done in the future.

Services offered at this stage may include:

- visiting restaurant and catering businesses
- connecting with mentors
- organizing specific business workshops
- organizing universal business and regulations workshops
- issuing hygienic passes.

### 4.2.2 The second phase: training in a controlled environment

When the teams are ready to test their expertise in a real environment with real clients, they can do it in a kitchen and venue, which the case organization already often uses. The idea is to find partners who have their own kitchen and cold storage facilities. It would be ideal if some of these partners would host their own events, which need catering at least a few times per year. This would provide a steady stream of catering events for new business program teams without having them to continuously search for leads at this early stage.

This model is based on co-creation and the notion that everybody wins. This creates an encouraging experience, because the facilities and venues are already familiar, and mentors have easier time to teach new entrepreneurs and cooks. With a steady stream of catering events, business program teams would also receive continuous opportunities to network and meet new people.

One of the biggest empirically identified problems was finding kitchens to cook in and easy transportation from wholesale markets to the kitchens and events' venues. This co-creation model answers the biggest pain point of finding a kitchen every time for each catering event. With fixed locations, organizing deliveries from wholesale markets should also be easier. This also makes menu and ingredient lists easier to standardise, if needed.

Partner organizations are able to network with the refugee catering and restaurant teams, and cooking in a controlled environment creates a safer space for the teams to meet the clients.

These partners may include non-governmental organizations, non-profit organizations, congregations, cities and small to medium-sized enterprises, which wish to increase their workplace's social responsibility and image.

Services at this stage might include:

- preparing wholesale contracts and delivery
- car rental or sponsorship services for delivering catering to a venue
- on-site mentoring when preparing for the event
- helping and facilitating networking and positive experiences (translation services)
- opening bank accounts and using banking services
- making contracts and offers.

#### 4.2.3 The third phase: for established businesses

Third and the model's final phase is designed for established businesses. As the name already implies, it is meant for business program teams which have their business up and running. Moreover, these businesses have likely already done some catering events with the partners from controlled environment phase.

At this stage, according to the empirical research done during this thesis, teams are still far from owning their own kitchens or restaurants. The need for using a kitchen has not changed, and the same co-creation model for the partner network can be used here too. Any organization with a suitable kitchen would be of great help for teams, which already can manage on their own.

In return for using partner facilities, the case organization and/or the catering teams pay provision per event or rent monthly. The organizations, which provide the facilities, also get to contribute positively and participate in organizational or corporate social responsibility movement.

These network partners would not need to host their own events, rather, they can simply rent a kitchen when needed. Having a network of kitchens distributed over metropolitan area would help teams choose the kitchen, which is close to the specific venue. The client organization could negotiate fixed-price contracts with companies and institutions, which are a part of this network.

According to the research results, the acquired expertise will enhance team's understanding of business and marketing in addition to improvement of their cooking and catering management skills.

Services at this stage may include:

- teaching of basics of marketing and branding
- using social media channels
- networking and finding leads
- teaching about profitability and sustainability
- creating a handbook of the best practices for the business teams
- advising teams on menu creation, pricing and translations
- creating a website for business teams, where a customer can send information about their event and ask for an offer
- later, building a commercial level kitchen for the case organization and introducing car rental services for the teams for easier transportation.

### 4.3 Interviewing area experts to evaluate relevance

Area expert were interviewed to evaluate relevance of the concept model. This evaluation resembles a small-scale testing or validation of the developed model. Please refer to table 1. on pages 29 - 31 for full small-scale validation and testing related schedule highlighted in blue, at the end of the table.

First expert interviewee was Jeffrey Allen, who works as a Design Lead at the United Kingdom Ministry of Justice. Jeffrey was chosen, because he has a substantial background in working in non-profit organizations and, specifically, with wicked problems.

Co-creation of the model with actual clients and how the project was facilitated received positive feedback. Training in a controlled environment and the empowering aspects of the concept model seems like a win-win situation for all involved parties. Creating long-lasting partnerships with organizations, which have similar interests got very good feedback too. According to Jeffrey, finding enough events to sustain multiple teams simultaneously may prove to be difficult, but this can only be validated by trying to create the network.

The network needs to be vast to provide enough opportunities. This is something that can be solved by contacting all potential parties and being generally open about wanting to create partnerships, which share similar values and principles.

Design principles, which were used to reflect future and current services, especially the empowering aspects, were seen as a big help in guiding the future work. Based on Jeffreys experiences this is one of the most important aspects when working with societal wicked problems.

Jeffrey pointed out, that working systematically and going forward with the model, if there are not enough employees, may prove too difficult for the client organization. The model looks good on paper, but actual testing will show how it needs to evolve further.

During the feedback session, digital solutions were also discussed. A question about an online service based on a platform economy might be a way to connect immigrant businesses with potential buyers, who wouldn't otherwise find them. Discovering and prototyping such solution model would have to be another project, but it is a topic of interest.

Kimmo Kuisma and Jukka-Pekka Erlund from New Things Co IT consultancy and design company were chosen because of their wide range of expertise from different service development and design areas. Kimmo works as a Chief Design Officer and Jukka-Pekka works as a Lead Designer.

The initial feedback received from both was very positive, but they both saw gaining trust of organizations as a possible hindrance. In other words, when creating a network, one may ask: how does one earn the trust of private, public, non-governmental and other not-for-profit organizations to gain access to their kitchens?

To answer the possible issues with trust, creating a strong brand around the case organization and productizing the catering business program might help. In a sense, every previous team paves the road a little bit more for the new starting teams.

# 5 Conclusions

## 5.1 Summary

In 2015, hundreds of thousands of asylum seekers came to Europe. To this day, Finland has also received a large influx of asylum seekers, which caused numerous receptions centers to be established. While many Finns saw this as a problem, the case organization identified a possibility. Indeed, they aim to help asylum seekers, refugees and immigrants successfully work and integrate into Finnish society.

This thesis details the development of a scalable catering business model for the client organization by empirically researching needs and identifying pain points in their current way of working. Wicked problem theory, service-dominant logic, co-creation and interpretation of value were the cornerstones for identifying and working with this complex social problem.

This project is focused on the first parts of the Double Diamond model (discovery, definition and development). It was agreed with the case organization, that they would receive the most value by focusing on scalability and iterative development while testing would be excluded from the thesis project.

The project started with establishing a focus group from the case organization's employees and interviewing them about the current situation. This group would help to steer the project, make decisions and build upon the insights obtained from in-depth interviews. During the project, four (4) in-depth interviews were conducted.

The focus group also participated in weekly workshop sessions where artefacts like customer journey, personas, design principles and the final scalable model were discussed, created and iterated further.

At the end of the project, small-scale validation and testing were conducted by interviewing three (3) area experts. The aim of the interviews was to gain outsider perspectives on the themes and results provided herein. This type of validation often provides additional insights and development ideas for the future.

## 5.2 The value of the study

This biggest value of this study is creating the base level when developing scalability and human centricity of the client organization's catering business program. It is also a universal and hands-on approach to finding hidden pains and needs of people and then ideating solutions based on the findings. This combination of qualitative research and innovation processes can be used for human-centric design and innovation when there are time constraints.

Developing design principles based on interview insights and organizational values and culture can be applied to human-centric problem-solving. In a sense, the way to research and develop can be transferred to many other applicable scenarios. However, it has proven to be especially effective for wicked problems because it places people, their needs and values at the centre.

The design process and modelling progression of expertise and/or or other topics are fully transferable to developing similar situations and approaching wicked problems. In other words, the developed concept model can act as a basis for scaling other social innovations. In this thesis, the focus was on refugees and immigrants, but it could be researched and tried for other themes like social inclusion, substance abuse recovery, getting back to work after burnout and/or depression period, etc. Testing the same research methods and concept models in a step-by-step type of approach in another context would also be of societal interest. However, as noted by Rittel and Webber (1973, 155 – 169) the model shouldn't be simply copied due to the unique nature of wicked problems.

Virtanen (2007, 39-42) suggests consuming culture induced goods can help people become more open and accepting. If the catering business program can start scaling up with the help of this study, these efforts can also become more widespread and help counter populistic opinions in Finland and raise awareness and empathy in people.

### 5.3 Opportunities for further development and research

Experiencing and observing the current services were not a part of this thesis project, but it is something that should be considered and done in the future. One remaining, and unanswered question is: how do the currently offered services in the first phase align with the newly discovered design principles and people's pains?

In the future, more rigid and quantitative testing should be conducted. If the model has already been implemented in practice, then feedback gathering from the case organization is in order. Further development can be investigated with regards to other similar social problems by using the model approach as a basis. This approach could also be developed towards a theoretical approach in the field of service design, refugees and immigration.

Helping the case organization with building their own research and design practices would help them to develop services. Throughout this thesis, basics concepts related to interviews and ideating services were discussed and taught, but for design practices to have long-term effects, they need to be integrated deeper into the organization. Understanding people's pains and goals to develop new services for the model is the key. The way to identify pain points and customer jobs by conducting in-depth interviews and researching the customer journey with help of expert focus group, is a quick and general way to move forward regarding insight gathering. The process and methods used are relatively easy for the case organization's employees to adopt and continue without an extensive background from design professions.

During the interviews with area experts, one highlight regarded the use of more digital tools or even an online platform to scale the model and catering business even further.

Another topic, which came up during the interviews, was about branding and productizing the service. Currently, all parts of the process have many manual stages, which may result in unnecessarily repetition and create personnel related bottlenecks. Productizing and branding the service would also help with the possible trust dilemma, which arose during the interviews with the area experts.

Creating a handbook which has guidelines and tips about food industry, catering and restaurant business might serve the purpose of helping the business program teams to study and learn more by themselves. It might help to describe common problems, which previous teams might have already encountered, and tell how to overcome these obstacles. Same design principles need to be applied when designing and constructing the manual. It needs to follow learning by doing principle.

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Figures

Tables

Table 1: Empirical data collection phases

Appendices

## Appendix 1: Additional asylum seekers' statistics from 2015

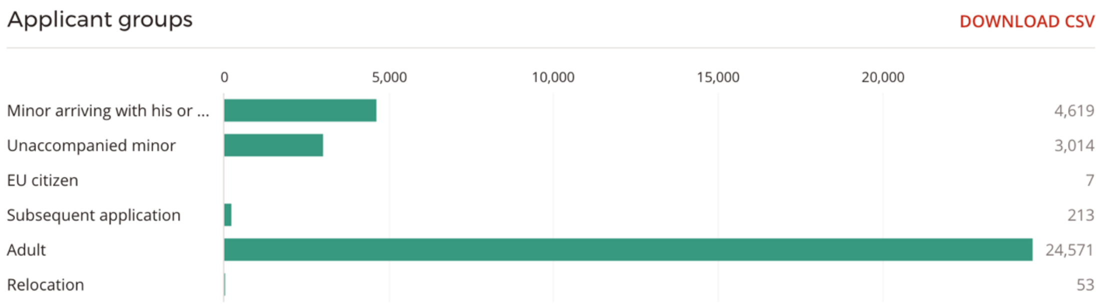


Figure 20. Applicant groups among asylum seekers arriving in 2015 (Finnish Immigration Service 2018)

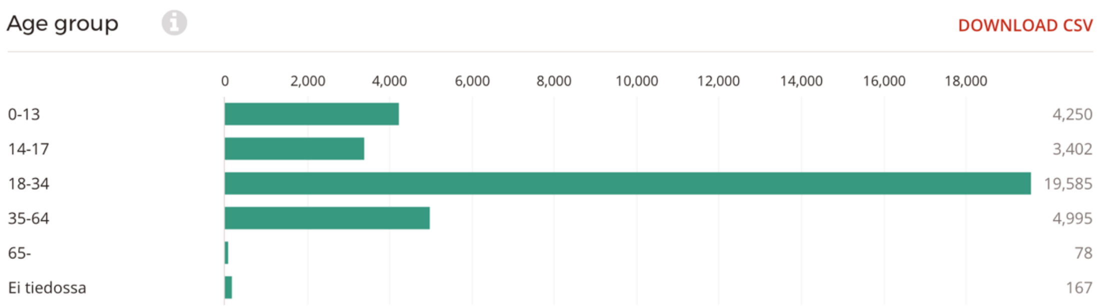


Figure 21. Age groups of asylum seekers arriving in 2015 (Finnish Immigration Service 2018)

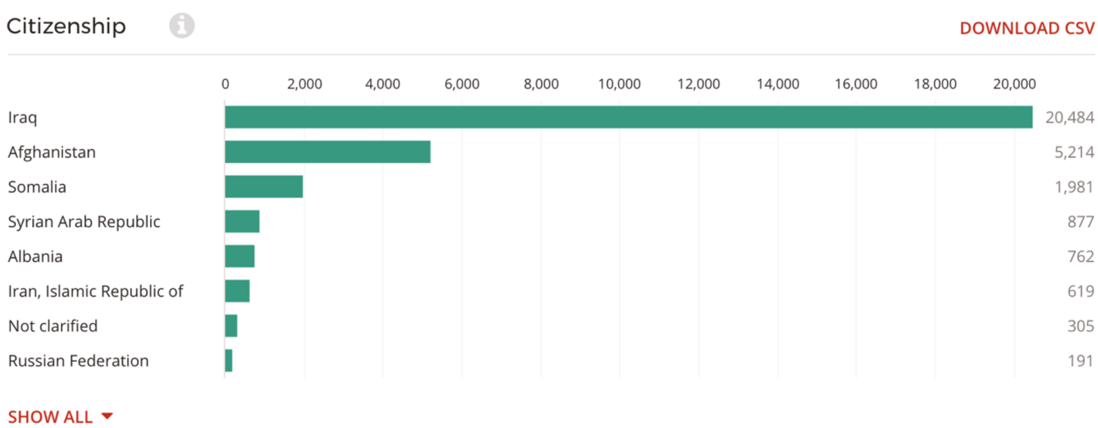


Figure 22. Asylum seekers' citizenships arriving in 2015 (Finnish Immigration Service 2018)

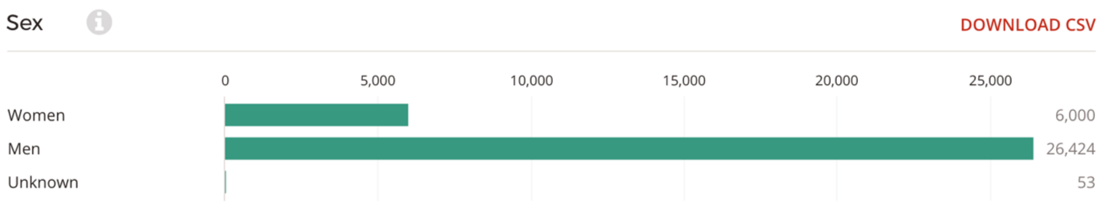


Figure 23. Asylum seekers by gender arriving in 2015 (Finnish Immigration Service 2018)

Appendix 2. Design principle posters


Figure 24. Empowerment design principle poster (Image source: https://www.pexels.com/photo/adult-beautiful-blur-bokeh-273037/)


Figure 25. Learning by Doing design principle poster (image source: https://www.pexels.com/photo/grey-stainless-steel-teapot-938969/)


Figure 26. Creating Connections design principle poster (image source: pexels https://www.pexels.com/photo/backlit-dawn-foggy-friendship-697243/)