

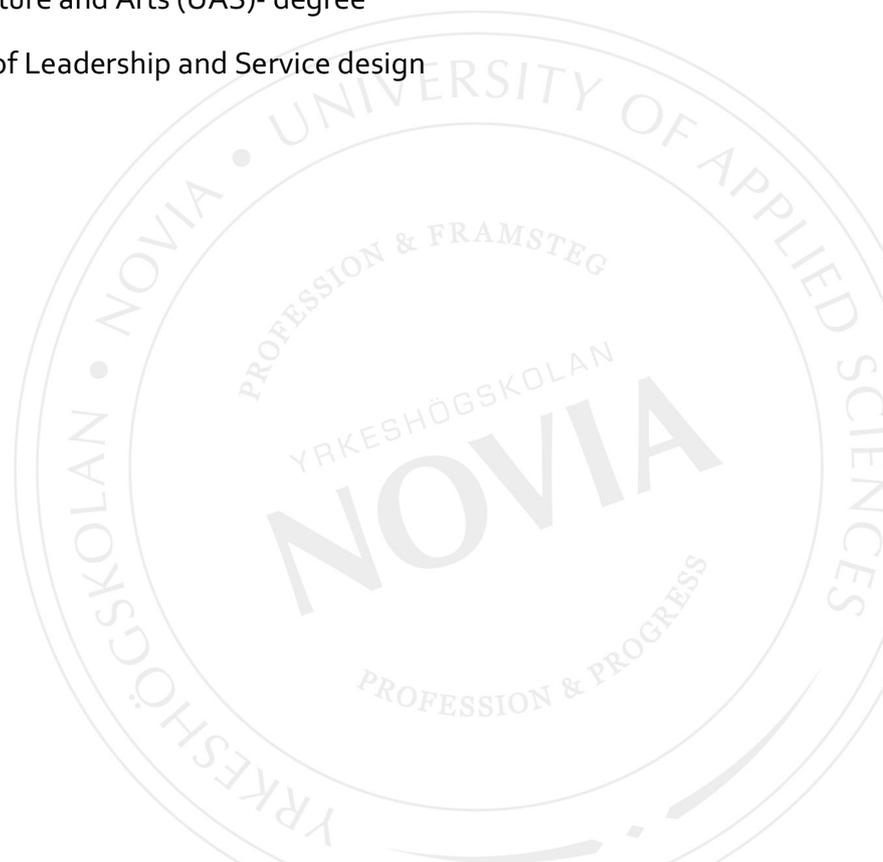
Public Supervising Service: Introducing Service Design for the Hitas- process in the Asuntopalvelut- unit

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Abstract

This master thesis is examining the B2B- customers' service process and satisfaction in the Asuntopalvelut-unit for Hitas- process. Helsinki City offers affordable housing for its citizens but because of lower selling prices the Hitas- system regulates selling and reselling prices, quality of the apartments and ownership of units. The Asuntopalvelut-unit is supervising the marketing, selling and registry process as well as calculating the maximum prices.

The aim of the study was to find out how to improve the challenges within the process such as communication and influence making. Key issues and organizational strengths were defined throughout the project that took place between January and October 2018. Service design methods were used in discovering the current stage of customer satisfactions and stakeholders' thoughts. The results show that there is potential in developing the service towards a customer centered model as well as improving possibilities in information effectiveness.

However, possibilities in making changes for recourse efficient organization model towards flow efficient are not as easy to impact on.

The thesis is structured with preliminary information in the form of an introduction and theory, presenting methodology and results towards service development suggestions and evaluation. This thesis did not reach the point of implementation within the timeframe.

Language: English

Key words: service design, public supervising services

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Business model canvas- sketch

Service blueprint sketch

All visualizations and photos by Aliisa Hautaviita

Glossary

Finnish terms explained for English readers

Ara, Asumisen rahoitus ja kehittämiskeskus= The housing finance and development center in Finland

Aso/ Asumisoikeusasunto= Right-of-occupancy dwelling

Asuntopalvelut- unit= Housing services

ATT, Asuntotuotantotoimisto= Construction company owned by City of Helsinki

Hitas= Price and quality- regulated housing system in Helsinki

Hitas- aluetyöryhmä= Local Hitas- workgroup

Hitas- työryhmä= Hitas workgroup

Kaupunkikuvaneuvottelutoimikunta= Cityscape committee

Rakennusvalvonta= Building control

Tontti- unit= Helsinki city Building lot- unit

1 Introduction

This thesis is researching the Hitas- office (later Asuntopalvelut-unit) operations in Hitas-process with constructor customers. The commissioner is part of the Helsinki City Urban Environment Division. Hitas-apartments means system for subsidized housing. Research questions are about preliminary research of the B2B- customers' satisfaction of the Asuntopalvelut-unit's service and how to introduce service design methods and tools for process development.

The City of Helsinki offers affordable housing for its citizens in many ways. The Hitas-system is a method for price and quality-controlled apartments, which are cheaper than average apartments in the open market. However, selling and resale prices are regulated. (Nurmi 2015, 136). Asuntopalvelut-unit is controlling the buying and lottery process between developer and the consumer. They also supervise the register for ownerships and inform and execute instructions for constructor customers.

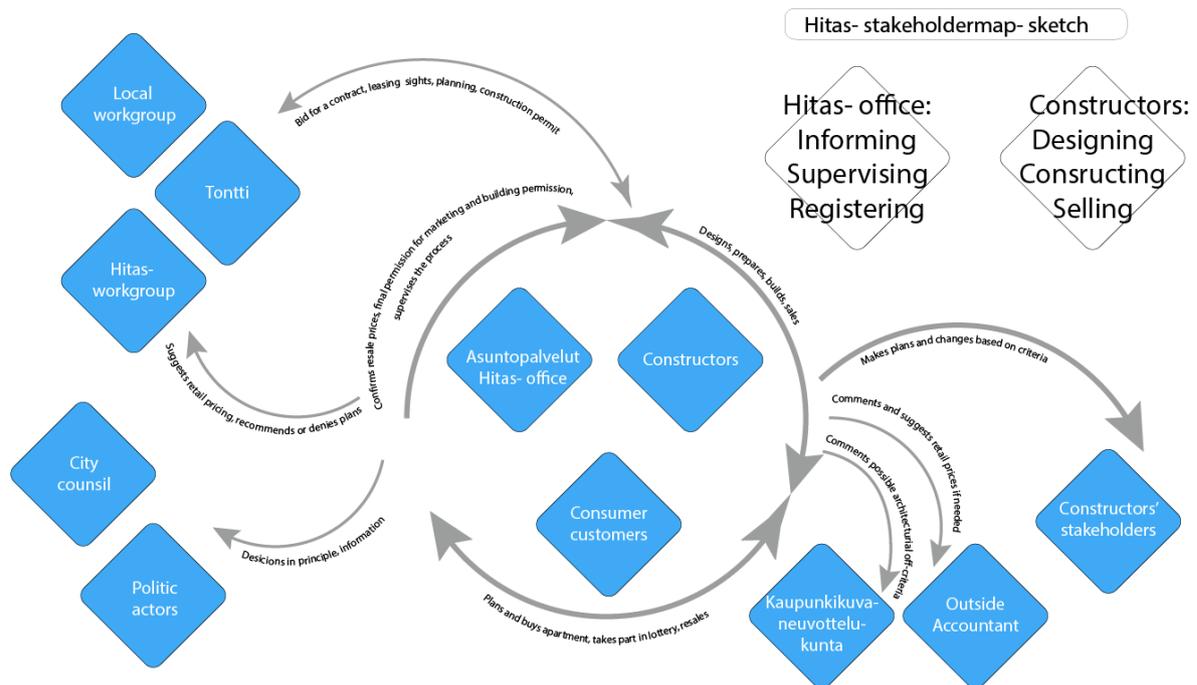


Figure 1, Stakeholder map, overview of actors

Roughly described, the Asuntopalvelut-unit is in contact with several city offices, constructor customers, consumers and property managers. City Council and Hitas-workgroups are part of the Hitas-rule-making and development. The Tontti-unit is

responsible for land lease and supervising building control. The stakeholder map is presented in detail in chapter 3.3.

The aim is to introduce service design methods in public supervising service because Helsinki City strategy contains use of service design. Design readiness in the team is examined and service design methods are used for preliminary research. The research methods are several variations of qualitative methods such as customer journey and service blueprint, interviews and workshops.

The thesis contains five chapters of which introduction and literature review come first. Methodology and results and then explained. Service development ideas are then gathered, and evaluation follows after that. A list of references and appendices finalize the thesis. The thesis is an example of a preliminary study that an organization new to service design may have within an eight-months timeline.

1.1 Framework

The theoretical framework determines the selected material for each research. It helps the researcher to choose the point of view and to review information. The aim is to use the frame of reference as a tool to proceed and gather results logically. The framework also enables to create and modify the research questions and to help to choose the most relevant topics. In research, it is important that the manner of approach is appropriate for the research aim and does not base on the researcher's opinions or own experience (Vilkka 2015, 34-37.)

The research area contains a literature review of distinct elements in housing, public services, public- private- partnerships as well as service design theories. The Hitas-apartments' history and rules and a brief of current city strategy is also presented as a guideline within introduction. Service design methodology is presented of the areas which are already mapped. Supervising services are not widely examined and information of public- private-partnerships may not be available for the research. Therefore the literature review is collected from multiple sources.

FRAME OF REFERENCE

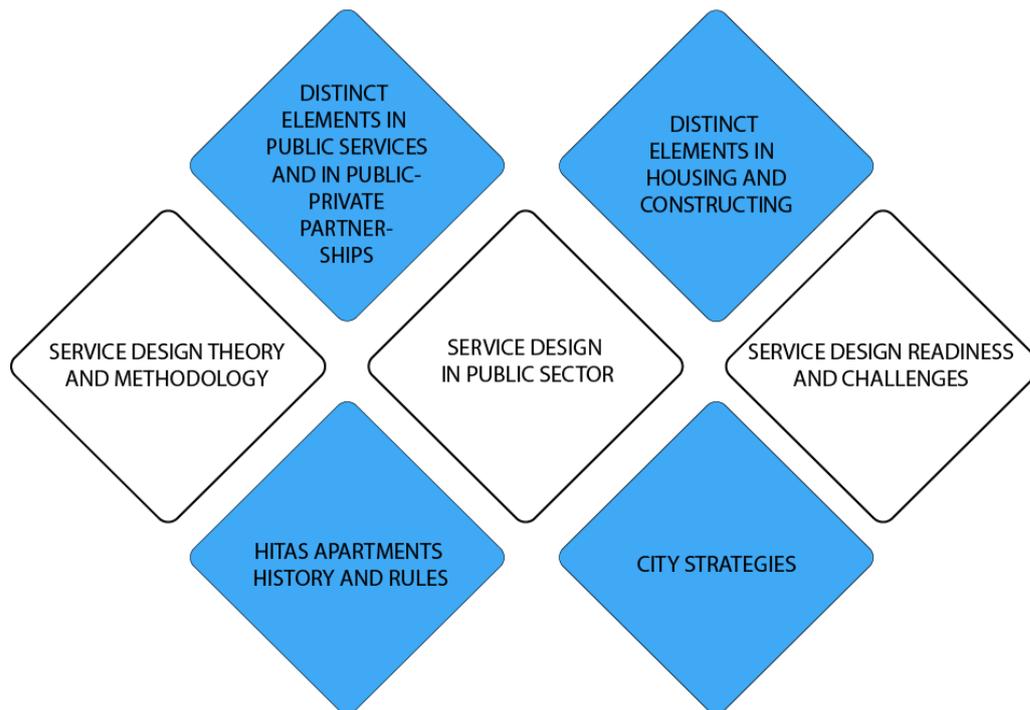


Figure 2, Frame of Reference

1.2 Aim

The purpose of the project is to create a development plan for the Asuntopalvelut-unit to implement the city's strategic decision to include design in organizational and service development. The employees are involved in co-designing more flexible actions and to create methods for ongoing evaluation of customer insights. As a fairly new and developing team, it is important to create coherent working methods. Pressure from the city's higher decision makers set service design as the method to be used by decision in principle.

The Asuntopalvelut-unit is working with multiple stakeholders. They supervise that constructors are following regulations for the marketing and sales. The office also releases information of new building sites and lotteries. Main stakeholders are consumer customers, constructor customers, leaders from several working committees and liaisons from the city's services. This thesis focuses on supervising services provided by the Asuntopalvelut-unit for constructor customers. The office has other tasks as well, but they are not discussed within this research.

The service organization is a 5-member-team with individually allocated duties. However, most of the tasks are shared among three employees. Their time consumed in the Hitas-process is divided mostly between supervising Hitas-lottery and marketing procedures. This contains handling more than 24 documents with verifications for each building project. Each one of the 24 steps contain multiple pages of information that has to be evaluated and inspected before the constructor customer gets a permission to finalize sales with consumer customer. One of the officers focuses on calculating maximum price limits which the manager confirms. (Helsingin kaupunki 2017a.)

1.3 Goals according to the needs of the commissioner

The preliminary goal for the service design project is to turn the service from inspecting and supervising to a more coaching role for the constructor customers. A secondary goal is to research communication between all the actors within the Asuntopalvelut-unit and also outside with their stakeholders. The goal is to improve customer satisfaction, teamwork and office culture by introducing service design thinking.

The Asuntopalvelut-unit is seeking for a change in teamwork and sharing tasks to reach goals of better customer satisfaction. Barbara Senior and Stephen Swailes point out that there might be difficulties in creating organizational change in the public sector. The organizations in the public sector are supervised by many interest groups such as politics, media and the general public. Decision making tends to be vague since the “top” might be considered as the highest level of administration or even political decision makers. (Senior & Swailes 2010, 357-358.)

The Asuntopalvelut-unit has not identified the value of their service process as a whole for the customer groups. Tuulaniemi (2011, 226-228) states that it is important to define the most critical conversions from the service period to another and other key performance indicators. The conversions have to be evaluated carefully because these joints will create moments of success or failure. With this particular research, it is important to smooth the customer journey to avoid bilateral moments of frustration. Constructor customers are in customer- service provider- relationship to represent their offices and therefore cannot choose with whom they are dealing. Setting up the indicators may not be done if the office’s service design readiness is not on the needed level, but the topic could be discussed.

1.4 Research questions

The research questions are in two fields:

1. What is the current level of customer experience?
2. How could the service process with internal and external as well as customer satisfaction be developed?

As a whole, the city's services have been designed in silos. One of the research interests of the study is in which areas the office may implement change in and what are realistic changes that may happen in this timeframe or in the near future.

1.5 Process plan

The process contains two aligned projects. One is the master's thesis project and the other is the service design project. Therefore, two sections were made to keep track and map out the needed actions. The research plan is more linear, but the service design process follows the double diamond- shape introduced by Design Council (2015) as well as Stickdorn et al. (2017). The plan was to create a service model for the Asuntopalvelut-unit during August 2018 and prototype new way of sharing tasks during September and October. However, that was not considered essential and for that reason the service development plan focuses on topics that are in two fields but broken into parts based on possibilities to implement based on the time needed.

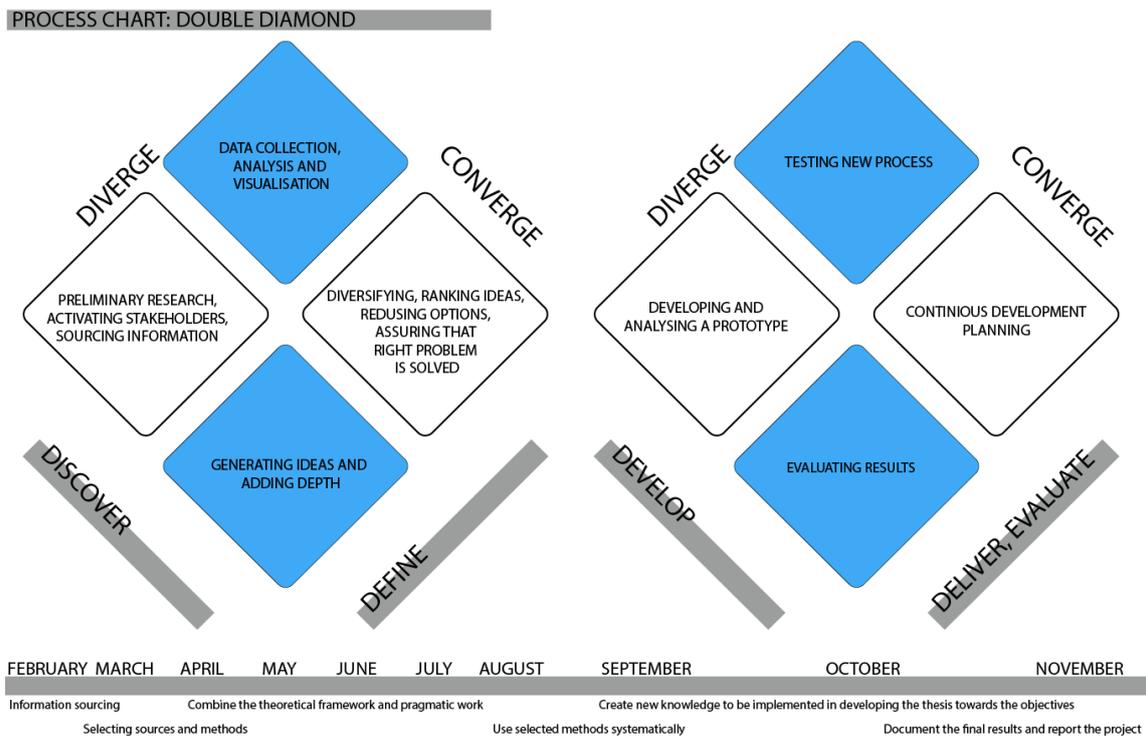


Figure 3, Process chart

2 Theory

Theory for preliminary research was gathered based on service design literature and its possibilities and challenges in the public sector. Review of distinct elements in housing completes the preliminary research. Based on the results gained through service design methods additional literature was reviewed for better understanding of processes, influence making and marketing in the public sector. Also, more information about the construction business and its risks were gathered for deepening customer insights. For possible implementation principles of good webservices and design stages was gathered.

2.1 Hitas- apartment history and rules

The Hitas-system, the price-regulated housing program was born in 1978 after the city's housing strategy was set in 1975. Former president Urho Kekkonen had his influence in the decision that made Helsinki focus on enabling the affordable housing in many ways. Prices for family apartments had risen so much that families with middle incomes could not buy them anymore. At the beginning of 1970, the number of citizens in Helsinki had decreased so much that it affected businesses. The plans of Hitas (Hinta- ja laatuksentrolli/ Price and quality control) were actively discussed since the beginning and before the actual decision.

The biggest problems were seen to be in the juridical questions of owning and selling apartments that were built with public aid and bought for less than the market prices. (Nurmi 2015, 11,14,22-23.)

Hitas-apartments are price regulated but differs from ASO-apartments (asumisoikeusasunto/ right-of-occupancy dwelling) so that Hitas- apartments are fully owned by their buyers when ASO- apartments are rented with deposit. In the city strategy, it is clarified that there should not be discrimination for the wealthiest buyers either and because of that reason apartments in the higher price range are also within the Hitas-offering. There have been over 50 constructors building Hitas-buildings of which the city's housing office ATT (Asuntotuotantotoimisto) has more than a 30% share. Other constructors vary by their sizes and history. (Nurmi 2015, 82.)



Figure 4, City constructs Hitas-apartments in Jätkäsaari

The constructors in Hitas-projects have to follow strict guidelines. First the plot is offered with certain conditions. In the next step the local Hitas-group will guide and supervise the plans so that the regulations will be taken into consideration. The procedure is then moving to the supervising Hitas-group which will inspect the plans and either support or reject the scheme. After that the plans will be handed over to the Asuntopalvelu-unit, which revises and inspects the plans. After their permission and maximum price calculation, the building license may be applied, and the construction company may start the marketing and selling

process. Since the apartments are sold lottery based the constructor also has to send the documents of the lottery process as well as the information of the buyer candidates for registration. Hitas-apartments owning is restricted to one per person. (Helsingin kaupunki 2017e.)

The process for the lottery and marketing has been defined by the city council. There are multiple stages in communicating between the constructor clients and the Asuntopalvelu-unit as well between the consumer buyer candidates and the constructors. Also, there are several documents that the constructor has to provide for inspection. The lottery has to be supervised and validated by a public notary, which the constructor will sponsor. It is very important that the buyer customers have done their application literally flawless when including the names of the household members. The city has the right to invalidate the purchase if dishonesty has been used for gaining the asset (Helsingin kaupunki 2017b). The constructors are also informed with two other brochures in which some information is repeated and some information is new. (Helsingin kaupunki 2017c-d.)

2.2 City strategies

The City of Helsinki has released “The most functional city”– strategy (Maailman toimivin kaupunki) in September 2017. The code of conduct is to organize high-quality services for its citizens and enable an incentive and fun life. The aim is to produce a well-organized, trustworthy and predictable environment, which companies and professionals may count on. Decision-making and service processes will be developed, and bureaucracy will be lightened. Design will be used as an opportunity to distinguish design, digitalization and dialogue, which together builds the experience of a good city. (Helsingin kaupunki 2017f, 3-5.)

Although the rising number of citizens is considered to be positive, it may also bring challenges. It is important to maintain social cohesion and not allow the separation of demographic groups or certain neighborhoods to escalate. Helsinki aims to be one of the top examples in Europe in actions to prevent segregation. A functional housing market has an important role in this particular challenge. Helsinki controls the expenses in the housing industry and aims to enable construction for 15 000 apartments in four years. (Helsingin kaupunki 2017f, 6.)

Since 2016 the housing department has been involved in Kotikaupunkina Helsinki- program which, provides guidelines for the housing and use of public land. This program was

launched by the city council but follows the Finnish government plans. In the 2018 report, the production of apartments has not reached the expected level. However, the organizational change in 2017 supports the implementation of expected projects. The challenges for constructors are the lack of employees and rising building expenses. (Helsingin kaupunki 2018a, 3,6,12.)



Figure 5, Builders working in Kruunuvuorenranta, Helsinki.

2.3 Distinct elements in public private- partnerships, housing and in public services

The public sector could not operate alone in cities. Private companies are needed to implement projects which the public sector could not afford in terms of investments or time. Even in the public sector performance and output are the key criteria with measuring actions. Public management is changing, and the public and private sectors combine their efforts. There are many variations in the public-private-partnerships from fully publicly or fully privately-owned projects to joint ventures and agreed frameworks. (Bult-Spiering & Dewulf 2006, 1,4.)

The Hitas-housing could be defined as traditional public contracting. Based on Bennet et al. (2000) it means that the public sector hires a private organization to build a new facility. However, the term is not covering the partnership idea. There are also elements of alliance

partnership since the constructors only lend the land they build, and the city buys one of the apartments in every new Hitas- site. However, as Knibbe and Spiering describe (2003) the private sector allocates most of the risks. (Bult-Spiering and Dewulf 2006, 5,7.)



Figure 6, Hitas- apartments are built in Jätkäsaari, Helsinki

In the housing industry the combination of actors is the civil society, the public sector and the private sector. All of the sectors have their own motivations and characteristics. For example, the public sector aims to serve public interest in which the private sector answers with dynamic actions. Their actions and motivations overlap, and boundaries are blurring. More co-ordinations across these fields is needed. (Bult-Spiering & Dewulf 2006, 20, based on Rosenau (1999) and Pongsiri (2002).)

In Hitas-projects the interest of constructors has been changing over the years. Housing business has many risks and therefore the City of Helsinki owned ATT- office has taken bigger role in Hitas-projects. City's officers have huge pressure to keep up with city's housing strategy. Also, some locations in Helsinki are not tempting for the private constructors. Some apartments maybe hard to sell and that lowers the value of the lottery-based selling instruction. On the other hand, some locations are so popular that the number of buyer candidates makes pressure for open lottery policy. After all, compared to open housing market the consumer customer benefits about 20% of purchasing price and the constructor carries little less risk. (Nurmi 2015, 84,86, 116.)

Based on Kahri et al. (2011, 72-73, 79-81) the housing production in Finland has developed from 1960s mass-production to 1980s singular-based production to resident- based- industry in 2000s. The building industry now faces challenges of the demand of reasonable priced

homes with thorough product- and service-experience. Socio-economic changes have decreased number of people in households, fragmented consumer habits and economic growth has changed the nature from mass-consuming to consumers with demand of personalized services. This may be considered as an interruption in the constructors' processes since their project management system may not support filling individual requests by customers.

The housing industry has more limitations than other industries in terms of launching customer- oriented planning. External limitations such as city planning, laws and social aspects makes the housing industry and living more complex as process. The constructors may use mass customization as a tool to involve consumers. Co-design and co-creation have been tested in several projects of which online-based planning tools have been the most successful. In modern housing- products the systematic planning for service processes and experience and integration in supply chain is crucial. (Kahri et al. 2011, 83-85.)

Service types in the public sector can be divided in three categories. Core services considers necessary services such as security and basic services such as health care and justice. These services are provided with tax incomes. General public services consider services which citizens are not totally reliable but have more options to choose from. These services are partly paid by consumers. Market driven public services are based on real customership and the services are charged based on real expenses. (Hannus 2004, 336 according to Määttä and Ojala, 1999.)

Service models define the customers and stakeholders and the channel how to create value for customers. Strategically service models consist definition of provided services and used channels, capabilities, processes and the structure of organization. The public sector service models are professional services that provide help in complicated questions and situations as in hospitals and research, multi-service-model that provide help for large audience in multiple situations that are hard to foresee. Many supervising offices and court can be defined as multi-service. Standard service model provides services that are possible to repeat to consider large volume of citizens for example for taxing. Electronical self-service model consists multiple e-services as well as automatic services as electronical taxation. (Hannus 2004, 337-338.) Hitas-service for constructors can be defined as multi-service provided by construction professionals but also supervisors.

Understanding customer insights and business profitability is a symbiosis. In Palmu inc. a matrix of evaluating service ideas and concepts is used as a tool launching new services in

companies' service portfolio. The quality of customer experience and the value for the business is compared with a level from to weak to excellent experience versus small to significant economic value. A company should decide and define services using the aimed placement in the matrix (Tuulaniemi 2011, 105-106). However, the Asuntopalvelut-unit is not only serving but also supervising constructors. For that reason, the aimed values may be evaluated from another point of view.

2.4 Processes and risk management in construction business

Construction process has five stages. First the need of a build is clarified. Then the process is planned and after that the actual construction is planned. Then follows building and the use of the space. In each stage there are several stakeholders involved and the tasks are various. The main stakeholders are owners of the sites or companies, the project subscriber, user, builder, designers, constructors, sourcing agents and officials. Depending on project needs, size and length the tasks may change, and qualification of skills may vary. (Kankainen & Junnonen 2001, 9-12.)



Figure 7, Construction stages in building site, Kalasatama, Helsinki.

The constructors' tasks are for example budgeting both finances and time, recruiting several professionals and negotiate their contracts and bidding of outsourced tasks. Constructors follow the expenses and budgeting and make decisions based on ongoing situation. It is also constructors' task to supervise the build and make changes in contracts if needed. They also organize the initialization and answer in possible duties during the warranty period. (Kankainen & Junnonen 2001, 13.)

Cities' construction supervision boards are officials which tasks are defined based on the municipal law. They are entitled to guide ongoing projects but also charge possible sanctions or even interrupt builds if necessary. The tasks are divided in actual supervision and guiding. However, the motivation is to prevent possible mistakes and loss and support practicalities that encourage good building habits. (Kankainen & Junnonen 2001, 63.)

In the construction business the line between responsibility of reporting and obligation to request information is vague. On the other hand, the professionals and contractors are expected to know the most common practicalities. For example, some details may not be mentioned in the contracts because the standards are expected to be known. For that reason, the subscriber of the work is not as highly entitled to report detailed information, but the responsibility is turned towards the constructor. (Kankainen & Junnonen, 2001, 71.)

For possible disagreements negotiating is the primary way of solving problems. However, sometimes distractions and mistakes are not followed by constructors' or contractors' own actions but by a third party. In those cases, influence making is difficult, and contracts may not include such a detailed information that could solve all possible disagreements. The aim to implement good building practicalities is to be obeyed by every party. The risks are shared reasonably based on each actors' tasks, professionalism and possibilities in making influence. The contracts should be made so that conditions are reasonable and do not include hidden risks. (Kankainen & Junnonen 2001, 79, 83.)

Construction business is vulnerable in terms of unethical behavior and black market. The smaller companies are at risk of using unregistered workforce, hiding possible incomes and avoiding taxes. There are several risks such as causes of possible occupational accidents and on the other hand the distortion of competition. (Musta tulevaisuus, 2008.) To avoid these problems the Committee of Construction Industry has created ethical instructions for the sites. The aim is to secure basic rights for every employee and to encourage work communities in equality and not accept discrimination. Ecology is also important to

remember. Another principle is to react whenever unethical behavior is detected. (Rakennusteollisuus, 2018.)

Organizational risks may be divided in 5 categories. Risk of damages consists the possible losses or harm for properties, operations, interruptions, responsibilities, people, environment, capitals or for investments. The risks in immaterial capital includes areas of changes, structures, processes, IT, updates, quality, investments, brand, portfolio, strategy and ownership. Immaterial capital of external relations contains areas of regulations, finances, trade cycles, agreements, globalization, stakeholders, politics, crises and change management. The third area of immaterial capital risks are in human capital. That consists intangible capital, knowledge, ethics, leadership, values, development, success, innovations and dissociation. The fifth category in in risk management is the area of variables and in unexpected situations. That means the effect in climate, chain reactions, use of land, terrorism, crises, change management, decision making, accidents, IT and networks. (Rautanen 2011, 30.)

Organizations base their strategies and actions depending on probability of risks and on the other hand courage to take risks. The most successful international organizations analyze risks in multiple areas and do their researches for example in areas of megatrends, technological innovations, competition, making influence, service concepts, operations, resources and leadership. Implementing strategies involves every employee. To improve that combinations of risks are categorized and defined. Understanding tangible and intangible risks will increase the sensitivity in risks in leadership. Strategic risk management is a good tool for ensuring success in operations. (Rautanen 2011, 31, 34-35.)

In Finland ARA (Asumisen rahoitus ja kehittämiskeskus) has created several possibilities to help constructors to lower their financial risks. They arrange loans with interest subsidy and other possibilities such as right- of- occupancy dwelling system which is beneficial to constructors too. ARA also offers grants and financing for example for improving residential areas and building projects for vulnerable demographics such as elderly people, disabled and students. However, there are limits in building sites sizes in terms of expenses of VAT which limits certain types of projects out of the support system. (ARA 2018.)

Based on Yle-Uutiset (27.02.2018) one of the constructors' dilemmas is to overcome the lack of work force and resources in Helsinki area. Despite the possibilities by lowering financial risks offering possibilities to build ARA- and Hitas-sites the constructors' struggle with overall risk. There are less offers from the constructors' side than what the City of

Helsinki has been expecting and the goal of building 6000 new apartments in 2017 has not been reached. At the moment the constructors have an option to choose their projects because the demand is high. However, the demand creates problems for constructors such as being able to get enough builders, designers and even building materials. In areas such as Kalasatama and Jätkäsaari the demand of pile-driving increases expenses and decreases the interest in the subsidized but not so profitable building possibilities.

2.5 Service design description

Tuulaniemi describes service design as a shared method and way of thinking considering planning services. Service design is also a process and a toolbox with its framework. Larger subject is divided, analyzed and shared in smaller issues. In order to reach every problem, they are solved independently and combined when resolved (Tuulaniemi 2011, 58.)

Services can be divided in three categories. Core service values are care, access and response. Services can be a mix of all of the three or having just one element of each. Services are ubiquitous, and they are also hidden but critical providers in our everyday life. Showing customers what happens behind the scenes is designer's frequent task. In the contrary, it is critical to show staff what is happening in the lives of the customers. (Polaine et al. 2013, 629-631.)

These core service values can be examined by what is it that people get from the services. However, the internet can be defined as a meta-service because it creates access to other subservices. These elements overlap in many fields. Businesses may have different core values depending on time and need. Service designer can show invisible elements of a service as well as hidden recourses and services that customers take for granted (Polaine et al. 2013, 676-680.)

Based on Stickdorn et al, the principles of service design are human-centered, collaborative, iterative, sequential, real and holistic. The design aims to include all the people that are affected, and the stakeholders are involved with the planning process. Service design is an approach towards results that can be defined by iterating method. Visualizing service and its interrelated actions the orchestrated structure will be defined. The background of the research should be based on real topics. The needs of all stakeholders should be included to design and implement the result through the business. (Stickdorn et al.2017, 26-27.)

A service does not exist if there is no one using the service. The stakeholders are also a critical factor in services. Together they form a service experience. The communication between the user and service provider is the key element. It is important to understand both sides' insights, expectations, needs, motivation and values. Gathering customer insights means that companies have to understand the reality in which their customers are living in (Tuulaniemi 2011, 71.)

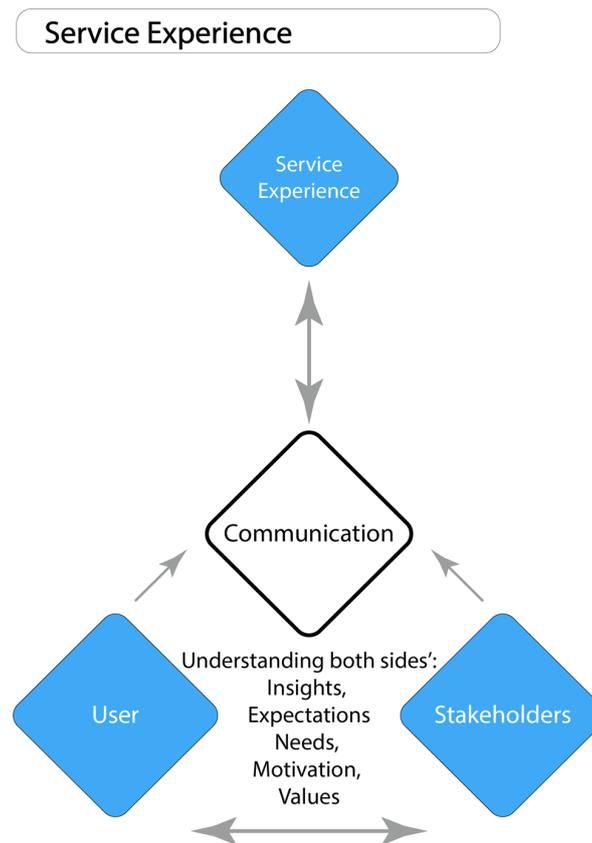


Figure 8, Forming of Service Experience

Schneider and Stickdorn point out that service design is a challenging topic to define and is better to be described through cases. However, service design as a way of thinking combines cross-disciplinary approach and skills in the fields of design, process engineering and management. Customer-centered method provides great benefits for several businesses and for the public sector. The aim is to make new services better for their usability, efficiency and desirability. (Schneider & Stickdorn 2011, 23-24.)

Service designers may create real value to the customer by building services based on genuine insights of people who are using the services. Complex services can be simplified

and made more powerful. The human experience will be satisfying and fulfilling if design is applied to all elements of a service. Focus of the modern life has shifted to quality of life instead from standard living. Service design may cause more effective employment of resources when service performance is measured the right way. (Polaine et al. 2013, 489-450.)

Tuulaniemi (2011, 34-35) refers to Osterwalder and Pigneur by listing most important values a service may create: Brand and status of a service or a product helps us makes decisions every day. Ease of use and ease of everyday life creates value to make services and products more comfortable to use and utilize. Price creates value indirectly as a tool to access or own a service or as a determiner of prize- quality- relation. Possibility to save money creates value too.

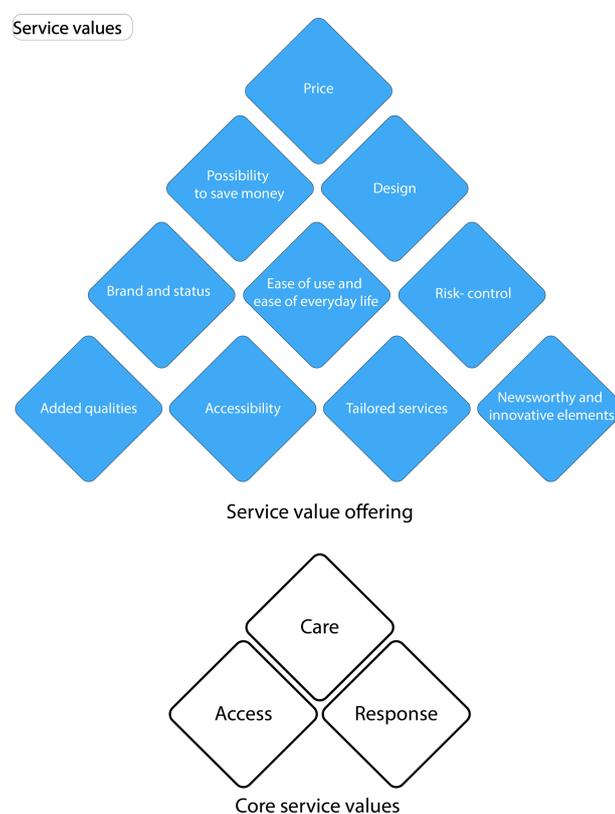


Figure 9, Service values, combined Tuulaniemi (2011) and Polaine et al. (2013)

Design as a value is hard to measure but is able to be evaluated in personal level. Qualities added in services and products may be added and united. Accessibility creates value by physically enabling the use of service as well as making another service or value accessible for the customer. Tailored and unique services base on solving problems for individual needs. Newsworthy and innovative elements create value especially to early adopters who

seek for revolutionary and new ideas. Risk- control is creating value by customers seeking for reliability of purchase. (Tuulaniemi2011, 34-35.)

Design tries to be proactive making anticipations of people's needs and hidden needs. With the foreseeing approach service designers plan solutions and potential businesses that help people's life even though they would not have seen the need themselves. User experience consists three levels: Action, feelings and meanings. A great service can be designed only with taken all the moments and actions where users meet the company (Tuulaniemi 2011, 73-74.)

In order to create simplified yet better user experience the service should be also designed as a whole instead of silos. Customers base their judgement of the service as how the whole combination works together instead of pieces of a service. The quality of separate touchpoints should be in same level instead of varying dramatically. Services should not be treated as products since if something goes wrong services can not be fixed as the same way as problems with products. Understanding people is at heart of service design (Polaine et al. 2013, 556-557.)

Service designers use mostly ethnographic qualitative methods gathering customer insights. However, any method that helps a designer to understand people's motives and behavior will contribute to a service design project. Interviews, participating and observing, doing service safaris, surveys, probing, organizing user workshops, diaries are all great tools for service designers. Also, visual tools such as picture cards, drawings, photo diaries and videos are proven to be suitable methods gathering information (Polaine et al. 2013, 946-1284.)

2.6 Service design process

Service design process can be separated to five stages. The definition part creates understanding of the goals of the service provider and their organization. The research part will define strategic goals of the service provider. The design stage visualizes and sets indicators for service. In the production part the concept will be launched for the customers to use and test. Then follows the evaluation part and the service will be adjusted based on feedback. (Tuulaniemi 2011, 127-128.)

Stickdorn et al. (2017, 89, 92, 93) divide the process in four steps. The discover stage is a diverging stage with research, data collection, analysis and visualization. The definition stage aims for generating, adding depth, ranking ideas and reducing options by converging

thinking. In the development stage ideas are diverge the aim is to test and prototype ideas and create further methods. The fourth step which is delivery the ideation process is again converging. The service is implemented, and changes will be initialized. However, the last stage may have elements from all the other stages.

Design-council defines the process also in four states naming the frame as double diamond design process. The discovery stage contains market and user research as well as planning research groups. The aim is to see the world with new eyes and seeking inspiration. Definition stage gathers the most important questions: Which matters the most? Which should we act on first? How do we develop a creative brief that frames the design challenge to the organization? The developing stage is the core creative stage. Based on gathered information the new service ideas are iterated, tested and prototyped. The fifth phase of delivery gathers the whole process and the chosen services and elements are launched. Also, feedback and evaluation are included. (Design council 2015, 7.)

Jyrämä and Mattelmäki are referring to Hautamäki who states that in the modern society citizens know-how and ability to control information are higher than ever. There are no recourses to be lost such as the skills and motivation that are available within the employees of the public sector. According to Bason, committing end users and employees with the service design and innovation process, the result will most likely benefit all stakeholders. Co-designing with insights of employees will open new possibilities for innovating services. (Jyrämä & Mattelmäki 2015, 36.)

The service design process can be seen as a dictionary which enables different professions and groups to share and produce information. However, co-designing can cause various interpretations of each topic. Organizations should understand end user's insights and incorporate gathered information for its needs. Service design consists iterative process which opens variety of views layer by layer. (Jyrämä & Mattelmäki 2015, 39, according to Valminen and Toivonen.)

2.7 Service design and science in the public sector

In Jyrämä's and Mattelmäki's publication "Palvelumuotoilu saapuu verkostojen kaupunkiin" the possibilities of service design in the public sector were examined. The starting point for the city's critical tasks is to plan strategies for wealthy businesses but also create prerequisites for operations. Advancing competitiveness is also an important task. For these purposes City of Helsinki has set several projects and divisions to execute development

projects, co-operate with stakeholders and produce needed services. Co-operations with Aalto-university started in 2009 and was one of the first projects introducing service design as a method in developing public services in Helsinki. (Jyrämä & Mattelmäki 2015, 18-21.)

Service science also offers a point of view to examine and analyze the public and private sectors. The purpose is to research substances that both sectors share regardless their distinct differences. Service science highlights vision and meaning of mental capital. For example, in the public sector, services' most of the problems are not based on lack of resources but lack of vision. In traditional organization and leadership theories the company chooses what it produces, to whom it is for and how the process is organized. Service research examines whether the outcome and produced value could be measured through compassionate communication, dialogue and polyphony instead of traditional measures. (Laitinen et al. 2013, 14-15.)

Already in 1980's Norman detected that traditional leadership theories and methods do not work very well in service-organizations. Because of the tangible nature the service industry operates with different kind of logic than producing physical products. One of the service science tasks is to find solutions for the confrontation between the public and private sector. Because of its political tendency the tension is hard to burst. However, there are many similarities between these sectors. (Laitinen et al. 2013, 35-36.)

Tuulaniemi (2011, 281- 282) discusses about possibilities that service design has in public sector. All though there are less and less recourses there is huge potential to create better services. Service design could be a good tool to make existing services better as well as innovate new services. If the value that service brings is not measured financially it may be measured as solutions that functional services provide to citizens. The most important mission municipalities have is to maintain social order. Services is a suitable media for that purpose. However, as operational environment the public services are more challenging compared to enterprises. Political aspect in decision making and the responsibility to produce certain services by the law are the two main challenges in service production.

City of Helsinki has been one of the first municipalities in developing user centered services. One the Helsinki city's pilot project was Business friendly- program that aims for better B2B- services. The focus was to develop service for event organizers, start-up-businesses and for small and medium enterprises. Internal processes have been also selected as one of the issues which will be researched through service design. Tuulaniemi refers to Jussi Sorsimo from Culminatum Inc. who discusses about the challenges in processes in the public

sector. Main questions are who are the decision makers and who are the internal partners? Sorsimo thinks that using service design it is possible to motivate and inspire several groups and actors in the public sector regardless their political or political interest. (Tuulaniemi 2011, 284-285.)

2.8 Service design challenges

All though service design may bring new possibilities in business there are also challenges using design thinking in the public sector. Design Commission in Great Britain has pointed out that public organizations which cherish constancy may not be able to get together with design principles. Design as an industry may not seem clear to someone outside the field and the term Design itself is hard to understand. The value that design brings in the public sector is hard to measure. Sourcing design services are hard to calculate and there for put under bit. Also, designers are not trained to develop public services. (Jyrämä & Mattelmäki 2015, 41.)

However, designers have an important role in raising the understanding for using design in several purposes. That is crucial in developing the design readiness in organizations and field. Based on Parker and Heapy (2006) the long-term goal for renewing services should be focusing in wellbeing index instead of economic measures. Services should be redefined to answer their original purpose. Instead of increasing profit in existing services the services should be seen as a channel for offering rounded life for their users. (Jyrämä & Mattelmäki, 2015, 44.)

The design readiness in organizations may be increased by several types of service design projects, workshops and creating service design toolboxes specifically for the public sector. It should be taken into consideration that adapting the new approach and taking service design into action may be challenging for both substances the actors in the public sector and the designers. It may even feel frightening to try to utilize design in modern complex and huge organizations. However, spreading design in organizations often happens through one or two early adopters. (Jyrämä & Mattelmäki 2015, 46, 53-54, based on Jenkin (2008) and Junginger (2009).)

Presenting design thinking and processes is not enough when introducing service design for project groups. While orientating teams it is critical to evaluate and critically think how the process is introduced to avoid possible miscommunication and to build trust and understanding. The new approach may be presented by creating possibilities for participants to experience and use service design methods and tools for developing processes and

attitudes as Jenkin (2008) states. Prototyping as one of the service design methods is a good example how to reach goals in many ways. Tom Kelley (2001) argues that prototyping may be used as a tool to visualize, discuss, learn and even for openly fail to discover new. However, it may take time to adopt the mindset as Helsinki has showed since 2008. (Jyrämä & Mattelmäki 2015, 69-70, 74-75.)

Companies should carefully consider their elements and stages in interaction with customers. Often companies ignore the two critical questions that interaction design includes: How does the service seem in the customers' eyes? Does the customer consider the service valuable and is that consistently experienced? Losing value this way happens often. Services consists of the interaction between customers and service system in which the customer experiences multiple touchpoints. It is easy to annoy customers with irrational elements in services and products. Unconscious negative feelings may appear also experiencing disparities in visual communication. (Schneider & Stickdorn 2011, 74, 66-67.)

2.9 Understanding production processes

To analyze the differences of companies it is important to understand two possible way of using resources. Resource efficiency is a common model in planning processes and as a tool for making strategies. Every recourse in the chain of production of goods or in service-chain is used with full capacity. It is considered as a good use of recourses if tasks are waiting to be completed even though, the process would take time. Flow efficiency instead researches the used time of finishing production or service-chain from beginning to end. Ideally a product would be ready in shorter time or the chain of services delivered. (Modig & Åhlström 2016, 10, 13.)

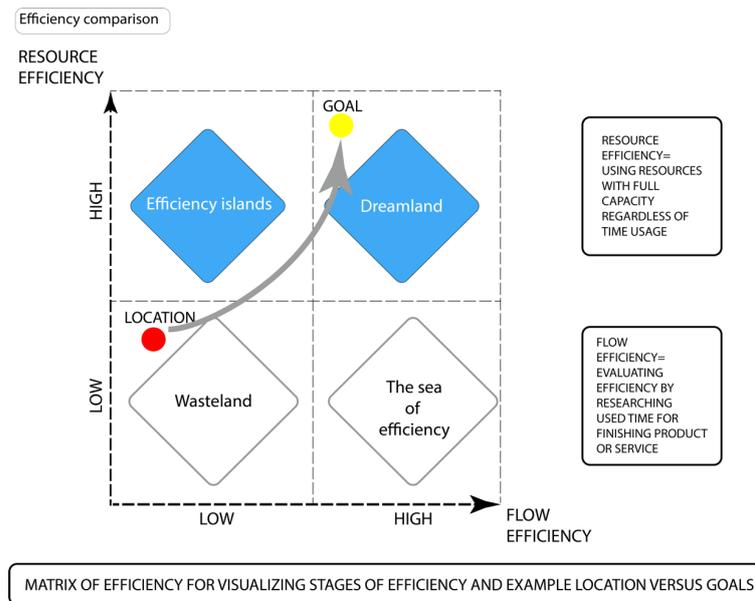


Figure 10, Efficiency comparison, based on Modig and Åhlström, 2016.

Toyota production system originally inspired researchers to distinguish possibilities that flow efficient model may have compared to resource efficiency. In 1988 Krafcik argued in his article *Triumph of the Lean Production System* that instead of heavy production system a lean but agile production system may guarantee good quality and high productivity. Based on this argument other researchers discovered the essence of Lean thinking. Womack et al. defined in 1990 the 4 principles of flow efficiency which are working in teams, communication, using current resources efficiently and minimizing losses and continuous improvements. (Modig & Åhlström 2016, 78- 79.)

In process analysis three main rules apply in analyzing flow efficiency. The “Little- law” explains the speed of flow efficiency based on how many ongoing unfinished tasks are within process and what is the time needed to deal with them. The “Law of bottle necks” means that whenever bottle neck is created or accidentally appeared the time for the lead time rises. The “Law of changes in variables” means that the lead time rises also, if there are changes within the process or if the volume of tasks rises close to the full utilization rate. (Modig & Åhlström 2016, 44.)

Organizations that are operated based in resource efficiency are often separated in silos which are supposed to act in full capacity. That might cause negative impact in the customers’ but also in the operations’ and the employees’ point of view. There are three sources of inefficiency that may appear. Resource efficient processes may be very slow

which might cause the company not delivering the customers primary needs in the time which creates secondary needs. Working with full or overloaded capacity causes missed opportunities and extra work because for example the time for preparing upcoming tasks is too short or there is no possibility for the key actors to generate new information. The second obstacle is that if there are too many simultaneous tasks the need of storage space or time for sorting rises. Third obstacle is the need for restarting tasks after they have been waiting to be handled. Re-orientation for the tasks or for example answering complicated questions in email slows the process significantly. (Modig & Åhlström 2016, 48-55.)

There are several ways of using Lean thinking as a strategic tool. One of them is to evaluate operations based on analysis of values, principles, methods and tools. The value aspect defines the quality of organization. Principles guides how the organizations have to think. Methods define what to do and tools define which elements are used. Regardless of which strategy the organization choose the aim for operating with lean thinking is to minimize the changes of variables to improve the flow efficiency. In order to do so, Toyota emphasizes two important elements in value-based operations which are respect and co-work. (Modig & Åhlström 2016, 141- 143.)

Organizational development in the public sector faces many obstacles. There might be multiple authoritative decision makers and interests from several sources that limit possible changes. Another challenge is to try to implement changes in too short timeline without coordination and with too little understanding of organizational problems. Change resistance may rise and staff might feel “initiative fatigue”. However, coordinating organizational development may enable more efficient use of resources such as workforce and technology. (Senior & Swailes 2010, 357-359.)

To reach implementation of strategic planning the culture of strategic leadership has to be persistent, wise and patient over time. If the culture of strategic leadership has to be grown from scratch it may take up to 15 years to reach. To reach strategic success an organization has to be able to learn new but as well be able to release old knowledge. Having the idea that implementing strategy fast leads to success may be an illusion. The strongest companies now days are agile and fast because of their persistency in planning. (Kamensky 2010, 361-362.)

Creating future scenarios may be incorporated part of strategy. The future arises constantly amongst us instead of around us just a week before strategy meeting. Companies may benefit in learning about future by collecting and analyzing week signals. Single week signals are not as meaningful but with combining detected trends that are similar strategies may be

changed. On the other hand, unwanted trends may be avoided. Ideally collecting weak signals is delegated to every employee and results are analyzed in work group that benefits from members' heterogeneous backgrounds. (Hiltunen 2017, 64-69.)

2.10 Influence-making and marketing in public sector

Thaler and Sunstein have launched a term of a choice architecture and types of nudges that organizations may use in order to push clients towards certain direction in the service chain. The dilemma with irrational behavior in consuming and decision making led them research why people do not always make the best possible decisions for them in terms of economics. They discovered that many consumers are happy in stage of status-quo-bias. Changing magazine subscriptions or even tv- channel is sometimes impossible all though one could benefit financially or find something more inspiring to watch. Instead, offering people best possible default options would guide them towards better solutions. (Thaler & Sunstein 2008, 11, 35.)

The main types of nudges for making influence are incentives, understanding mappings, setting defaults, giving feedback, expecting errors and structuring complex choices. Having these guidelines choice architects may influence in service experience and results. This might be done by for example letting all the users know what other people do. That creates social nudge and people will influence on one another. (Thaler & Sunstein 2008, 66, 102.)



Figure 11, Games are an example of social nudges. A girl in Kansalaistori, Helsinki.

Based on results communication is in key element in developing service in the Hitas-process. Vuokko examines the role of non-profit organizations as marketers. All though public organizations do not seek for economic profit they seek for social profit and executing their mission. For that reason, they should define their target audience which are citizens, companies, clients, internal clients and stakeholders and political actors. The aim to make influence within staff members is also crucial. (2004, 20, 32)

Customer centered thinking may be included as part of marketing and informing. This does not mean only listening the needs of customers. The meaning should be ability to learn about the target audience's needs and criteria. Good service is reached if only the target group may define it so based on their motivations and set level on their own scale. However, the balance is reached when customer centered actions are built by balancing both customers' and organization's needs. (Vuokko 2004, 62-65.)

To change organization centered thinking into customer centered model the idea is to turn the focus chain. Organization centered chain is primarily starting from organizational needs

then planning their product, actions and service. After that comes evaluating the needs of customer. Customer centered approach shifts the arrow from the last step into center. That way the product, actions or service is formed based on both substances needs' equally. (Vuokko 2004, 67.)

Customership with public organizations is not always optional. That does not validate ignorant behavior from non-profit organizations, but customers' needs, and satisfaction should still be in focus. However, satisfaction can be seen as an element that is not supposed to be underestimated but the focus should be in thinking the ways that makes customers more committed. For that purpose, organizations create bonds of which guide and thigh the customer with the organization. (Vuokko 2004, 71.)

The public sector may face challenges in customer centered approach. The role as an active service provider is not clear but the units are built on demand. There are several topics such as organizational barriers, challenged defining and controlling the customers and elements of competitions that makes it difficult for the public organizations to reach customer centered culture. Also, the marketing effectiveness needs focus on defining target groups and their reachability. Non-profit does not mean non-marketing. In these organizations the focus of marketing should be towards stakeholders in lateral and backwards direction instead of just directed forward to the customers. (Vuokko 2004, 101-102, 170, 29-30.)

2.11 Webservice design

This topic was examined for the purpose of possibly implementing improvements for communication and influence making between internal and external stakeholder within the Hitas- process.

A great webservice should be easy to use, read and access. The logic should be consistent from page to another and all the information should be presented in coherent hierarchy. Presenting the meaning of the service clearly should be the golden rule in creating webservices. The criteria of making successful websites is to create combination of uploading speed, visual credibility and meaningful content. (Jääskeläinen 2010, 25, 29, 49.)

Online services in public sector are mostly focused in publishing one-way information instead of using the channel for gathering or utilizing data. However, customer centered thinking is spreading in public services as a guideline. That means constant discussion with customers and representatives of organizations. If the customers visiting public service

websites would be named as a source for bringing back value, the services should be developed. For that possibilities to comment, send feedback, receive updated information either online or via email and read related articles should be featured. (Jääskeläinen 2010, 175-177.)

In order to create a webservice 6 stages development project should be started. First the brief is created which leads to concept definition and making. Then the service is designed visually, and layout is converted digitally. Then the content is integrated into CMS and after that published and evaluated. Developing webservices surprises will always emerge. Time, thinking and using professionals are the best tools avoiding these problems. (Jääskeläinen 2010, 179, 301.)

For this particular project the stage of making the brief is the most meaningful to discuss more. Jääskeläinen (2010, 181-182) lists six important questions to discuss before rushing to create or develop sites. The questions are: What is the meaning of the site? Who or which group the site is mainly targeted for? How to measure success of the development project? What is the life-cycle of the website? Does the development answer the invested money and effort? What is the visual layout like? In planning stage, it is important to define possible elements of additional services such as need of extranet and its content. Sometimes customer may ask for more complicated extra services than what the need really is.

3 Methodology and results

Research methods have been drafted with the manager of the Asuntopalvelut-unit in January 2018. During the project the goal of the research and the schedule were modified as well as the plan for the use of methods. The research questions were developed since the beginning in three stages. Preliminary discussions showed the need of examination based on challenges in team-work, but further discussions and customer experience results pointed out that the focus should be more about process management and finding new possibilities of making influence. The Asuntopalvelut-unit officers were taking part in several meetings in which the results of the interviews were discussed, critical factors of the service and the process were evaluated, and development ideas were brainstormed.

3.1 Service design process schedule

By February the commissioner and researcher had met twice. The problem amongst stakeholders' use of time seemed to be very urgent. There are several points of frustration because the instructions the office have given out are continuously being neglected by constructor customers. The nature of the service was undefined for the Asuntopalvelut-unit officers. They wondered, whether their work should be called a service after all. Their section has been overruled and more assignments have been dedicated to them without their opinion over the years. Some resistance for power and political decisions were easy to detect.

By April another meeting was held. The interview questions for constructor customers were co-designed. Plans to start interviewing the constructor customers were made and with two of them the meetings were settled to be held in mid-April. The interviews were semi-structured following the questions set on surveys which were supposed to be sent to those B2B-customers who could not be met. Surveys for employees were ideated for gathering possible development ideas and a "mood- questionnaire" for getting idea of general experience of the ongoing week. The idea of these two surveys for employees was to pilot something quickly and with the gained information create open conversation later in workshops. However, the surveys were not used.

During May, June and July the interviews for the constructor customers (5 teams) were held, the material was transcribed and analyzed by the researcher. The literature review was made and workshops with the officers in August were scheduled. The material for the second seminar was gathered. Continuity plans for the research were made. Based on the feedback after the second seminar in August the research questions were modified, adding customer satisfaction as a part of the research. The simple version of the stakeholder map as well as the Hitas-apartment history and rules and Helsinki city strategies- chapters were relocated into Introduction. Interview questions for the constructors were relocated as part of the appendix.

During April and August, the literature review was gathered, and the topic and research questions were modified. During the interviews, some topics came up that may be chosen as development targets and for that reason the theory was deepened during the third stage of the master thesis process. Based on customer feedback there are issues with communication and for that reason the basics of information effectiveness was included. Also, deepening the customer understanding by basics of constructing rules was added. Based on the stakeholders' problem definition organizational efficiency was reviewed in October.

Results of the interviews clarified the topics for the co-design workshops. Workshops with the team and more interviews were organized in August and September. By October ideas of service development were created and analyzed. By November the thesis was finalized.

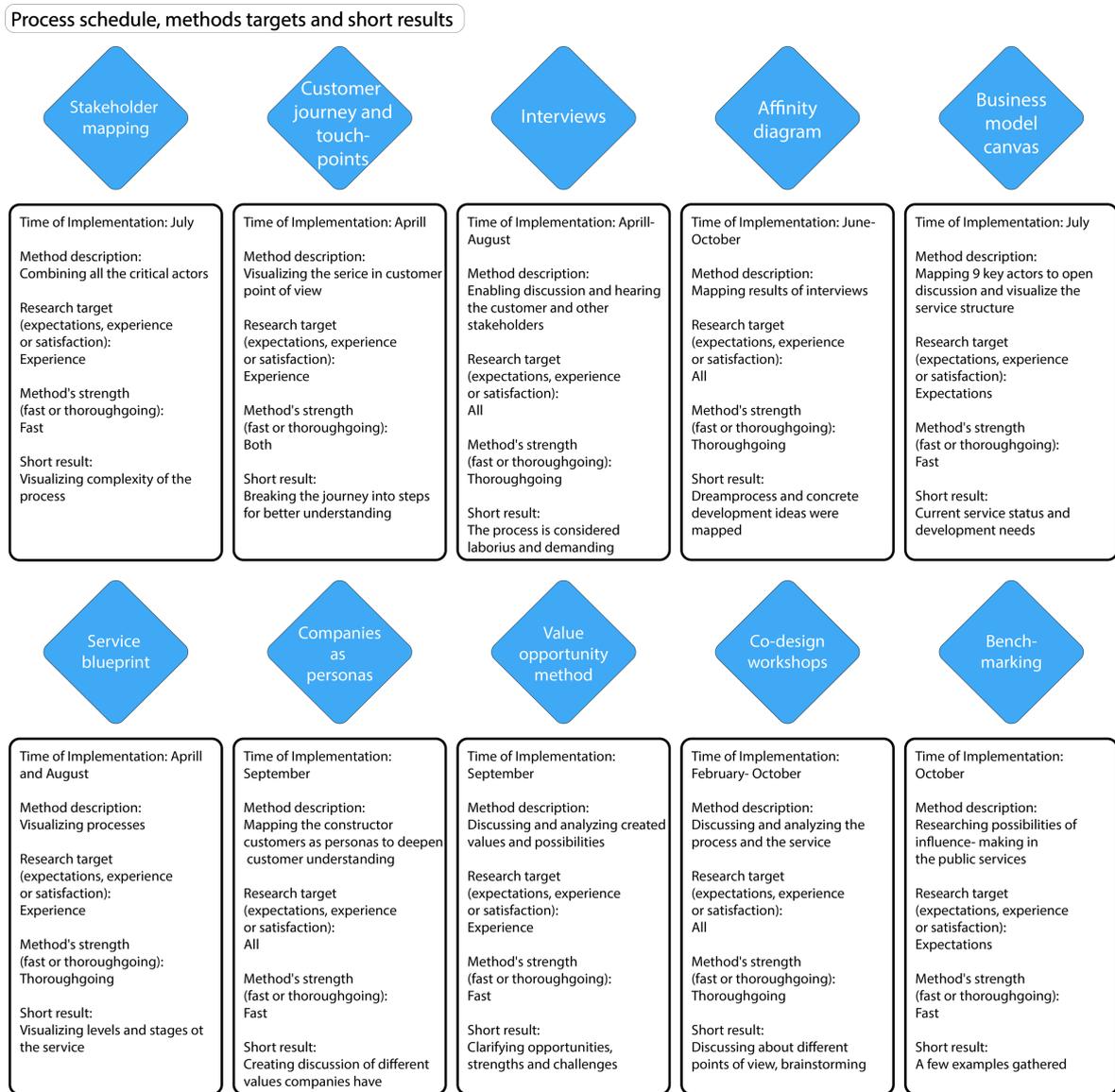


Figure 12, Process schedule, methods descriptions

The process schedule was committed in the planned time except the prototyping stage. This topic is further discussed in the Reflection chapter.

3.2 Stakeholder mapping

Ideally stakeholder maps are visual reference points for the design team. Primary and secondary stakeholders are listed and identified in several ways. The map of the relationships between stakeholders will serve as a tool for communication and will be developed till

consensus is reached. Multiple ways of creating stakeholder maps is possible, there is no one right way. (Martin & Hanington 2012, 166.)

Stakeholder mapping may be part of service ecology examination. While trying to understand the service as a whole and creating new concepts, the reorganization may be done by understanding how the actors work together. Service ecology mapping helps to understand other parties beyond business units in a wider context. Also, one of the main principles in service design is to involve stakeholders in the research. Another goal is to learn from the individuals instead of the masses when creating personalized services. (Polaine et al. 2013, 1488, 774.)

The information of listed actors is gathered through multiple online sources (Helsingin kaupunki 2015a, 2017a-e) and interviews. Mostly the research is targeted with the Asuntopalvelu-unit and especially their relationship with constructor customers in production of new housing.

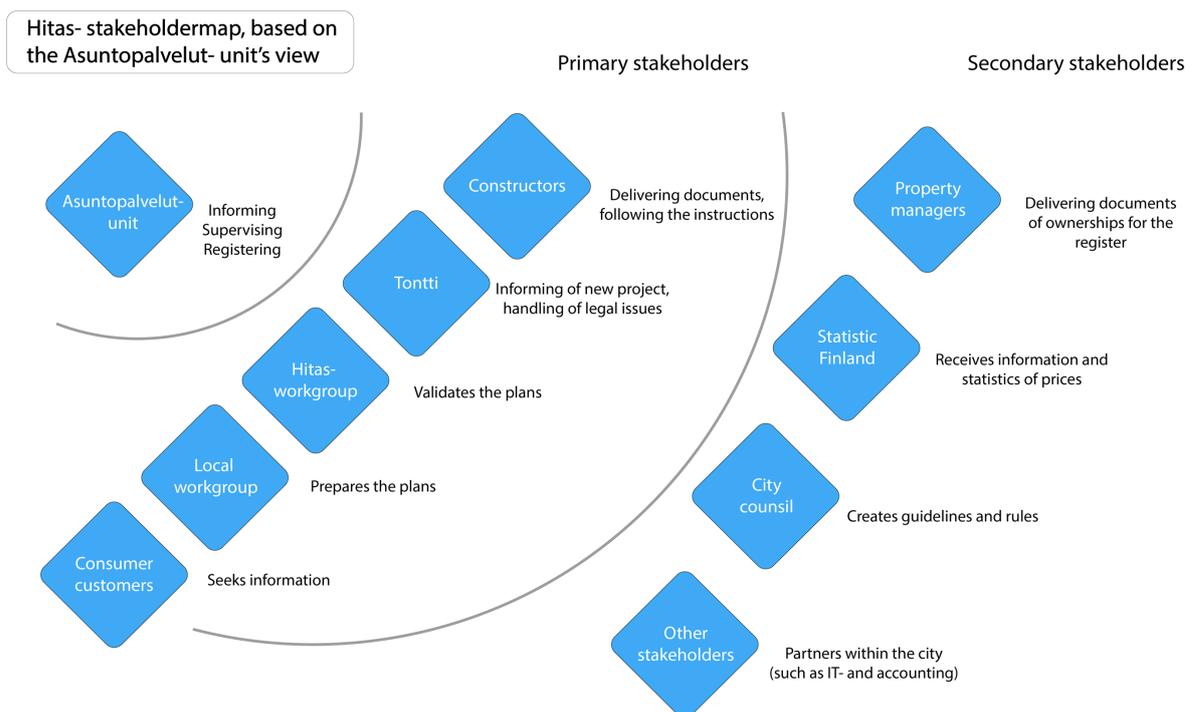


Figure 13, Stakeholder map based on the Asuntopalvelu- unit's view

The Asuntopalvelu-unit is part of Helsinki city's City Environment branch. Their main task in the Hitas- process is to supervise the rules in marketing and selling and calculate and verify the maximum purchase price limits for the apartments. They also register the ownerships of Hitas- apartments and release information of the rules and upcoming buying opportunities.

Primary stakeholders:

Constructors' representatives answer to the Asuntopalvelut-unit by delivering documents that are needed for supervising the lottery and sales in order to be able to get the permanent agreement for lease for the plots.

Consumer customers take part in lotteries and buy their apartments through constructors, but they might ask for detailed information of the process rules through the Asuntopalvelut-unit. The resales and price calculation of older apartments are also handled through the Asuntopalvelut- unit.

Hitas- workgroups (local and common) are mostly groups of experts and their task is to prepare and inspect plans together with constructors. They make statements based on the readiness of plans and preparations for calculations of the maximum purchase prices.

Tontti- department coordinates production of new housing in Helsinki. They are responsible for offering sites, making legal contracts and inspecting housing projects. The Tontti- department is entitled to on the other hand inform the Asuntopalvelut- unit of new Hitas- contracts and on the other hand wait till the procedures are finished before signing the permanent agreement for the lease of the plots.

Secondary stakeholders:

Property managers are in touch with the Asuntopalvelut- unit after constructors release the finished building and when registering the resold apartments' new owners.

City council modifies the rules based on the need. In autumn 2018 for example, the lottery rules will be changed into emphasizing families with kids. The council may verify suggestions based on the separate committee's initiatives. Their task is also to make financial decisions and approve town planning policies.

Tilastokeskus (national authority for collecting and compiling statistics on various fields of society and economy) orders annual statistics of Hitas- housing from Asuntopalvelut-unit.

Other stakeholders within city such as IT- and accounting services and political actors who are indirectly related to the Asuntopalvelut-unit.

3.3 Customer journey and touch points

Koivisto and Miettinen describes Service touchpoints- method as a way to create a clear, consistent and unified customer experience. Service touchpoints should be listed in detailed level (Koivisto & Miettinen 2009, 16, based on Livework, 2008). A customer journey defines customer's actions, experience as well as an emotional arch. These topics may be used independently and/ or combined. Stickdorn et al. (2017, 44) define the use of journey maps as a way to recognize gaps in the service moments and explore potential solutions. The map should be designed for its use. As road maps are different from large- scale road map to small- scale street maps, so are customer journey maps, too. As there are nautical maps for navigating in waters and street maps for driving, journey maps may be altered for specific needs.

The customer uses the service as a journey. The process can be described in different stages: The pre-service periods mean time before entering into the core service such as seeing a company's advertisement or pre-researching options. The actual service period means the time the customer uses the service online or in the physical world. Post-service contains service touchpoints after the service has been used. Designing services, it is important to evaluate which stage is being designed. (Tuulaniemi 2011, 78.)

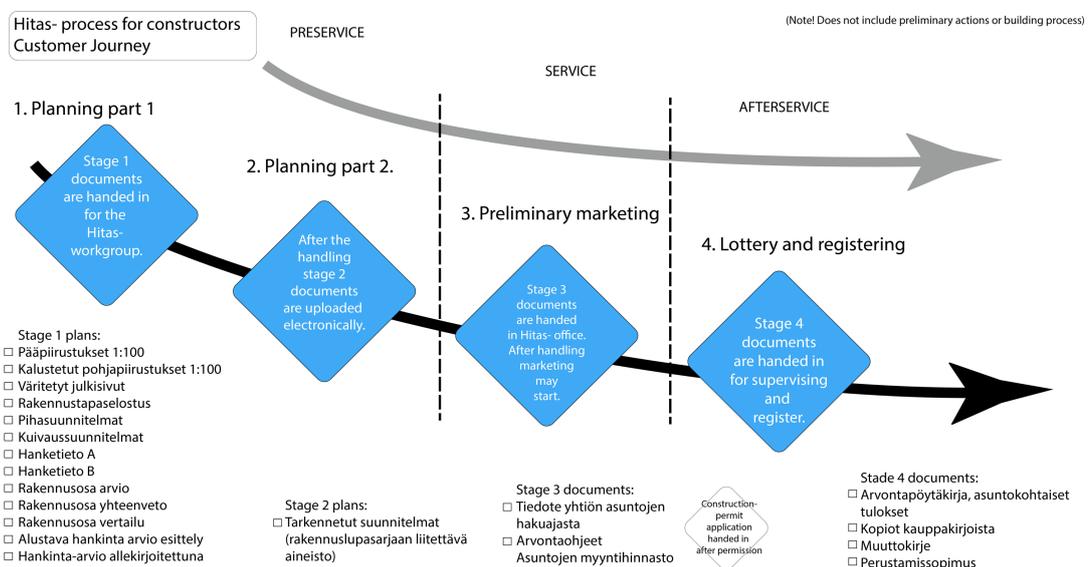


Figure 14, Customer journey for the constructor customers of the Hitas- process

This customer journey is an overall visualization of the constructor customers' journey within the Hitas-process. However, the research area focuses on the Asuntopalvelut- unit.

The main periods are the planning and selling period. The preservice period consists of meetings with Tontti- department, project handling in the local Hitas- workgroup and later in the Hitas- workgroup. From the Asuntopalvelut- unit's point of view, the pre-service means mostly answering inquiries, core service contains handling documents for the selling and lottery and the after-service period contains procedures needed for the registry.

The customer journey describes the service entity as a whole. In order to understand the service as experience the stages are listed and analyzed. Designing the service touch points it is important to decide which part of the customer journey is taken under examination. Touch points divide the customer journey into several parts, which the customer experiences with many senses. People, environments, objects and practicalities may be listed as touchpoints. The challenge and on the other the core essence of the service is created with the combination of a user and the touchpoints. (Tuulaniemi 2011, 78-80.)

The aim of the service is shown to a customer through touchpoints. However, the touchpoints may also give unwanted or false signals. A touchpoint may be turned into a weak link of the service as a whole. The combination of the service producer and their partners create the offering and for that reason for example chosen soft-wares are not entirely under the service providers' command. The customer may still experience the service as a whole and the partnership between secondary service provider turns into critical factor in terms of brand management. (Tuulaniemi 2011, 81.)

Designing the touchpoints such as physical environment and objects the customer is guided through the customer journey in a certain direction avoiding for example visits to a restaurant kitchen or storages. The service provider aims to predict and guide customers' actions planning the customer journey and the touchpoints they meet. For example, the actions and uniforms of the staff members, physical and digital spaces, tools, objects and standardized policies have their influence on the service experience. (Tuulaniemi 2011, 81-82.)

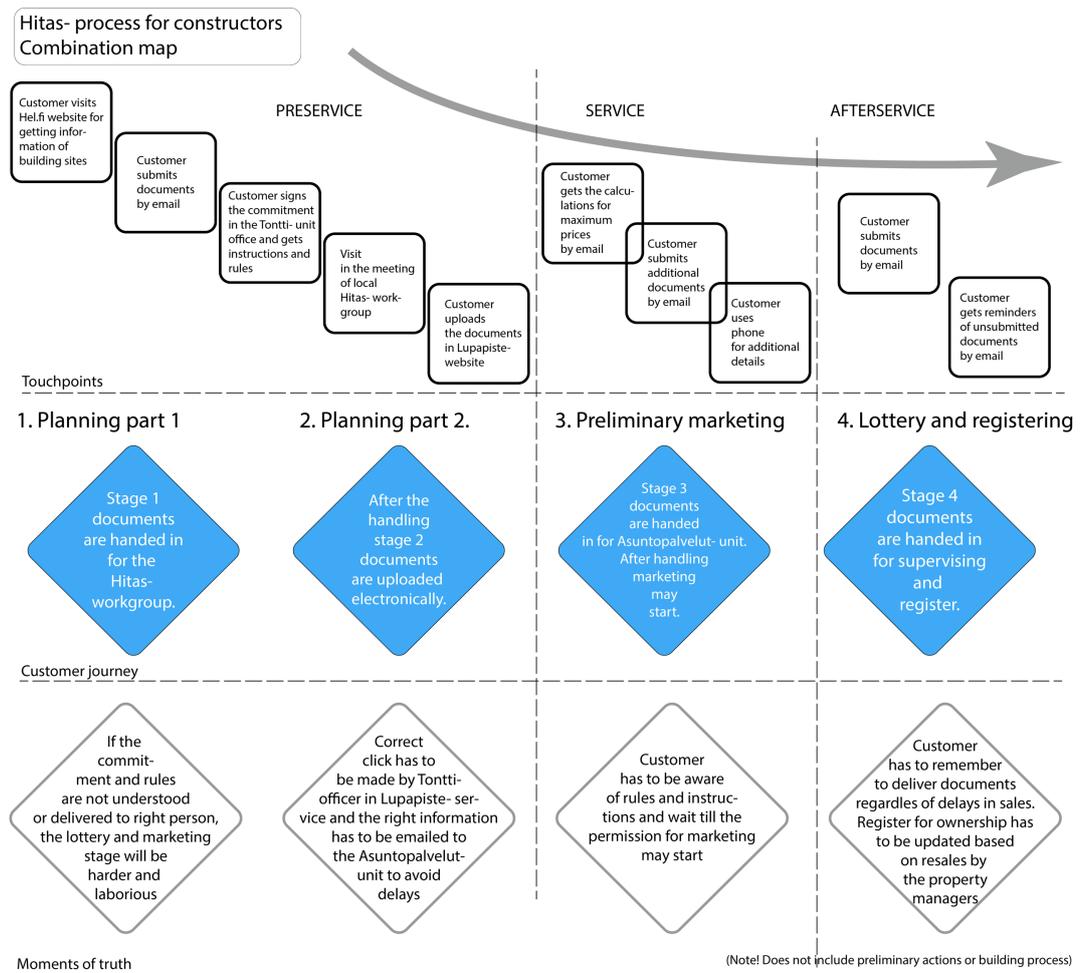


Figure 15, Combination map with touchpoints, the customer journey and moments of truth

Touchpoints are digital such as emails and Lupapiste-service in the Hitas-process. Constructors seek for new plots on the city's website or by visiting the customer service in Sörnäinen, Helsinki. The negotiations are held and signing the contracts are done in the Tontti-department in Sörnäinen as well. The constructors also present their applications physically in the local Hitas- workgroup meeting. After the document handling the constructor customer transacts with the Hitas- workgroup and with the Asuntopalvelut-unit via email or by phone.

In order to reach the service examined in this thesis, the customer has already experienced service in three different offices. To find information of the service with the Asuntopalvelut-unit, they might use the contract signed at the first stage of the customer journey in the Tontti-department. However, there are still details that are only informed through the Hitas-website. In order to find the information, the customer first finds a general Hel.fi page. From there they have to find the Hitas-project page that guides them to the Hitas-system detail-

page. After that the information is found through Rakennuttaja-selection as separate pdf-files. To reach the source for critical information the customer has to make at least 6 clicks in the right order.

Moments of truth describe the curve of experiences that conventional marketing tends to look for. The service may disappoint the user if the quality between the touch points are versatile instead of in harmony. The disappointment may be controlled by keeping the gap between expectations and experiences as small as possible. If there is a need to offer something surprising and delightful, it is better to offer something genuine and personal rather than break the chain of consistent touchpoints by unexpected details. Also, time is supposed to be considered as an object of design. Relation time and the frequency of interaction are two critical elements to consider when designing the customer journey and touch points. (Polaine et al. 2013, 2297-2299.)

In the Hitas-process the controversial steps in the customer journey are the electronical document handling in the Lupapiste-service with the pre-service continuing with the document handling by email with the Asuntopalvelut-unit. Also, the relation time for the Asuntopalvelut-unit is fairly long. The registry of the owners is held at least 20 years after the construction, but the frequency of the use is not dense. The pre-service stage may be considered closed when instead the after-service is on for extended time until the apartment house company chooses to leave the Hitasregulation. The customer representatives during the journey also change from legal experts to sales persons and later to property managers. This differs the experience between consumer customer journey and B2B- customer journeys.

3.4 Interviews

Multiple stakeholders were interviewed with semi-constructed interviews to gain insight from all parties. The interviews started in April 2018. Although the risk for research bias is possible, the method is a very important way of gaining customer insights. A researcher has to be conscious of possibly influencing the answers. Surveys are criticized for being too quantitative and leaving out truthful thoughts and feelings. (Martin & Hanington 2012, 102, 172).

Based on Polaine et al. (2013, 946, 1047) a small group of 4-5- research participants may create a brief summary of top five observations that may possibly provide quick wins for the client. However, interviewing B2B- customers in a one-to-one-context will more likely

reveal the customer's insights than an interview with their manager. These interviews may not always have the most optimal frame but having the interviews is still better than not gathering information at all.

3.4.1 Interviews with the constructor customers

When interviewing the constructor customers, the aim was to analyze what they say, and the results were gathered using affinity diagram. The interviews were held as a conversation and amongst the customer teams, researcher and with the Asuntopalvelut- unit's officer. The objective was also to build relationship with the customer and also create a possibility to ask questions from the officer. Most of the questions were answered before they were asked.

Based on interviews it is common, that the constructors contact persons with the Asuntopalvelut- unit are new to the process. For that reason, learning all the rules that also keep changing seems difficult and hard to perceive. Some constructor teams follow the rules better, but it takes a lot of time and effort for them to follow the steps precisely. Sometimes even during the process, the project manager might be sent to another project and the learning of all the rules starts again within an ongoing project. Constructors have found it confusing that the webpage information is in two locations and some of the instruction-pdf-files overlap with other given information.

The speed of getting answers and information by emails and phone calls has been in a good level, sometimes help has been offered even past office hours. There is also something that the constructor customers admit they should do better. Sometimes there is a long time between Hitas- projects and the rules might change in between. Removing old information and replacing it with new is considered time consuming but necessary. Also, sometimes certain expressions in the instructions leaves rooms for assumptions which is considered a delay.

Hitas- apartments are considered to be a good, reasonable and tempting product. For that reason and for loyalty to the council decisions, the constructor representatives find it important to obey all of the rules. Managing all the 12 steps amongst other workload and with instructions that are not unambiguous the processes are partly hard. These elements cause mistakes and sometimes even extra costs. As the apartments are affordable and the taking part in the lottery makes the consumers interested, there are always applicants who are not serious about buying apartments. That causes extra work but is understandable for the constructors.

Many of the interviewees were interested in developing the Hitas-process. There are many practical development ideas which are listed in the affinity diagram. Visual guidelines such as the customer journey draft and the stakeholder map were considered useful tools. Also, there are some offices which are dependent on getting information embedded into CRM- or calendar programs. Improving the instructions with explaining the causal connection was also mentioned as a development idea.

Within the interviews the commitment that is often mentioned contains terms, that obligates the constructors to follow rules. “In addition constructor commits to hand over to the City of Helsinki (services and permits- service package for the Asuntopalvelut-unit) sales control the sales price list based on the approved purchase value and the articles of association before the start of pre-marketing, copies of all signed sales contracts with the terms of the sales (no later than 2 months within the period of each trade) and the moving letter (information of completing the build).” The commitment includes a term of organizing the lottery based on certain rules and instructions published by the Asuntopalvelut-unit. (Helsingin kaupunki 2015a, 2-3.) Instructions for the constructors on the Hitas-process website is more thorough (Helsingin kaupunki 2018c.)

Based on the interviews this part of information does not clarify the meaning of lottery and sales instruction as a whole or the workload. The commitment may be written up to 1,5 years prior needed actions for the lottery and sales by third party actors such as company layers. They may not be able to deliver the message to the right people who are in charge of the sales. Also, the website does not clarify the maximum given timeline after sales for delivering the needed documents. The commitment has set a timeline of 2 months after the sales, but this rule is often neglected based on officers.

3.4.2 Interviews with other stakeholders

To be able to collect information and involve stakeholders the interviews were held with an expert of communications, expert on legal issues and with the Hitas- workgroup representative. The most important discoveries were that the process is considered filled with work, complicated but rolling despite possible delays and obstacles. The aim is to launch a process chart that would clarify the process and actors’ duties for internal and external use. The wish from each party is that the process itself was adequate. The gathered ideas and experiences are listed on the affinity diagram.

The expert on the legal issues and the Hita- workgroup representative have different point of views in the Hita- process because their work and the proceeding of projects is either succeeding based on delivered documents or nothing happens. For that reason, the constructor customers have more motivation in getting their project and building permit handled than at the stage for delivering documents after sales. Instead, the Asuntopalvelu-unit timeline is significantly longer for the registry and does not stop the construction process. This controversy makes the process management more challenging.

However, it was admitted by the stakeholders that extra work that is caused by reminding of the status of incomplete applications feels frustrating. In construction business and in many other complicated processes in life there is a need for patience and for that reason some frustration has to be accepted. However, the idea of renewing processes and making them more adequate is considered meaningful. Also, a few practical additions such as the idea of making a practical checklist will be taken part as the upcoming process chart.

At the moment the City of Helsinki industries are expected to organize their own digital development projects if needed. Earlier the DigiHelsinki-project was able to organize workshops and assistance in service design but at the moment that type of consultation is not possible to organize. However, the city does buy service design services if the need is recognized and there is an option in the budget.

Digital Helsinki (Helsingin kaupunki 2018b) had a development project KEHMET till 2017 that produced a work book (Helsingin kaupunki 2017g) for internal users developing Helsinki city digital services. The work book consists of questions to answer for analyzing the customers' needs. The current strategy for implementing development projects is handled throughout the independent sectors and units instead of coordination. The appendix 5 contains the questions and answers considering the Asuntopalvelu-unit's situation in September 2018. The need of improving electronical systems and software development requires competence. For that reason, additional literature review was done to clarify possibilities of implementation.

3.5 Affinity diagramming

The aim for affinity diagramming is to sort out found information based on similarities and their variables. The discovered topics are grouped and headlined. The aim is to bring up the most meaningful themes (Tuulaniemi 2011, 154). Also, the affinity diagram is built from bottom up so that the voice of the customer can be heard instead of listing possible

development topics based on the organization’s point of view. It can be executed during observation or postponed after interviews. The affinity diagram was introduced by Jiro Kawakita in the 1960s. (Martin & Hanington 2012, 12-13.)

These diagrams are gathered based on the most common answers and opinions. Charts of unedited answers are attached in Appendix 2 and 4.

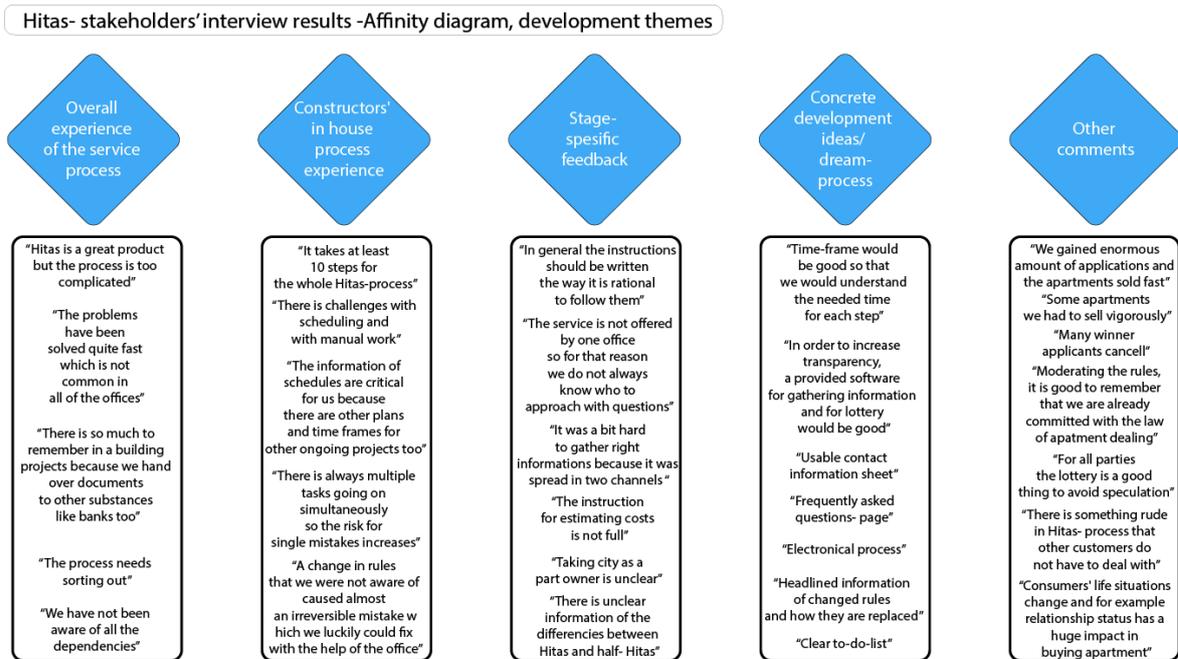


Figure 16, Affinity Diagram, constructor customers’ answers

Hitas- internal stakeholders' interview results -Affinity diagram, development themes

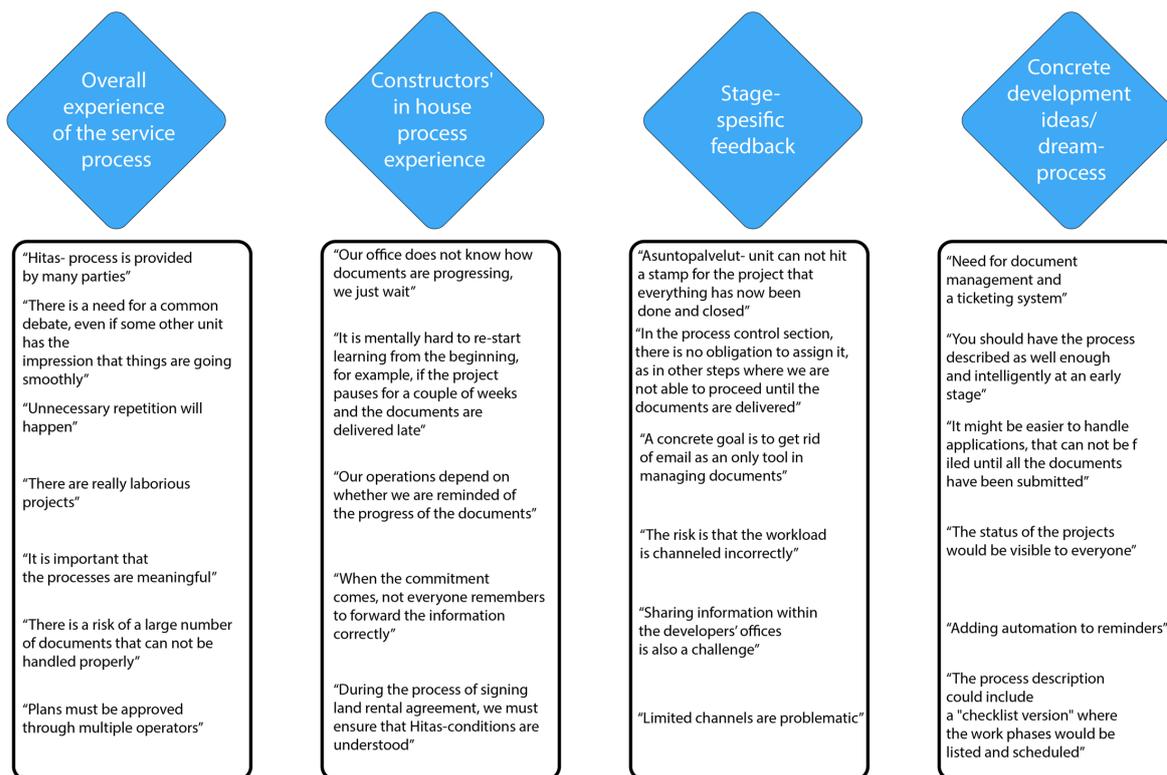


Figure 17, Affinity Diagram, Internal stakeholders

The results show that the process for both customers and stakeholders is demanding and not easy to realize as a whole. There are many strengths in the service of which quickness in replies by the Asuntopalvelut-unit is one of the most important one. Also, the Hitas-apartments as a product is considered good. The service development suggestions were made practical because need for change is apparent and are presented in Chapter 4.

3.6 Business model canvas

Osterwalder and Pigneur developed the business model canvas according to Tuulaniemi. The canvas is a great tool and a platform for business development individually or in a group. It visualizes and brings out actions that create value for the customer. The business model canvas is separated in 9 fields. Customer segments, value proposition, channels for the value proposition, customer relations, revenue model, key resources, key processes, key partners and costs structure are listed. (Tuulaniemi 2017, 177-179.)

The Business model canvas for the Asuntopalvelut-unit is directional because cost and revenue streams are not to be evaluated as with a profit-seeking-company. The information is also classified partly. However, the canvas was used as a tool for discussion during the

workshops to visualize strengths and possible areas of development and could be used in continuous development. The original Business model canvas without development ideas is presented in Appendix 7.

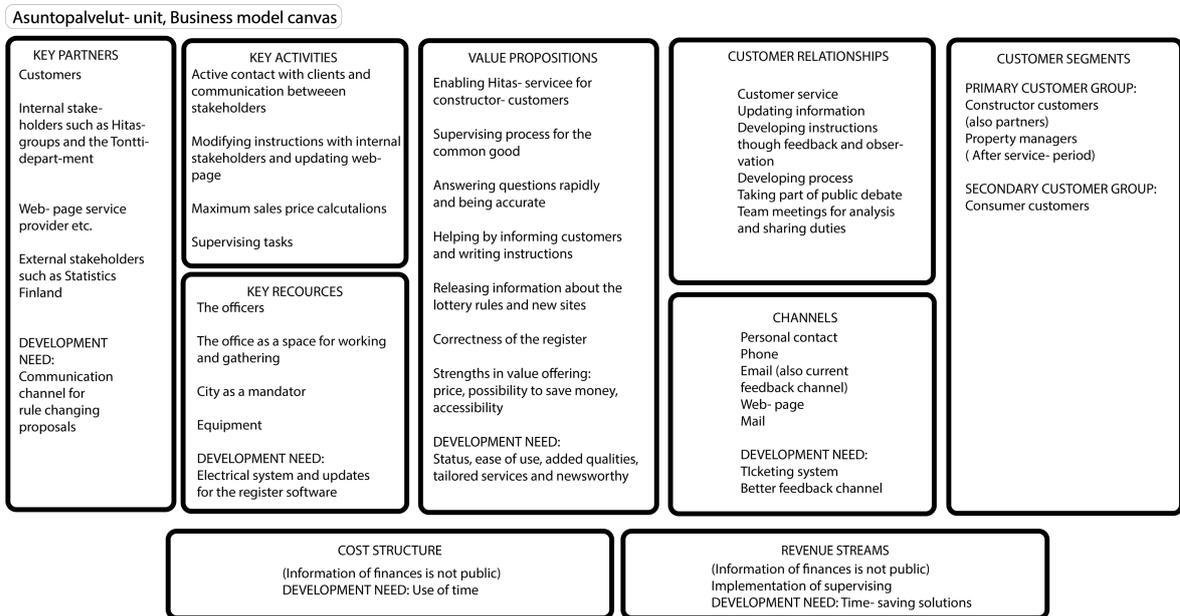


Figure 18, Developed Business Model Canvas

Business model canvas was discussed and developed in a workshop. The development needs were found, and they were analyzed. The most meaningful findings were that even though the team may be under the impression that there are not many areas in the city organization that they may have influence on, there are important values that they may consider as strengths and many topics that they do have the possibility to influence on. Also, listing the development needs that are not so easy to have impact on will help the team to understand and tolerate stakeholders' actions and organizational challenges better.

Business model canvas development topics were renewing communication channels for proposal and change in partnerships. For resources there is a need to create an electrical system for document handling. Also, current software for registry needs improvements but that requires decision making from the higher level. The core processes would work better with internal ticketing system if all stakeholders were able to use it. That could also work as an improvement for channel with customers instead of using just email and phone calls. Internal and external feedback channel would increase the level and fastness of communication and enable registering improvement needs and weak signals. Cost structure could be influenced in making impact of usage of time by solutions mentioned above.

3.7 Service blueprint

Shostack developed the Service blueprint method in 1984. The purpose is to describe critical service elements in a quantitative way. The sequences of actions and processes are listed and defined by their visibility to a customer. (Koivisto & Miettinen 2009, 17, based on Shostack, 1984). According to Stickdorn et al. (2017, 54) service blueprint is a continuum for journey maps. It clarifies an organization's actions separating action that are visible to a customer as a "front stage" and nonvisible as "backstage". The meaning is to add information of operations as building blocks. Service processes triggered by customers are explained as processes the other way around. Showing physical elements is a key element in the service blueprint.

Tuulaniemi (2011, 212-213) defines the Service Blueprint as a chronological but visual way of describing the arrangement of service touchpoints and periods. The meaning is to list the chain of steps in such detail that it is useful without losing the focus of the service as a whole. The divisions of visible and nonvisible actions to the customer is again separated on four levels. In order to solve problems, detailed information important is because otherwise crucial actions may not be seen. The idea is to show the process based on the customer's experience and define moments of truth that happen between the interaction of customer and the service.

However, in the Hitas-process the Service blueprint was hard to present in detailed enough. Especially the backstage actions were hard to define because of the amount of work is related in constructing. Less detailed process blueprint was created by the researcher based on public information on the Helsinki city webpage and it was validated by commissioner. For that reason, a process blueprint was created that visualizes the steps in a clearer way. Another blueprint is a draft of the process visible to the customer on a more detailed level which can be found in Appendix 7.

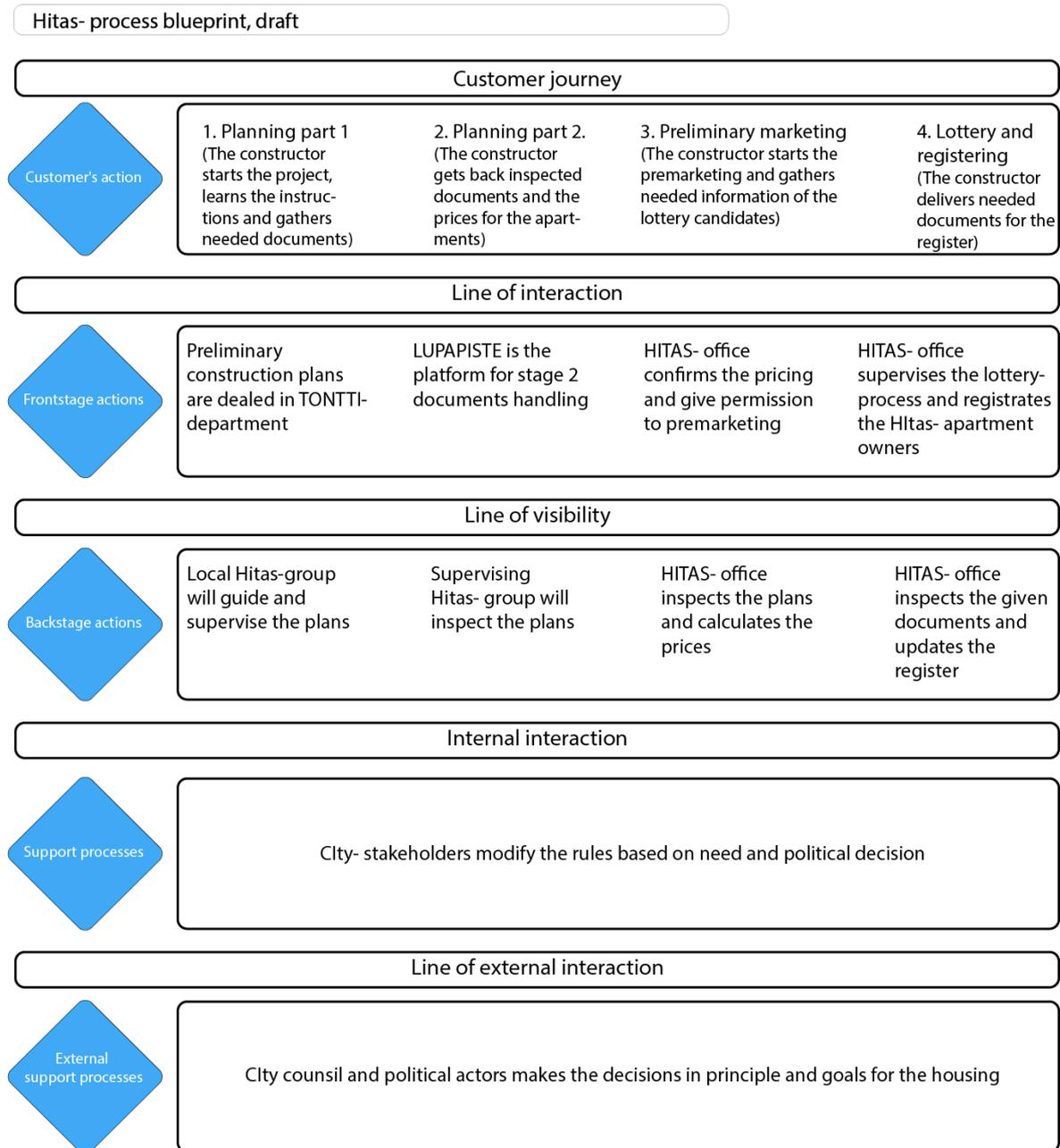


Figure 19, Process blueprint

Based on the blueprint examination it is easy to state that the process is demanding for all of the stakeholders but is reasonable for the supervising and legal actions. The process is divided into planning and selling periods for the constructors. The planning contains steps that are related to the law but the supervising and rulemaking for the sales and lottery in Hitas- apartments are based on decisions of the Helsinki city council. The steps for the planning are somewhat similar in any building process regardless of the decision making for the maximum prices and lottery rules.

Because of the uniqueness of the Hitas- housing, the process is not easily developed. The supervising task has been given to the Asuntopalvelut- unit since there is no demand by the law to keep track of the lottery results and ownerships. The Tontti- unit could have the supervising role as a representative of building supervision authority but the responsibility has been set to Asuntopalvelut-unit because of the need of spreading actions within the city organizations. For that reason, the development need is within the transformations between the document handling process and communication methods. The current method is based on emailing and announcements in the Lupapiste- service. However, there is no automatization in the system, which leads to communication being trusted in individual officers' memory in each office.

3.8 Companies as personas

Companies as personas is a modified method of Alan Coopers Personas (2003). Martin and Hanington (2012, 132-133) define the method as a channel to understand a person by focusing on the behavior patterns and themes instead of demographics. A personas map includes name, background story, goals, life situation and interests. The aim is to provide human reference to customer understanding.

Apollo (2015) states that when analyzing B2B-customers their status and office culture are the tools to analyze them as personas. Companies may have different mechanism in dealing with changes than consumer personas. These events are called trigger- events. A company representative has to react on these situational factors and make decisions through possible future events. A company also has structural factors as a growth strategy to consider and therefore reacting to trends may vary.

The five customer-type examples were made based on the interviews and discussions with the officers in the September 19th meeting. The aim was to categorize constructor customers in three archetypes but after a long discussion during a workshop, it was clear that since the companies are very different in terms of size and values, it is better to keep all the five examples. For the continuity it could be a good idea to have all the customers listed and analyzed in a certain way to enable a customer centered approach.

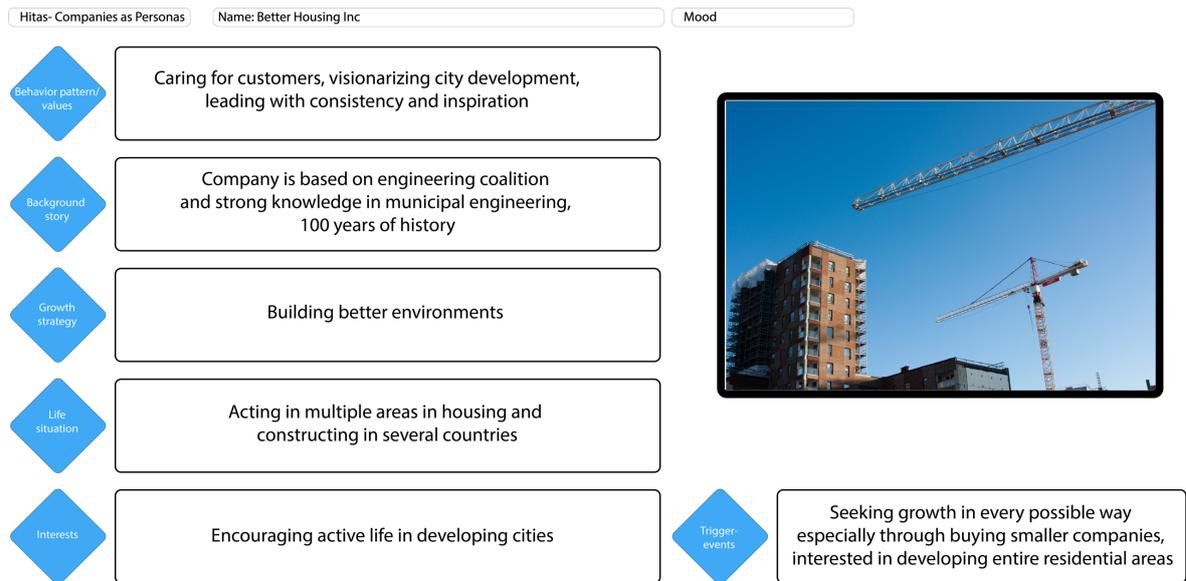


Figure 20, Company 1

Better Housing Inc. is a bigger constructor based on long- term planning and strategy. They use all the possible tools in making the process handling faster and more efficient. As a customer they need to know about upcoming tasks weeks before possible deadlines. Since the house is big they share tasks with many employees and for that reason proper communication is critical.

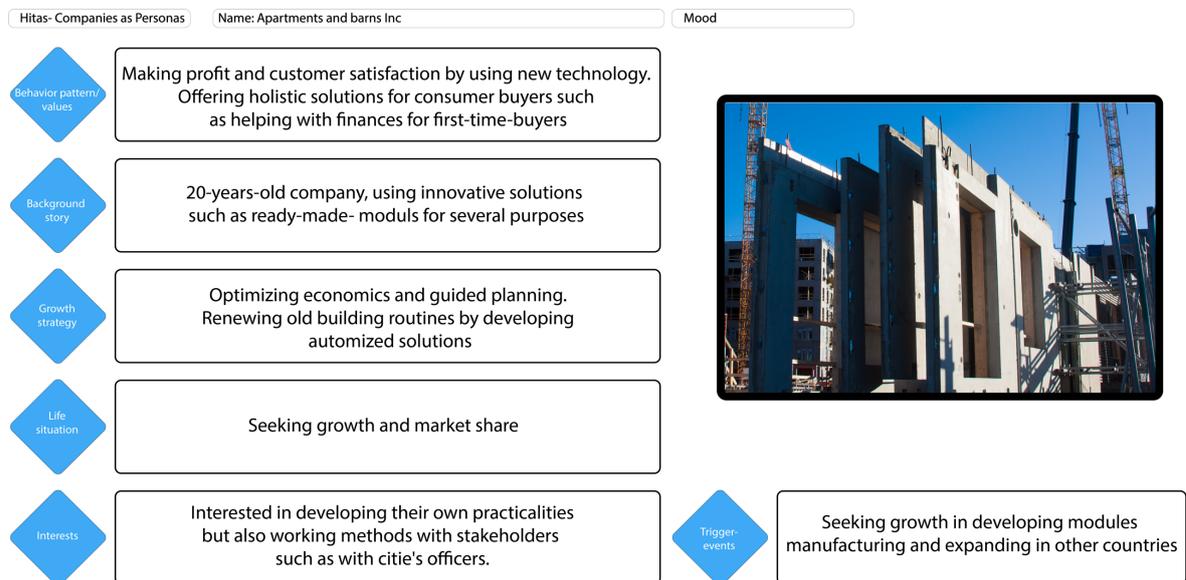


Figure 21, Company 2

Apartments and Barns Inc. is a modern developer with trust in flow efficiency. Their aim is to influence also their partners in improving their own actions.

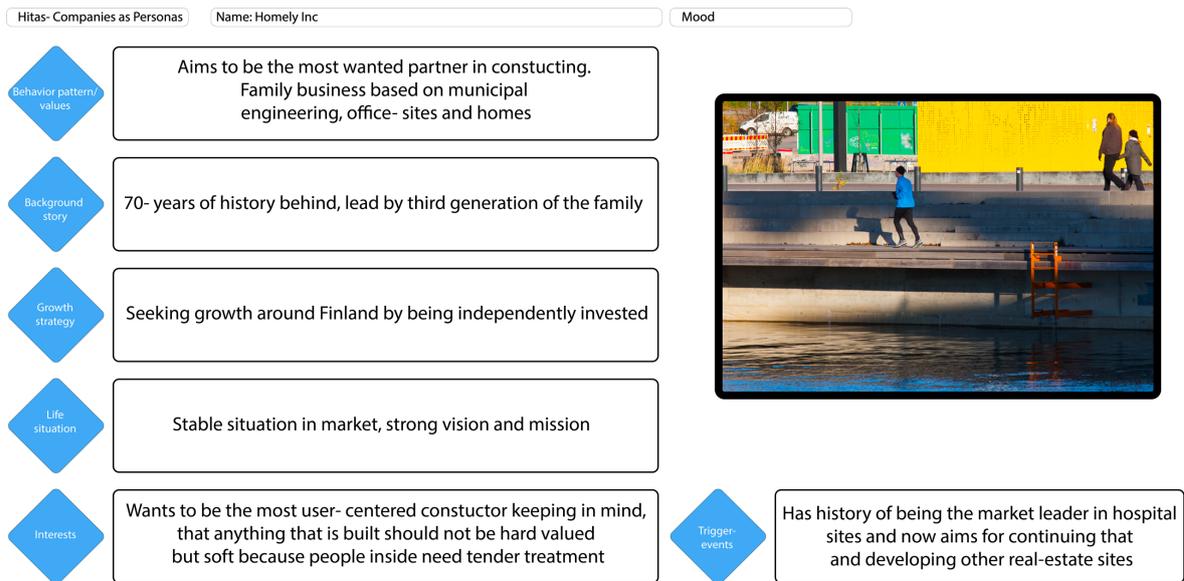


Figure 22, Company 3

Homely Inc. is a customer- centered company. It aims to improve the well-being of their customers planning homes and buildings with a gentle touch. Also, adding elements in houses such as proper communal spaces is one of the current ideals.

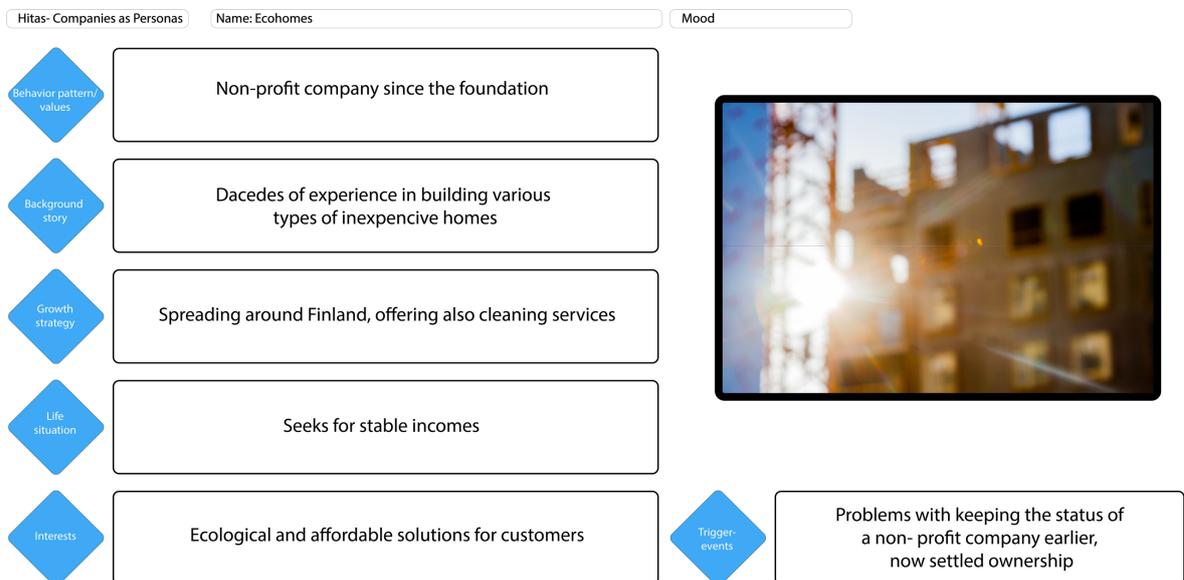


Figure 23, Company 4

The Ecohomes is based on easy accessibility and creating housing solutions that some competitors would reject based on investors’ decisions. The idea is to be able to serve anyone in a need for a better apartment. As a customer their smaller office handles documents amongst smaller team, which makes the information flow fluent.

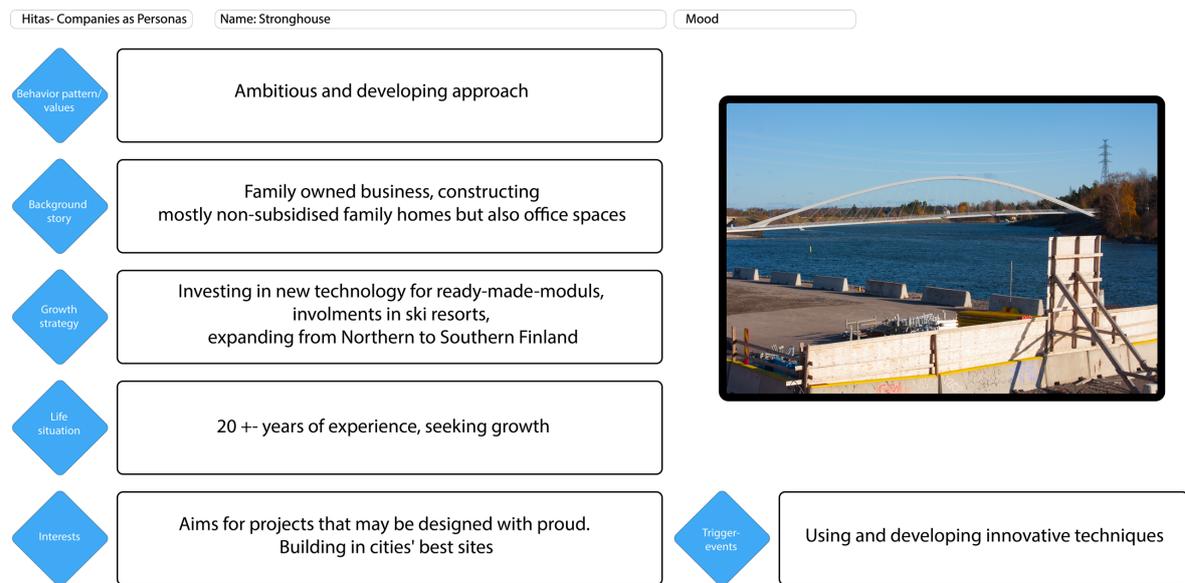


Figure 24, Company 5

The Strong-house is still a developing company aiming for good opportunities but with certain criteria. The sites they build have to be the best in the city. They have grown from a smaller business to a bigger with a persistent approach seeking good partnerships.

The discussion of the Companies as personas- mapping showed that the team had not analyzed their customers based on their values or possible value offer by the office. Constructor customers' risks were also discussed. The team stated that the division between the constructor representatives who are able to deliver documents on time and as guided and with those who struggle is clear. Some actors do not have pressure from their companies to act as agreed for multiple reasons. On the other hand, many do obey the rules strictly and that may be explained though the companies' values.

The team was also challenged to think about the written version of instructions. Individuals have various ways for perception and the current form of written information supports the ones who are visually strong. Words may also have different meaning to people as well. The team discussed the possibilities to present new upcoming instructions. Also the point that the constructor customers have various teams handling mandatory documents makes pressure for them to create information flow within their office. In construction business there are high standards of duty of gathering needed information independently so for that reason, the responsibility of the process success is not totally in the hands of the Asuntopalvelut- unit's officers.

3.9 Value opportunity method

Martin and Hanington (2012, 198- 199) describe the value opportunity method (VOA) as a tool to identify aspirational elements. Values such as emotion, aesthetics, identity, impact, ergonomics, core technology and quality may be mapped and analyzed. The method may be applied for several purposes such as for competitive review, market analysis and for multiple personas. The values may be rated by low- medium- high- scale based on their chosen relevance for each company.

There are several definitions of value creation. In organizations that are not necessarily making economical profit, the value may be defined through the effort a customer has to put to reach the service. The value is considered as usefulness. It would be important for a customer to understand what offered value is. Expectations and subjective experience together complete the compounded value. (Tuulaniemi 2011, 30, 33.)

Mapping values was a great task for the team to thoroughly understand their strengths as a team and on the other hand to understand their customers better. Also, the meaning was to clarify the nature of the service since some team members question, whether supervising may be listed as a service in general. The listing was made as part of Companies as personas-assignment. The used values were defined based on Tuulaniemi listing (2011, 34-35) to create overall understanding of general value offering.

Hitas- Value opportunity map

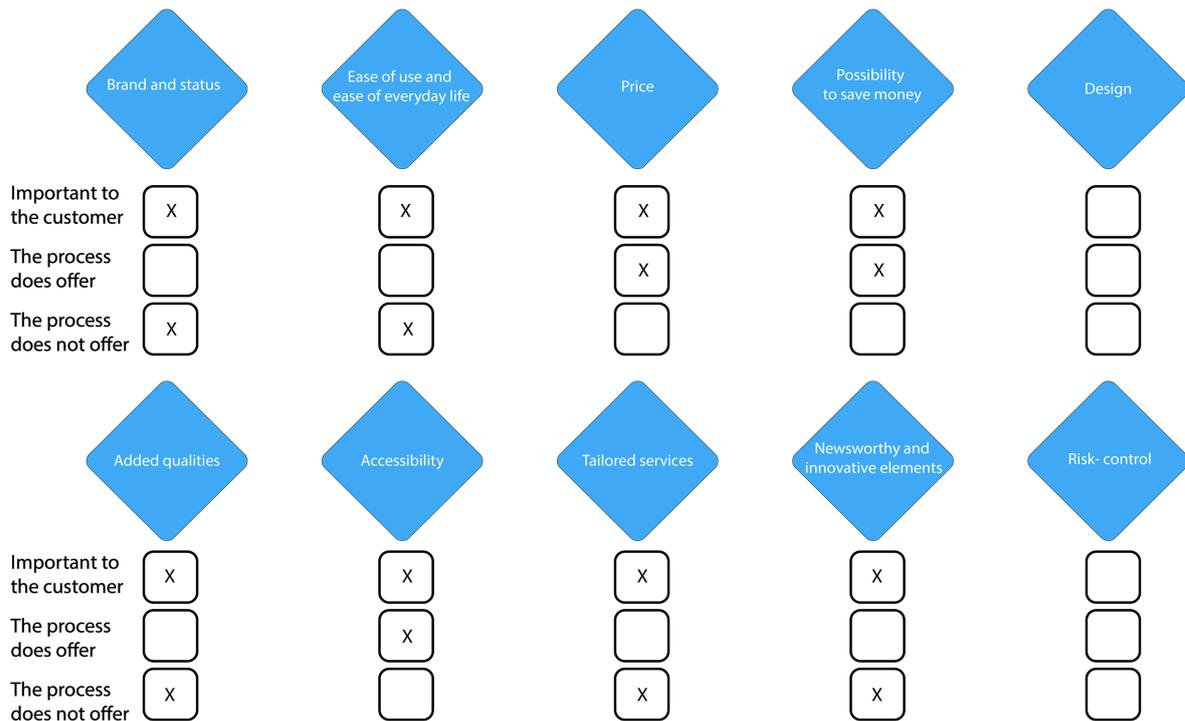


Figure 25, Value opportunity map

Based on the discussion in September 18th meeting the team agreed that the strengths in value offering are the price and possibility to save money and good accessibility. The process does not offer status, ease of use, added qualities, tailored services or newsworthy or innovative elements. Almost all of the values listed would be meaningful to customers. However, there are possibilities to improve the service, for example by adding tailored services in terms of stronger guiding towards faster documents handling.

Value opportunity mapping can be a simple task to evaluate and measure service in the long term. Areas like Design and Risk Control could be taken into consideration by thinking ways of making influence. Design factors such as visual decisions in instructions could benefit the customer with better understanding. Unifying the given written information and the quantity of documents online would also smoothen the interaction with the customer. Risk control could be used as a strategic tool by attacking the influence of given instructions and through that reducing the amount of incomplete document handling and extended time in process.

3.10 Co-design workshops

Tuulaniemi argues that involving stakeholders is crucial for service design. The user should always be in the center and therefore it is essential to understand the needs and motivations of the customer. Co-design may also strengthen the development of the service portfolio. Stakeholders' input is also critical. By co-design it is possible to commit all stakeholders and create value for all. However, this does not mean that customers and stakeholders could make all decisions. (2011, 116-117.)

Stickdorn et al. (2017, 25) states that co-creation is a fundamental element in service design and lists the topic as one of the six principles. By this he means that co-creation means two things. One of them is that value for company is co-created since customer's role as a user makes a service two-way-path. The other definition is more based on the idea of co-design. That means a process and their accomplishment created together.

Polaine et al. (2013, 1488) argue that the importance of co-design and client involvement enables small continuous adjustments within the process. There should not be a need for calling in a service designer for making smaller changes but the decisions by staff should have been validated by their managers. Also, flexibility and responsibility of making changes should be given to the staff. Services evolve constantly and for that reason there should be enough resilience in design to act based on need.

The first workshop was organized as an introduction. Service design as a method was introduced as well as the researcher and the team. Picture cards were used as an icebreaker as well as a method to map the service portfolio and the end user. Workshops were supposed to be held during spring and summer 2018. However, the schedule of the office was too tight, and the sessions were rescheduled to August and September. Analysis of gathered material and brainstorming in several ways was used.

Based on all the discussions, interviews, workshops and examinations, the two most critical areas of service development needs are communication and influencing. Understanding the system as a whole opened up during the meetings and more literature was reviewed. For that reason, a task for the last workshop was created. The meaning was to open discussion of possibilities that the team has to gain better results without having any new tools except the way the customer relations are built. The delays that cause frustration in the process could be avoided with their own actions and mindset. During the workshop on 9th of October both

different types of processes and on the other hand organizational influence making was discussed.

Both processes types were analyzed, and the benefits and thoughts were brainstormed. The main discoveries were:

Thoughts on resource efficiency: Conflict between the existing process and customer expectations is clear and bottlenecks are formed. However, everyone knows their case which is a positive, but also a negative aspect. The resources of the systems are not sufficient for communication and the economic impact of delays is significant.

Thoughts of both process types: Controversy brings different insights into the process between stakeholders. Flow efficiency increases the resource efficiency. Informing at the right time, not just when it is too late is crucial for success.

Thoughts on flow efficiency: An ideal situation is that jobs would be done on time. The Asuntopalvelut-unit will do their best within the process: Properly, quickly, on-time. There is a need to understand the dependence of one's own and other's tasks. Every project should have a person in "owning" the client and is in cooperation with different actors in the city instead the client being the active communicator for enabling a one- stop service. The team has the ability to detect mistakes in the whole process but has little influence on others.

In the last workshop the team was given the task to brainstorm ideas for using Nudge-thinking in the process. The idea of choice architecture was new to the team. The most practical ideas were: In the response messages with the clients, the developer is guided to the next step. Proactive, accurate counseling and guidance with constructor customers should be even more defined. Good feedback on good activity, reputation building could be discussed. Making a model performance and publishing examples of how others have done. Schedules could be made with a diagram and information on the flow of the process and its current stage.



Figure 26, Brainstorming

Conclusion of all the arranged workshops is that all the team members had a chance to take part in development process and speak their mind. Also, they were informed by other stakeholders' opinions. The ideas of Nudges and Lean Thinking were presented for the purpose of opening new directions of thinking. There were great discussions of all the current problems and possible solutions. Service design tools and possibilities were presented.

3.11 Benchmarking

Tuulaniemi (2011, 138- 139) defines benchmarking as a tool to research, observe, compare and evaluate other actors' operations and the goal is to learn from them. There are several benefits of benchmarking. Good solutions that other companies use may be utilized and on the other hand mistakes may be avoided. Strategic decisions may be modified, and a company may stand out from the crowd in a positive way by knowing the competitors.

Benchmarking with other supervising bureaus was a possible method as well. Because the service is a non-profit public service, the comparison with other similar services should have been selected from another public actor. A service that has been designed through service

design methods would have been the best fit as a good example. However, such a service was very hard to find, or their service periods were not visible online. For that reason, the possibilities service design and influence-making by nudging have in the public services were taken under examination:

Demos and Avanto Helsinki made a report in 2015 for the government on how to use human centered approach in designing public services. Public services face challenges and problems such as megatrends from ageing demographics to multicultural issues that should be solved by updated, more efficient and well targeted solutions. Problems vary and there are no general solutions that may be applied. Also, there is a need in the public services to be open and transparent and make sure the equality between citizens. (Annala et al. 2015, 4, 11.)

There is a great potential in using behavior- based methods and pilots in developing public services. Using the existing gathered data and understanding the users' lives in designing the influence that guidance has as well as chances political agendas have in implementation is considered a good combination. Experimenting is a great tool in understanding people and their behavior. In Finland, the culture for experimenting is strong. "Design for Government"-operating model was developed for this use. The advantages are improving influence making, finding existing good practicalities, measuring the impact of actions, being able to benefit from the gathered data on a larger scale and also developing services together with the citizens. (Annala et al. 2015, 6-7.)

Design for Government held by Aalto- university has been operating since 2014. In 2015 the students were given a task for the workshop to create solutions using design thinking tools. The aim was to find material for discovering real life problems and also recognize possibilities for problem solving and their impulses. The Ministry of Agriculture and Forestry set a task to develop solution in the form of lowering the burden that farmers meet in terms of bureaucracy. One of the teams developed the service by modifying the written information and names of headlines and making the electronical document handling easier to approach. They also wanted to enable to give feedback to improve the dialogue between farmers and officers. Another team defined the problem as "April madness" because the application period is simultaneous with the planting season. Based on that controversy the problem-solving proposition was to create a digital service that would enable information flow within government offices without the need of farmers filling out applications on paper. (Annala et al. 2015.)

Benchmarking influence making in the public sector

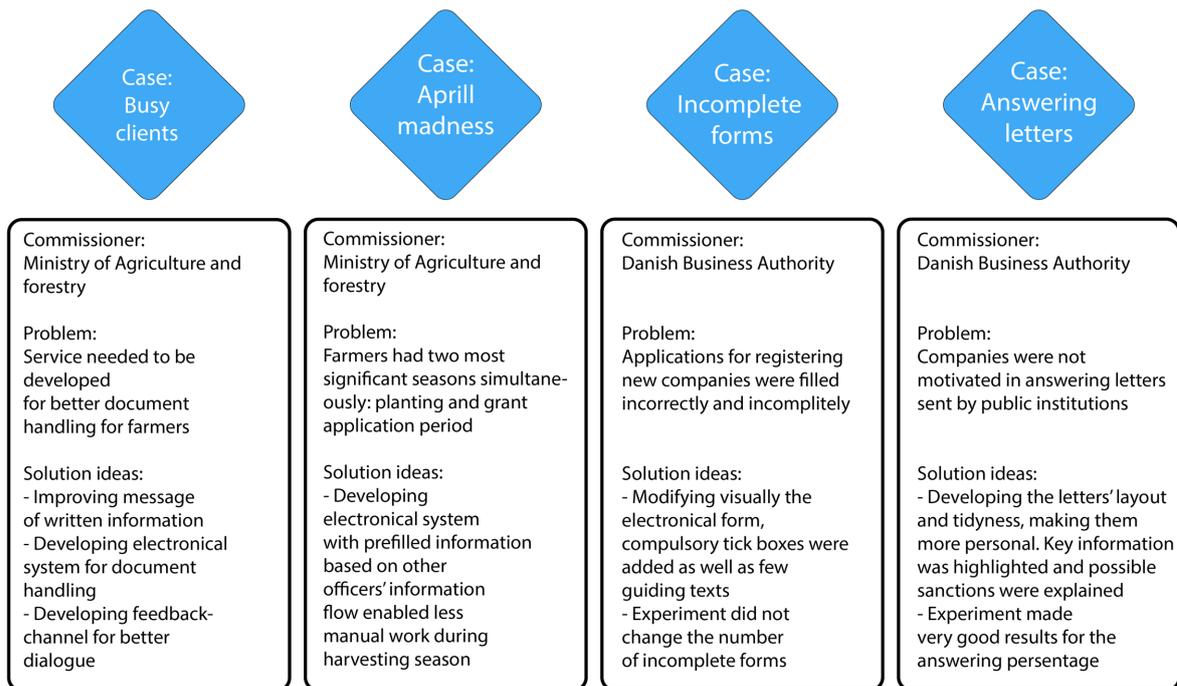


Figure 27, Benchmarking

In Denmark the Danish Business Authority had a problem with incomplete company registration forms. Often there were many missing appendices, and the process handling did not proceed. The cases were either rejected or suspended. Authorities used a lot of time for the unfinished applications which was a total of 20% of all applications. Notifying the customers for suspended cases the number of incoming calls and sent correction letters was creating more work load. The problem was solved by using behaviorally- informed changes and researching behavioral biases. Two major problems were found which were the position of the signature and lack of instructions about what should be done at the end. The needed adjustments were made, and compulsory tick boxes were added as well as a few guiding texts. However, the actions did not lower the amount of unfinished applications. New discovery was made, and the problem area was relocated based on data collection admitting companies struggle with the paper work and most successful applications were made by lawyers and accountants instead of business owners. (OECD 2017, 307-310.)

The other problem that the Danish Business Authority experienced was that companies were not motivated to answer letters sent by public institutions. Aiming for lowering additional expenses caused by follow up letters the institution chose to try an intervention experiment. The barriers for answering were analyzed and divided into four problem areas. The enquiries

were impersonal, and the setup of the text was messy. Key information was not highlighted, and the possible sanctions were not explained. The problem-solving ideas answered these needs. As a result, the response rate increased significantly, and the new letter may be set as a new standard. (OECD 2017, 311- 313.)

Demos and Avanto Helsinki report encourages the public services to act from understanding the problem towards intervention experiments into evaluation. Ministries are suggested to use a model that may take from 6 to 9 months if implemented thoroughly. Lighter versions may be processed faster. The steps are first choosing the problem and then openly gathering the experts and information about current practicalities. Then the experts overview the problem. Qualitative experiment is the third stage which leads to supporting experiments. From that process the experiment may be evaluated. Communication and understanding human behavior are the key elements in improving influence making. The idea is that behavior-based guiding is not designed from up to down but together with end users. That will be reached with recognizing suitable methods with stakeholders and carefully evaluating transparency of received information. (Annala et al. 2015, 4, 31-33.)

4 Service development plan

Service development needs were discovered through research methods and referred to research questions which are: What is the current level of customer experience? How could the service process with internal and external as well as customer satisfaction be developed?

The conclusion is that the level of customer experience is developing. There are strengths in service such as fast reply speed for requests and proficiency in problem solving but as a whole the Hitas- process is considered laborious and hard to absorb. The process is based on communication between different stakeholders and the success is based on these individuals' accuracy. Based on this evaluation the two most critical areas improving service are communication and influence making. In terms of the service periods the need is to lower the burden from after service by eliminating reminding with proper communication channels and pre-service information.

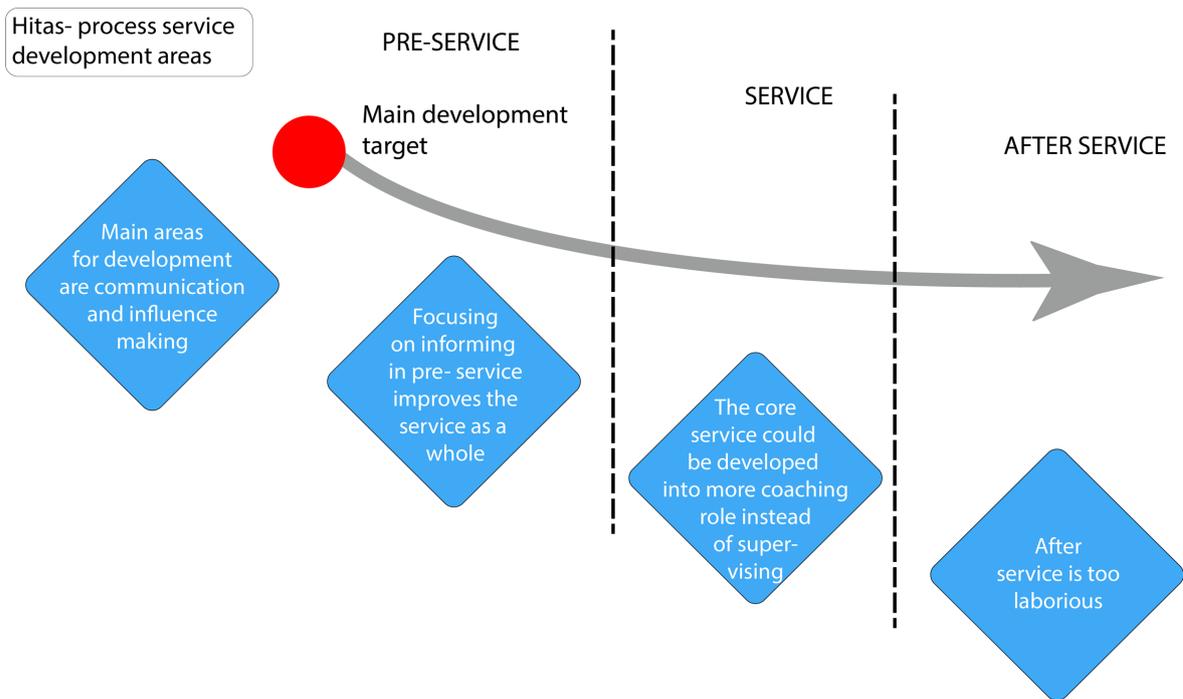


Figure 28, Service development areas

In detail the most critical topics are: Creating feedback channels for internal and external use could improve the understanding of the customer experience and open the process' pitfalls amongst stakeholders. This could also lead to data collection for creating relevant ways of measuring service. Software for document handling would lower the risk of missing files and also support communication of ongoing projects and their stages. Improving register application would increase the flow efficiency. Internal ticketing system could be created for minimizing the need for memory-based notifications. Improving information giving and receiving resources would benefit the customers for faster learning of actions and documents needed to be provided.

Transformations between the document handling process and communication methods should be discussed within the stakeholders in order for everyone to understand their role in customer service. Customer analysis would enable customer centered approach and strategy development. New channels in releasing information would lower the risk of extended processes and increase the effectivity of sent messages. Different ways for perception could be minded with the new communication channels. Unifying the given written information and the quantity of documents online would clarify and make the customer journey faster to complete. Communication channels for proposals for change should be clarified for the team members as well as for the customers.

4.1 Implementation in theory and practice

The service design process has separate stages of which prototyping, and implementation follow the research and ideation. In this master's thesis project, the aim was preliminary research so because of that possible design ideas are part of the implementation plan instead of stage of prototyping. Tuulaniemi (2011, 196) defines prototyping as testing the service for gaining more understanding of the developed service. Prototyping is one way of minimizing the risks.

Implementing involves the staff members and ideally, they have been able to take part and get information of the ongoing process. The meaning of transparency of development plans makes it possible for staff members to have their influence and that increases wellbeing at work. Service design process has to be launched inside the organization so that every staff member knows and understands their role and choreography. The aim is to keep all the critical components unite throughout the service development and implementing strategy. (Tuulaniemi 2011, 230.)

Stickdorn et al. (2017, 272- 273) states that implementation demands various skills from companies. There is a need to use change management and other human recourses techniques, software development and also if needed design of spaces and environments. The definition between piloting, prototyping and implementation is vague since the scale of changes differ. Piloting actions sometimes overlaps with full implementation plan, but the idea is that there are lighter and more serious steps in analyzing and improving the service. However, some ideals are shared regardless of the development realization technique. The aim is that there should always be interaction with actual employees, main focus is on business goals, integration of existing ecosystem and measuring should be planned and in the end a customer should not feel that they are not part of experimentation.

In prototyping and the implementation stage it would be good to move to a real and tangible state for making the users and stakeholders understand the real meaning of the service. When only imaging service people tend to be analytical and problem-oriented. To be able to prototype services the division of four stages is profitable. Based on the budget the prototyping may be delivered through discussion to participation to simulation which leads to the actual pilot. Questions may be asked: Is the service easy to understand? Is the gained value obvious? Is it usable? The most important touchpoints? Does the visual elements, language and terminology work? How might we develop the service even further? (Polaine et al. 2013, 2335-2337.)

In service design projects it is easy to be biased. There are five types of mistakes that may be avoided: Service design projects and their influence should be measured. Otherwise companies tend to feel that service design is a vague approach without a practical aspect in change. The other challenge is to find out the motivations and silent needs. It is easy to make research with shallow results and not notice true demand which may be the key in making the service stand out amongst competitors. When ideating solutions designers easily take over service development suggestions and turn the ideas too organization focused. Empathy based research should always be the key approach. The fourth and fifth obstacle consider involving customers in a testing period and on the other hand staff members in the design period. The more staff members are aware of service design and development plans, the better the changes are implemented. (Manneri 2018.)



Figure 29, Empathy based design considers all stakeholders. Citizens in Kansalaistori, Helsinki.

4.2 Design ideas

The design ideas are listed with possible prototyping suggestions based on the time needed to implement changes. The ideas were created by researcher based on gained information and ideas from the customers and staff members.

4.2.1 Package 1: Easy and independent

Estimated time needed is 1-6 months. These design ideas are easy to complete in the Asuntopalvelut- unit without making too many changes in current service practicalities.

Contact list to be added within the Tontti-department commitment. This list could contain information of all the stakeholders within the city and within construction companies. The information of all the needed documents does not necessarily reach all parties amongst constructors' offices. A contact list would lower the risk of unawareness because the Asuntopalvelut-unit could focus their information to the right people early on. However, this idea should be validated with the Tontti- unit but would not add to their workload.

Checklist of all the needed steps and mandatory document deliveries with timescale in the format of Excel or suitable to transfer to day planner applications would also be a good attachment to release amongst the commitment and published online or sent by email. However, this idea should be validated with the Tontti-unit but would not add to their workload. Also, negotiations with a website updates is needed.

Improving the instruction guides visually by adding infographics, photos and other tricks would make the message stronger.

Measuring the service can be done by free form- applications such as Google forms. The staff members could create survey for themselves to analyze successful actions and obstacles. First the strategy of customer experience expectations should be done.

Effectiveness of messages may be done using nudges. There are possibilities for the team to think what kind of role they set as choice architects, making defaults, giving feedback, expecting errors, structuring complex choices, understanding mappings and creating incentives for early document deliveries.

4.2.2 Package 2: Negotiable with stakeholders

Estimated time needed is 6-12 months. These changes take longer because involvement of other stakeholders, budget and decision makers.

Process management discussion with all the employees from different units handling Hitas- projects would increase the customer satisfaction and lower the document handling time and unnecessary reminding. Discussion and making strategy of wanted level of resource and flow efficiency could also take place.

Commitment referral improvements and attachments would clarify the steps within customers' offices and improve effectiveness of the instructions.

Improvements in feedback channels are needed. For internal use the purpose is to decrease the current situation which creates extra work in terms of sending emails repeatedly. Externally the purpose is to make a channel for customers who do not know to whom the feedback or improvement ideas should be sent. The channel could also be used for after service feedback request when measuring the customer experience.

Communication tool: Ticket- software. Current channels for communication are phonelines and email which are risky in terms of missing information and stakeholders not being able to see the process timeline. There is extra work caused by memory-based reminding which could be automated.

4.2.3 Package 3: Changes in process

Estimated time needed is 12- 36 months. These topics are:

Influencing: clarifying the decision-making process should be opened up for stakeholders and clients. Publishing a clear list of rule changes that require council handling versus changes that the managers are entitled to makes.

Additional service development possibilities within the city organization should be discussed within stakeholders. The possibility of sourcing ideas from staff members strategically for example once a year is not in use yet. If feedback channels are taken in to use there could be annual meetings to go through the results, network and discuss possibilities.

Risk management issues and possibilities for strategic use should be clarified within stakeholders in order for everyone to understand their part as communicators and the effectiveness of customer service.

4.2.4 Additional ideas

Goal maps may be created. To launch improvement ideas processes among service blueprint should be clarified. The goal blueprint should be a topic with representatives of all stakeholder units and created together. That could be a topic for another master's thesis or to be bought from a service design office. Customer journey goal mapping could be made as

a design game to involve customers in the development process and to have a topic for a bigger meeting.

A toolkit for basic maps may be given to the Asuntopalvelut-unit based on their interest and aim for future development. Business model canvas, Value mapping and Companies as personas- discussions could be held annually or twice a year for continuous learning. The interviews or other ways of involving customers in service development could also be a good method for keeping track of the customer experience.

Future thinking as a risk management tool. Collecting weak signals could be part of an internal feedback channel and the purpose is to review and analyze ongoing changes.

5 Evaluation

Vilkka (2015, 30-31) states that academic research has an aim, it has to generate new information and it should be beneficial to others and a research should be valid enough for public conversation. However, in universities of applied sciences a report for producing something physical or a certain action plan can be called research as well. The goal for both approaches is the same. Academic research in universities produces theory and research in universities of applied sciences produces developed practices.

In working life, the aim for producing new information can be seen in a wider perspective. Proving former theories truth or implementing earlier assumptions the new way is also valid. Combining information over professional silos may benefit working life. Because of the ongoing change in society and technology, some working methods that were built over centuries may be challenged. Testing and prototyping are a big part of working life and for that base knowledge of research methods, comparison and research ethics are commonly shared. (Vilkka 2015, 32-33.)

In terms of service design evaluation is a critical part of the process. It is used for ensuring competitiveness and with continuous development advantage is reached compared with other service providers. During the service development process the key performance indicators should be defined. There is a gap between what service providers tend to measure compared with what should be measured for reaching understanding of the customer experience. However, the ways of measuring differ a lot depending on the service type. Digital services offer data that may not be collected from other service types due to confidentiality. (Tuulaniemi 2011, 241.)

On the other hand, many global brands think that it is not reasonable to measure design factors as there is no point of measuring strategic leadership until based on annual profit calculations. However, service design effectiveness may be measured comparing the improvements made in the process and lowering expenses or finding new business opportunities. Other systems for measuring are analysis based on return of investments and net promoter scoring which indicates the customer's willingness to recommend the service for people they know. (Tuulaniemi 2011, 242- 243.)

Based on these principles it is easy to conclude that this particular master's thesis project does not reach the service design process ideals entirely. The commissioner was not eager to start measuring the service for many reasons. Perhaps the design readiness is evolving, and the idea will grow within time. Also, there was not enough time for proceeding to the prototyping stage during the master's thesis timeline. If the prototyping starts, perhaps the motivation of measuring the changes will rise.

Feedback was requested from the team members directly in the last workshop, but the team was not eager to speak their mind. For the research several stakeholders have been heard and the officers have been able to speak their mind. If nothing else, at least everyone has had a possibility to hear what others think and get their own ideas on air. Hopefully, the team will continue to develop the service based on suggested actions.

5.1 Research ethics

A good research practice includes research ethics throughout the process. Information sourcing and used methods should be validated by a scientific community. The used literature should be professional and tests, observations as well as analysis should be comprehensive. Integrity and honesty towards other researchers should be taken into consideration. Dishonest actions can be separated as fraud and disregard. This means that referring to sources has to be done with precise manners in terms of referrals and meaning. (Vilkka 2015, 41-42.)

Even modest research projects should be planned in good manner. The research plan and research itself has to be planned with the principle of scientific repeatability. A research should be open and controllable. Also, it is important to consider in which light the information for example interview answers are presented. The confidentiality with stakeholders and interviewees has to be ensured and the given information should be evaluated to avoid possible harm for people involved. (Vilkka 2015, 45-46.)

Expectations of the researcher may have an effect on gained results. That has been a topic which the researcher has been evaluating throughout the process for avoiding a researcher's bias. Aiming towards assumed results instead of facing real questions and development needs is a real threat in many examinations. Because the researcher had no earlier background in either field (construction business or supervising services) all the gained information has been collected objectively from the start. For that reason, good research ethics has been reached.

Possible translation bias is possible due to researcher using Finnish language during interviews and meetings but writing the thesis in English which is not her first language. Sanakirja.org and Finnish- English vocabulary for Real Estate by Kuntaliitto have been in used. Feedback of using secondary sources was given in the second seminar. Unfortunately, those sources could not be reconsidered and replaced.

6 Reflection

Personal goals for the researcher were to be able to learn more and show service design skills. Also, one of the most important personal aims was to show how to make a project in a field that is totally new for the researcher. For that reason, there was a lot of background research which may not show in the thesis but was crucial to understand the conversation during the interviews. Understanding construction business as well as a public supervising role was laborious but worth investigating. The researcher's intuition of seeing the team having emotional competence in customer centered service but not enough possibilities in terms of organizational system to impact was hard to discuss earlier but is through the results proven right.

Time management skills was a topic for the researcher that was taken under serious reflection. Earlier study history show that there were difficulties in handing in the tasks on time so for that reason, some new tools were taken into use. As picture below show, now a new version of day planning was taken into use and the schedule was kept in mind throughout the process. As a whole the schedule has been kept commendably considering earlier experiences. However, the amount of time that was needed for transcriptions and translating was not realistically evaluated at the beginning of the research. Personal reasons changed the plans since the original aim was to be able to hand in the thesis in December instead of October 2018. For that reason, the prototyping state was not part of the thesis.

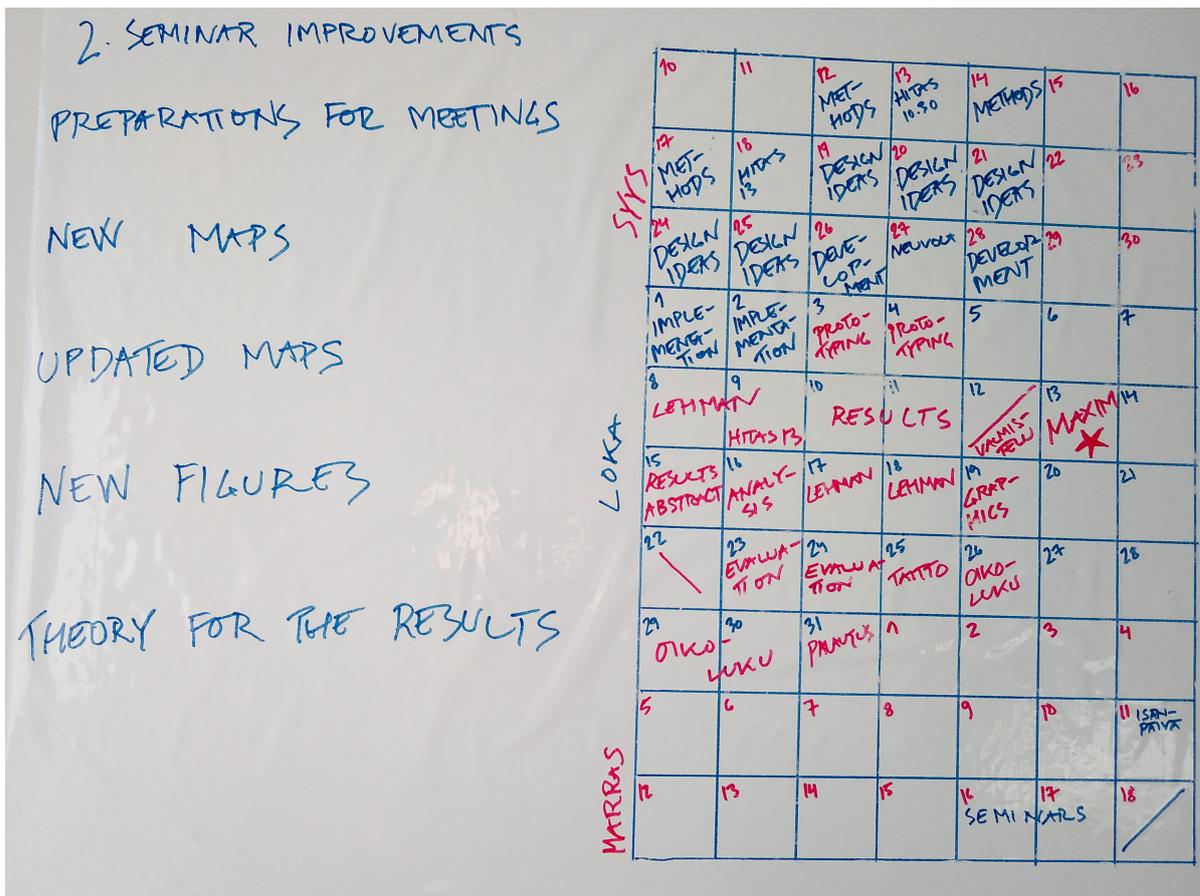


Figure 30, Time management tool.

The thesis shows that additional examination of the subject is important. There are topics such as organizational development and strategies for efficiency that could be examined. Research ideas for customer experience could be developing feedback channels and measures. In this particular service it is not possible to examine the wider perspective of the customer experience such as why someone chooses not to use the service. That is because these stakeholders are interacting based on a regulated system. On the other hand, a B2B-customer finds it reasonable to take part in service development since it may have an effect on lowering their personal workload. The role as a public actor does not exclude the possibilities of a customer centered service.

Few solution ideas such as the use of checklists and sharing information of contact persons at the beginning of a project could be taken into use in other units within Helsinki City. Involving customers in the service development is one of the principles of service design and that could be repeated and coordinated, too. The idea of increasing flow efficiency by improving communication channels could also be a topic for another examination and could be tested in other units and industries, too. Further topics for examinations based on results

could be in areas of process and service system studies, launching measures and customer feedback collecting routines and research in public influence-making.

Interviews and workshops were the most successful of the chosen methods. Discussions turned out to be the most fruitful way of gathering insights and open opinions amongst stakeholders and customers. Within workshops the development needs were analyzed, and improvement ideas were gathered. A stakeholder map, customer journey, touchpoints, affinity diagrams, benchmarking and value mapping turned out to be good supporting methods in gathering signals and creating topics and tasks for the co-design workshops. Customers as Personas and value mapping were developed in workshops as well as Business model canvas which gave the team a good understanding of the service design approach.

More workshops with other stakeholders and customers could have been kept. Observation within bigger meetings could have also been a good method in analyzing the possibilities of service development. Additional literature review was a good method for understanding and finding the proper terms for defined challenges. Intuition and skills of finding relevant information is something a researcher may not control entirely. In this research longer timeline for research and possibility of reaching the stage of implementation could have made a significant difference in use of a variety of methods.

What is the real problem you are solving? Keeping this in mind the research questions changed over the process. How might we develop co-work with stakeholders such as constructors and juridical substance? How might we increase sharing information and knowledge between Asuntopalvelut-unit's officers? were the questions in the first seminar. The questions changed by the second seminar because the need for understanding the customer experience was not presented enough.

The second stage questions were: How might we develop service by introducing service design in public-private-partnerships? How might we develop teamwork with service design tools? which then changed into questions: What is the current level of customer experience? How could the service process with internal and external as well as customer satisfaction be developed? This change was made out of discoveries of real need of development areas and based on gained results. The thesis opens these themes and answers the questions: The current level of customer experience is in a developing stage and the service process and customer satisfaction may be improved by creating more efficient communication and influencing channels. As a conclusion, the research has been executed by using the best possible knowledge and skills the researcher has.

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Appendix

1 Interview questions for constructors and meeting details

Interview structure and questions for the constructor customers

1. Basic information on service design
2. Presenting the goal which is to improve service and customer experience, think about development ideas in cooperation with different actors. Interest in customer experience with all the different partners. Explaining city strategy.
3. Is Asuntopalvelut- unit a new co-operation partner for you?
4. How many people does Hitas involve in your team? Is there a designated person responsible for dealing with the process?
5. How would you describe the service process?
6. What did you do to get everything under control, what does it require you to do?
7. Were you provided enough guidance and / or information before the service?
8. Are the instructions clear?
9. Are you satisfied with the speed of the response?
10. Are you satisfied with the solutions offered to you?
11. Which channels you used for getting additional information? Did you create your own charts?
12. Is there something that the instructions have to straighten or added?
13. Does some of the stages often have delays or ambiguities?
14. Are any of the process steps difficult?
15. Concrete development ideas?
16. What would be a dream process? Which steps could proceed smoother?
17. How did you execute the lottery?

2

18. Do you think that a chart, Excell- list or other tools (inverted timetable) would help your process?

19. Open comments? Questions for Asuntopalvelut- unit?

Meeting 1.

12.04.2018, Helsinki

Present: researcher, Asuntopalvelut-unit manager and one constructor customer representative

Meeting 2.

13.04.2018

Present: researcher, Asuntopalvelut-unit manager and two constructor customer representatives

Meeting 3.

23.04.2018

Present: researcher, Asuntopalvelut-unit manager and one constructor customer representative

Meeting 4.

24.04.2018

Present: researcher, Asuntopalvelut-unit manager and two constructor customer representatives

Meeting 5.

08.06.2018

Present: researcher, Asuntopalvelut-unit officer and one constructor customer representative

2 Affinity diagram of the constructor customers' interviews- unedited

| Overall experience of the service process | Constructors' in-house process experience | Stage- specific feedback | Concrete development ideas/ dream process |
|--|--|---|--|
| The process needs sorting out | We have faced biggest problems in premarketing | Taking city as a part owner is unclear | Usable contact information sheet |
| The support has been offered in no time | The lottery temptates, 30% are not serious with buying | The instruction for estimating costs is not full | Getting response from the coordinator if something is missing |
| Schedule problems | Certain time has to be reserved for actual buying contract | The stages are not opened up | Easy to understand charts and lists |
| Communication is decent now | The lottery is supervised by an attesting notary | Information for some details is shattered | Reversed time-frame so that the whole process would be easier to understand |
| We would like to execute other sights as well | We made schedule of each stage | The instruction should be more clear because of some documents were not attached because there was no knowledge | Some steps should be combined and the information should be handled within the offices |
| A certain officer has been very helpful, co-work is smooth | It takes at least 10 steps for the whole Hitas-process | There are unclear information of the differences between Hitas and half- Hitas | Explaining the dependencies, uniting instructions between stages |

| | | | |
|---|---|---|--|
| Hitas is a great product but the process is too complicated | I created a chain of each step | It is slow to read the instructions and not all of it are understood | Getting feedback for possible repeated mistakes |
| In order to avoid mistakes, the instructions should be more clear | We built an interactive platform for the lottery | I miss a way to absorb the instructions more rapidly and the way that I would not have to assume anything | All thought the instructions is very detailed I miss stage to stage instructions by emails |
| There is so much to remember in a building projects because we hand over documents to other substances like banks too | A notary is good to have during the lottery but we do not need a given platform because of we have our own digital system | It is not clear that names of both spouses have to be included in the applicant lists | Electronical process |
| The problems have been solved quite fast which is not common in all of the offices | There is always multiple tasks going on simultaneously so the risk for single mistakes increases | Consumers often ask about the differences of Hitas and half- Hitas and the ownership of spouses | Practical guide to the next step would help proceeding within personal hurry |
| Communication has been going well, responses come fast | First I go through the instructions and only after that I seek for help | The order of the selling process in not clear | Frequently asked questions would work |
| We have not been aware of all the dependencies | We have a manual binder system | The common instruction is not clear enough, I wonder if there should be project based instructions too | Guiding emails |
| The stages have been more contradictory instead of the response speed | The lottery is done with printed applications which are mixed and picked as playing cards | It is a challenge to announce the lottery results publically | Example of a schedule |

| | | | |
|--|--|--|---|
| Reaction speed has been excellent in one case we were served even after office hours | The lottery process was surprisingly smooth | The service is not offered by one office so for that reason we do not always know who to approach with questions | In addition to example chart there could be example time-frame for each step |
| I do not have over all vision of the process | There is challenges with scheduling and with manual work | Taking city as a part owner was done by a different office | Scheduling tool would be very useful since we need to make action plans 10 weeks prior to each task |
| | We need a specific time-frame for each project | It was a bit hard to gather right information because it was spread in two channels | Headlined information of changed rules and how they are replaced |
| | For our team, an understanding of a certain stage comes too late if it is only mentioned in a chart | It feels frustrating to send pre-information for the registration before the buying contract | Example pdf- form of the mandatory information a consumer has to give |
| | A change in rules that we were not aware of caused almost an irreversible mistake which we luckily could fix with the help of the office | In general, the instructions should be written the way it is rational to follow them | Tingle, module or ready software for all the needed tasks to be scheduled and united with CRM |
| | We work with Excell in which there are macros for the lottery and built-in conditions | | In order to increase transparence, a city provided software for gathering information and for lottery would be good |

| | | | |
|--|---|--|---|
| | We were all first timers in the project | | City provided software |
| | The information of schedules are critical for us because there are other plans and time frames for other ongoing projects too | | Time-frame would be good so that we would understand the needed time for each step |
| | We built our own list of all the needed actions | | Frequently asked questions |
| | We bought a lottery software from an independent service provider | | City provided software for lottery, we could even pay a small fee for using it |
| | A notary supervised the lottery and we informed each and every applicant of their result | | There should be just one main applicant and they could add or remove partners if needed |
| | We had a in-house delay during the process | | Ready tools would help |
| | | | Clear to-do-list |

3 Meeting details of interviews with stakeholders

Meeting 1.

6.9. 2018

Present: researcher, Asuntopalvelut-unit manager and one communication team's representative

Meeting 2.

13.9. 2018

Present: researcher, Asuntopalvelut-unit manager, Hitas-workgroup representative and Tontti-department representative

4 Affinity diagram, Unedited based on interviews with stakeholders

| Overall experience of the service process | Stakeholders' in-house process experience | Stage-specific feedback | Concrete development ideas/ dream process |
|--|--|--|--|
| the actors may even accidentally burden the officials if the information is searched from incorrect source | Our office does not know how documents are progressing, we just wait | We hope that the units themselves would start developing service such as electronic service models | need for document management and a ticketing system |
| There is a need for a common debate, even if some other unit has the impression that things are going smoothly | Process descriptions are being worked on in the Hitas-workgroup | for the registry, the system should be renewed. | you should have the process described as well enough and intelligently at an early stage |
| Asuntopalvelut receives all feedback and fires, even if the delays are due to other units | During the process of signing land rental agreement, we must ensure that Hitas conditions are understood | limited channels are problematic | IT management has the potential to implement systems as prototypes or on a larger scale. |
| Process chart improves knowledge of every | It is stressful that complicated processes are being prepared up to a | We are also worried about information security, | the submitted documents would not disappear |

| | | | |
|---|--|--|---|
| stakeholders' actions | certain point and then there will be some delays | especially regarding consumer customers | |
| Hitas- process is provided by many parties | It is mentally hard to re-start learning from the beginning, for example, if the project pauses for a couple of weeks and the documents are delivered late | A concrete goal is to get rid of email as an only tool in managing documents | the status of the projects would be visible to everyone |
| It is frustrating that in principle, even if everything is okay, we still need documents when the project is over | our operations depend on whether we are reminded of the progress of the documents | The risk is that the workload is channeled incorrectly | a feedback / development channel for developers |
| unnecessary repetition will happen | When the commitment comes, not everyone remembers to forward the information correctly | At the preparatory stage, we work as an interpreter with the necessary documents | a feedback / development channel for the team |
| There are really laborious projects | | all the documents must be obtained before long-term lease of the land | All factors should be invited to participate in joint development |

| | | | |
|---|--|---|---|
| the workload is not sensible | | Asuntopalvelut can not hit a stamp for the project that everything has now been done and closed | The ticketing system could be a chance |
| It is important that the processes are meaningful | | our task is to point out violations of the rules and to notify these matters | it might be easier to handle an applications, that can not be filed until all the documents have been submitted |
| To some extent, business also involves conscious gaming and tactics | | In the process control section, there is no obligation to assign it, as in other steps where we are not able to proceed until the documents are delivered | adding automation to reminders |
| The service is not handled with one-stop policy | | In practice, everything is handled by e-mail | The process description could make a "checklist version" where the work phases would be on the list |
| There are some moments of bouncing | | the city should be more digital | |

| | | | |
|---|--|--|--|
| There is a risk of a large number of documents that can not be handled properly | | Sharing information within the developers' offices is also a challenge | |
| Plans must be approved through multiple operators | | | |

5 Workbook for digital service development by DigiHelsinki

Overview for Hitas- asuntopalvelut 5.9.2018 by Aliisa Hautaviita

Answers in italics

1. Source of Need

Identify users and their different needs.

- The largest clientele for Hitas- asuntopalvelut are developers and often their sales representatives. The sizes of the builders' teams vary widely, and their teams have different resources. Based on the interviews, some automation and the development of electronic services would bring tremendous value. For smaller builders, the manual process does not take too much effort but would still be desired.

Talk to the users and set their roles.

- There have been discussions with the five teams about the service design project but the office is having everyday conversation with customers. The interviews show that the customer requests have been answered very quickly.

Which user needs the service fulfils.

- The basic needs are communication channel and compliance with official controls due to competition and the equal treatment of citizens.

2. Do less

If something has been resolved, do not come up with it again.

- At present, well-functioning channels are fast e-mail and personal telephone connections. The team also has a good team spirit.

3. Get Started

Establish the development of services for information and observation.

- The activity is monitored statistically by the number of cases mainly processed. Observation is made, but it could be more systematic to record. The customer feedback form could be targeted at the Hitas- process, currently using direct feedback to the email and the city's open feedback channel.

Keep track of the use of the services and continue to develop them user-oriented even when the service is already in use.

- The service is already being monitored within the framework of a governmental obligation, but an internal work tool could be used to record customer experience.

Use analytics tools in your services. This allows you to make legitimate changes when service needs change.

- This is a key long-term development target.

4. Find key

Find the key problem that you should solve. Do not settle for the answer "this has been done before".

- Three key issues:

- 1. The process involves a huge amount of manual work. -> There is a need for reinforcement in e-tools as a channel for developer-customer service as well as for internal processes.*
- 2. Working with internal client owners is slow and the problems are complicated. -> Coordination of the development process.*
- 3. Effective communication of instructions is not sufficient. -> Can developer-customers communicate on multiple channels, how to develop a comprehensibility of the guide?*

Work hard to avoid having to work.

- The information is currently on two websites and is somewhat contradictory.

Services are often complex entities but for the users they should be as clear and understandable as possible.

- Complexity can not necessarily be reduced in building processes, but through customer experience. Causal relationships could be opened up and the process schedule opened to customers more clearly.

5. Edit and play

Start small and try a number of options. Publish the first version early and listen to users all the way to the production version and beyond.

- In order to improve the process, the first improvement for companies could be Excell / Trello-compatible checklists of the process steps. Adding a contact list and visual elements to instructions should be considered. Customers also need a FAQ site for their website.

Does service chain work?

- The service path is not completely clear to the developer's customers for the whole process but is functional when dealing with Asuntopalvelut- unit. The success of the service path also requires a reciprocal communication from the customer, which is not taken into account by all the developer customers.

Is communication comprehensible?

- The message is coherent in its language, but the developer customers are not fully understanding the content or because of the hurry they have to find out information explained with easier language by themselves.

Delete unnecessary and emphasize your strengths.

- The current and possibly renewed guide is intended to be evaluated with the same visual appearance.

Iteration reduces the risk. It makes rare mistakes uncommon and turns smaller into good practice. If the whole thing does not work, do not be afraid to get started again.

- The aim is to build tools for long-term development of the service.

6. Build to Everyone

Services should be made as accessible, clear and comprehensible as possible.

Please note where the service is used. We make services to everyone, not just those who are used to using the latest technology. Look at this at the beginning.

- This principle is good to keep in mind. The current guidance for consumer customers supports a strong literary understanding better than the skills of others.

In addition, when constructing instructions, consideration should be given to how the value of the customer is formed by strengthening the comprehensiveness of the instructions and thereby reducing the risk, time adjusting and ease of use.

7. Create Services

Services are something that help people act. A large part of them can be implemented as web pages, but the goal is not to produce websites but services. Digital services have to solve real users' problems. This often also means looking at established practices.

- Based on the interviews, it can be said that action is commendable when it is reached personally. Digital solutions and improvements are needed to make the service fit under the terms of time of today's working life.

8. Guide in the right place

No one wants to read the separate online service manual. Every service is important to build in such a way that the user does not have to constantly study new. Think about where the user needs what information and guidance step by step. Use clear language.

A working service also takes into account the user's choices and profile, and posts messages based on them.

- If electronic service is to be developed, these principles would greatly facilitate the work of the developer customer. Using automation, for example in reminder messages, would free office resources from the manpower to the role of tutoring.

- In addition to system matrix, internal processes require the ability to find out how each project is progressing and ultimately finalized.

- In view of the current service, the customer profile is possible to take into account in a personal service but is very burdensome for the employees.

9. Open up the development

Invite users to service development.

- At present, developers have been interviewed and some have been asked for willingness to further develop. More discussions and ideas are organized and organized with the employees. It would be good to design a development strategy after the project.

Open interfaces and source code. In which direction the service should be developed? For each service, at least feedback can be given and taken into account in the development.

- For these questions, the strategy and possible implementation plan should be explored and, if necessary, constructed.

10. Share Learn

Share your work and learn with others. Share code, design, ideas, and efforts. Services improve when we look at them together. The focus is on continuous learning. A significant part of our services is based on open code and open network culture.

- The team has strong opinions and honesty to express disadvantages. This discussion should be maintained in the future as regards the development of the internal process of the service.

6 Notes of the team meetings and workshops

Asuntopalvelut- unit 13.2.

Present: researcher, Asuntopalvelut-unit manager and 4 team members

- Team and the researcher introducing each other
- Going through the project goals
- The process of constructing new sites requires work
- The most important task of the team is to create, draw, and control the lottery and sales of new sites. They also register the Hitas- apartment owners and calculate maximum prices. There are other processes that they are involved too but the Hitas-process needs developing the most
- Retail inspecting
- The team want to implement requests from developers for the equal treatment of citizens and for the equality of competition between constructors
- The maximum price calculation is via e-service
 - The desire is to expand cooperation and strengthen internal support with other departments
- It is hoped that the team is be able to serve customers excellently, development ideas have been discussed
- The controlling of lotteries creates a lot of workload, but is critical to justice

- Internal management is raising questions
- Sending constant reminders for the constructors of the delivery of documents is frustrating
- Releasing to supervise the lotteries would improve other operations and intensify other back-up tasks
- Internal audit sets requirements
- The pricing process should be streamlined, other things such as commitments and articles of association should be made before the sale
- There are a lot of customers in the consumers who are participating in the lottery just for trying their luck
- Also, profit-seeking investors are among the buyers
- Consumers seek destinations near the sea, with good location and services at a lower price than average
- Dealing with the processes afterwards takes a considerable amount of time
- An overview of consumers' dreams and the benefits of Hitas- homes was also explored

Asuntopalvelut- unit 21.8.

Present: researcher, Asuntopalvelut-unit manager and 4 team members

- Went through researcher's material and comments on interviews
- The lottery instruction changes, families are emphasized
- The Marketing and Sales Guide is renewed, the conditions of the council changed, too much emphasis was given on lottery instead of other criteria such as need
- There has been some difficulty in getting the lottery results especially when sales are delayed. This also applies to data for the owner register.
- The effectiveness of the instructions was considered in comparison with the developer's responsibility for the flow of information within the house itself. How can this be encouraged?
- When reviewing the terms and conditions given by Tontti, conditions and commitments related to the Hitas- process should also be clarified
- When the project comes to the Asuntopalvelut, the rules should already be clear
- Discussion about how to control and reduce information cuts.
- Using Nudge Methods?

- Discussion about the developer's responsibility to comply with the rules also in resale, the division of responsibility of the developer organization and possible process slowdowns from the developer's point of view
- What would be the right, impressive penalty?
- The developer sees the process as a whole, even though the services are differentiated
- How to improve city communication internally in the interests of clarity?
- Asuntopalvelut "shuts down the fires of other units" even if the delays and frustrations could be due to different parties and their own difficulties
- Outsourcing marketing and sales of the apartments increases the risk of delays in procedures
- The complexity of internal processes, such as differentiated information systems between the stakeholders and the names and codes used in different terms (land register number vs. AO name) delay the activities
- Constructors forget the instructions because the processes are long and they are relatively infrequent
- It would be a good idea to clarify the process already at an early stage, for example with the tools and instructions provided in the attachment of the commitment

The most important motivators and wishes of our customers:

- Money, constructing expensive housing in Helsinki with profit are the most important motivators
- They hope for quick access and quick response, clear instructions
- Looking for a good return on desired locations
- They want to follow the instructions to continue building plots

Considered the values produced, what problem do we solve, where to develop?

- The speed of the responses and the giving and making of the deepen instruction in your own office is in good level
- Internal communication with other stakeholders should be improved
- The process as a whole is complicated

The dream process and development objects

- An electronic system is needed as an internal tool as well as for customer relationship management (for example, the constructor sees the status of documents, what is missing, at what stage processing is proceeding)
- Web site updating (ongoing process)
- Improving the coherence of the guidelines
- Good co-operation, which would not be just a rhetoric, would be a dream
- How to create credibility in our own process?
- Online guidance with the visual model clarifies the customer-based approach, including the construction process / chart and needed Hitas- steps

Summary, main development targets

- Online channel is needed, a system for internal and customer use (note! no software- jungle)
- Finding solutions for internal processes
- Notifying the strengths of the unit
- Editing the instructions, for example, a diagram of a process with a visual model, visual evaluation by graphic designer for making better influence, building checklists of overall process, frequently asked questions - included on the website

Asuntopalvelut- unit 18.9.

Present: researcher, Asuntopalvelut-unit manager and 4 team members

Topics:

News, Discussions with reference groups, Results from the previous meeting, Task 1. Businesses as Personas, Task 2 BMC, Future plans

Discussion:

- Results of discussions with stakeholders
- The disadvantages associated with the possible Ticket- system such as the delay in responding and guidance to unknown parties was discussed
- A Ticket- system that enables visibility of internal tasks is required, where all users see the project status as closed / open
- Discussion of the need for an internal feedback channel as well as the possibility of unifying the available default response bases (Hitas-Siri)
- The commitment agreement for the constructors was also discussed in order to improve the understanding of the obligations

- The "ethical rules" of the constructing industry and the need for supervision raises questions
- As a whole, there is too much memorizing in the process for the individuals
- Processes require nominated managers and a clear message of project ownership
- How to confirm each party's voice and remembering the message?
- It was also considered how to tolerate working in the enormous organization without the possibility of influence
- Influence opportunities and channels need to be investigated
- What is the right channel for Hitas- rules changes (Replacement of a Housing Board)?

Personas- development

- Pre-made bases were read through
- Discussion of the values which are offered, of which the team was unanimous
- Companies and their situation and goals vary widely
- Categorization the types of developers from five to three, is not profitable, because while the business situation may be similar, the values for doing are different
- In addition, two other developers and their values rose to the discussion

Business model canvas- strengths and development needs results:

Partnerships:

- Customers
- Internal stakeholders (Development need: Communication channel for proposals for change)
- Websites, etc., Service Providers
- External stakeholders as Statistics Finland

Resources:

- Employees (Strength: Knowledge / Skill)
- Premises
- City organization
- Equipment (Development need: electrical system)
- Register (Current Application), (Development need: requires decision-making)

The core processes:

- Active contact with customers
- Communicating with stakeholders (Development need: internal ticketing system)
- Supervision tasks
- Market price calculation
- Editing instruction, informing

Value proposition:

- Enabling Hitas- Product
- Supervision for the public good
- Accuracy
- Quick answers
- Editing Guidelines / Internal Criticism
- Informing
- Correctness of the register

Channels:

- Personal contact
- Telephone service
- Email (also acts as feedback channel)
- Website
- Post
- (Development need: electronic system)
- (Development need: internal feedback channel)

Customer segments:

- Constructors (Also partners)
- Consumers
- Property Managers (After service)

Cost structure

- Use of time (Development need: information resources)
- Old system (Development need: risks involved, data can be lost)

Revenue Model:

- Time saving solutions

- Implementation of supervision
- Correctness of the data in the register (Also a value proposition)

Customer relations:

- Customer Service
- Updating information
- Developing instructions through feedback and observations
- Developing the process
- Participation in the debate
- Customer Survey
- Team-meetings (Sharing information and experiences, analysis, sharing duties)

Asuntopalvelut- unit 09.10.2018

Service design meeting

Present: researcher, Asuntopalvelut-unit manager and 3 team members

Topics:

News, Summary of last meeting, processes, Nudges and making influence, Task 1, Task 2, Summary and thanks

Situation in projects: Websites? Reformed Guidelines? Process Chart? What's new?

Processes

- The purpose of the process is to move forward 1. Materials, 2. Information, 3. People

Resource efficiency

- Keep the resources in use, executing tasks by splitting them into smaller parts, execution is provided by different people or departments

Flow Efficiency

Keeping the flow units in moving, focus on value-generating activities, identify the immediate and indirect need

Nudges, Six principles in influence making :

Incentives, Selection Map, Default Options, Misconceptions, Feedback, Avoiding Complexity

Task 1 Brainstorming

Thoughts on resource efficiency

- Conflict between the existing process and customer expectations is clear
- Bottlenecks are formed
- Everyone knows their case which is positive but also negative
- A lot of actors with different motivation to handle things
- The authors have a different view of the scale of tasks
- The units have different mechanism and habits, even though one might think they should share the culture
- Supervision belongs to "you"
- The city of Helsinki - jointly agreed practices. Bottlenecks are identified and developed
- The paradox of the decision making, who decides and what?
- Developing a customer "take over" from another unit to another
- There is a conflict between general feedback e-mail channel, messages and possibility to react do not always match. Re-targeting brings indirect needs and additional work
- There may be a gap between rules and practice. Some decisions go hand in hand with the idea that "the outcome is right" eg the contradiction between shared constructing and Hitas rules
- The resources of the systems are not sufficient for communication
- Things are being bounced here and there if someone does not want to make decisions
- The economic impact of delays is significant
- Implementation is being handled by different people and departments at this time. Co-operation in stage of development.

Thoughts of both process types

- Intensified cooperation within the city "out of tents"

- Controversy brings different insights into the process
- Convenience eg in decisions of the council is desirable
- Identifying the idea that for others the "necessary evil" is for others "good"
- Maintaining information throughout the process is important
- Flow efficiency increases resource efficiency
- Informing at the right time, not just when it's too late

Thoughts on flow efficiency

- The builder is a partner who should meet certain requirements
- When encountering problems, it may be recalled that a well-executed process will create new projects and poor performance will lead to foreclosure
- Ideal situation: get jobs done on time
- Asuntopalvelut will do their best within process: Properly, quickly, on-time
- Local team work is the one-stop principle
- Need to understand the dependence of one's own and other tasks
- One-stop principle: Every project should have a person in "owning" the client and is in cooperation with different actors in the city instead the client being the active communicator
- In messages, customers are directed to the next step
- The team has the ability to detect mistakes in the whole process, but has little influence on others
- Everyone should know the responsibilities of other actors
- Is there a mechanism for the transfer of responsibility?

Task 2 Brainstorming

Nudges in practice

- Proactive, accurate counseling and guidance
- Reduction of land rent from a good process, "Positive sanction"
- The plot booking policy: a good location as a prize
- Good feedback on good activity, reputation building
- Model performance, examples of how others have done

- Information flow from beginning to end
- Avoiding of contractual damages = compliance with instructions
- In the response messages, the developer is guided to the next step
- Properly scheduled clear message / announcement
- Schedules could be marked the flow of the process and current stage
- "Hitas-scoring" - Star rating as a whole and in the correctness and timeliness of the various phases

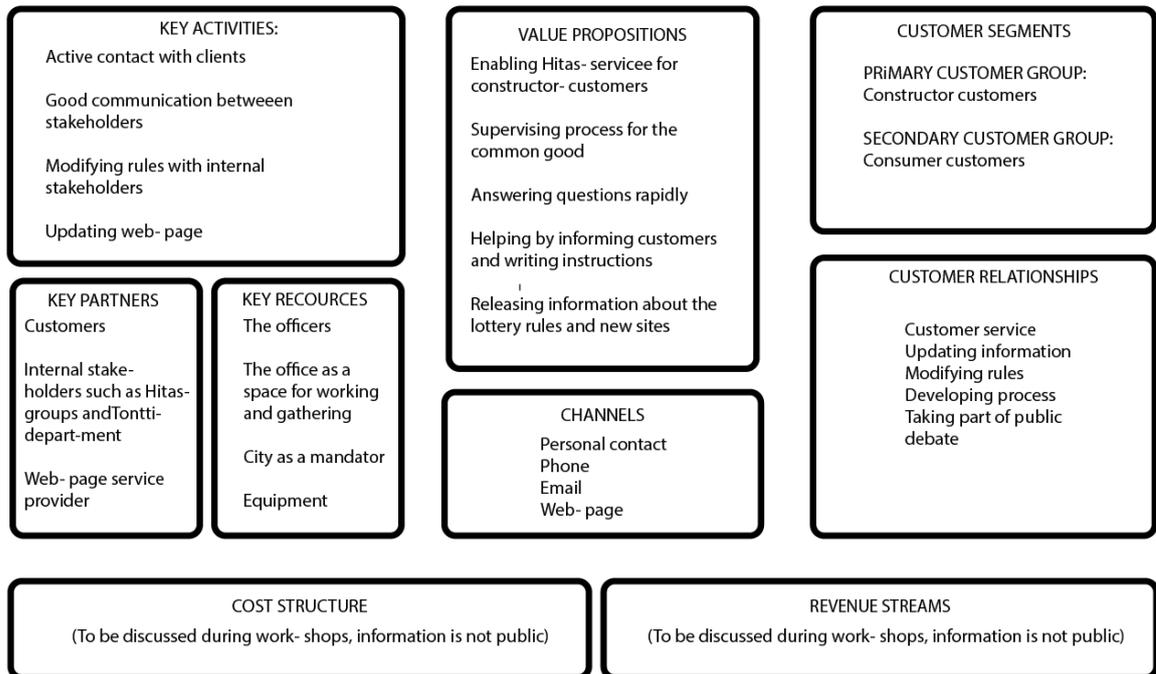
Other comments

- The ongoing Tiki working group's report on uniting systems is interesting
- In the case of acquisitions, poor experience affects the fact that a company may be excluded from the next competition. Could the principle apply in this process too?
- Discussion of the verification of understanding instructions at the beginning of the process
- In the previous co-operation meeting, the topic was unsuccessful
- Lease agreements may be signed with a third party who does not understand the need to inform the actors within entire process
- The style of internal communication is thoughtful. Frequently, the supervisory wishes are discussed at the level "this is what you want", even if it is not a wish but the criteria for control
- E-mails are not always responded, causes frustration
- Contracts and commitments are written simultaneously, which is controversial to the activity timeline
- The timeliness of communications should be improved
- Coordination of process management would be desirable
- The impact of the commitment paper is not at an adequate level
- In the regional team, the developer is present, is the chance to influence
- Dreaming of a good, basic work and functional processes
- Researcher asked feedback from the process, the team was not eager to speak their mind
- General possibilities of service design and design readiness were discussed

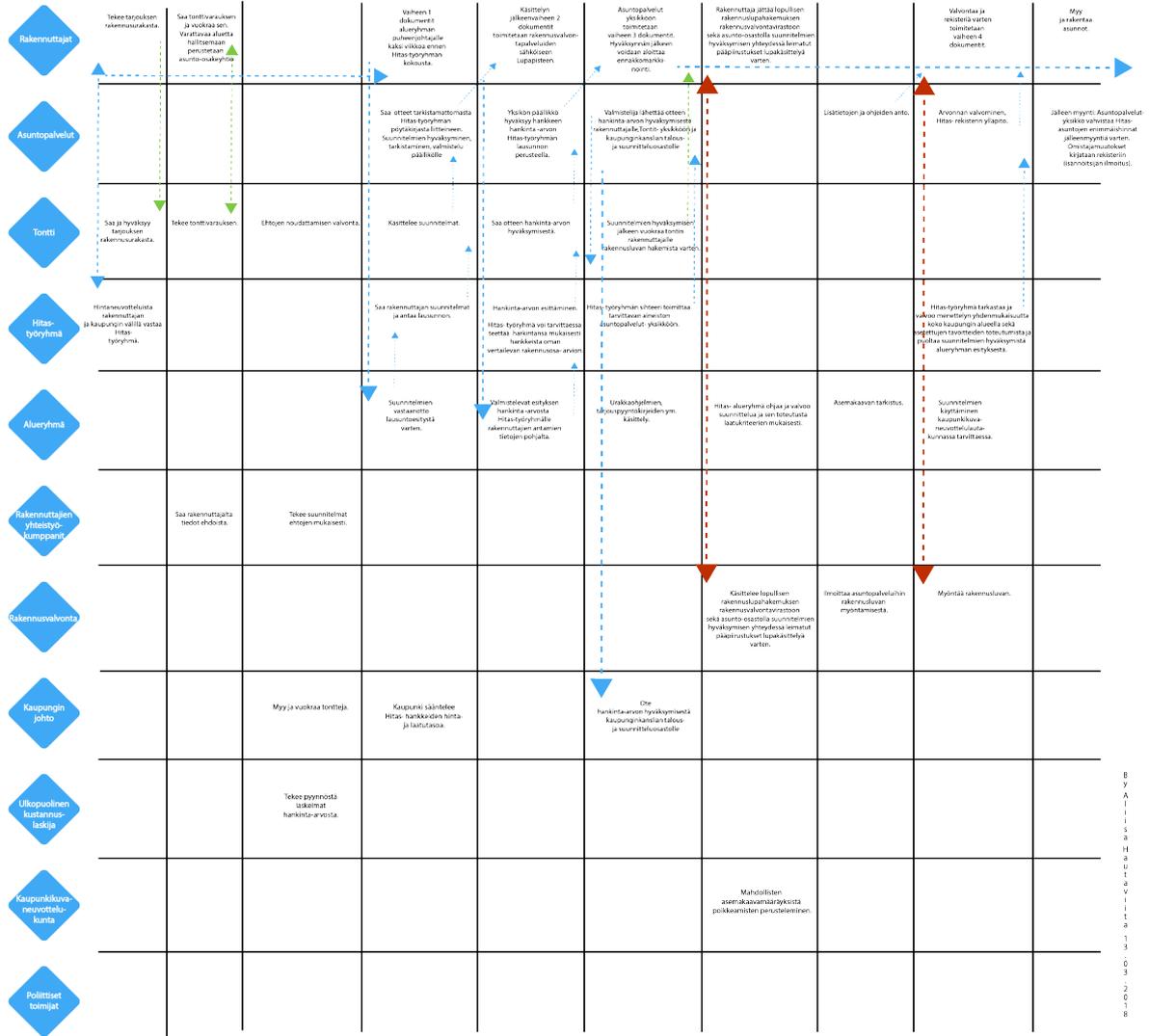
7 Sketches of maps

Business model canvas- sketch

Hitas- office, Business model canvas- sketch



Service blueprint sketch



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