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# Successful Service Development in the Public Sector: a Case study of a Service Design Project Carried out in Short-Term Care Services in the Town of Turku

Salmelin, Annaliisa

2014 Leppävaara



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Successful Service Development in the Public Sector: a  
Case Study of a Service Design Project Carried Out in  
Short-Term Care Services in the Town of Turku

Annaliisa Salmelin  
Degree Programme in Service  
Innovation and Design  
Master's Thesis  
May 2014

Laurea University of Applied Sciences  
 Laurea Leppävaara  
 Master's Degree Programme in Service Design and Innovation

Abstract

**Successful Service Development in the Public Sector: a Case Study of a Service Design Project Carried Out in Short-Term Care Services in the Town of Turku.**

Year	2014	Pages	98
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The purpose of this master's thesis was to map and define the factors that will make the service development process successful in public elderly care and to address the question of the nature of the challenges that need to be overcome when the development process is executed. This study will examine the development work being done in the public welfare sector today. It will present the case study as an example of how the first steps of the development process are done, following a user-centered approach and the principles of co-creation. An objective of this study is to gain a deeper insight into the obstacles encountered when services are developed in the welfare sector.

The case study was originally made for the welfare department of the City of Turku. The goal was to have a project study employing the methods of service design and to demonstrate how this method could be used in the overall development of welfare services. The objectives of the project were to improve the short-term care services and to introduce the techniques of co-creation, and increase collaboration between the units providing short-term care services. It was also important to include those participants who are indirectly involved with the short-term care services, such as, home care service providers and family caregiver mentors.

The structure of this thesis consists of the introduction, which describes the case study organization and collaborators, following chapter about the background of the service development in the public sector. The background chapter explains also how the public sector differs from the private sector and provides an overview of the state of elderly care today across sector borders. The rapidly changing situation in elderly care services is one of the reasons why there is a need to develop services together with the users. The theoretical framework presents research about the public sector service development, elderly care, change management, user-centered service development, service design, co-creation and benchmarks of user-centered development projects. The case study process is presented after the theoretical sections. The process is described from the definition phase to the evaluation phase, including all the methods and tools, which were used when the project was carried out.

The final part of the master thesis evaluates the case example findings in the light of the research material and the questions which were set at the beginning of the study. This section defines the concept of evaluation in service design and the public sector, and describes the actual evaluation period used in the case study, the obstacles and challenges faced and the learning acquired from the case study.

The study made it possible to identify difficulties on service development in the public sector and thus create recommendations for an improved service development process model. Overall, the thesis project contributed to an increased level of understanding of the public sector's welfare division and the diversity when services are developed compared to the private sector organizations. In addition, it succeeded in highlighting the potential role of service design and service designers in the development work of the public sector.

*Service development, public sector, service design, co-creation, service development process, user-centered development, welfare division, short-term care, ageing, elderly care*

## Onnistunut palveluiden kehitys julkisella sektorilla. Esimerkkiprojekti: Lyhytaikaishoidon palvelumuotoilupilotti Turun kaupungin hyvinvointitoimialalle

Vuosi

2014

Sivumäärä

98

Tämän opinnäytetyön tarkoituksena oli havaita ja tutkia, mitkä tekijät vaikuttavat onnistuneeseen palveluiden kehittämiseen julkisen sektorin vanhustenhoidossa. Esimerkkinä opinnäytetyössä käytettiin lyhytaikaishoidon palvelumuotoilupilottia, joka toteutettiin Turun kaupungin hyvinvointitoimialalle syksyllä 2012. Esimerkkiprojektin prosessi toteutettiin käyttämällä käyttäjälähtöisen kehitysprosessin alkuvaiheen osioita määrittelystä ideointiin. Tavoitteena oli esittää niitä osatekijöitä, jotka vaikuttavat onnistuneen kehitysprosessin toteuttamiseen ja havainnoida siihen liittyvät haasteet sekä kirjallisuuden että esimerkkita-pauksen kautta.

Esimerkkipilotin tavoitteena oli kehittää lyhytaikaishoitoa tarjoavien yksiköiden yhteistyötä ja palveluita palvelumuotoilun keinoin. Pilotin kautta harjoiteltiin palvelumuotoilun eri työkaluja ja metodeita, sekä moniammatillista yhteistä ideointia. Pilotti toteutettiin määrittelemällä haasteet ja tavoitteet. Tämän jälkeen siirryttiin tiedon keruuseen, jossa kerättiin eri keinoin tietoa lyhytaikaishoidon tarpeista ja kaikista palveluun välillisesti tai välittömästi yhteydessä olevista sidosryhmistä. Kerätystä materiaalista koostettiin syötteitä kahteen innovaatio-verstaaseen, joissa yhdessä ideoimalla synnytettiin uusia toimintamallikonsepteja jatkokehitystä varten. Pilotti toteutettiin ainoastaan ideoiden synnyttämiseen saakka. Testaus ja toteutus jätettiin tämän projektin ulkopuolelle.

Tämän opinnäytetyön sisältö koostuu neljästä osiosta. Ensimmäinen osio on perehdytys, jossa esitellään esimerkkiprojektin tilaaja ja yhteistyökumppanit sekä avataan tutkimuksen syitä ja tavoitteita. Tämän jälkeen seuraa teoriaosuus, jossa käydään läpi julkisten palveluiden tämänhetkistä tilannetta peilaten sitä yksityiseen sektoriin, palveluiden kehittämiseen, muutosjohtajuuteen ja yleisellä tasolla ikäihmisten palveluiden tilanteeseen. Viitekehys muodostuu palveluiden kehittämisen ympärille. Siinä keskeisiä teemoja ovat käyttäjälähtöinen kehitys, yhteiskehittäminen ja palvelumuotoilu.

Teoriaosuuden jälkeen esitellään esimerkkiprojekti, joka toimii käytännönesimerkkinä palveluiden kehittämisestä yhteistyössä julkisen organisaation kanssa. Prosessissa kuvataan palvelumuotoilun keskeisiä tiedonkeruu- sekä ideointityökaluja.

Opinnäytetyön viimeinen osio on arviointi, jossa käsitellään pilotin onnistumista ja sen ongelmakohtia. Arvioinnissa peilataan pilotissa esille nousseita argumentteja opinnäytetyön alkuosassa lähteenä käytettyyn kirjallisuuteen ja sen esiin nostamiin seikkoihin, sekä luodaan tätä kautta johtopäätöksiä onnistuneen prosessin tärkeimmistä osatekijöistä. Päätelmissä pohditaan myös lyhyesti palvelumuotoilun ja palvelumuotoilijan roolia julkisten palveluiden kehityksessä.

*Palveluidenkehitys, julkinensektori, palvelumuotoilu, yhteisöllisyys, palveluidenkehitysprosessi, käyttäjäkeskeinenkehittäminen, hyvinvointitoimi, lyhytaikaishoito, ikääntyminen, vanhustenhoito*

## Table of Contents

1	Introduction .....	7
1.1	Background of the study.....	8
1.2	Purpose and objectives of the study .....	9
1.3	Terminology .....	10
1.4	Selected service design process for service design project.....	12
1.5	Case study organization .....	12
1.5.1	The City of Turku - Welfare Division .....	12
1.5.2	Around the clock care and short-term care .....	14
1.5.3	Other collaborators in the case example .....	15
2	Background .....	17
2.1	Public / private sector as service providers in Finland .....	17
2.2	Eldery care in Finland.....	20
2.3	Change management in the welfare sector .....	25
2.4	Challenges on developing services in welfare sector .....	28
2.5	Customer-centric and user-centered service development .....	30
2.5.1	From services to customers.....	30
2.5.2	Service development and the importance of integrating users into the development process.....	34
2.5.3	Co-creation in elderly care .....	37
2.6	Service design - user-centered development process.....	39
2.6.1	Comparison of the definitions of the service design process.....	39
2.6.2	Challenges in short-term care .....	42
2.7	Benchmarking other welfare division's service development projects .....	43
2.7.1	PALMU-project .....	43
2.7.2	Design in Practice - 'Design for flexibility and change with Healthcare Service Providers focused on the implementation of Practice Based Commissioning in North West England. ....	45
2.7.3	IDEO - Nurse Knowledge Exchange Program for Kaiser Permanente ....	46
3	Service design process in the case study.....	47
3.1	Purpose and objectives .....	48
3.2	Understanding the possibilities.....	49
3.3	Customer and service professional understanding .....	51
3.3.1	Service design methods .....	52
3.3.2	Qualitative interview .....	52
3.3.3	Interviewing the end-user and their caregivers (referred as customer) .....	54
3.3.4	Interviewing the service professionals .....	56
3.3.5	Observation .....	58

3.3.6	Material for the first service workshop .....	62
3.4	First service workshop, Luolavuori 16.10.2012 .....	62
3.4.1	Co-creation as a method in service workshops .....	63
3.4.2	Service design tools .....	64
3.4.3	Conclusions and observations from the first workshop .....	67
3.5	Second service workshop, Liinahaka 7.11.2012 .....	67
3.5.1	Service design tools .....	68
3.5.2	Conclusions and observations from the second workshop .....	70
3.6	Concepting .....	70
3.7	End results and evaluation .....	75
3.8	Summary from the project .....	76
4	Evaluation .....	77
4.1	Evaluation as a service design method .....	77
4.2	Defining evaluation in public sector service development .....	78
4.3	Service design -day for welfare division's managerial level .....	79
4.4	Obstacles when going through the project .....	80
4.5	Learnings about the project .....	87
5	Conclusions .....	89
	References .....	93
	Figures .....	97

## 1 Introduction

Ageing is considered a major concern in developed countries and also in Finland. Population structure is transforming from the age of baby boomers to ageing elderlies. Due to the rapid rise of the elderly people public services, and as providers local municipalities, are facing huge challenges due to the ageing. The welfare state constructions in Finland were built over 60 years ago for totally different needs than today. The system is outdated, and it does not serve citizens' changing needs. (Lönqvist & co. 2010) The gap between the public welfare services and the need of the elderly citizens will become bigger year by year. (Virtanen and Stenvall 2012)

Public sector and its welfare division are in headlines constantly not only because of the huge renewal for the social and healthcare service but about the challenges in providing good quality services for the elderlies. While the Ministry of Social Affairs and Health has been preparing a reconstruction of the base of all social and healthcare services, municipals are struggling to provide basic services that are mandatory by law (The Social Welfare Act) and citizens are experiencing the consequences because of the lack of valid services.

The purpose of this master thesis is to study development challenges in the public sector and through case study examples and experiences evaluate possibilities adapting service design methodology in developing public sector's welfare services. The study case is a service design project project which was done for the short-term care services of the welfare division of the Town of Turku in Finland. The project took place in November 2012, in collaboration between my company called A45 - ANELJÄVIIS and representatives of the town.

This service design project, which is the thesis case study, was the first wider service design project of my company A45. It started by an appointment with welfare division's Services Production Director where I introduced my business and myself and what I could offer to them. The Service Production Director was excited about the topic because he had been planning to organize a project on service design in his department. He had been involved in several developing cases, developing public welfare sector renewal and had written numerous articles and books about development work in the public welfare sector. From that meeting, wheels started turning, and service design project was about to be executed.

I encourage you to read this thesis if you are involved and interested developing welfare services in the public sector. My objectives were to provide background information about the challenges and obstacles behind the development process including the perspective of developing services using the service innovation and design approach and especially through co-creation. I start with introducing the collaborators, background information about private and

public sectors differences as service providers; elderly care in Finland; and experience about co-creation and service design. After the background content, I introduce the case study, service design project, in a format of opening the service design process. This process includes the explanations about the methods used. The final part of the thesis is constructed from the evaluation and conclusion part.

### 1.1 Background of the study

This case study was originally made for the Town of Turku and it's welfare division purposes. The aim was to organize a project study on service design to understand how it could be used in the overall development of welfare services. The objectives were to develop short-term care services and specifically to introduce co-creative techniques and increase collaboration between the units which provide short-term care services and those who are indirectly involved in short-term care services such as including home care services and family caregiver mentors.

This study is focusing on short-term care services as such and also the general development objectives including the challenges and obstacles, which the development process is facing in the public sector welfare department. This study also highlights the possibilities that methods like co-creation and other service design methods, tools and process offer for developing public services. The following figure is a mind-map created in the beginning of the process, which presents the context of the work (Figure 1).

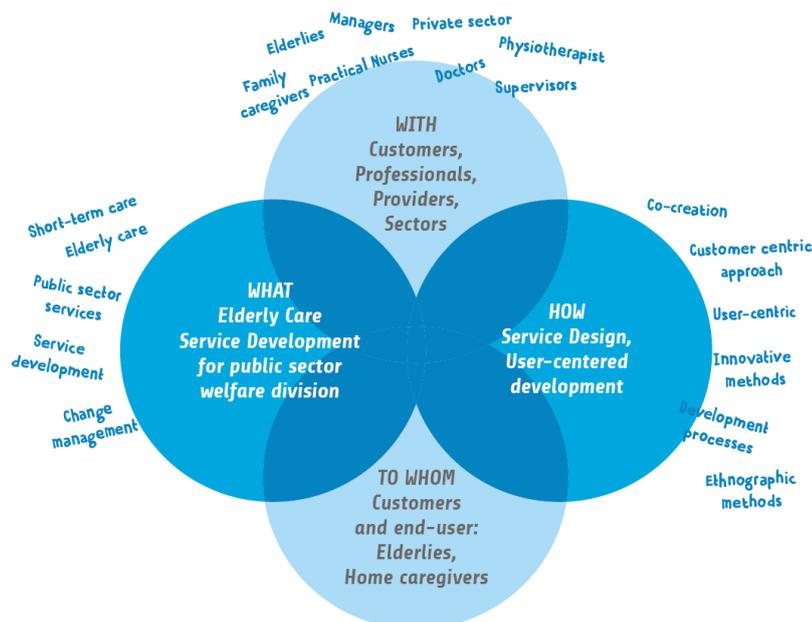


Figure 1: Mind map of the context

The mind-map is giving a general picture of the field of this study by presenting and answering four different questions: what, how, with whom, and to whom. The study context will be discussed more in detail in chapter 1.5.

## 1.2 Purpose and objectives of the study

The purpose of this study was to enhance use of service design and service designers in public sector. The goal was to define what elements can support a successful service development process. An objective of this study is to gain deeper insight into challenges and barriers when services are developed in the welfare sector; more precisely, what are the challenges and obstacles of the development process and how to integrate user-centered approach and adapt co-creation into public service innovation and design?

This study will give an insight to development work in public welfare sector today in Finland and through the case study present an example how the development process was done using the user-centered approach and co-creation.

The main research questions were:

- What are the key elements of a successful service development process in public elderly care?
- What are the obstacles and challenges when services are developed?

Supporting questions were:

- How to improve elderly care services through user-centered approach?
- How to manage and coordinate development project in the welfare sector when project includes multiple different collaborators from different professions?
- How to create open innovation co-creation model to develop short-term care services?

### 1.3 Terminology

Elderly is a term that can be used when referring to people at the age of 65+ years. For example, Gill, White and Cameron have been used term elderly people in their research of service co-creation in community-based aged healthcare (Crutz-Jentoff et al. 2012). It is more or less understood to the age when retirement starts in most developed countries. In Finland, the retirement age is now set to 63 years. There is no commonly set age when people are officially old. Today life length expectation in developed countries is higher than 30 years ago (WHO 2013). The average lifetime in Finland is 83 years for women and 77 years for men (Findikaattori 2013). According to some predictions, in 2035, there will be over million elderlies (75+ years) in Finland. The so-called “baby boomers” will then be around 90-years old (Statistic Finland 2013).

Explanations of the terminology, which are used in this thesis:

- **Ageing:** In this thesis the word ageing covers the population group, which was born during the time of baby boomers. Time period is considered from 1945 to 1949 when in Finland there where over 100 000 babies born. This is why they were called the “baby boom” generation. (Pajunen & Ruotsalainen 2013)
- **Elderly:** (+65 year old) applies to additional descriptions such as older adults and seniors. In developed countries the age between 60 and 65 years is considered as an age when most of the people are retiring. Retiring then again is considered to be one milestone in our lives. It can be seen as a start of the life of an elderly. (WHO 2013)
- **Customer:** The buyer of the products or services. A customer can be on particular person, group of persons or organization. (Vonderembse & White 1996, 817.) In the study case refer as the elderly’s caregiver when elderly is refer as end-user.
- **User:** User can be defined as the person who is in-touch with the service or product. It can be seen as any person, organization, process or system, which uses a service provided by others. (Businessdictionary 2014.)
- **End-User:** Common definition of end-user is the true consumer of the product or service (Investopedia 2014). In this thesis the elderly who consumes care services. (See Figure 2)
- **Service professional:** In this work service professionals refer mainly medical staff (registered nurses, care assistants, occupational therapists etc.)
- **Patient information system:** Pegasos is used in health care services. In Turku there are two main patient information systems (Pegasos and Effica).
- **Service environment for elderlies:** This term covers such organisations as home care, assisted home care, elderly service centre, sheltered home care, elderly care

centre, elderly home or home for elderly, institutional care centre and geriatric hospital

- **Services for elderlies (examples):** Home care, family caregiver mentors, support for family caregiving, counseling services, institutional care, food services, geriatric services, restorative services etc.
- **Customer-centric:** Organization's operation focus is on customer's needs and hopes. Organization is customer-centric when its main point is solving customer's problems. When developing services, customer is the locus of the development. (Lämsä and Uusitalo 2002.)
- **User-centered development:** User-centered development aim is to have the user, as the resource of the information about the need, as a base for the development work (Koivisto 2007). User-centered principle can be defined as having the user in the centre of the development and in the centre of the service: the service exists to fulfil the customer needs and expectations (Alam and Perry 2002).
- **Service design:** An activity where services are designed through customers and other participants in order to create useful, profitable and desirable services; and for the service provider provide effective, efficient and different services to offer. (Service Design Network 2014.)
- **Co-creation:** Service co-creation means the action, which is performed between the supplier and the customer when service is produced and consumed at the same time. (Gummesson 2007.) The locus of value creation is between the consumer and the organization defines Prahalad and Ramaswamy in their article about co-creation (Prahalad and Ramaswamy 2004).

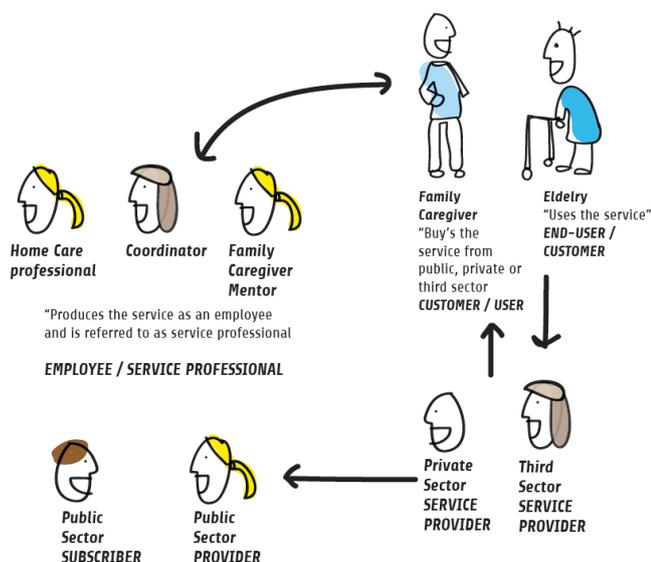


Figure 2: Explanation of different terminology when developing services in public sector

As seen in figure 2 the roles, what service design uses to identify the meaning of different stakeholder, varies a lot concerning on which angle you look at it, for example service professionals. Elderly is in most cases the end-user who consumes or uses the service. Third, private or public sector can provide the service. One difference between sector's services is that in public sector elderly is never directly involved with the actual service provider; there are always employees between them. But in private sector and in third sector, the service provider can be the caregiver itself.

#### 1.4 Selected service design process for service design project

This case study was planned on the basis of the service design process described by Tuulaniemi (2011). The overall project was formed from defining, research and ideating phases (figure 11). The case covered all the preliminary phases of service design including the ideation phase. Financial limitations ruled out the implementation and test phases which were not included in this project.

The original purpose of this case study was to demonstrate and learn how service design could be used when developing public sector's welfare services. When the budget guidelines were set afterwards it was obvious that it was not possible to go through the whole process. It was then decided to reduce the made offer. The hardest part was to shorten the process. There were no promises of continuance, so there was a possibility that this demonstration would leave a wrong image about service design to the participations mind if one of the main process periods were left out. As it was decided, the service design project was about to start from the beginning and stop right after the ideation phase.

#### 1.5 Case study organization

In this section, I will introduce all the collaborators, which were involved in the case study. Collaborators for the service design project were all under the City of Turku Welfare division. The participators where five of the elderly care centres from the City of Turku and one sheltered elderly care centre, home care, family caregiver mentors, a doctor, a physiotherapist, an occupational therapist, a short-term care coordinator and customers and their caregivers and relations.

##### 1.5.1 The City of Turku - Welfare Division

Case study was performed together with welfare division of Turku. The town is using the “subscriber - provider -operating” model where inside the organization there are units that are responsible for subscribing services and one unit which is responsible for providing services. Turku’s welfare division consist from six performance areas: Social Services, Primary Healthcare Services, Specialized Healthcare Services, Rehabilitation Services, Elderly Care Services and the Administration of the Division. Under the order of the Welfare division director execute the Services production director, responsible for the provisions of services, and three different service managers, subscribers of the services (Figure 3). One of the service manager’s managerial areas is securing quality of life for the elderlies. The Outcome area manager for elderly care services supervises Around the clock manager who is responsible for five elderly care centre’s managers. Figure 3 below demonstrates the high hierarchy level of organization, and the path from the customer to the decision-making service managers is long. The path from the customer to the decision maker consists of six hierarchy steps: a suggestion of complains from the customer/end-user has to go through all these steps before it is recognised as shown (Figure 3). (Turku 2013.)

Welfare Division's Organization at City of Turku 2013

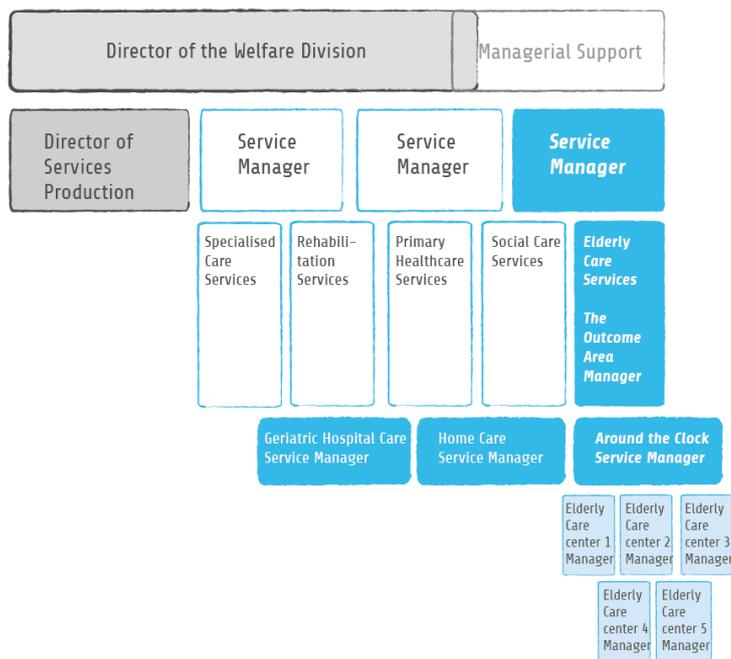


Figure 3: City of Turku Welfare Division’s organization 2013 (Based on illustrations on [www.turku.fi](http://www.turku.fi))

### 1.5.2 Around the clock care and short-term care

Elderly services include home care for the elderly, around the clock care and geriatric hospital care. Services focus on care taking of elderly and their health and wellbeing as well as on preventive healthcare. The aim is to support as much as possible elderly so that they can stay at home in their familiar surroundings and cope on their own. This support is provided through counselling, guidance, nursing, and rehabilitation and from time to time with homecare. Home care and family caregiving services are assisted by day activities and short-term care services. (Turku 2013)

Around the clock care is formed from different services such as empowered sheltered homecare, elderly care centre, long-term care unit, short-term care unit and palliative care (Figure 4). The priority in elderly care is when elderly moves from its own house to a care centre you will never have to change your place of stay. Around the clock care is provided in five different modular elderly care centres. The around the clock care manager controls all of the five elderly care centres. All these centres provide a different level of elderly services based on their expertise. All provide basic services, and some offer special services like activity based simulative action. Elderly care centres collaborate with home care, third sector, and congregation and different registered societies. (Turku 2013.)

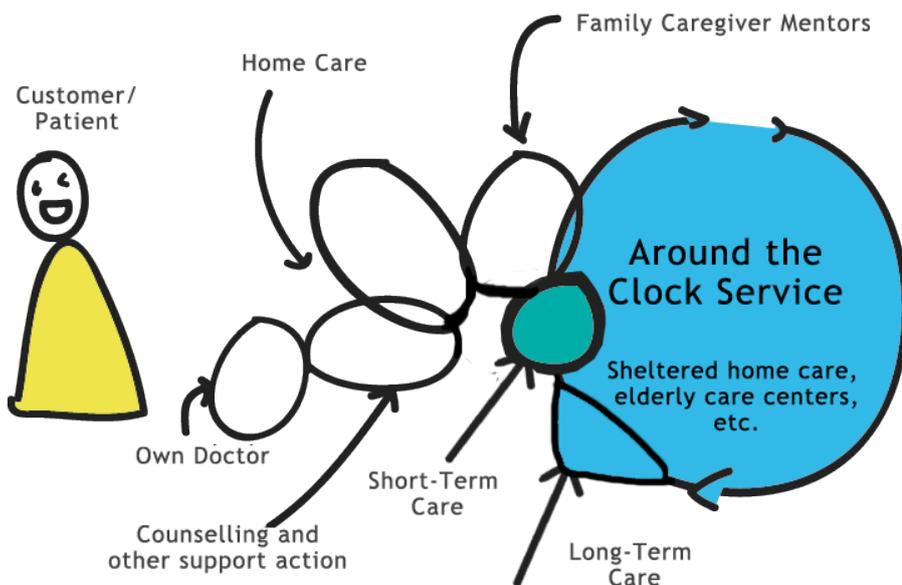


Figure 4: Customer's connection to around the clock service and to short-term care

Short-term care is available for persons living in their own home and needing now and then intensive care. Short-term care was in 1988 defined by the Secretary of Social- and medical

affairs as temporary or respite rehabilitation care in an institutional centre. The duration can be up to 90 days. (Salin 2008, 21.)

The goal of short-term care is to assist elderlies in maintaining physical and mental capability in everyday life. Through this care type, welfare division supports and helps elderly, to stay at home as long as they are willing. Short-term care needs are evaluated, and care periods are consulted individually, and reservations for the care period are done through short-term care coordinator. Moreover short-term offers the family and home caregivers information on how to manage at home, nutrition and assistant aids for the elderly. For most of the home caregivers, this is very valuable and offers often the only chance to have time on their own. (Turku 2013.)

The purpose of the short-term care is to provide support for elderlies and their home caregivers by serving them more services, support, information, counselling, rehabilitation and education. According to Salin (2008) short-term care, also called interval care, time care or shift care, requires development. It is irrefutably one of the main supporting services providing help for coping in their daily life. (Salin 2008) Short-term care is a small part of the overall services what elderlies and their home caregivers are consuming.

There are three possible ways to apply care period from short-term care -service: either as a home care customer (70 % of the customers), or through family caregiver mentors or on your own. The last one is rather rare. (Nybom 2012.) The main requirement is that you are a citizen of the town from where you are applying for care. Turku provides this service in nine of their elderly care centres (Turku 2012). For this project, the client, a representative of the town, chose six short-term units.

### 1.5.3 Other collaborators in the case example

Home care is one of the main collaborators of the short-term care services. Home care is responsible for 90% of the care time requests to the short-term care coordinator (Nybom 2012). Home care services are provided direct in the patient's home. The amount and type of required are evaluated individually together with the client with the support of his/her own home care doctor. After the evaluation, home care team makes a service plan, which is the basis of provided home care services. Home care customers are not only elderlies but as well disabled and other long-term patients. All home care customers can use short-term care services when needed. (Turku 2013.)

Family caregiver mentors are own separate unit under welfare division, and their main purpose is to guide, mentor and give support to family caregivers. When family caregiver has got elderly's diagnose and it fulfills the criteria to be a disability pensioner there is a possibility

to apply funds for care support from government. In most cases, customer makes a contact to family caregiver mentors to assist them to fill the application. When this occurs, the mentor instructs the customer to contact their own doctor to get the statement of the disease, and after this they will together set up a date to a house call. During a house call, the mentor, the patient and the caregiver go study carefully all the eventual needs the customer has to assure coping at home including: need for care as well as needs related to communication, exercise, nutrition, medication and personal hygiene. (Rinne and Hintukainen 2012.)

Collaboration occurs between home care, hospital and direct to the patient and their caregiver. Family caregiver mentors are the link to state and back for the caregivers. They are the main source of information on how to manage at home with the patient. Short-term care is one of the lifelines for caregivers. Especially family caregivers are the ones who need the assistance to their everyday challenges with their loved ones. The mentors or the customer itself can make the reservation for the care period in short-term care. (Rinne and Hintukainen 2012.)

In Turku the short-term care coordinator operates 61 short-term care patient places. Approximately 90% of the short-term period requests come directly from home care and family caregiver mentors. They order the period from the coordinator, and the coordinator adds requests to the short-term care calendar, which is based on an excel sheet. The short-term units and the coordinator share the same calendar that provides basic information about the patient, such as the name and the time of arrival and how long the patient will stay at the selected unit. Short-term coordinator operates between short-term units, home care, family caregiver mentors, caregivers and in occasionally with the patient. (Nybom 2012.) The role of the coordinator was established when the short-term care went last time through a development process. Previously, each unit had one social worker responsible for the unit's patient flow and no one had the sole responsibility for coordinating the short-term care services. (Nybom 2012.)

Doctor of Geriatrics and Home Care explain that the role of a doctor in short-term care services is vague. She clarifies the situation that actually in short-term care services there are no doctor appointment available because there are no directly marked resources. In some units, there is a chance in critical situations to have a physician's appointment. Because of the situation at home care where patients in general are in weaker condition than before, there can be seen a need to assign more medical staff, especially geriatric physicians to cover the needs of the short-term care customers. (Mäkelä 2012.)

The division has also a so called "Substitution workgroup for elderly care services" (Vanhus-tenpalvelujen sijoitustyöryhmä) known as SAS group. Its mission is to decide who needs shel-

tered home care or long-term care and to manage/position the patient in a way that the place is right for occurred needs. SAS is a shortening from words clarify, evaluate and implement (suom. selvittää, arvioida, sijoittaa). This is the method to avoid misplacement and transfers between care centres. (Mäkelä 2012.)

The physiotherapist and occupational therapist are typical “multitaskers” in short-term care services. They are responsible for promoting the patient’s physical ability during the care period. They give instructions for managing the patient to stay at home and to maintain physical capabilities in everyday life.

The two therapists who participated in this case study were in a way exceptional because neither of them presented the medical rehabilitation unit of the town: there are only few physiotherapists and there is only one occupational therapist in the use of short-term care units. Therefore everyone cannot have necessary guidance. The occupational therapist gives individual and sometimes group therapy. Individual treatment includes the check-up of the patient’s capability in mundane routines such as eating, hygienic and social communications. Physiotherapist gives instructions on how to maintain the physical strength and help in selecting aid supplies. During the short-term care periods patients get more easily help for their needs than outside this service. (Pura and Peltokangas 2012.)

## 2 Background

In this chapter, I go present the difference between public and private sector, the background of elderly care and its service development as well as the overall challenges and innovations in public sectors development methods and processes. Moreover this chapter consists of the service design processes, such as how service design processes differ from traditional ways of developing services. I will also introduce the process model that I have used in the project case. To complete the chapter I present the basis of co-creation, how and what advantages the customer-centred approach of service thinking bring to the development of services for elders, what benefits co-creation bring to new services and how this approach has been implemented in other cases that were benchmarked.

### 2.1 Public / private sector as service providers in Finland

Municipalities are responsible for providing primary welfare services to the inhabitants. They can either subscribe and provide the services or purchase them from other service providers from the public or private sectors such as other municipalities, private enterprises or a third

sector organisation. Almost half of the municipalities' expenses are due to the welfare services (Paasivaara, Suhonen and Virtanen 2011). Development of a operative and service providing model in the private sector has been strongly affected by changes in the public sector development. The demand, need, and offer give the guidelines for the development of the private sector offerings. The percentage of the whole welfare services provided by the private sector is 25% (STM 2013). Private and third sector are important service providers especially in elderly care, long-time care and a variety of services for home-care. (Ekroos 2004.) Now collaboration, between these three sectors, the public, private and third sector, has been growing, and it has been recognized as one possible operating model to provide needed services to elderly.

Public sector as a service provider differs from the private sector service providers in their agenda. Public sector services are driven by the fact that the government has to provide obligatory services to its citizens through municipalities or by the government itself. As a welfare state, the ground control is to provide and administer equal welfare and available services to each citizen. The biggest difference between these sectors is that public sector services are funded by taxes. Therefore there are various laws and regulations, aiming at controlling the quality of the services and protecting the citizen. (Anttiroiko et al. 2003.) However the funds for providing the services in municipalities do not come only from the municipalities' own resources or the users' participation. Also the state and the general Social Insurance Institution (while the Kansaneläkelaitos) participates in funding the services. As Parjanne writes (2004), in her report on the changing age structure of the community, the ageing of the population will rise the expenses the service for elderly create (Parjanne 2004).

Tuula Jäppinen (2011, 139) highlights in her research on municipalities and user-driven innovations the fact that innovation processes in developing services are mainly used in the private sector where the starting point is the business point of view, not the social or regional perspective. Public sector's welfare services are provided on the social and regional basis, as private sector is not limited to any regional borders: enterprises are free to offer services throughout the country and even abroad. The limited liability companies are the main actors in the private sector. In these enterprises all stakeholders are represented in the executive board meetings when decisions are made: the hierarchy is based on efficiency, and it can be change quite dramatically due to varying situations in the economy. Therefore the private sector is more agile and it is truly faithful on making successful and profitable business. (Ries 2011.) However, the municipalities are due to provide the services to citizens in all economic situations. In municipalities, the decisions concerning the services, how they are provided and how much resources are used, are made by the local decision makers, the political instances (Jäppinen 2011). They define the budget for the different service sectors, such as social services, healthcare, culture, education and environment. It is interesting to notice that, over

60 years ago when the bricks of the welfare state were laid, the main purpose was to develop an egalitarian society. Today, the situation is very different: several service categories are offered by the public, private and third sector organisations (Virtanen and Stenvall 2012).

The service strategy in different municipals varies a lot. There is no one regulation, which would guide municipals to act as one or at least have a similar operation culture (Virtanen and Stenvall 2012). Segmentation between small, medium or large municipals, could give some guideline on how to provide services through similar operative structures. Nowadays, as Jäppinen points out (2011), municipals are transforming as communities which means that the decision-making is not only or anymore in the hands of the politicians but instead there are many small units which are dealing with the decisions. The reason why we have gotten here is due to the economy, media, globalization as well as the citizen society. This means that municipals need to market new divided change leadership Jäppinen concludes (2011). Hirvonen explains (2009) the need of changes from the legislate point of view: in 2007 the government ruled a law redefining municipal and service structure (PARAS-reform). This reform has clarified the liability is clarified between the state and the municipalities and therefore affected the municipalities' capabilities of developing services. The objective of this reform was to create a strong, and lively basis for municipalities to develop their services for the needs of the elderly population also in the future. (Hirvonen 2009.)

Subscriber - provider-operating model aims to organize the public sector's service production in a way that the roles are separated. The subscriber is the public sector for instance a municipality. The provider can be either the municipality's own enterprise or an outsider service provider. When the subscriber and provider are working inside the public sector we talk of a "inner subscriber - provider-operating model". The collaboration between different organizations in inner model is based on partnership, not on competition. Then again, if the provider is from outside the municipality's organization, the collaboration is called "outside subscriber - provider-operating model". The service provider then can be other than municipality itself, for example, another municipality, a private enterprise, a third sector provider, society or foundation. When the service provider is from outside of the organization, there is always the element of tendering. A contract, which defines the quality and number of the subscribed service, is ruled between these contributors. (Kuopila et al. 2007.)

In the public sector every project, that exceeds national or EU threshold, needs to be announced in public sectors HILMA -portal. HILMA -portal is a platform where municipals inform their need of acquisition and companies can participate in tendering. Every project needs to be tendered, and the procedure is according to a strict protocol. (HILMA 2013.) Often, due to the tight budget and economical state where municipalities are, the weight in the acquisitions is on the price. The weight on how much the end prize affects the tendering result is

usually around 40% of the total evaluating cause. The competition between the companies attending the tendering affects on the quality of the context, which is offered. This could twist the understanding of the real market prize on the field.

Municipalities are using subscriber - provider-operating model to clarify the situation where the service provider can be either from inside the public sector or from outside meaning private or third sector service provider. This model gives a possibility to compare service providers more efficiently, and it is easier for the subscriber, who decides what services are needed, to compare offered services, the quality and the amount from the provided service. The subscriber has the responsibility of arranging services and the power of choosing which services are needed, therefore it is crucial that the subscriber knows and understands what are the customers' needs. (Kuopila et al. 2007.)

## 2.2 Elderly care in Finland

Background for the need of developing public sector welfare services for elderly, is readable in multiple literatures, and the situation is in critical point where we as citizens can see and feel the lack of competitiveness in public welfare services. The services for elderly simply are out dated and out-numbered for today's needs. Because of the above-mentioned need, Social and Healthcare Ministry together with The Association of Finnish Local and Regional Authorities have formed indicators to help development work for future elderly care services. They also provide information to create and test new innovative strategic model concepts (Hirvonen 2009). These indicators conclude for instance information from Statistic Finland, Finances and activities of municipalities and joint municipal boards and from National Institution for Health and Welfare. One of the indicators, which channel the need of development work, is on people projection provided by Statistic Finland. From the figure 5, is presented the number of people over 65 in Finland by the end of year 2030. (Statistic Finland 2013.)

### Over 65 years old citizens living in Finland



### Over 65 years old citizens percentage out of Finnish population

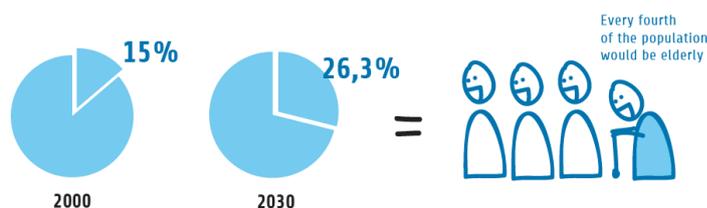


Figure 5: Elders population in Finland. Based on the information provided Statistic Finland 2013.

In Finland, there has been a mark in our constitution that everyone got right to have obligatory sustenance and solicitude and above this to have adequate social- and healthcare services if one cannot be able to arrange a life and secure fit for a human being (Kivelä and Vaapio 2011). There for every Finnish has a right to have valuable and safe life as an elderly. On Social welfare Act 710/1982 (STM 2013, Finlex 2013), there is a new law ruled on 2012 no.980, Act on Supporting the Functional Capacity of the Older Population and on Social and Health Care Services for Older Persons. The act entered into force on 1 July 2013 (Finlex 2013). Protecting older people rights to get individually supported wellbeing and to get qualified social and healthcare services and guidance, are the main reasons for this law. According to the law the most interesting part is to strengthen elderly's possibilities to affect and participate the development and the content of the services, which are given to him/her. (Finlex 2013.) This means that the methods of creating and developing services together with the customer / end-user are needed to fulfill the laws and regulations.

The Finnish Ministry of Social affairs and Health and the House of Municipalities have developed quality recommendations for the elderly services. These principles and values are guidelines when services are developed. ( Kivelä and Vaapio 2011.)

- According to the constitution, primary and human rights including rights to equality and necessary care has to be protected by public governance.

- A life fit for a human being needs to be protected, and it demands conscious value decision, which are implicated in action models and economical evaluations as service quantity and qualified objectives.
- To achieve safe elderly care in a life fit for a human being, fundamental ethics principles are rights of autonomy, equity, individualism, recourses, involvement and safety. (Kivelä and Vaapio 2011.)

Kivelä and Vaapio (2011) consider that in these service quality recommendations could serve as recommendations to encourage municipalities to develop elderly services in co-operation with the stakeholder: the elderlies, their family including the family caregivers, other relevant citizens as well as private and third sector service providers. Moreover, the recommendations highlight the importance of the family and friends are important in supporting the elderly. (Kivelä and Vaapio 2011.)

Most elderly in Finland are living at home and according to the Act of Elderly services (Vanhuspalvelulaki), home is the basis for care also for the elderly (Finlex 2013). Nearly 90% of the 75 year old citizens where living at home in 2011; 40% of them where living in a normal flat (STM 2013). The aim of municipalities and the government have is to support elderlies to live at their home as long as possible. (Ympäristöministeriö 2013, STM 2013.) According to the Development Program for Ageing Population's Occupancy for the years, 2013-2017 (Ikääntyneiden asumisen kehittämisohjelma 2013-2017, Ympäristöministeriö 2013) million unobstructed and safe households are needed in Finland by the end of the year 2030 to assure that the majority (92%) of the elderly (>75-years old) can live at home. This means that municipalities and other service providers have a huge pressure to overhaul and construct elderly's own homes to achieve the target. The Act of elderly care (Finlex 2013) requires that municipalities plan the elderly care service development, provide support for personal residential needs, and foresee upcoming changes in their needs. These objectives also require the evaluation of the need for elderly care centres and the need for renovating old residences to support the elderly homecare (STM 2013). When elderly are living at home longer than earlier, the recourses required for institutional care should decrease and the resources could be shifted to elderly homecare. Most of the elderly services today are offered to them at home (Figure 6).

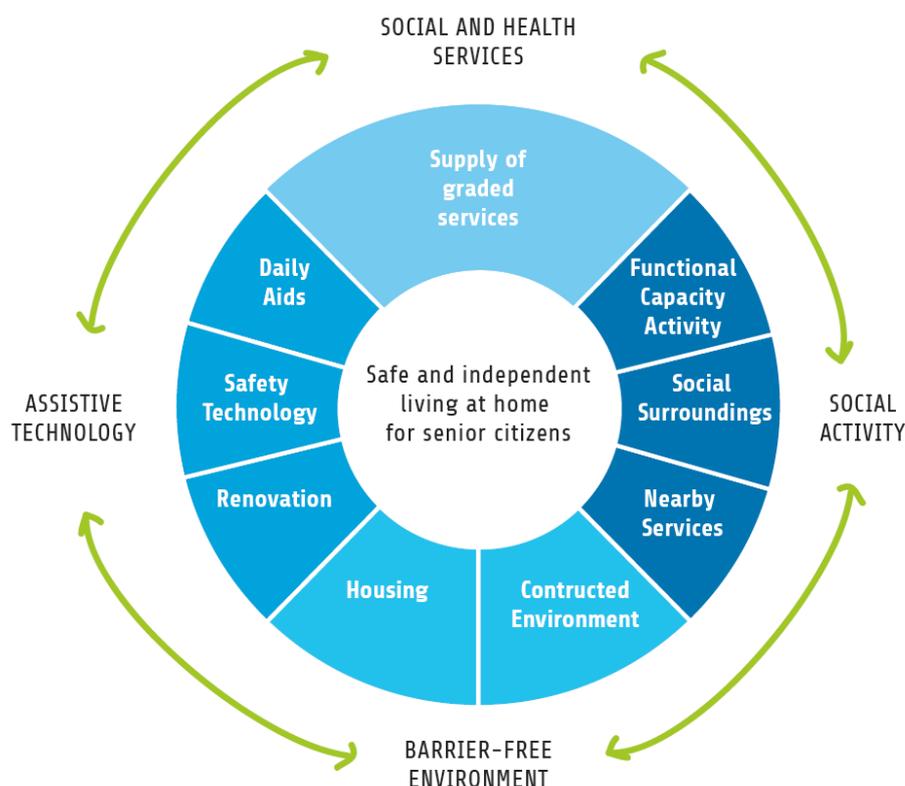


Figure 6: Supporting elderly citizens living at home. Figure is based on figure made of Välikangas (2006).

As seen in figure 6, there are number of different services and offers which are part of the enablers who can provide a safe and independent living to a senior who is living at home. Välikangas (2006) brings out all these services in one picture. To support elderlies to live at home means that we see the wholeness of the services which are needed. The figure 6 shows in inner circle sections which type of a service is needed and the green circle around those services reflects the bigger line of activities.

The decision to transfer the elderly to live in a care-centre lies on the shoulders of home care personnel. In fact the elderly care-centres are cutting down the number long-term care units to offer care only to those elderlies who can no more manage at home. Basically this should lead to increased resources in home care where the need is logically thinking increasing. If this shift of recourses is not realised, home care will be lacking recourses for carrying out all their tasks. On the other hand, the quality of services is at risk. On the whole the diminution of care-centres lead to delayed acceptance of elderly, which in turn means an important decrease in the health and physical fitness of the average patients. This in turn sets higher requirements on resources and expertise in short-term care. (Mäkelä 2012.)

Kivelä and Vaapio (2011) explain how elderly care services are divided in Finland (figure 7). Care duration and form are the main categories, which affect on dividing services into work activities without accommodation, short-term services or care and long-term services and care. Solid or around the clock service responsibilities are not included into the work activities without accommodation. It is more open and flexible for the needs of the customer. Short-term services and care are the support services for living at home as long as possible and to prevent customer's need to lean into long-term care. As the term indicates, long-term services and care are those services, which the customer needs to be able to live in surrounded circumstances. Long-term services include home care, family caregiver support, support services, residential services and institutional services. (Kivelä and Vaapio 2011, Hirvonen 2009.) The municipality provides all above-mentioned services, and that is the traditional assumption (Sonkin et al. 1999). There is a possibility that the service provider is from the private sector, where municipalities buy their services, when it is considered as the best resolution. Naturally all these services are provided from all of sectors including private and third sector if the customer is capable and willing to pay the expenses on their own. When providing services over the sector borders it needs close co-operation between the different actors (Valvanne 2009) and learning to develop services in multidisciplinary groups (Sonkin et al. 1999). Välikangas (2006) in the figure 6 illustrates the support activities, which will help municipality to provide all the assist elderly need to live in their home. This means co-operation over the sectors (Valvanne 2009).

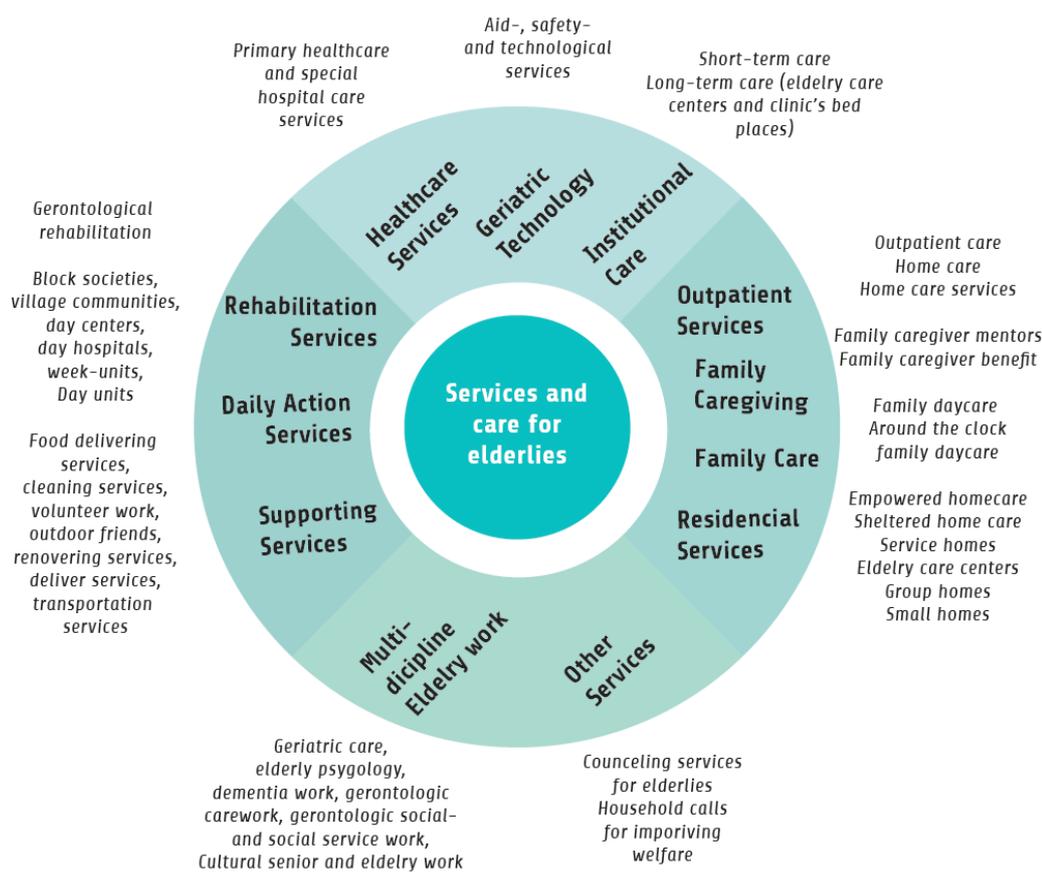


Figure 7: Elderlies services and care in Finland made by Vaapio S., Kemppainen T. and Kivelä S-H. 2010 (Kivelä and Vaapio 2011.)

Good ageing is described as following: elderly feel secured, healthy and functional and receive qualitative and effective services (STM 2013). Elderly should have equal and good access to information on the possibilities of obtaining good care, coping at home, improving their functional abilities, assuring good life quality and preventing illness (Kivelä and Vaapio 2011). Elderly and their caregivers should have possibility easily access all needed information about how to cope on everyday life. *Because of the individual needs, municipalities and other service providers should offer multiple different possibilities to consume services.* To understand how to develop welfare services for elderly care, we need information concerning the elderly and their needs. One solution would be to develop services in co-operation with the users and stakeholders. This can be a big challenge to the public sector organizations. (Grönroos 2009, Parjanne 2004, STM 2013, Virtanen & Stenvall 2012.)

### 2.3 Change management in the welfare sector

Collins explains in his book *Good to great* (2010) how companies can manage the change from being good to being great. The actual process from chaos to concepts plays a significant role in the transformation phase. Collins concludes that organizations need disciplined people, disciplined thinking and disciplined action, and all this should be led by “fifth level” leaders who have certain qualities like indisputable amount of courage, determination and a will to get results. (Collins 2010.) Although these guidelines are originally created for private sector companies, they can also be applicable to the public sector in managing change and leading the innovation work.

Christian Kowalkowski (2011) presents in his article *The Service role as a Holistic Management Concept* that service development is not only managed by implementing service development processes into organization’s deeds, processes and performances. It is more about seeing the big picture and the wholeness of managing service offerings. Service organizations should be seeing themselves as a part of the service function, not only as service providers managing the processes. (Kowalkowski 2011.) Services are the sum of actions. They can and are provided by multiple different service producers. Kowalkowski (2011) continues that in order to achieve the general objective inside the organization, managers, employees and the other service providers should work together, in collaboration. The management should create an environment of trust where knowledge and know-how are transferred straightforward to collaborators. To be successful this change in corporate culture should progress from top down in the organisation. (Kowalkowski 2011.)

To renew and improve welfare sector services and respond to the needs of the ageing society, we need to learn to manage change and develop successful innovations (Virtanen and Stenvall 2012). Leponiemi et al. (2012) claim that municipalities are fairly open to all development work, especially that supporting their strategy. In many cases development ideas aim at solving daily challenges and rarely cover the aspect of future needs. (Leponiemi et al. 2012.) Government and ministries make guidelines for municipalities to operate their strategy. These guidelines are often supported by development projects, such as the KASTE -program (STM 2013), a development program for social and welfare sector offering funding for the public welfare sector development work. During the past few years there have been a lot of different programs and projects going on in the welfare sector.

Municipalities receives possibilities from the government to develop their operation through different project funding’s and in the past few years, there has been a lot of these kind of programs and project going on in the welfare sector. Although this means the fact that it is great that government gives budget to develop various issues, but in some cases these opportunities has not use efficiently and this leads to the fact that there has not left any meaningful operations which would develop every day work and would bring results out open. This is

the reason why people in welfare division are talking about development bloat. (Lumijärvi et al 2012.) There is too many project which would not give anything permanent to the every day work and top of all it takes lot of hours from the actual work. This arouses lot of counter-action towards all new projects.

The development bloat (Lumijärvi et al 2012), what people are identifying in their everyday work, has been building up due to lack of management and guidance of the development work. Many development projects have been started too soon after one another and without inter-linkage between each other. Leponiemi et al. (2012) consider the organizational problem to be situated inside the project structure: the challenges are in managing the project and the results of it. Results of the project seem to be pre-set by the board, and therefore the project is not striving to work in an open, diversified or iterative way. The target is more meaningful than the process itself and little place is left for real innovations. (Leponiemi et al. 2012.) It sounds simple from the managerial point of view to lead a project where the results are set ahead. Risks can be defined and risk management planned in advance.

The framework for welfare sector organization has been build carefully during past decades using the strategy of adding everything on top of everything and never taking anything off. The organization structure has been build from layers to another where the top of the organization necessarily does not know what the bottom is doing. There is multiple hierarchy layers both vertically and in horizontally. This means that communication channels plays significant role and if there is not manage to build up these channels the consequences can been seen the way that the top level is managing one project and the grass roots level workers are doing another project, although they are actually working with the same project. How to manage this kind of organization it is not simple and it is understandable that, to change organizations culture, where every step is planned, and everyone in the boardroom is satisfied for their status now, needs a lot of patient and time. (Virtanen and Stenvall 2012.)

Jäppinen refers to Ståhle (2011, 69-71) when she states that nowadays operators make development work in the public as well in other sectors in wide-range co-operation together from different organizations. Strong knowledge is required for leading the processes, keeping the development work going on and obtaining important/meaningful results. Lumijärvi et al. (2012) point out that good management and coordination of the project are the keys for all success in development processes. Jäppinen (2011) underlines the importance of creating an innovation friendly atmosphere: if the organization's management structure from the inside does not change, then the environment cannot support the reformation. Innovations or any other development processes cannot be efficiently led until the inner structures and processes of the organisation are supporting the change. When development work is done in multi-disciplinary groups and over sectorial borders management should to be shared. Jäppinen re-

fers to Ståhle (2011) when claiming that organizations and companies are working and developing services along with the public sector, not as a continuance of the different projects. (Jäppinen 2011.)

#### 2.4 Challenges on developing services in welfare sector

As Virtanen and Stenvall (2012); Lumijärvi et al. (2012) and Leponiemi et al. (2012) have noticed, in social- and healthcare services, there has been a lot of constructive reform in past years based on governance's schemes. Constructive reform, as Virtanen and Stenvall (2012) have found, has remained outside from the social- and healthcare organization, as the development should have done inside the organization (Virtanen and Stenvall 2012). Ideological issues inside the social- and healthcare sector delays the improvement among the service providers. There have been various individual projects inside the private, public and the third sector, but because of the lack of co-operation and information the results will not go over sector borders. Also, the starting point for every sector is different, and, for example in the public sector the development model is most of the cases non-user-centered (Virtanen and Stenvall 2012).

##### *Management and coordination*

One of the challenges in front of successful development is management and especially management of change as it was described in the previous chapter. When the organization is changing their organizational structure as well as their processes, the management is in important role for managing the overall project throughout the whole system. This will take time, and it is rather an incremental than a radical change (Jäppinen 2011). However it is probable that the radical change process is on as well as the change in organizational level is on also, and then it can be seen as an obstacle when developing radical changes. It is almost impossible to achieve any effective changes in smaller units while the general development inside the whole organization is ongoing: the middle managerial level is under a lot of pressure, because of the need to be responsible as a project manager. However, they cannot make any big decisions because of the unsettled situation on the organizational level. Then there can appear coordination and communication problems between the strategic and operational management. (Lumijärvi et al.2012.)

Harisalo (2012) in his analysis pointed out three centered sections to coordinate a successful project: 1.Hierarchy as dealing work 2.Communication and 3.Culture. Coordination needs to be executed through these sections in order to have organized coordination in project.

(Harisalo 2012.) What if it cannot see the work from the employment perspective and through his/hers basic work? This could turn rapidly against the development work when the organization starts to reject the project due to its managerial and coordination shortage. (Lumijärvi

et al.2012.) Fundamental basis for every development project is the structure inside the organization. Its need to be clear that the organization is open and ready for making the change and be able to innovate in co-operation. (Virtanen and Stenvall 2012.) Leponiemi et al. concludes, that the project management should be conversational, and the objective should be to develop (Leponiemi et al. 2012, 106). The challenge is to open up working methods to development work, be innovative and shift from the professional to a user-centered approach.

#### *High hierarchy*

High hierarchy level in the public sector's welfare division produces various challenges in the development process. Hierarchy reflects the level of authority and the possibility of making decisions in different issues (Lumijärvi et al. 2012, 26). When projects are executed through different welfare division's sections the problematic lies in coordination and also which section is the owner of the project. This means that people deals the project from the point of sections. If the project does not belong to the section they are in, they are not interested. This will also reflect to the willingness to participate on projects. The challenge is to make it clear the people responsible for the project, as well as what is expected from other participating section's and participating teams. If it is impossible to change the hierarchy, then it is necessary to create new methods to communicate and make the coordination of the project more understandable and visible. (Lumijärvi et al. 2012.) It is necessary that the managers show their commitment to the project to all of the participators in a way that the message is clear for all others. A project cannot successful if the managers do not get involved and show commitment.

#### *Communication*

Special attention should be given to communication throughout the entire project. Lack of communication creates often many difficult situations inside the development process and cumulates throughout the entire work process. Unclear project objectives and process structure reflect on every step of the project. Confusion and misunderstanding are common symptoms during development work. It is a real challenge to assure that all involved partners receive the information at a right stage. (Leponiemi et al 2012, Lapinjärvi et al. 2012, Jäppinen 2011.) The success of the development process is directly linked to linking the employees, the welfare professionals, to the definition phase of the project targets. These supports empowerment of the staff. (Leponiemi et al. 2012.)

#### *Co-operation*

Open innovation processes require involvement of all the service providers and working together. Co-operation over the sector borders creates a lot of new challenges and demands creation and finding new methods to work together. Management and coordination of this work is challenging: development work between the public sector, the third sector organisa-

tions and the often agile and rapidly transforming private sector creates new situations where new strategies are desperately needed. (Lumijärvi et al. 2012, Virtanen and Stenvall 2012.)

#### *Customer-centric approach*

When involving customer into the development work produces new situations. How to implement the customer of services into the creation and development of the services? How to clarify terminology in right way like who is the customer and who is the user? Can employees be users along with the customer? These situations forms notable challenges in development work. This subject is explained more deeply in chapter 2.5.

#### *Development bloat*

One major concern is the real development. We have already read about the project bloat. Because the development process needs the participation of the actual workers - the experts, it is impossible to develop anything if the atmosphere and attitude already is defensive. Although employees are enthusiastic about the fact that they can be part of the development but if the project does not come into reality, it means that there is a possibility that we lose the enthusiastic spirit among the welfare professionals. It is a challenge to clearly visualize the objectives, processes and the required solutions to all of the participants. They need to be aware what is expected from them and what are the responsibilities they need to handle. (Virtanen and Stenvall 2012, Lapinjärvi 2012.)

#### *Conclusion*

As been noticed, the problematic in developing services in public welfare, is not the issue of willingness. The problem is mainly in the organizational structure and old traditional hierarchy in social- and healthcare organizations (Virtanen and Stenvall 2012). There are a number of laws and regulations that aim to assure the rights of all citizens, which need to be taken into consideration when developing services in this sector.

## 2.5 Customer-centric and user-centered service development

Providing and arranging good quality healthcare services that fulfil the needs of the customers require deep understanding of the needs (Paasivaara, Suhonen and Virtanen 2011). It is important to obtain a holistic view of the services, to see the different points of view such as the customer and the groundwork and personnel perspective, and lead the work with a strong and clear vision. (Paasivaara, Suhonen and Virtanen 2011, Grönroos 2009.)

### 2.5.1 From services to customers

### *Goods-dominant logic vs. service-dominant logic*

Earlier all the economy was based on goods-dominant logic which means that matter or goods is the centre of all productivity (Vargo and Lusch 2004a, Lusch, Vargo and O'Brien 2007, Grönroos 2006). The producer of the goods is seen only as the producer and then the customer who buys the goods is seen only as consumer who uses the goods and is the sole creator of the value. Goods-dominant logic is based on exchanging ownership of goods (Grönroos 2006). Vargo and Lusch (2004a) introduced in 2004 the service dominant logic. The essence of this logic is that goods are part of the services, which in turn bring value to the customers. Goods or artefacts do not create value as such but through the service they offer the customer a service experience (Vargo and Lusch 2004a). Goods-dominant logic sees the customer as a target, segment to promote, distribute and consume the goods whereas service-dominant logic in turn encourages viewing the customer as the participant, a recourse that can act together with other recourses and enhance the role of being the collaborator who creates the value with the provider (Lusch, Vargo and O'Brien 2007, Vargo and Lusch 2004a). Services are, as Vargo and Lusch (2004b, 326) define, a sum of skills and knowledge, which are provided through different processes and performances, where goods act as one particle of the whole, to someone.

Customer is one of the main elements when we think about the full service development process. To adopt service dominant logic means that the organization takes the responsibility of supporting customers' /users' processes and daily performance by providing proper processes itself (Vargo and Lusch 2004a). In goods dominant logic, the goods are the value-supporting resource when in service dominant logic the service is the value-supporting process (Grönroos 2009). When service dominant logic is adjusted into developing public sector services, it means the development processes have to include a user-centered approach and co-creation in order to provide value-supporting processes to the end-user. Applied knowledge and collaboration, between all the participants through the whole service chain, are the factors to develop successful services (Lusch, Vargo and O'Brien 2007).

### *Services*

Service-dominant logic sees the service, a process, as a set of recourses (skills and knowledge) mixed up in particular way for a benefit of another party (Lusch, Vargo and Brien 2007). Grönroos (2009) defines service as an activity or a gain, what other partner can offer to another (Grönroos 2009). Then again Zeithaml, Bitner, Gremler (2010) stated that services are deeds, processes and performances which are offered from specific organisation or person to specific organization or person (Zeithaml, Bitner, Gremler 2010). The Nordic School, which is the internationally recognized school group of economics and one of the first to started the service marketing research in the early 1970's, defines services as "*Process that consist of a set of activities which take place in interactions between a customer and people, goods and*

*other physical resources, systems and/or infrastructures representing the service provider and possibly involving other customers, which aim at solving customer's problems"* developed from Grönroos 2000, 46 (Grönroos 2006). Typical characteristics of services are that they are intangible, heterogeneous, actions or processes (Grönroos 2009). You cannot restore services and the ownership of the service is not transformable (Lovelock & Wirtz 2007). Services can be delivered directly or indirectly and can be consumed in different time frameworks. (Vargo and Lusch 2004b.) There are various definitions of services and there will be many more to come as it can be seen that the progress from goods dominating the economy in to the era of services, the definitions has rapidly grown and the definitions has become more detailed and refined. Now we are heading towards the era were everything is service and advanced countries are solely based on service economy.

Services are the sum of many different processes and actions where one key factor is the active customer who is part of the process and as Lusch, Vargo and Brien (2007) defined, customer is the value creator together with the company. Service process is a mix at the same time on going producing the service and consuming the service. Therefore its important when we are developing services to have all the stakeholders, which are involved of experiencing and producing the service moment, at the same table. To understand the wholeness of service we need to be able to co-create and develop services together with the service providers, producers, collaborators and consumers. In Finnish welfare sector the problematic lies on the amount of services what they are providing and the lack of understanding the user, the citizen who is using the services. There is a need to involve the customer and service professionals around the same table where services are developed. (Virtanen et al 2011).

Birgit Mager (2009) points out that the organization need is to rethink their approach to focus on the customer benefit. It is possible to make that a part of the service design process when understanding the techniques and tools how to do it. Important part is also to realize both needs from the service provider and the service purchaser. What makes it interesting is that shifting between front stage to backstage is a radical change to service providers even it seems so natural. (Mager 2009, Miettinen and Koivisto 2009.)

### *Customer*

Customer is the key resource in services. Customer can be seen as the resource, which enables the value in service to be in use. This action is called by the term value-in-use according to Woodruff and Gardial at 1996 (Grönroos 2006). This term means that the value is not created through provider's actions like planning, designing and processing but the customer do it themselves. It is about value-creating-process. When customer needs service they trigger the series of activities to create the value to themselves. (Grönroos 2006, Vargo and Lusch 2004a.) Customer and the supplier of the service are creating the value in co-creation when

they interact. Looking at from this view customer has a huge role in service processes, so it is understandable why taking the customer part of developing services. To understand what value customer is seeking or if going more deeper what is the problem that customer is facing will give a starting point on how services should be develop. The definition of value comes from understanding the process how customer is experiencing the service. Grönroos (2009) explains how the customer is experiencing the service by sorting the phases of experience in three topics: expected service, perceived service and experienced service. These three phases describes the customer's journey through different value definitions during the service experience and these three phases represents areas, which are significant information sources when designing the value of the service to its users.

The management team should be aware from the get go what customers are expecting of services and how they are evaluating the value of the services. The quality in service means the quality as the customer feels it. (Grönroos 2009.) The more the customers feels that they are a part of service and also producing part and owning it, the more likely they will appreciate the service and will consume it. To develop services through users, it means involvement of the users, the customers in the actual process. Alam and Perry (2002) suggest that the customers are often involved strongly in the early phase of development where the data gathering and the ideation happen but should be empowered throughout the entire process. Alam and Perry (2002) advises not only to treat the customers as targets of the development process, but also to go beyond and treat the customers as partners and developers. (Alam and Perry 2002.)

User-centered principle can be defined as having the user in the centre of the development and in the centre of the service: the service exists to fulfil the needs and expectations (Alam and Perry 2002). In fact, there always needs to be customer participating it in the service creation, otherwise the service remains, as a service offering that is not realised. The customer ultimately defines the value of the services. The involvement of the customer in the services is seen firstly to be a part of the service delivery or be the target of the service production. Then secondly it is realised when customer purchases the service and the relationship starts with the service provision. This can then develop to a long and more intimate relationship. (Alam and Perry 2002.) "The inherent intention of a service is to meet the customer's needs, and as a result, be used frequently and recommended heartily" (Stickdorn and Schneider 2011, 36).

The customer involvement needs to be recognized and well defined in advance. This can mean for example:

- Use of customer focus groups

- Invitation of a customer in the managerial board to bring in the voice of the customers.
- Including users/customers in the development process
- Asking customer feedback,
- Asking customers to participate in testing services or in a workshop. (Alam and Perry 2002.)

The service design toolkit offers multiple tools to gather deep insights from the customer. Ethnographic methods including qualitative interviews, observation and scenarios, can be used effectively alongside, for example mystery shopping where service designer can be observing the service from a customer's point of view. It is necessary to understand the real customer because we are all individuals and, therefore, we have our own needs and mindsets. Every service experience is a unique situation because of the individuality. (Stickdorn and Schneider 2011, 37.)

#### 2.5.2 Service development and the importance of integrating users into the development process

##### *Service development*

Alam (2002) concludes, in his research about the User Involvement in New Service Development why user involvement is critical when developing services. Alam provides six new views for the issue. Next views are the ones when user is involved. To develop a service that reflects the users' needs and hopes will increase the possibility of their usage. When the development is done together with the customer they will know about the service and this way be more in touch with the service. Third one is from the managers perspective, where involving the users could reduce the time which is used to develop the service. When the actual need is provided straight from the users, it means that the company does not need to rely on guessing the customer needs. The rest of the findings were about how the user involvement would make the customer more loyal and more aware the company's services. It could happen because they have been involved in creating the services. This way they would probably use the service more intensively and recommend it to others and then feel to be a part of the organization. This would mean that the organization could develop most likely a long-term relationship with the customer. The organization would of course benefit from it as a business competence towards others and best of all marketing through word of mouth. (Alam 2002, 257 and Alam and Perry 2002.) Also, Magnusson et al (2003) point out the meaning of involving customers in the development work and how it will give more in depth customer view to the ideas, which are generated when developing services. The perceived user value is higher when the involvement is managed in the correct way. (Magnusson et al 2003.)

Developing services means a holistic view of the whole lifeline of the service. It is not about developing one part of the service. It is taking concern the big picture, and that includes all stakeholders from other service producers, providers, and service professionals all the way into the end-user of the service. Services are processes and a sum of various persons competences as Vargo and Lusch (2004) has been stated, this would mean that in the development process it is necessary to have all the stakeholders involved who are giving their skills and knowledge's into the line and also the key resource, customer, to explaining and developing their needs and wishes concerning the service. (Vargo and Lusch 2004, Alam 2002.)

When developing elderly services using the user-centered development process it is important to take into concern the fact that some elderly have physical or mental restrictions, and therefore cannot participate if their needs, such as easy access and availability, have not been taken into consideration when planning the workshops or other development sessions. The development team needs to find solutions to involve customers in the development process. (STM 2013.)

Leponiemi et al. (2012) emphasize that there is a strong need to develop services in a customer-centred way. In traditional project management, the customers have as been seen only in the buyer's role, not as a part of the development team/process. The customer oriented development process could be the new form of user democracy in the public development processes. (Leponiemi et al. 2012.)

#### *User integration*

When developing welfare sector's services, the part of the customers and the end-users are quite complex. The customer and the end-user term have multiple different definitions depending from which side or sector you are looking at it. As Virtanen and Stenvall (2012) explain, the basis for the customer relation is always special and different. It depends on the cause why customers need welfare services. Virtanen and Stenvall (2012) divide the approach in three categories: 1. The legal position of the service user, 2. The service user position in bureaucratic procedures and 3. The service user position as consumer. (Virtanen and Stenvall 2012.) The difference on using user-centred development between public sector and private sector is that the customers have different roles regarding the service. In the private sector, the customers are consumers or end-users. In the public sector, the customers are at the same time consumers, citizens, users, end-users, and developers. (Lönngvist et al. 2010.) To integrating users in to the development process means not only the customer but the end-user as well. To create good user-centric development it is essence to involve service professionals into to the actual development process. That's why it is important to gather information material from service professionals as well and include them strongly into the devel-

opment process. These service professionals are possessing lot of important information from the customer interface. They are the ones who are in interaction with the customer.

Alam conducted a research, involving 26 financial service firms, to find out what value customers could bring into clarifying the fuzzy front-end of the new service development. The conclusions of the research identified the key issues of involving the customer and how it would influence managerial implications (Figure 8). The table illustrates themes to describe the stage of the customer interaction then the key issues explain what happens in communication and what implications managers should provide. (Alam 2006.)

THEMES OF CUSTOMER INTERACTION:	PROCESS	BENEFITS	STRATEGY	PROBLEMS
<p><b>CUSTOMER/ KEY ISSUES</b></p> 	<ul style="list-style-type: none"> <li>- Input is critical and more important in the front-end stages</li> <li>- Input can be obtained through several means</li> <li>- Can conduct several activities in the front-end stages</li> <li>- Adopt a unique style of listening to the voice of customers</li> <li>- Interaction between customer and front-line employees</li> </ul>	<ul style="list-style-type: none"> <li>- Shorter development cycle time</li> <li>- Opportunities for screening and evaluating several new service ideas and concepts</li> </ul>	<ul style="list-style-type: none"> <li>- Customer characteristics should be given due considerations</li> <li>- Link the ideation process to the specific goals of customer interaction</li> </ul>	<ul style="list-style-type: none"> <li>- Listening too closely to customers</li> <li>- Conflicting objectives and intent of customers and managers</li> <li>- Identification of appropriate customers is difficult</li> </ul>
<p><b>MANAGERIAL IMPLICATIONS</b></p> 	<ul style="list-style-type: none"> <li>- Intensity of interaction should be high at the front-end stages</li> <li>- Use brainstorming, interviews, team meetings, observations, focus groups, experiments and mock service delivery</li> <li>- Adopt iterative problem solving</li> <li>- Develop a culture of idea hunting</li> <li>- Organize customer - manager mixers: visit customers</li> <li>- Use outcome based strategy for obtaining customer input; ask right questions</li> <li>- Probe customers' positive reactions to a concept</li> </ul>	<ul style="list-style-type: none"> <li>- Saves costly failures of new service</li> </ul>	<ul style="list-style-type: none"> <li>- Involve customers with whom managers have a close relationship</li> <li>- Involve lead users but further probe the lead user input</li> <li>- Stay focused on a limited number of projects</li> </ul>	<ul style="list-style-type: none"> <li>- Be aware of the risks of over customization of new services</li> <li>- Customers may not fully cooperate with managers</li> <li>- Involve close customers</li> </ul>

Figure 8: New service development front-end key issues of customer interaction. Illustration is based on Alam's table in: *Removing the Fuzziness from the Fuzzy Front-End of Service Innovation through Customer Interactions* (Alam 2006).

Valvanne (2009) describes the how the town of Espoo used customers as a part of the development process in updating the elderly policy programme, and gained meaningful results. They organised several workshops to co-create services together with the end-users and received highly active participation from the elderlies, who were keen to discuss and be involved on creating services for elderlies and for themselves. (Valvanne 2009.) Sangiorgi (2013) emphasizes the importance of having customers and every stakeholder in the same workshop when developing services. The focus is on the customer needs and on creating service experiences around it. Sangiorgi reminds the fact that service thinking is the new way of seeing the value of the service not only for the customer but the whole service chain. Customers should be a part of the development process; otherwise it is impossible to understand the customer needs. (Sangiorgi 2012.)

The act of elderly has ruled that every municipality has to have a council of elderlies to bring out the voice of elderlies into the development, decision-making and evaluating processes and also to maintain a forum to produce information on elderly issues. The government rules these councils. This is one way to engage customers in the municipalities' strategic development process. However, a key element is to assure that these councils are established in a way that assures that the participants are presenting elderlies in most diverse ways. (STM 2013.) Another way to promote elderly participation decision-making and development processes is a civic jury that is formed by the elderly in the regional area. The aim of the civic jury is to provide a group where everyone can express their thoughts and worries related to the debate. This group forms a base for pondering, discussion and considering. (STM 2013.) The civic jury could be used as a part of ethnographic research or for service development ideation and design.

### 2.5.3 Co-creation in elderly care

Service co-creation means the action, which is performed between the supplier and the customer when service is produced and consumed at the same time. (Gummesson 2007.) The locus of value creation is between the consumer and the organization defines Prahalad and Ramaswamy in their article about co-creation (Prahalad and Ramaswamy 2004).

Business has changed quite dramatically over the years with the awareness rising among the consumers related to service possibilities and alternatives. Internet and especially socially media has opened consumers' eyes to understand their role and possible influence. This has made consumers more connected, active, informed and empowered. Because of this change also the market needs to be changed to reflect more the way consumers are acting. Organizations need to involve customers in their service development in order to know what the customers need and in order to engage customers to use the service in the growing jungle of services. Co-creation is a way to allow the users to rebuild the service experience to suit their needs and expectation and it offers at the same time an occasion for problem defining and solving. Today co-creation is the means of assuring value both to the consumer and the provider and helps the organisation to get competitive advantage in the market. (Prahalad and Ramaswamy 2004.)

Co-creation is an essential part of service design. It is the overall principle of using service design tools and techniques. The essence is to create an environment where all the participants, service professionals and users can examine and innovate the issue, which is under development in a collaborative way. (Stickdorn and Schneider 2011.) Co-creation allows all the users meaning customers and end-users to participate in the development process fluently.

All the stakeholders are then part of the creation, and they need strong guidance and the right atmosphere to be able to produce ideas and collaborate. It is important that the coordinators before carefully plan the co-creation circumstances, in order to get the wanted results out of the collaboration. Co-creation as a method opens up a new point of views when developing public sectors welfare services. (Keinonen et al. 2013, Vähälä, Kontio et al. 2012, Stickdorn and Schneider 2011.)

Jäppinen (2011) has concluded on the basis of research on municipal development and user-centered innovation work that the methods and techniques of increasing co-operation across the divisions and involving citizen into the development process have risen significantly over the 21st century. The public sector is now going forward in developing services, not from the citizen's point of view but with the citizen. The citizen has a new opportunity to be a part of the development process through user-centered innovation practices like co-creation. (Jäppinen 2011.)

Vaajakallio and Mattelmäki (2013) used co-creation to collaborate with the design students; city representatives, users and welfare- and health group's visions and knowhow in their development process of elderly care services. Vaajakallio and Mattelmäki highlight that co-creation is a functional strategy when creating many diversity design concepts. It enables all the participants to be involved in ideating the ideas. Therefore the outcomes also vary a lot even on the same subject. One of the most interesting findings of Vaajakallio and Mattelmäki, is the challenge they observed to be in co-creation in the public sector. The biggest challenge seems to be the fear of risk taking and failure in the public sector development projects, which could lie inside the organizational culture. Public sector culture will not encourage the personnel to explore and invent new solutions. The lack of information on how to manage the innovation processes can trigger the fear of something new. (Vaajakallio and Mattelmäki 2013, Peltola and Piippo 2012.)

Another example using co-creation in creating services for elderlies is The Life 2.0 EU ICT PSP project (2012) which was a joint effort in using service design process in multiple European cities including Joensuu, Finland. The main purpose was to create social interaction and local based information services as a living support for independent elderlies. (Kälviäinen and Morelli 2012.) In this project, elderly was seen as a resource of producing information to other elderlies by using platform, which will enable performance and information. The co-creation was executed among the service providers, producers, and designers and with customers and in this situation also the customer was the service content producer. Kälviäinen and Morelli (2012) explain the elderly role in the development process rather clearly: It is the elderly who posses the best possible knowledge about their own life, needs, problems, desires and expect-

tations. Elderlies are the key to create successful services to other elderlies. (Kälviäinen and Morelli 2012.)

## 2.6 Service design - user-centered development process

Customers or users should always be in the centre of the service design process (Mager 2009, Vargo and Lusch 2004a, Grönroos 2009). Service design aims to create clear, consistent and coherent service experiences. The service experience is a sum of multiple different processes and performances, which are always unique when you look at it from the customer perspective. A service experience is very unique. It depends on the customer's expectations, motives, feelings, values, knowhow, interaction, senses, the environment and artefacts included in the service process. The goal of designing positive service experiences is to provide the surrounding and atmosphere for the service to be experienced in a way that it leads to customer satisfaction. The principle of service design and co-creation is having the main focus on customers and end-users and involving them in the process. (Mager 2009.)

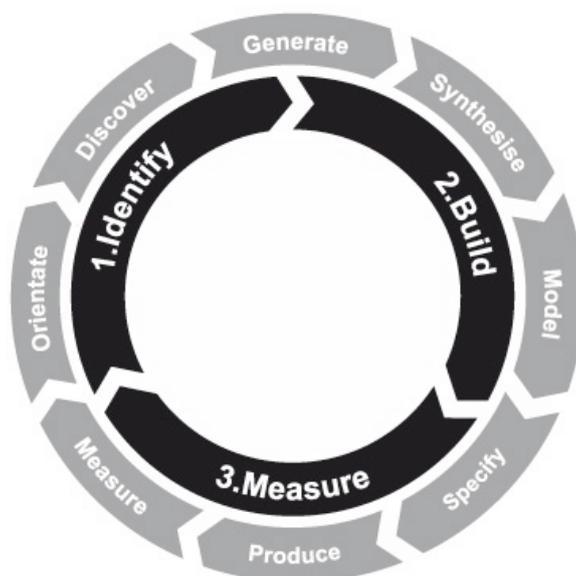
There are multiple different definitions of service design as it is rather young research field though the definitions are getting more precise and coherent. Hollins (2014) defines service design as a design method where the target of the design can be either tangible or intangible. The outcome of the design process should be easy to use, coherent and implementable. (Hollins 2014.) Then again Shedroff (2014) continues that the service design is action, where services are developed for answering specific need (Shedroff 2014). This confirms the thought that the service design's main principle is having the user at the centre of the development process.

### 2.6.1 Comparison of the definitions of the service design process

Design practitioners Fran Samalioni and Aarne van Oosterom proposed a five-step service design process including discovering, concepting, designing, building and implementing (Miettinen 2009). Moritz defined six different steps in service design: understanding, thinking, generating, filtering, explaining and realizing. (Miettinen and Koivisto 2009.) The shortest service processes was defined by Engine (2009), consisting of three main steps: identifying, building and measuring (Figure 9). Tuulaniemi illustrates his and his team's version of the service design process on his book called *Palvelumuotoilu* (2010): this is based on five steps: definition, research, design, production and evaluation. All five steps include two phases: getting started and recognition. Research covers customer understanding and strategic design. The design - step includes ideating, concepting and prototyping. The service production consists of piloting

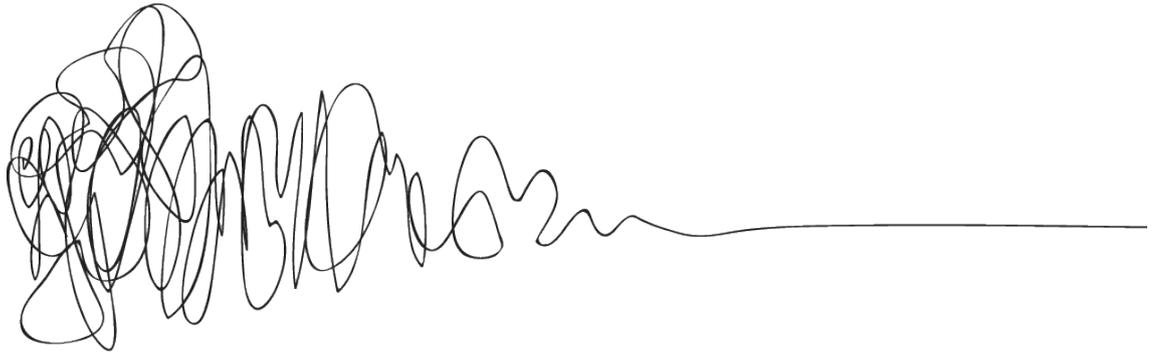
and launching. At the end of the process is evaluation, and further development. (Tuulaniemi 2012.)

Perhaps the most referred process image for the design process is called “Double Diamond model” created by the British Design Council. This model visualizes how the discovery phase opens up to a wider view which then leads to the defining phase which narrows down to the development phase and culminates in the delivery phase. (British Design Council 2013.) One of the simplest and visualized illustrations of the design process is “The Squiggle” by Damien Newman from Central Inc. (Figure 10). It illustrates the uncertainty at the beginning of the process because of the multiple inputs from different stakeholders and flood of information and how at the end there is only a single concept. (Central Inc. 2013.)



*Figure 9: Engine’s definition on service design process 2009. (Engine 2012)*

Stickdorn and Schneider present in their book “This is Service Design Thinking” (2011) the iterative nature of the service design process. Iterative means that in every phase of the design process, it is possible to take a step back or start from scratch so that you are able to make a fail and then start again. It is important to keep in mind that it is difficult to take into consideration different aspects, insights and points of view. The designer has to make decisions regarding the client, budget and resources. (Stickdorn and Schneider 2011.)



ABSTRACT - CONCEPT - DESIGN

*Figure 10: The Squiggle by Damien Newman from Central Inc. (Central Inc. 2013)*

As it has been reviewed there are multiple different ways to describe the service design process. Likewise there are various ways of implementing service design in different organizations and development processes. In a way service design on the whole is always in a developing phase and in loyal to its believers.

Miettinen (2009) summarizes the key elements of service design: in the development process it is necessary to understand the service challenge before you can start to do anything else. After this first step, it is important to observe, interview and take notes and to put yourself in the customer's shoes. Customers and end-users can further be integrating in the design process, in co-creation and ideation. In the implementation phase comes testing, prototyping, developing and new testing. The process ends with the finalisation of the operative business adaptations. (Miettinen and Koivisto 2009.)

Every phase in service design process is significant and completes one another. If one of the phases is left out, important information may leave out, and this would affect on the results of the process. That is the reason why it is important to understand the whole process at the start. However it does not mean that the process is unchangeable, or it has to be followed strictly. It is flexible and iterative. It is more about the understanding of the overall thinking and how to support the development. (Stickdorn and Schneider 2011.)

## SERVICE DESIGN PILOT – PROCESS

Process illustration 2012

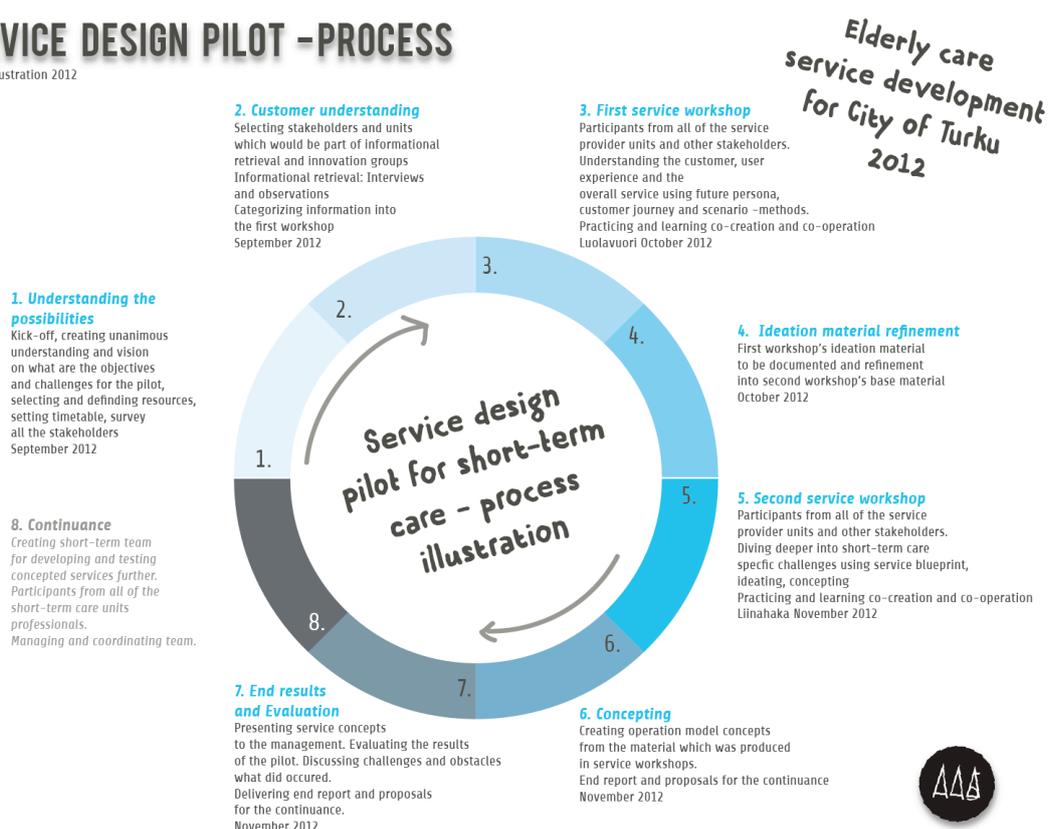


Figure 11: Service Design Process in Service Design Project 2012

### 2.6.2 Challenges in short-term care

Short-term care is a small part of a bigger picture. It is a service that is usually provided by a sheltered caring unit or “home”. Short-term care is mostly integrated in general; bigger elderly care centres or institutions and does not have a separate status. Long-term care has its own managerial strategies, whereas short-term care is often only a part of this strategy. Practically speaking short-term care is a service among others and there is no unified operational approach concerning. (Turku 2013.)

One of the notable challenges in short-term care is the number of stakeholders in the service chain. There are various care centre units, which are producing the same service, home care personnel, home caregiver mentors, all the other service providers from the public sector and the other service providers from both private and third sector. The other service providers can include doctoral services, educational services, leisure services, voluntary work and rehabilitation services. The multidisciplinary co-operation reflects on the challenges on managing and coordinating the development processes (Lumijärvi et al. 2012). The challenge is on col-

laboration work and in co-creation on how to manage to have all the necessary stakeholders in developing business and how to involve the elderly and the caregivers in the process. This means many different workshops to have the understanding from all the required stakeholders. Public sector is responsible for managing and coordinating the whole service development process together with all relevant stakeholders.

Salin (2008) brings out the challenge of cooperation between the home caregiver and the short-term care employees. Salin refers to Voutilainen and Korpiniitty (1997) and Ashworth and Baker (2000), when pointing out that home caregivers are often very worried of the quality of the care their loved ones receive during their care period and that this can even lead to lack of trust towards the short-term care personnel. Home caregivers express their concern on the services or actions offered in the elderly care centres and how for lack of stimulation or interest toward the customer during their stay in the caring unit can lead to boredom with further side effects. (Salin 2008.)

Because of the amount of stakeholders, it is difficult to maintain a shared care plan on the elderly. When there are many stakeholders involved, the lack of information between each other, prevents the plan of care to achieve its goals. Development of a fluid working communication between all these stakeholders is one of the biggest challenges in developing short-term care. Another challenge is to achieve adequate commitment from the stakeholders and especially from the home caregivers. This seems to be the breaking point to have successful and efficient care from the short-term care services (Salin 2008).

## 2.7 Benchmarking other welfare division's service development projects

### 2.7.1 PALMU-project

This description about example project is based on the publication of project PALMU - Service Design for aging people (Vähälä, Kontio et al. 2012).

Savonia University of Applied Sciences (Savonia) administrated project PALMU - Service design for ageing people, (suom. PALMU - palvelumuotoilua ikääntyville) over the years 2010 to 2012. Main funds came from TEKES program "Innovation in social- and health care services" and other collaborators came from all of the three sectors - private, public and third sector. The project objectives were to apply service design methods when developing social- and health care services in user-centered service applications, service praxis and production models. Other objectives were to practice development work not only together with the customer but over the organization borders in a way that companies who were members could get

competition advantage by developing service concepts, which would load less elderly care service producers. The main focus was on developing services together. They manage to create new innovative service products, which combined public and private sector service providers. (Vähälä, Kontio et al. 2012.)

The project consisted of three separate development cases, which were carefully selected on the basis of the organization's actual needs and the uniting factor between collaborators. The development cases were: 1. Demobilization of elderly after hospital treatment, 2. Supporting forms of independent living among elderly and handicapped persons and 3. Stimulating elderly activity in service centres. The development cases were done as subprojects of the main project. Each of these cases were run by Savonia's business and culture division's and healthcare division's students. Other project collaborators and piloting organizations were University Hospital of Kuopio, Alina Hoivatiimi Ltd., Town of Kuopio, Senioritalo Tampereen Vaskikodit Ltd, Evangelical Lutheran Parish Union of Kuopio, Violakoti Ulla Peurala Ltd, Grouphome Alavuden Karoliinakoti and voluntary work from different NGO's. (Vähälä, Kontio et al. 2012.)

Customers were involved in the development from the first step till the end of the process. They were able to influence at early stages on new development models concerning customer behaviour and actions. The project achieved its goal by creating a co-operation model between service users, providers and designers. They went through the whole service design process all the way to the testing and piloting phases, which are crucial parts of a successful design process. The process provided important information to the executive group formed by the collaborators, who saw in practice that service design is applicable to developing the whole ensemble of services or products or combination of those. The process showed also that the essence in service design is the multidisciplinary collaboration over sectorial borders. Moreover it became evident that the managerial participation is crucial for the success of the development process. (Vähälä, Kontio et al. 2012.)

In PALMU -project the collaborators used co-creation to form general view and create new ideas to develop elderly care services in welfare division. They used co-creation, for example, to gather the overall view of elderly's life values, needs and personnel's opinions in one workshop where elderly, volunteer works employees and Parish Union of Kuopio was represented. Additionally they used co-creation in the testing phase where they test together with the elderly and relative an iPad application developed to improve communication. When being in the testing situation, all of the participants were discussing and giving ideas to improve and create the concept. (Vähälä, Kontio et al. 2012.) The co-creation is a flexible method to create and innovate services in small or large group of people.

### 2.7.2 Design in Practice - 'Design for flexibility and change with Healthcare Service Providers focused on the implementation of Practice Based Commissioning in North West England.

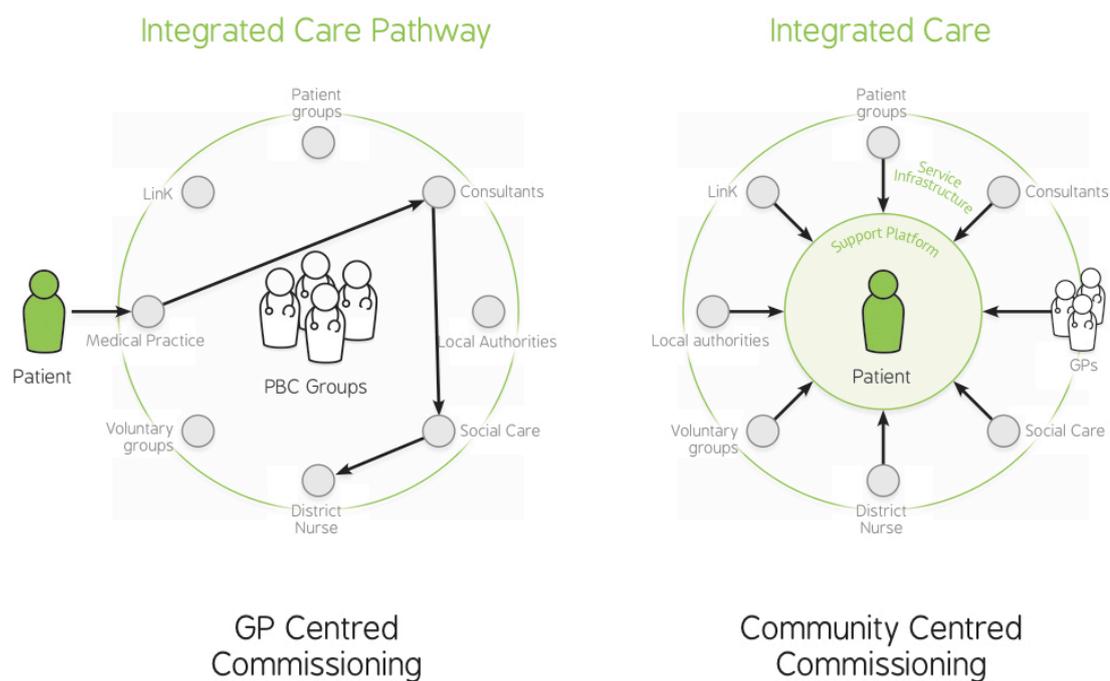
Engineering and Physical Sciences Research Council - EPSRC research centre HACIRIC (Health and Care Infrastructure Research and Innovation Centre) funded 18 months long project called Design in Practice (Sangiorgi et al. 2011). The project was organised in North Western England according to the Practice Based Commissioning (PBC) framework. The main objectives of this project were to investigate how GPs applied their knowledge in designing new models and facilities for health care services, and what support could service design and/or creative skills bring to them. PBC was established in 2004 to examine GPs' pathways of clinical patient care and provide information on daily routines, practices and give an overview of health problems. The aim was to create new models for public health care development. (Sangiorgi 2013.)

A project research team was formed together with Lancaster University, and Salford University. The project was realised between April 2009 and October 2010. In the first phase the goal was to understand how PBC groups in North Western England worked and made implementing, and learning through some of the PBC's case studies. The team followed the PBC groups in action, made notes and then studied how medical practice clinicians redesigned their service in their daily activities. The second phase aimed to study other service design projects in health care sector, to gain more information on the work methods how service design studios executed their processes. They went through four different case studies including RED collaborated Diabetes -case and Kent County Council Activmob-case, Martin Bonfont's team project with North East Lincolnshire PCT and The London Borough of Ealing Multiple Sclerosis -case with NHS institute. The third phase aimed to implement the research findings as a basis for the upcoming workshop together with the staff of Medical Practice. Design interventions were performed using three design experiments: 1. Persona exercise, 2. Design Games and 3. Developed vision: integrated Care workshop. In the fourth and last phase the project team went through their proposals for final considerations to PBC and design; and recommendations for GP commissioning. A final expert panel was held at the end of the project, which discussed and reviewed the results. (Sangiorgi et al. 2011.)

The project did not only present the set of service design tools to these commissions but also introduce a new way of finding the customer value to their patients. The project brought along a shift from the professional view to a more humanistic and collaborative point of view. The Design in Practice -team presented also some recommendations, such as the following (see the figure 12) (Sangiorgi (2013, 101):

*Shift from ‘GP-centred commissioning’ to ‘community centred commissioning’ that recognizes the key role of GP consortia as facilitators of commissioning network, but focuses on co-creation as main strategy for service innovation.*

*Shift from commissioning that focuses on one-off individual pathway re-designs to scenario-driven and patient-centred commissioning, aiming at integrated care projects built on a holistic understanding of patients’ lives and needs.*



*Figure 12: The recommendations illustration from Design in Practice -project (Sangiorgi et al. 2011, 43)*

### 2.7.3 IDEO - Nurse Knowledge Exchange Program for Kaiser Permanente

The IDEO project is probably one of the most used and best-known examples of collaboration between a design studio and a health care company. The project was executed in 2005 together with Kaiser Permanente from California, established 1945; one of the largest non-profitable organization in health care in USA and award-winning global design firm IDEO. Kaiser Permanente had detected and defined a challenge in their health care centres, and they wanted to experience and learn new ways of solving problems. For this reason, they started the collaboration with IDEO. The notified challenges were in nurses change exchange, unequal service quality and communication breakdown. The project objectives were to set op-

timized nurse shift exchange, security and quality in continuance of information, and to achieve flexible, multipliable concepts. The work was done intensively with both Kaiser Permanente and IDEO personnel. (IDEO 2013.)

The project was conducted as a design project where the starting point was in informational retrieval. IDEO did the research by observing and interviewing nurses shift exchange, other incidental actions and information around the clock. The biggest finding was that each nurse had their own way of dealing information and prioritizing issues what they considered important. From the research material, IDEO created context list to the project: 1. Timetables, 2. Software, 3. Communication and, 4. Interaction with the patient. The ideation and testing part were performed together with nurses, doctors and other personnel. The project group tested the concept ideas during the nurse shift exchange in a way that they could get immediate feedback and reaction. Kaiser Permanente arranged a pilot environment where they had intensive three weeks development time. Involved nurses and other personnel were excited of being part of the development of their own work. From that period, they formed structured list for the nurses. The list included: 1. Minimize interruptions right at the start of the change, 2. Prioritize and plan, 3. Engage the patient into their own care and, 4. Create security by structuring information. (IDEO 2013.)

The project had a successful outcome and the team tested the concept in another five units before they launched it. The implementation was made in all Kaiser Permanente's units and the blueprint was proved to be functional and successful. After implementation phase, Kaiser Permanente has informed that the preparation time for the shift exchange had dropped dramatically from 45 minutes to 5 minutes: after the beginning of the shift, the nurse is approximately in half an hour taking care of the first patient. This influenced patient safety notably. Later on the developed blueprint has been granted the Best Practice -award.

### 3 Service design process in the case study

In this chapter, I will explain how the service design study was executed in practice, what methods were chosen and why; and the findings and conclusions on every phase in the service design process.

The Service Design project for the short-term care was carried out from the 18th of September to the 22nd of November. The Project included four phases and the chosen process, was based on Juha Tuulaniemi's definition of service design process (2011). First phase was to define the challenges and the objectives for the project. After setting the targets, we (I and short-term care managers) had a common understanding of the direction of the project. The

second phase was informational gathering, which was done in six of the chosen units. In the third phase I held two service workshops based on the information from the field I had gathered in the second phase. During these workshops we co-created new blueprint concepts and ideas to be tested in action. The fourth phase consisted of the final report and a short evaluation of the project. This project was carried out through the ideation phase. Implementation phase was left out of the project, and the management of the short-term care centre will be responsible for taking the project to the testing phase. Hence, this project was carried out through the ideation phase.

### 3.1 Purpose and objectives

The purpose of this project was to introduce the concept of service design and show how it could work in the organizations within the welfare division. Together with the public service provider management it was decided to make a project using short-term care as the target service. The project consisted of a pre study, a gathering of knowledge from the management of the short-term care centre, the nurses working in short-term care and all the other professional working in short-term care as well as from customers, two innovation workshops, and an evaluation phase. The testing, piloting and implementation phases were left out of this project in order to draw attention to arrange continuance in another project.

We narrowed down the research target as the around-the-clock-care. The decision was based on earlier studies on the challenges that were found in producing short-term care in multiple units. Based on this information we defined the objectives and challenges for the service design project.

The main purpose of the study was defined as follows:

*Commitment to develop one strategy model for short-term care services, together with all the chosen service producers inside the elderly care centres, and define and develop new possible service innovation concepts.*

Defined challenges:

- Unequal service production
- Regionalization of the units, providing short-term care service
- Number of the units - too many
- Short-term services are provided alongside the long-term services - problematic resourcing
- No coherent operation model

Defined objectives:

- To have one operation model for all units
- To observe and understand the short-term care services in their current state
- To understand the future of short-term care services
- To create an open innovation and co-creation model to develop short-term care services
- To define and develop new service innovation concept
- To understand service design as a methodology

### 3.2 Understanding the possibilities

The project kickoff took place the 19th of June in 2013 at a meeting at the Welfare Division's head office with the managers of the elderly care centres. In the meeting, the service design project was presented to the short-term care units and their managerial level staff for the first time. The presentation included a short introduction into service design, and a figure (figure 13), which explained the organizational starting point for the development process and the need for a new operating model. The figure explained current situation from the service provider's point of view and the context for the upcoming project. After the overview, we went through the set objectives and challenges for the service design project together. It is necessary to go through all the objectives which are set for the project at this point in order to have a general understanding of what is going to happen: the more you talk about the objectives the more probable it is that they will be realized. One of the main reasons why projects fail is the lack of understanding the objectives (Lumijärvi et al. 2013). Those needs to be clear from the get go. After the objectives were defined together and it was ensured that they were realistic, it was time to talk about the actual process and schedule.

To make the understanding of the service design process simple and easily understandable, I used illustration (figure 14) to describe the process. In this process illustration, I explained the most important phases of the project, which were information retrieval, creating the material for the workshops, service workshops and the end situation. Illustrations demonstrated to all participants the needed recourses in different phases. In order to have a common understanding, we went through the whole process, and in every phase I explained what the role of the participants would be. Most phases in the service design process require team participation. The team can either be the core team, or a larger team, which would include as many people as possible from different stages of the service in order to achieve multidisciplinary co-creation.

Through the through introduction of the service design process, all the participants receive all the initial information on the project and on the issues they needed to solve in order for the

development process to begin. One of the main issues was to select the interviewees in the units where I would be starting to do interviews and make observations in order to get the information retrieval started.

## Starting point for - SHORT-TERM CARE PILOT

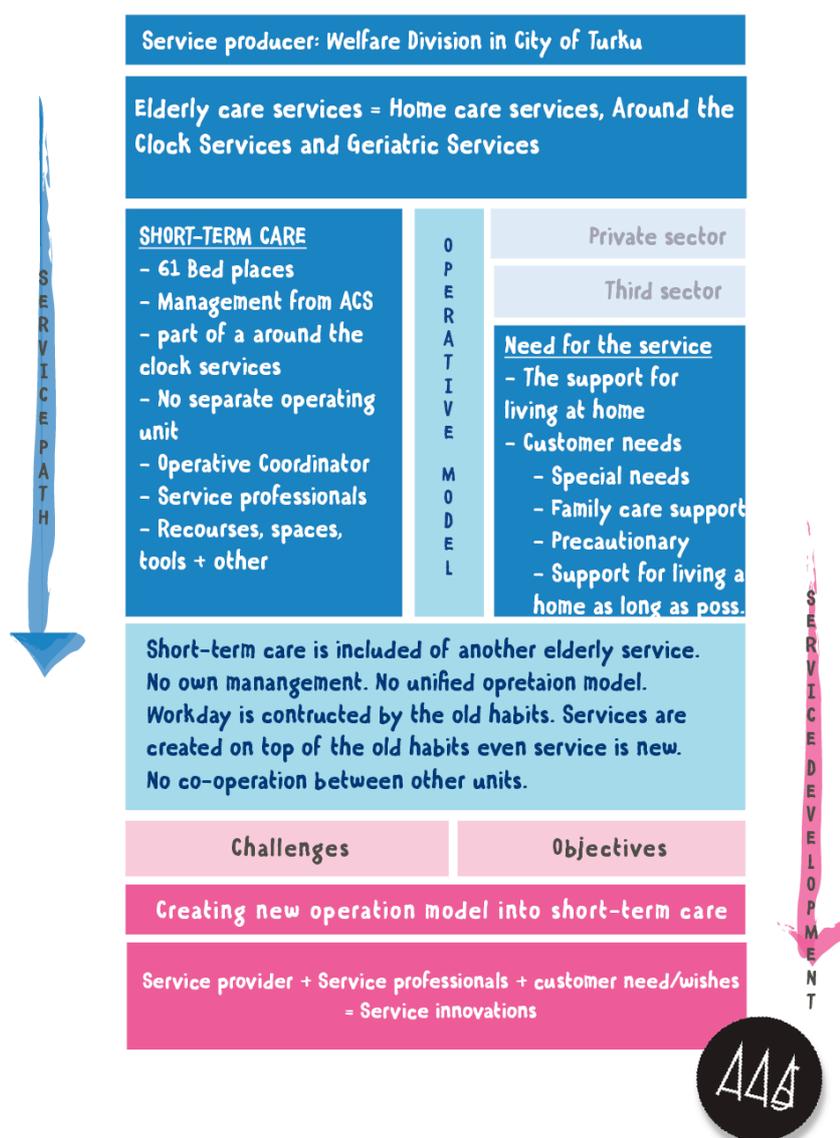


Figure 13: Starting point and clarification of the situation of the service design project in short-term care

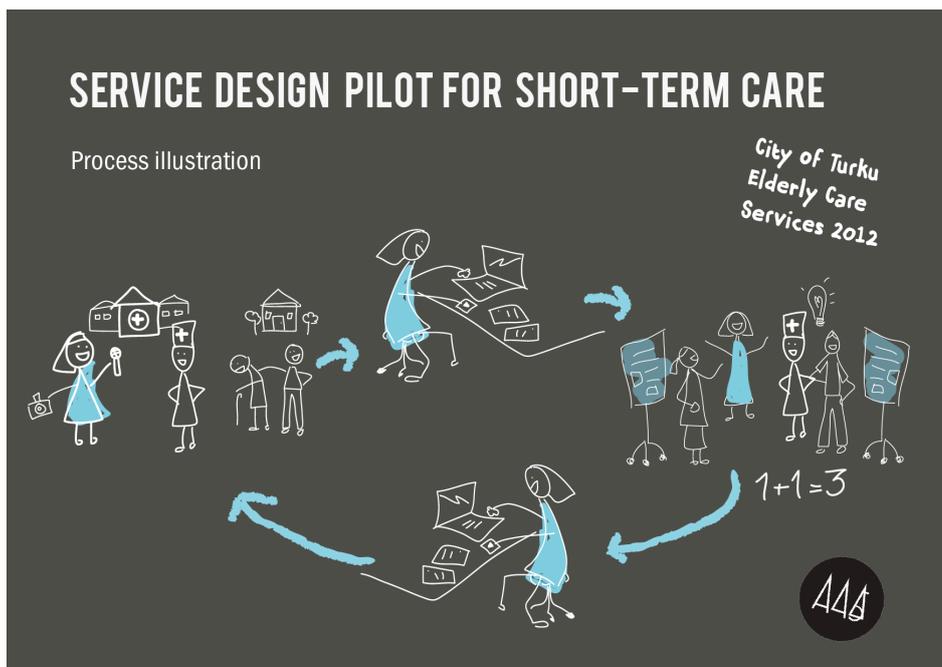


Figure 14: Illustration on the progress of the service design project

### 3.3 Customer and service professional understanding

Information retrieval techniques were chosen from the point of view of the objectives. As one of the objectives was to understand service providers (leaders), service professionals (managers, nurses, doctors etc.) and end-users in their own environment, ethnographic methods were a natural choice for gathering the understanding from the field. (Dawson 2002.) Other objectives included learning more about service design methodology, learning co-creation techniques, getting to know each other and what models are now used in different units where short-term care is provided.

Choosing interviewees from the six units, which provide short-term care, started information retrieval. These units were chosen for this project by the welfare division board and each chosen unit named a supervisor, a registered nurse, a care assistant, the customers and their relation if necessary. The five elderly care centre managers selected all interviewees. Very early on we realized that it is important to interview also other participants involved in short-term care. Other interviewees representing the experts in their field were chosen from a group of home care nurses, family caregiver mentors, a doctor, a physiotherapist and an occupational therapist. One of the key people in the short-term care unit and its functions is the short-term care coordinator. The coordinator operates between all the stakeholders and keeps all the balls in the air. The coordinator sees the whole service process and therefore this interview provided the best insights into the development of the short-term care. The

customers who were interviewed were all short-term care customers from different units providing the service. All interviewees spent a one or two week care period at the unit.

Observation and the interviews were carried out in November at Kerttuli's elderly care centre, at Portsa home for elders, at Runosmäki elderly care centre, at Mäntyrinne's elderly care centre and at Katariina's assisted home for the elders. All interviews were performed under approval of the/a stakeholder and the town of Turku. Observation took place in pursuance of interviews.

### 3.3.1 Service design methods

A service designer - like everyone else - needs a set of tools and methods in order to efficiently do their job. These tools support the process and give you a hand, but good designers need to inherently display the same array of certain skills and characteristics for them to be able to do their job. They need to have strong social skills, empathy for the users, creativity and visual thinking in order to collaborate with the client in the service design process. In the service design process the designers work as facilitators, the ones who keep all the balls up in the air (Miettinen and Koivisto 2009). Within the service design process there are multiple different phases the designer must support. For example in co-creation sessions, in material gathering and during the testing a good set of tools and methods are in order.

In service design, before we can use a different set of tools, we should use method as a technique. Techniques consist of for example different types of information retrieval techniques, all ethnographic methods like qualitative interview, narrative interview, observation, shadowing, mobile ethnography, diaries and service safaris (Stickdorn and Schneider 2011).

From these techniques, we chose qualitative interview and observation. These are two of the tools, which exist for service designers to gather usable information from the target group. Research techniques are the root and the essence of the whole discovery phase and most of the definition phase in the double diamond model (British Design Council 2013). Without research techniques, all the other service design tools cannot be used correctly, or would not be based on accurate information. In this case study those tools are presented in phase 2 and 3. The tools can be for example personas, a stakeholder map, a customer journey map or a service blueprint. (Stickdorn and Schneider 2011.)

### 3.3.2 Qualitative interview

Qualitative interview is one of the key elements of ethnographic methods. Based on the project you are working on, there are many types of interviews from which to choose. The most common ones are unstructured, semi-structured and structured interviews. An in depth interview or as it is sometimes called a life history interview is used when the researcher achieves to have a holistic understanding on the perspective and viewpoint of the interviewee. (Dawson 2002.)

In depth interview is a practical tool when you need to explore deep into the respondent's feelings and perspectives on a different subject. You can ask open-ended questions and let the respondent freely tell the story. Questions need to be formed in a way that the answer cannot be yes or no. Many of those questions start with the word why, how or what, which will give the interviewee the opportunity to respond in their own words. In an interview situation, the interviewer will try to seek understanding and try to interpret what is being said. In an in depth interview, the most important part is to obtain insight into the respondent's world and perspective, understand it, record it properly, and document it in order to be able to probe further for deeper meaning and clarification. (Edis 2013.)

People often have the image that a qualitative interview is the easiest method to collect qualitative data because the interviewer usually does not need to ask that many questions, but that is not the case. Interviewer needs to build up a trusted atmosphere and give space to the respondents so that they can freely open up themselves, perhaps even reveal intimate information. Creating a safe, relaxed and open environment for the actual interview is a very important factor for a successful information transform. Researchers must be totally alert to recognize important information and help the interviewee explain further or, in some cases, keep the story in the right direction and avoid irrelevant digressions. (Dawson 2002.)

Qualitative interview was selected as a research method because of its nature to get a larger amount of information without being too specific. In the case study, the purpose was to get information from the service professionals about today's situation, including challenges and achievements and the interviewee's vision about how the future in short-term care is shown in his/her work environment. When using semi-structured interview, the interviewee can have more time to think and widen their answers. When the questions are placed more loosely, the interviewee also has the chance to construct their answer in a way that something new might appear, or something which seems to be irrelevant and afterwards can have a great meaning. One of the main reasons to select the method was its capability to fit all of the interview genres; the end-user, service professionals in different organizations and different hierarchy level. This way we could have more comparable information to use as the base of the ideation workshops afterwards. Interviews were performed

### 3.3.3 Interviewing the end-user and their caregivers (referred as customer)

The information that we were trying to find from the customer, was to understand their everyday life and the services that they were now having, and what the situation should be in the future. Basically, the idea was to collect some information from customers nowadays and their upcoming needs, hopes and expectations. One main issue was also to gain insight into the short-term care end-user experiences: how they have experienced this service and what could be improved according to needs and hopes.

To achieve above-mentioned knowledge as a basis to the whole development process, it seemed that the qualitative interview was the suitable method for this purpose. When practicing research, the semi-structured interview gives you the needed guidelines and support as an interviewer and also for the interviewee to perform best possible way. In this project, the objective was to get narrative information on the end-user's daily life, and their needs and hopes for this kind of service. The target was to interview four to six elders and their family caregivers. Interviews took from a half hour to an hour.

I interviewed six end-users from four different elderly care centres. One old lady from Mäntyrinne, one elderly lady from Katariina, one elderly man from Kerttuli and three from Portsakoti, one man and two women. All the interviewees who I interviewed were experienced in short-term care. Before I started gathering the information, in collaboration with the elderly care administrator and the around the clock manager, we constructed a loose structure on the things that we needed to assemble to achieve the goal we had previously set.

Semi-structured interview questions:

- Living arrangements
  - Situation now
  - Situation in the future
- Own health
  - Health care centre doctor or private doctor
- Services that are used and why
- Services that will be used in the future and the reason
- Experiences on the short-term care
- Own needs and hopes

The actual interview situation did fluctuate quite a lot between the interviewees. Some interviewees were quite receptive. The situation progressed fluently, and I did not need to guide them that much. The story continued on its own and all the questions were answered

accordingly. For gathering the material I recorded all interview situations and made notes during the interviews. The ones who were easy to interview were the ones who already understood their situation and were mentally balanced. The other ones who were not that balanced, those who were the oldest from the group, were quite hard to interview. What made it hard was to maintain the structure or the story in order. They often did jump through time sequences, for example story could start from what has happened yesterday and end with what happened in their past, in their childhood. It was difficult to follow that and find the essence from their story. Otherwise interviews went well and I enjoyed working with the elderly.

I made transcriptions from every interview and the material was categorized based on the interview questions and for how many times the issue was mentioned when all interviews were compared. The categorization was done in order to find the results from the material.

#### 3.3.3.1 Findings from the end-users and their caregivers

The findings from the end-user interviews were all quite different from each other, and the reason was because all six of the interviewees were in a different situation in their lives. This tells us that even though this was a small sampling there are many end-users and their caregivers who have their own specific needs and you cannot categorized those to be as one.

All interviewees were using services from the private sector doctors despite the fact that they have home care services at their home. Unanimously they liked the short-term care opportunity to be available for them and especially caregivers felt it was a necessity in their life. Although some of the end-users rather stay at home, they did understand the support that this care time was giving to their caregivers. Some of the interviewees wanted to receive a report on their wellbeing, and they also wished to have exercise during their care period. Below are some picks from the interviews to get the right picture. (Translated by the writer)

Direct quotes from the end-users and their caregivers:

“You do not always know where and when you should contact someone so that my mother would get the best help when she needs it.”

“I do not use the doctors at the health care centre. It is usually so difficult when you need to dial this and dial that, and if you have this symptom or that, then you need to dial your own home number. With my fingers, it is not easy.”

“I hope that I’ll get some help here. Let’s see if they will find something. I hope that they would check me. I would know if everything is still alright if they could check me.”

“I do not like it in here. There is nothing to do. I was here first time for one week and in the second time for two weeks. It is quite boring to be honest.”

“This stage comes suddenly. I have been a really healthy person, and in a split of a second I’m here, and I need help. You cannot be prepared for this. ”

#### 3.3.4 Interviewing the service professionals

Because of the amount of different service producers and the service professionals, it was necessary to categorize the question in order to get the valid information of all interviewees. From supervisors, registered nurses, care assistants, occupational therapist and from physio-therapist asked questions where based on a workday and how it was structured.

- Typical workday
- Challenges in own work
- Challenges in short-term care
- Collaboration between the other units and other service producers
- Future needs for short-term care

Questions were loosely structured what where ask for end-users and customers. For the other service providers such as family caregiver mentors, home care, the short-term care coordinator and the doctor, the questions were mainly the same as for the rest of the service provider group but questions were changed to reflect more their perspective on the short-term care. For example, during the actual interview, the questions where modified according to the situation and the way the conversation went. The most important lesson from the interview situation was that you need to let the interviewees lead the interview; otherwise you will miss the interesting outcomes. You will just need to ask the support questions and let the situation lead you forward. It is really important to prepare your questions and needs before you will be in the interview situation so that you will not miss anything.

Questions were performed in Runosmäki, Liinahaka, Kerttuli, Mäntyrinne, Portsakoti, Portsakoti Os. 2 and in Katariina’s sheltered home care. Altogether 17 service professionals were interviewed. When including interviews from the other supporting service producers and six end-user and their four caregivers, the final number of interviews performed was 32.

I made transcriptions from every interview and the material was categorized based on the interview questions and for how many times the issue was mentioned when all interviews were compared. The categorization was done in order to find the results from the material.

#### 3.3.4.1 Findings from the service professionals

Findings from the interviews of the service professionals from all of the units and of the other short-term care service providers, showed a general understanding on the challenges they were facing in short-term care services. First of all, the need for one strategy model for the units was recognized widely as well as the need for coordinated meetings where they could share their experiences and their own practical models in order to support each unit in providing good and equal service. Overall, the people that I interviewed were really excited to be a part of the developing project, and they were eager to change the stage they were in that moment. Interviewees were intrigued by the idea that they would develop services which were directly effected by their own work.

The biggest challenge in short-term care today and in the future is the control on family caregivers and their loved ones - elderlies. This will bring up the question about family caregivers and their loved ones: should they be more under scrutiny? Should the city provide a service package directly to family caregivers and their loved ones and view services through their perspective?

Many of the challenges that were noticed were based on the usability or functionality of patient information system. Already from this amount of sampling it can be seen where the hot spots of delivering information were and what way the information is delivered. Based on that, it would be straightforward to point out different time and content tasks and from that view to increase the patient information system to support the nursing. Some problems are easily changeable, like giving authorized rights to the ones who need them. However, before it is possible to see these problems, we need to have processes that make it possible to solve these problems. It has been noticed that the patient information systems are the weakest links in the health care sector in the City of Turku. In Turku, there are two or more patient information systems used, and they are not synchronized with each other. These information systems are the Achilles heel in many other Finnish municipalities as well, and there are many projects trying to improve them further more.

One of the wishes that came up in the interviews was education and consultation in different software programs, for example in E-receipt which is getting more common, and also some updates in the medical listing Pegasos system. Commonly notable were that the units need more support in their everyday work in filling out the forms and learning programs, and also

to have more support in their basic nursing services. Clear guidelines and instructions would help them to be more spontaneous in their work. When basic skills like trust and knowledge are established, it is possible to provide quality and safe service to all.

The categorized findings from the interviews are listed below:

- Uncontrolled medicine distribution especially among family caregivers
- Lack of co-operation between the units
- Incomplete, varying and inconsistent co-operation between other service providers and professionals
- Lack of own personal short-term care doctor
- Single short-term care bed places among other units like long-term care where noticed nonfunctional
- A very problematic and critical challenge in one unit was to position different care levels needed for short-term patient. The problem was particularly severe among dementia patients.
- Lack of communication between short-term care units and family caregiver mentors. A solution is needed.
- Recording the information was ambiguous and it was overlapping. Some were lacking the user rights to add and edit information into Pegasos
- Acknowledging special needs - nutrition, other additional assistance
- Communication with family caregivers - lack of information
- Variety of patient information systems and other programs like Pegasos, HOSU, HOPA, MYSLI, reservation book
- Cleaning the units
- Concern how family caregivers are holding up
- Loneliness among end-users both at home and at the care place

### 3.3.5 Observation

When ethnographic methods are used it is also good to focus on documentation of the process, on communication within the design team and also on expected results (Miettinen and Koivisto 2009). Observation is one of the methods being used to identify the real service conditions, for example how all the stakeholders act in existing service situations. This is one of the methods that need to be applied in service design process because it brings valuable knowhow from the field. It is an excellent way of seeing through the eyes of the users. Observation takes place in the people's natural environment rather than in a research situation somewhere. Observation method offers ways to make sense of different cultural behaviors

and overall complexity of people. We need to see beyond our preconceptions. This technique provides the possibility to see patterns of behavior in a real context. (Engne 2012.)

Observation is often used in the early stages of service design process. It allows you to gain a deep understanding and insight into all stakeholders participating in the service conditions. This also gives the possibility to find innovation opportunities from the get go. Observation could be used not only in the early stages but also in the testing and verifying phase. Also, clients can easily attend to their job with this method, because it will not only understand the user but also see how the actual service is working in real situations. (Engne 2012.)

In this case, observation alongside the interviews was the best method to be use to describe those units where the short-term care take place. For practicing the observation, I took photos and made notes on the environment. The meaning for those pictures and notes were to introduce and explain to everyone providing short-term care the variety of the wards where service is provided (Figure 15). Many of the service professionals have not seen in real life how the other wards look like, for example a nurse from Mäntyrinne does not know how the ward in Kerttuli looks like. The other reason was to point out the environment the end-user experiences when using the service. Observation as a method is effective and can be done quite easily, and does not need lots of resources. Observations were performed at the same time as interviews. The gathered raw material, after it was produced, was then transcribed and clarified into categories. From those categories, I created the material for the first innovation workshop.

Observation was performed using the same structure in every place where I went to do the interview. Before I visited those places, I made a loose structure of what information I wanted to collect.

- When arriving to the elderly care centre
  - Outside information, signs, is the place easy to notice, front door signs
  - Outdoor furniture, garden
  - First impression
  - Hall signs, information desk
  - Any staff around
  - Atmosphere, furniture, music, senses
- Arriving to the short-term care -ward
  - Information signs
  - Stairs, elevator
  - Welcoming
  - Atmosphere, furniture, music, senses
  - Any staff around

- Signs
- Short-term care unit
  - Room, toilets, bed, window, cleanliness
  - Corridors
  - Living room area
  - Decorations, colors, furniture
  - Guidance
  - Eating areas
- Other places in service centre like the cantina, the shared spaces with other patients, the sauna and the entertainment area.

To make observation possible, I used notepad and photos to capture all the above-mentioned observation target points. It was quite easy to take photos and make notes on the spot. The staff from the elderly care centres was helpful and did give the permission to take photos smoothly. Only thing what was carefully forbidden was taking pictures of their clients. Otherwise, photographing was made easy. Observation as a method did prove its capabilities in this information retrieval. Pictures are more powerful than any words to describe the environment.

Overall observation in all short-term care units went accordingly, and every unit did welcome me warmly. What was notable on the findings was that in almost every elderly care centre both outer and inner information signs were poorly presented. One of the newest observation places lacked proper signs even on how to get into the premises. If we talk about the overall customer experience, this will affect it right from the beginning, and if the uncertain feeling continues inside the premises you will not get a very secure feeling about the action.

All units were different from each other. There were premises from earlier decades to brand new ones and this did make the short-term care places vary a lot. The bed areas for the care period used to be divided by the postal code, and this meant that if you happened to have a brand new elderly care centre near you, you would get lucky and probably have your care period time spent there. Now this postal code separation is removed, and the bed places are given based on the desire of the end-user. End-user has the ability to affect the premises where he/she would spend the care period. In most cases the postal code is still in the back burner when end-users are given their care time because it is usually easier and more pleasant for the end-user to have the care nearby than go the other side of the city. One notable point is also the end-users caregivers. They can place their wishes for the care place, as well. As a conclusion based on the premises, it is possible that the variety of the physical premises can affect the popularity of the area and also the customer experience. If the end-user has usually been in some particular unit and if all the bed places in that particular unit are fully

booked, the end-user needs to go to another place where the environment is not what she/he has expected - or in the worst case where they do not have the expertise to treat the end-user the way he/she should be treated which will lower the quality of user experience. Then the units cannot serve the end-user equally.

In all of the six premises that I went to observe, home-like decoration was used in their public/shared areas and patient rooms. Patient rooms in some areas were divided to two. Inside every unit, classic old-fashioned furniture, old magazines and pictures were used to provide some memories for the customers. Old books, flowers and plants, and settings where you could imagine that you are in the forest and have a relaxing moment, were used to make the place more inviting. The atmosphere in all of these units was really welcoming, and the physical newness of the premises did not affect it because of the employees working there. Those were the ones who gave the best first impression. I cannot help on noticing the lack of colors in every premise. This could be something that would have an impact on the customer experience and it could help the end-user to remember a new environment more easily; for example the location of the TV-room and the toilets etc.



Figure 15: Picture collage from the short-term care units. (Photos by Salmelin 2012)

### 3.3.6 Material for the first service workshop

The materials for the first service workshop was gathered from all the interviews and the observations performed. Based on the interviews, I created five different fictional personas to be the base of the group work and in order to save time for other tasks. The information retrieval functioned also as an introduction phase for me to understand the real situation in these units, and to gain an understanding on the elderly care organization and its service professionals. When the service designer or the one who is the project manager does the interviews and uses other selected information retrieval methods, he/she will gain the advantage of having all the centre information on the problematic. The development team could also do this, but what you gain from doing interviews yourself is to be the listener and be a part of the actual situation, and not just be reading the results in a report. It opens your way of looking at the dilemma set earlier. Of course, you do not need to do everything by yourself, but it is good if you can do at least some to get the right information straight from the source.

Observation produced a lot of picture material, which was used in the first workshop among other pictures collected from the Internet, and in the second workshop to present the differences in short-term care units.

### 3.4 First service workshop, Luolavuori 16.10.2012

The first service workshop was held in Luolavuori in the City of Turku. The original idea was to arrange workshops in a different environments; particularly in environments where short-term care is provided so that the members where in a way forced to visit other units to take notes and learn from these places. The first location was in Luolavuori, which is an old elderly care centre where the city did not provide short-term care anymore. In this situation, it was one of the only locations where we could arrange a workshop for 25-30 people. For the first service workshop, we had 27 attendants, including a sub-contractor of my company performing as support facilitator, and me. The 27 attendants included service professionals from the six selected units, a managerial level member, a short-term care coordinator, an occupational therapist, a physiotherapist, home care providers and a family caregiver mentor.

The day's objectives were to understand elderly care as a whole through prepared future user personas. The goal was to realize that short-term care is one part of the bigger picture. Other objectives were to get to know each other from different units and other service producers, learning and practicing co-creation through group work and to learn service design tools such as a mind map, personas, a day in life and service scenarios.

This first workshop was all about getting to know each other and different techniques, and to scratch the surface of what service design is about. This was the reason I selected the theme of the day to be a bit far in the future - Elderly care in 2020. When the ideation target is in the future, participants almost automatically start to think outside the box or at least to think a bit further. You will not have today's boundaries, and you do not need to think about the budget. It is all about creating the ideal world and how we would be. As a workshop method, this is a way to create a safe and free ideation environment and to let people be free to open their mind to be a little silly and to ask questions they wouldn't usually dare to ask.

#### 3.4.1 Co-creation as a method in service workshops

Co-creation is one of the key working methods in Service Design. When trying to understand the whole service experiment we need to include all stakeholders in designing the service. When the user is at the centre of all service we have to discover others who are in contact with the service from the start until the end. Usually there are front-line staff, back-office employees and managers, which are called as the user of the service, as well as all the non-human interfaces including websites, brochures, and vending machines in touch with the service. We need to have all these stakeholders involved in creating, providing and developing the service. When creating services in multidisciplinary groups, the service designer is responsible for facilitating the situation in a way that there is an open, trusted and creative environment to create in. The more a user and any stakeholder can affect and be a part of the co-creation and service development, the more likely they will become loyal to the service and the service provider, and be enjoying the experiment longer. (Stickdorn and Schneider 2011)

In the service design project, we used co-creation in two service workshops which were held in locations where short-term care is or was provided. The locations played a significant role when arranging workshops. This way we already could drive service professionals, into a different environment to get to know and observe other locations where short-term care is provided. The service professionals could compare, see and feel the difference between their own units where they were providing short-term care and the unit they were visiting. Also, this gave me a good change to show them how to be an observer, think about the service path from a user's perspective and take notes on the situation. This way they all could give something to each other; small but valuable information about the place: how to find the place and where to go when you arrive at the location for first time.

Co-creation was chosen to the project as one method because some of the objectives were to increase knowledge of working together and to find new tools and improve old methods, and to create something new. Co-creation drives service professionals into the same level of ideating new concepts and ideas. It provides equal stage from service professionals to managers, to bring all the ideas into the discussion. The number of ideas is more significant than the quality of them. Most participants felt that the most important factor in developing services was to have everyone from managers to service professionals around the same table to achieve the needed results. The actual end-users were not involved anymore at the co-creation phase. Only the material what we gathered in informational retrieval were used to bring customers and end-users needs and hopes alive in co-creation sessions. Co-creation proved its possibilities in this project very well.

Various different service design methods were used in the two workshops in order to achieve objectives, which we had placed for the project. In the first workshop the techniques we used were The future persona mind map based on pre-made user profiles (User-profiles were made from information which was received from the informational retrieval), and A day in life in 2020 and Future service scenarios.

#### 3.4.2 Service design tools

First workshop day started with an introduction to the actual project, the agenda of the day and clarifying and presenting by examples what service design means as a methodology. My goal was to open up service design little by little in all of these workshops and meetings that we had. The objectives of the day were to understand the entirety in elderly care services using future personas, and through those personas, achieve the understanding that short-term care is just a small part of the entirety of the elderly's life. Other objectives were for the service professionals, the users, and other service producers to get to know each other, and also to have a general understanding of the customers of the short-term care service. Methods that were used were future persona's mind map, a day in life in 2020 and future service scenarios. These methods were chosen because together they form a logical continuance of one person's day: from his/hers day to the services which he or she might use, into possible service situation. Future persona and his/hers journey helps people forget all the rules and regulations, which usually would stay in front of our ideation. When the persona is mostly based on earlier information retrieval it will have a strong link to the existing customer.

##### *Future persona's mind map*

The main point of using fictional personas is to understand others (Miettinen and Koivisto 2009). Personas are formed based on materials gathered in interviews, using participatory observation and from data analysis. The purpose is to achieve recognizable user groups and

have a variety of them. Personas reflect a character, who designers, teams and client can identify to. Personas are successful when they are engaging the persona's user. Visual presentation and detailed information will be key factors in creating usable personas. (Stickdorn and Schneider 2011.)

Personas are useful to for example use as a stimulus to fuel idea generation, to refer to and to consider during the service design process, and to help in product / service development in positioning towards a wanted direction, in focus groups, and represent each segment of users. Personas can be created from every stakeholder that is meaningful for producing service. After the personas are done usually the following tool could be building a customer journey. (Engel 2012.)

#### *A Day in the life 2020*

A day in life is a way of using premade personas and walk through their typical day. It can be made either in the current situation now or in a situation in the future. Usually this is done to get members to visualize the future, for example creating the persona fifteen years ahead and think about their normal day in life in that context. A day in life can be presented in many different ways. Making it as a mind map where starting and endpoint, comic strips, cut and paste assembly, or even showing the map as a video or photography, are mentioned. The point is to gather as many insights, details of the environment, what the customer is thinking and doing outside the service situation. (Stickdorn and Schneider 2011.)

#### *Future service scenarios*

Service scenarios are used to explain the concept idea to everyone by illustrating it. Synonyms for the scenarios are screenplay, manuscript, copy or script. Virtually all the elements of the scenario work are the same: actors, scene and the scheme. In service design, the elements are users, the setting and the background, tasks, goals and actions (Miettinen and Koivisto 2009). The main point is to visualize the service concept in an understandable way, when it is easier to grasp how people will experience the overall service in the future. Plain text, storyboards or even videos can be presented as scenarios. Scenarios are based on research data, and the purpose is to present the situation has given the base objective in detail. By visualizing service concepts and prototypes it makes intangible more concrete to handle and discuss it. In the scenario, it is good to use already made personas make the scenario as authentic as possible. (Stickdorn and Schneider 2011.)

#### 3.4.2.1 *Methods usage*

Before teams started group work, I together with my assistant, created a safe, free and inspiring ideation work space by first telling about the rules of ideation. This was followed by a

relaxing exercise so that all the participants are calm and open minded, using methods from theater to relax and break the ice for about 15 minutes.

Participants were divided into pre-organized teams to create multidisciplinary groups in a way where the day's objectives were fulfilled. Each team worked together throughout the whole day starting from future personas which were already partly made. The idea was to create a mind map of the persona, and this way to step into the customer's shoes. Teams were set to think and ideate on what services from welfare sector this person could need to make their life better. Materials for the full day usage were preprinted photos collected on the Internet, some photos from the observed units, magazines, and brochures. When teams were made to create a life around a future persona they produced a day in this persona's life. The goal was to include one of those ideated services into the day and how it would appear in the persona's day. After the persona's day, the teams started to create future service scenarios on one selected service that they invented during the other exercises.



Figure 16: Creating future persona at the first workshop. (Photo by Salmelin 2012)

The day ended with each team's presentation where they had 15 minutes to present the day's work from the day and all the results. After each presentation, we discussed the ideas the teams had created; how they could be relevant today and what obstacles there might arise. The day was wrapped together by encouraging everyone to say how he or she felt about the day. They were also given the opportunity to influence the next workshop agenda.

### 3.4.3 Conclusions and observations from the first workshop

Overall all the participants were excited to experience and learn new development techniques. They were hopeful to have collaboration between all of the units providing short-term care. On the other hand, it was unclear as to how to proceed and what to expect. Both of the workshops were started by a short introduction of service design in order to make the methodology, the methods and tools familiar.

In the first workshop, the primary objective was to get to know all the colleagues and to understand the entirety of the elderly care service web through the exercises. The 27 attendants were mostly representing different service professionals; three of which were supervisors. The lack of administrators was shown as a lack of motivation in some of the attendants. The purpose of the service workshops is to gather around all members who are involved either immediately or indirectly with the service. When a part of this group is absent, it is almost impossible to achieve the goals that were set. In this case, when the administrative group is missing, the ideation happens only in the level where the actual work happens. It affects the average worker in that they will know that this is yet another ideation workshop where actions would not be taken because no one who is actually authorized to make decisions on the administrative level is present.

During the first workshop, we learned that the participants did not know what they were participating in. The lack of communication and information was obvious, and not all the people who were sent an invitation to the workshops actually received one. Participants had their own impression of what the objectives were for this project. The fact that the project was to be executed only on the ideation and conceptual level, not all the way through the point where the ideas would actually be tested, was not known. Participants were expecting, from the workshop, to gain concrete tools, which they could use in their everyday life

### 3.5 Second service workshop, Liinahaka 7.11.2012

The second service workshop was held at Liinahaka, City of Turku, which is the newly renovated elderly care centre where short-term care is provided. We had 27 attendants including service professionals, other service providers, and in this workshop we had participants also from the administrator side. The objectives for this workshop were to dig into the actual challenges in short-term care. As opposed to the first workshop that was a pre-rehearsal to understanding the customer and overall services, this workshop's priority was on problem solving and ideation. The workshop's purpose was first to build up a whole service description using service blueprint. Everything forms around customer journey in blueprint, so it was a

natural continuance for the first workshop's tasks where customer was in the center of everything. This workshop's focus was on understanding how different service professionals and providers are connected around the customer when they are providing their services. Based on the service blueprints, the divided teams narrowed down the biggest challenges in the service chain, disassembled into manageable challenges and started to ideate what could be done differently. The selected challenges and the way the teams were divided were: 1. Reserving care period 2. Medical care 3. Entering / log in into care period 4. Care time 5. End report and collaboration 6. Short-term care units. Teams were instructed first to start the ideation by ideating on their own for ten minutes and after that to explain their ideas to everyone in the team. The idea was to get new ideas in order to solve the challenges together and to raise conversation. The teams were divided in a way that they had representatives from all of the units and representatives from different service providers. The overall objective from the second workshop was again to learn new methods to ideate together and to understand the meaning of co-creation.

### 3.5.1 Service design tools

#### *A service blueprint*

A service blueprint goal is to see all the stakeholders in the same visualization (figure 17). It will help you to simplify and to specify the service and recognize who interacts with whom and where the physical information is needed. Blueprint technique in co-creation will share expertise and build teams. (Engine 2012.)

As mentioned, blueprints are made usually collaboratively and in the workshop. A blueprint consists of five different sections: physical evidence at the top above the customer, front-line staff, backstage and the actors and finally the support systems like databases and software. The target is to explain the customer journey in a detailed way where all the above-mentioned sections actions all form the structure of service blueprint. When this is done, the workshop experts can fill in the detailed actions they perform every step the customer takes.

A blueprint is used to outline and describe the entire element that is part of the service. It allows to see the most crucial areas of actions to be identified and then discussed. It reveals all the overlapping action, meaningless actions and as well as the parts that could be replaced from human performance to technology or vice versa. The co-creation of this work promotes teamwork in every organization and helps them to get better in different collaboration methods in the future. (Stickdorn and Schneider 2011.)

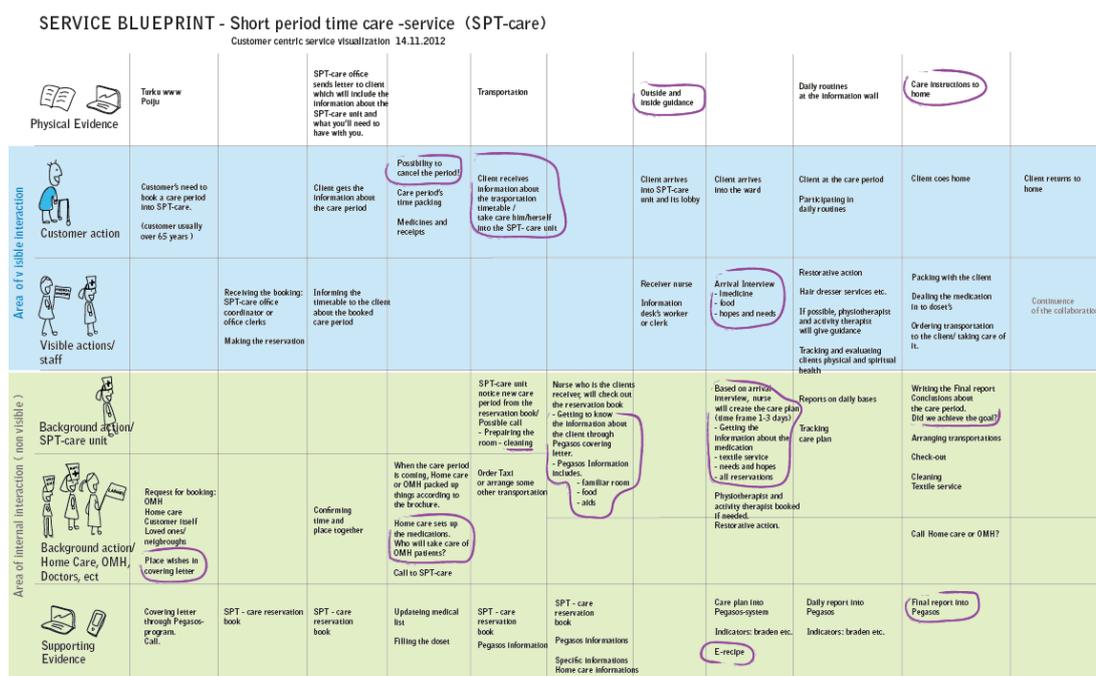


Figure 17: Short-term care service blueprint

### Ideation

Ideation techniques were used to accelerate multiple ideas in one situation. Another reason was to ideate together using brainstorming, where the problem is defined. The participant's role is to share their own thoughts and this way triggers the conversation to develop more ideas. The main purpose of an in-group ideation situation is to give every participant private time to share thoughts in a way that everyone has an equal amount of time to present them. After presenting thoughts or ideas, there is asset time to evolve and evaluate all the presented ideas.

Techniques for ideation depend on the purpose or the stage in which ideation is used. In this workshop and the first one so-called icebreaker techniques were employed to make the environment more relaxing and trustworthy for the creative work (Stickdorn and Schneider 2011). In these exercises, it is critical to tell the rules of ideating first, for example that it is ok to ask whatever comes to one's mind. One of the rules is that you cannot start the discussion with a negative word like no or you cannot do this because this and this reason. When the atmosphere is created it is time to start the actual ideation. In co-creation, the two main principles are that everyone participating in ideation has the chance to bring out their ideas loudly and secondly they have the opportunity to influence on the process when developing new or old services (Keinonen, Vaajakallio & Honkonen 2013).

### 3.5.2 Conclusions and observations from the second workshop

The second workshop started with a questionnaire where of the expectations and emotions participants had towards the project and today's agenda were asked openly. In general, the feeling was that many expected a lot from the second workshop. Here are some of the words that were used: the meaning of collaboration, start for the development work, inspiring, intriguing, new, challenging, lot to learn and hesitant.

The day's content was backed up by co-creation and working together, and because the interest was now increased by the presence of administrator level, it was easy to start the challenging part of the project - to ideate and solve the noted challenges in short-term care. When dissolving the short-term care challenges in more understandable parts, it was noticeable how all of us understood the challenges in daily work more clearly and related them to be a part of the whole service. The participants were able to form a path from their problems at work directly into the ideation situation in groups. They connected not only to each other as service professionals but also to the development process. When the common understanding of the challenges and creation comes from the actual service producers, there is the possibility to have successful service development.

The most notable fact from the second workshop was that the process should have had a third workshop. Naturally in service design the process would have gone forwards, but in this project the continuance was ruled out of the contract. The feelings afterwards were the same for most of the members. We had just barely gotten started, gotten warmed up and understood the service design methods, so it felt it was necessary to continue the discussion and ideation together with this attendance group. Now we were still learning the methods and learning the new way of creating in a bigger group. Perhaps we did not have enough of a chance to ideate the actual challenges, but we learned something more. All of the work teams had their short-term care challenges highlighted, but the ideation part in some teams was partial. Overall there were encouraging discussions among the participants, and it was essential to have time to discuss the issues concerning their role in providing services and to open up about the issues in their daily work and share them to others.

## 3.6 Concepting

Operation model concepts were created based on the ideation and work done during the service workshops. In each workshop concepts were further developed into a more practical and usable direction. Every selected idea is a part of the bigger picture, which is formed inside the short-term care team. Team could be collected from the short-term care service provid-

ers. The concepts are the base of creating one functional operation model. These are the proposals that need to be tested before implemented.

Operation model concept number 1 (Figure 18) is a proposition to home caregivers medical care to pre-send empty medical dispenser right before a person goes into their short-term care period.



*Figure 18: Operation model concept number 1*

Operation model concept number 2 (Figure 19) is a structured arrival interview for the elder who is coming in for short-term care period. A structured arrival interview is based on selected questions, and questions are marked down in predefined order. Everyone is capable and can make the arrival interview, so there is now need to be a nurse to do that. This arrival interview's power is that every unit is using it and this way every unit can have comparable information on the customer. In the question situation, the priority is to define the customer's needs and hopes according his/hers situation that moment. Other information about the patient is saved into to the Pegasos. After defining the customer's state, the interviewer fills out the unit's specific needs according to the customer state and needs. The arrival interview is done directly on the computer, so there is no need to do it all again. Interview can be modified afterwards, so it gives freedom to fill in the sentences when there is time.

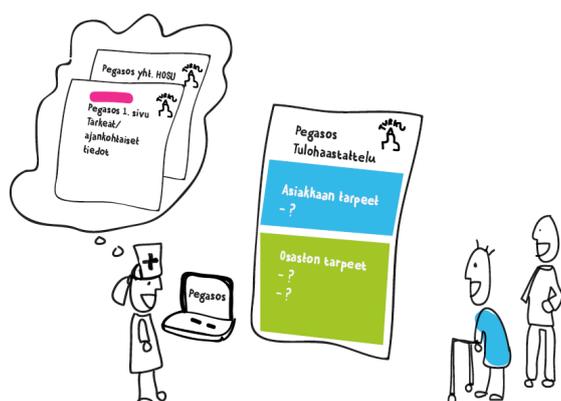


Figure 19: Operation model concept number 2

Operation model concept 3 (Figure 20) is unified training occasions, where everyone can exercise and learn all the manners, software and forms. A simple but needed concept, which can be executed quite easily. The communication and understanding is the basis for the good welfare care.

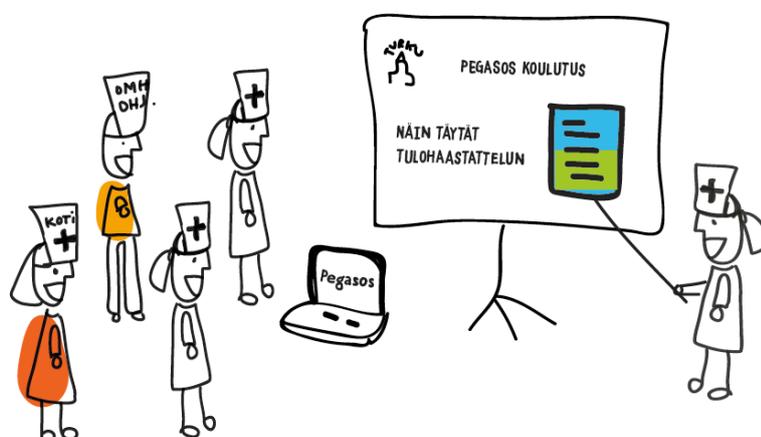


Figure 20: Operation model concept number 3

Operation model concept 4's (Figure 21) roots are in Pegasos covering letter. It has been causing lot of trouble with its possibility to change when filling proper information. In this concept the covering letter is structured in a way that it includes only the important information for the short-term care coordinator's needs when home care, family caregiver mentors or family caregivers are reserving a care period. Coordinator then makes a reservation from the desired care unit by writing it down on the shared reservation book, which all service providers can see. When the short-term care unit receives the booking they look up in Pegasos on the first sheet the information on the customer and the goals for this particular care period. The other service providers provide this information. Every service provider has their own sheet in Pegasos and everyone has all the rights they need to access the information.

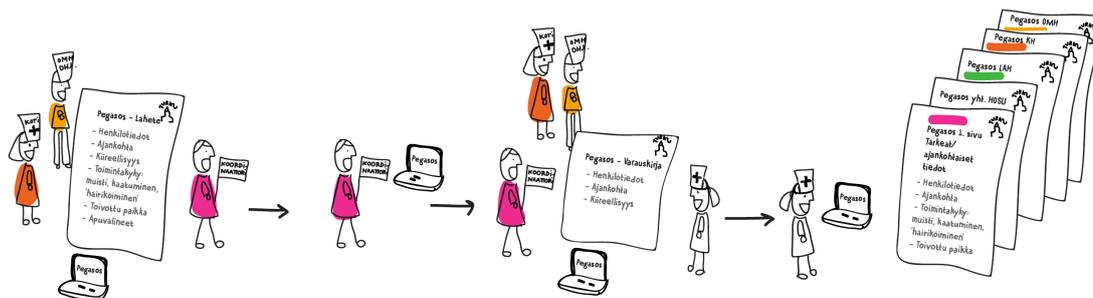


Figure 21: Operation model concept number 4

Operation model concept 5 (Figure 22) is about the weekend when customers arrive at the care unit. Before the weekend starts, the service professional checks the customers who are coming into their care period and makes reservation for food and medical needs. When customer arrives at the care unit, the service professional makes the arrival interview by using the structured form. When the customer is getting to know the environment there is an opportunity to check the customer status concerning physical and psychical state. After the weekend the registered nurse will form a Personal Treatment Plan based on started reports and the arrival interview.

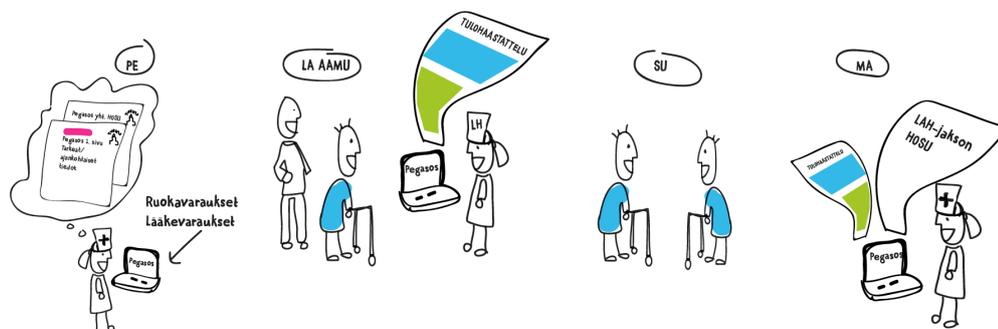


Figure 22: Operation model concept number 5

Operation model concept 6 (Figure 23) is a folder for patient to take back to home when care period is over. This would help customer understand what has been done at the care period and what instructions she or he has received from the period to do back at home. There could be information for relatives and caregivers as well as for other service professionals.



Figure 23: Operation model concept number 6

Operation model concept 7 (Figure 24) separates short-term care units into specific units; for instance a unit for dementia, for exercise, and for mental customers. When writing a covering letter into Pegasos, there could be a list of the units based on the specialties in it.

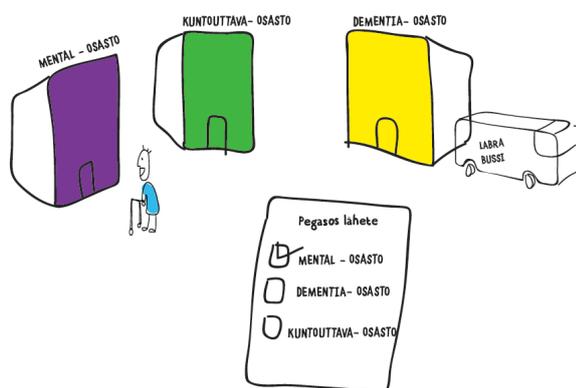


Figure 24: Operation model concept number 7

Operation model concept 8 (Figure 25) shows that the customer or the citizens should own their own medical and health information. This concept suggests having its own web page where the user controls the information. This way the user would have access to his/her own medical history and could provide this information to all of his/her health care organizations.



Figure 25: Operation model concept number 8

### 3.7 End results and evaluation

The fourth phase of the project was writing an end report and presenting the end-results and experience to the welfare department managers. The presentation to the welfare division managers was held on November 2012, and the welcoming for the end-results was enthusiastic among the members. They were quite astonished of how much we had done in a short amount of time. They were pleased that this kind of project was executed, and they thought that it would give a lot of insight into how user-centered development could be made. It was interesting to notice how the attention was raised when we went through the conclusion from the information retrieval. Managers were nodding for the problems that were noticed earlier and surprised by the results, which they thought, were not challenges anymore. The review opened up the managers' eyes, and they understood the situation they were in.

A couple of more presentations about the short-term project were arranged for the leaders of the elderly care centres and the guiding group of the elderly care. The reactions of the participants were almost the same as they were in the first study, surprised and expected. Most of the leaders were expecting the results from the information retrieval, because they were interested in hearing how their employees were answering the questions. Some of the issues from the conclusion were surprising for the managers. They had not been aware that these kind of challenges were happening in short-term care. Some of the issues were considered obvious, but they did not understand how the personnel were still struggling with them. It was clear that the review for the information retrieval results was eye opening for the leaders. Participants in both sessions were interested and enthusiastic about the workshops and that so many of the employees were participating in the development work impressed them. The created concept ideas were raising interest and thoughts among the participants at the presentation. The overall feedback was positive in a way that people were intrigued about the development process and how to arrange co-creation between multiple collaborators.

The members of the three meetings were all interested in the overall development process and the results and feedback from the personnel about how they were experiencing the process. It was obvious that the ones who were close and knew about the actual short-term care and the employees were mostly interested in the results from the information retrieval. The ones who were not that familiar with short-term care or were not involved in providing care on daily basis were interested in the process itself and the methods that were used. Many of the participants felt that they could use this development approach in future projects. Everyone agreed that the customer should engage more efficiently in the development work. The only thing they were puzzled about was how to do it. How to get the customer more involved in the process, when the process now has challenges to get even their own personnel involved - let alone employees from another welfare segment.

### 3.8 Summary from the project

As a positive observation, I was surprised by the service professionals' gush and will to be a part of developing mutual activities. It was clear that they were longing after co-operation, and for me it was exciting because there was no joint channels created by the elderly care leaders. Every unit was operating according to their best practice and was using different tools best suitable for their purposes. There was no joint operation model available. Perhaps the most interesting fact arising from the interviews was how the units were making the best Personal Treatment Plan and Treatment Summary, and that they were explaining how other units were doing it wrong or in an incomplete way.

The co-operation between other service providers, for example between home care and family caregiver mentors, was experienced as deeply welcoming. How these co-operators were seeing the customer and the customer's needs was clearly presented in the service workshops. That is why it was significant to witness how the participants built their understanding on seeing the service from the customer's point of view, and also how other service providers saw the service not only from their perspective as a service professional. Supporting different service providers' needs is one of the elements to help co-operation work easily. Support can come from joint forms or prioritizing communication using selected information as opposed to giving up all the available information - which might not be relevant at all for this particular service provider. This might be the most important observation when developing services.

When thinking about the overall project, it was executed according to objectives, and the needed information level from the service professionals and the customers was achieved. The project ended quite rapidly although it was acknowledged that it would end after the ideation phase. Most of the members felt that the process had just been started, and it would have needed to continue. The deal was that the elderly care manager was responsible for leading the process forward, all way through. My concern was that the participants would not get the wanted tools for their everyday life, which they requested from the get-go. Another concern was the service design itself. As a method Service Design aims to understand, test and develop on a concrete level, but now there was a danger that the participants would remember it as yet another' ideation method, which would not be implemented in the real world. To achieve the goal to implement the ideas into the work environment they would need to create a Short-term care group to organize and take control of the continuance.

One of the observations I noticed was that there was room for learning different habits to make the benchmarking. There were no structured practices to recognize and learn good

practice models from other welfare divisions sectors inside the municipality - let alone nationwide or globally. It would be relevant to observe what other municipalities were doing in their development projects. Elderly care services are developing both nationally and globally and it would be rational to follow those projects, as well possibly adopt and test already proved models in our own units. There is no reason to invent the wheel again and do development for development's sake. The practice of following others, making structured benchmarking and collecting information on the future foresights should be included into the elderly care managerial strategy model.

## 4 Evaluation

In this section, I will evaluate the case study - service design project. I'll explain more or less about the evaluation and its purpose in the service design process and discuss the known challenges in evaluation when developing public sector's services. From the defining of the evaluation, I'll present short notes from the Service design -day to the welfare division's managers, where the participants were introduced to the service design project, and were tasked to assess and discuss in groups about the project and what thoughts it brought in their minds. At the end of this section, I'll conclude the obstacles and the learning's from the service design project.

### 4.1 Evaluation as a service design method

Evaluation has a couple of meanings in the service design process. First of all, it is often the last part of the whole process when the purpose is to evaluate the overall success of the project, and how it is working in action. Secondly it is the key principle inside the process. Without any evaluation, the service design process would not be iterative. Evaluation needs to be done after every productive stage. Before it is possible to assess, there has to be done objectives and guidelines for the project in order to compare, what the problem has been before and how it has changed after the productive process.

The iterative nature of the entire user-centered development process is based on constant testing, evaluating and developing. Every idea needs to be tested and then evaluated in order to continue the process. When the evaluation occurs, the main task is to decide from the feedback of users is the service reflecting the needs of users and has the service filled its purpose. Evaluation works, as a tool to measure is the service answering the need or not. When evaluation is performed it could be done for many elements at the same time so it is important to clarify each measurement element clearly. Measurement elements can include the direct and indirect results from the issue that has been under development.

#### 4.2 Defining evaluation in public sector service development

Evaluation in the public sector is used more or less as a tool to measure the effects after the development work. These measurements are often the end-results and effectiveness for the problem what has been under evaluation. In public sector, every development case, project or issue needs to be evaluated in co-operation with the engage members. Alanen et al (2001) defines the basis for the public sector evaluation, as how well the service task is succeeded or improved in reflection on usable resources and objectives. Evaluation goes hand in hand with the development because it is necessary to measure done progress and that should be done in a way that the resource planning and managers will get the data where to base their decisions on. Otherwise it is almost impossible to make any decision concerning the future of the project and the future of the used method. The ones which are responsible about the ongoing project, need to have the information about has the develop issue been successful or has it failed. (Alanen et al 2001.)

In public sector, the evaluation is done based on defined values. Those values are categorized as customer, development and production process and overall strategic values (Alanen et al 2001). Evaluation can be done as a whole, or it can be just a part of something, for example measuring customer service can be one of the evaluation targets. Evaluation is a meaningful part of any project or overall activity, but it needs to be well specified at the beginning of the project. Evaluation results depend on the fact on how well the specification has done. (Alanen et al 2001.) Using evaluation systematically as a tool, can clarify how the project or process is effecting on the environment and when it is used in this way it will support the decision making at a strategic level. It can be said that the quality of evaluation comes from the amount of commitment and initiative of the provider who makes the evaluation. (Virtanen and Uusikylä 2000).

Alanen et al (2001, 14) concludes that the evaluation serves both the evaluator and the target of the evaluation when it is executed carefully and well planned. The evaluation in its best is interaction between the collaborations. When the evaluation is done, everyone should be aware of the situation before hand in a way that they have the opportunity to get to know the issue and prepare their statement according to it. It is important to have evaluation phase when the project is ending otherwise the project would lack reflection between the objectives from the start and from the end results.

#### 4.3 Service design -day for welfare division's managerial level

The service design day for welfare division managers was held on the 23th of January in 2013 at Piikkiö. The members of the Service design -day were all from welfare division and from several different districts. The purpose of the day was to introduce service design methodology as one possible direction to improve operation culture in welfare division. Through the example projects and group work, the idea behind service design and especially service design thinking, was opened up to the participants. One of the group's work was based on the example case. The example case was short-term care project and the task was to discuss and write down few comments concerning the project. Questions were: what was the first impression of it, how they would continue with the project, and what are the most important factors to make the project successful when executing projects like the short-term care project? Together with the short-term care project's organization members, we decided to use this event as an evaluation situation to the service design project because there were many participants who did not know about the project. In this way it was a good opportunity to gather first impression and thoughts about the project.

Conclusions from group study were overall quite coherent. To take the customer, end-user to be part of the service development was the most intriguing topic among the managers. The issue raised a lot of questions. What methods and changes need to be taken in action in order to involve the customer into to the development process? To engage customers what amount is enough? When the saturation point is reached? How will the different life or state situation affect on engaging customers? It was mostly agreed; that more you involve customer-developing services the better service you provide to the customers. This way public sector could provide better service to their customer.

Other topics from evaluating the project were intriguing as well and made the entire attendances take part of the discussion. Breaking the boundaries and getting rid of the silos raised a lot of analysis process. It was pointed out that instead of silos there would be more collaboration between different districts inside the welfare department and inside the city organization. It was highlighted that the co-operation between different sections inside the organization should be encouraged to arrange and be aware about the possibility of collaboration. The problematic was on finding the right communication channel throughout the whole group. The interface between welfare division's sections should be more versatile and flexible because the customer is always the same, only in a different life situation. The look in each section should be unanimous in a way that the welfare division is the big umbrella which gathers all the sections under it so that they can communicate internally cross different sections and to outside that they are the same organization and they have coherent look. They could have one communication centre which would guide customers into right services. By providing bet-

ter services and support to customers in every step is crucial to have coherent customer experience in all of the sections under welfare division. This conclusion will make the circle go around again. In order to provide better services, it is necessary to understand the customer and make customer be involved in the development process.

The obstacles what the managers were pointing out were spotted inside the organization. How to involve the relevant? How to manage the change in operation culture? How to raise awareness and transparency when managing different projects? How to manage collaboration project where responsibility is divided between numbers of stakeholders? How to use Service design experts and should it be inside or outside the organization? A lot of questions concerning the management of the project and about the real way of implementing service design into the existing development protocol.

Among the members the short-term project's evaluation raised both positive and negative thoughts. Positive thoughts were about the process, how customers were involved, and all the other stakeholders empowered to be a part of the actual development work. The participants concluded that from their perspective and the knowledge they're received, the project was successful. The project gave a good example on how service design is used in the welfare sector, and it provided a lot of thoughts and ideas on how to use service design in another projects, as well. Negative feedback was about the terminology of the service design. They felt that there were used too many fancy and foreign words such as mystery shopping. They would have appreciated if the terminology had been translated into Finnish. Part of the participants was concerned and troubled about the fact that the service design would be yet another methodology to develop issues. Some of the participants were experiencing that old methods are just renamed to make the fuzz more appealing.

#### 4.4 Obstacles when going through the project

Service design project was accomplished in collaboration with service providers, who are directly or indirectly involved with short-term care. The project was managed by around the clock manager together with the elderly care managers. It was consisted in four service design phases including defining, informational retrieval, ideation and the last phase was concluding the project and evaluating it together with the welfare division managers. The project was completed during autumn 2012.

##### *The Process*

Understanding the whole development process and its phases turned out to be the most significant part of the whole experience of developing services in the welfare sector. The pro-

cess itself was presented in full to the decision making board, but because of resources for the elderly care for that year, there were not enough budget to accomplish the entire development process. The decision was made that the project would include the first part of the process and this would mean that the implementing, testing and evaluating phases were left out. It was agreed that, in this project, the objectives would emphasize more about testing the service design process itself, methods and co-creation in collaboration with multidisciplinary groups, not that much on the outcomes of the service design process.

When the decision was made to shorten down the process, there was no chance to affect on that decision. Because of the lack of information or the lack of interest on how the service design process is established, the most important part on the development process was left out. On my opinion there was a communication break down about the objectives of this project right from the start. On my behalf perhaps the problem was the lack of experience how the public sector works as an organization and this led into to the situation that I didn't understand how detailed and how much information would be needed to share in between all the stakeholders which were named into the process. In other hand the project was decided to arrange quite quickly, which meant that there were no clear plan on how to go forward. It was quite clear to me that especially in this case it would have been important to demonstrate and experience how all the gathered material, ideation and concepting are implemented in daily routines and are tested with the ones who were involved on developing those services. But I couldn't manage to emphasize that fact enough. One of the main principles in service design is that the ideas are tested and implemented in the environment where the service is produced.

The challenge in understanding the whole development process is on communication and data. This means that when decisions are made for the development, there needs to be enough professional knowledge or information about the process, which is going to be used. Of course, the process is not in the centre of the development but knowing how the process is going and how each phase is connected to each other means a great deal when deciding what the subscriber is purchasing and what is left out. The problematic for having a lack of time and recourses for gaining enough information lies on the fact that when the budget is created there is usually budgeted some part to the development work. When the budget is set for the known projects, the objectives are set as well. As we found out earlier, the projects' results are often decided before the actual project is done and therefore, the habit on knowing the results earlier affects on new development work as well in a way that the decision makers have the results in their mind, and then the flexibility is gone. The flexibility for this project should have been there because the results were showing how desperately the collaboration team needed help for implementing ideas into the real work. To conclude the meaning of understanding the process, it is important to have a common understanding of the whole pro-

cess and make sure everyone has enough information to make decisions. It should be more important to underline the fact that it is crucial to be at the same page of the upcoming process so that everyone knows what is about to be expected and what are the objectives.

#### *Communication channels*

One of the core challenges when project was ongoing was the amount and lack of information between the participation employees and managers. Before short-term care project was started, the around the clock manager had arranged first meeting between all the units, which were providing short-term care. The meeting's purpose was to get together, for the first time, all the short-term care units and together agree on the challenges what they were facing when providing service. In this meeting there was a short moment for me to introduce myself and to explain a bit about the development process what we would together execute. This was the first time when personnel heard about the upcoming project. I originally had the impression that information about the project would be presented in some other occasion and I was a bit surprised when it turned out that this was the only situation to have a change to discuss the project together before it would start.

Because of the lack of proper communication channel to approach the employees in all of the units and segments, it was quite difficult to communicate as an outsider to all the participants. The problem was also between the participants who could not get in contact with each other. They did not have a joint forum for discussion, where everyone could participate in the conversation suitable during their day's agenda. The only communication channel was the email. The problems with email are that all of them can not use it during the day, and most of them were not using it at all. And now as the only information between them and me was through email, there would have been information breakdown because someone could have not read it. This would affect on the awareness on people when, for example the workshop started, and on how the process was going forward.

One notable factor was the information breakdown among the members on what were the objectives for the project. They did not know about the fact that this project would not go forward from the ideation phase. They would be only ideating and the delivered ideas would not go forward during this project. They would go forward only if the short-term care managers would arrange continuance for the project. Most of the participants felt that they were misled, and they said that they had been participating in numerous ideation sessions, but never into the one where those ideas were actually executed. They were wishing that this would have been different, but because of the lack of real information from the managers, the disappointment was huge when they realized that these ideas would not go any further. In a way, because of the wrong information, the project got a bad start from the beginning. This information breakdown was noticed when the first workshop was held. Otherwise, I was

informing all the members through email and explaining every upcoming step to them. I realized that I should have been more aware of the information status what they had. This situation could have been avoided if the communication between the project manager and me would have been clear.

For management perspective, it is a challenge on how to manage process where the project leader is from outside? The situation is then a divided (?) leadership where you have to know which are the responsibility areas of each. It is crucial to go through the upcoming project multiple times so that everyone in the management knows what are their roles and what is expected of each one of them. The process needs to be clear for everyone so that they can inform their employees in the correct way with no misunderstanding. When the process is clear for everyone, it is easier to concentrate on the actual development, not on the process itself.

The challenge in a development project from the manager point of view is how to implement the leadership role in their everyday life and actions? Of course, there are other responsibilities than leading a project and this factor makes the management very fragile. When the manager's most important tasks are dealing the information to all of his/hers staff, creating confidence and have good interaction between personnel, there is a chance that if you are not prepared you will easily loose control and then the project starts to slip from its agenda. For managers, it is important to trust their employees and delegate tasks in order to manage more efficiently and in right time.

### *Coordination*

To be able to make a successful project, where lots of collaborators are involved, it's necessary to have a good coordination. Management and coordination usually go hand in hand, but in multidisciplinary development, where there could be a lot of different organizations and sectors involved, there should be left specific recourses on coordinating. If coordinators are not paying attention, it could have dramatic effects on how project will go forward. It should be made clear to every stakeholder who is responsible on coordinating between different stakeholders right from the get go so that they will know to whom they can be in touch, and from whom they can receive dated information. If the coordinator is from outside, he or she should have access to all of the stakeholders information, and should have pointed out one channel were it could be possible to deal information.

What are the challenges when making good coordination? It has been noticed that if the project is lacking a good plan then the coordination could fail. The value of making understandable and clear project plan reflects on many factors on how the project will work out. What was obvious, when talking among the participants that there were many projects inside the

welfare area going on, but almost no one had ever heard about the projects from another welfare section. When the projects are not supporting each other and are not made visible, then it is impossible to try to coordinate between the projects. The communication between different projects is often vague, invisible and random. The challenge is to learn and make a manner on delivering and receiving information in some pointed location, which could be open for all inside the public sector and the stakeholders involved. It should be a habit that employees go and check out the latest information of what has happened in their field so that they are aware of what is going on around their organization. When the process and information is made transparent to all, it helps coordination work in every ongoing and upcoming project.

### *Hierarchy*

When we are dealing with the responsibility and involvement to successful project, it starts with good managers. If managers are not entirely dedicated to the project it reflects to the personnel, and they would think that the project is not of high quality because the management is not committed. From the personnel perspective, it can be said that when managers are not involved then there is no decision makers and it means that the project is a waste of time. This scene was loud and clear in the workshop situation of the project. Immediately, when top-level managers are not involved with the development, personnel lose their interest. They said that it is no use of ideating anything because there is nobody from the top level managers who are applicable making decisions.

In the other situation, also concerning the development in the public sector, I made a task before the supposed project start that what are the barriers for making successful development project and what are the success factors. The answer was clear, the commitment from the top level of hierarchy was considered the most effective element when creating successful development project. The management responsibility was ranked to the top three in every group. Groups were formed from multidiscipline professionals. Also, another thing from the hierarchy was highlighted, and that was the communication. How to communicate so that the information stays the same from top to down and down to top? The communication channels were seen as a huge problem. The same obstacle was also found in the case project. Without any proper communication channel, the information does not flow from the managers to service professionals.

One of the major concerns felt between the service professionals and the top level managers in both organizations in general was that how to do ideation or notify ideas to each other? How can we do co-creation when our voices are not heard? The service professionals felt that no one listens or even ask about their ideas to develop services, or if someone does, it would not go further from the nearest supervisor (Figure 26). They felt overlooked and neglected by

the managers. This was the reason why the employees were feeling enthusiastic at the beginning because they finally would be recognized as a part of the development group. On the other side the managers felt that the good ideas created among the managers were so difficult to implement into the daily routines. The managers did not understand how big difference it would make for the service professionals, that in the development team there would have been included the actual nurses and individuals who are dealing with the service to make the ideas more concrete. The mutual language between these groups was missing. In this project's process, it was noticed how meaningful it is to have representatives from different hierarchy level involved when development is made for the service. It will affect on both the customer and the service professional. The knowledge from the service professional is indispensable. When developing services you need to have all those who are experiencing the service in the same table in order to make better services.

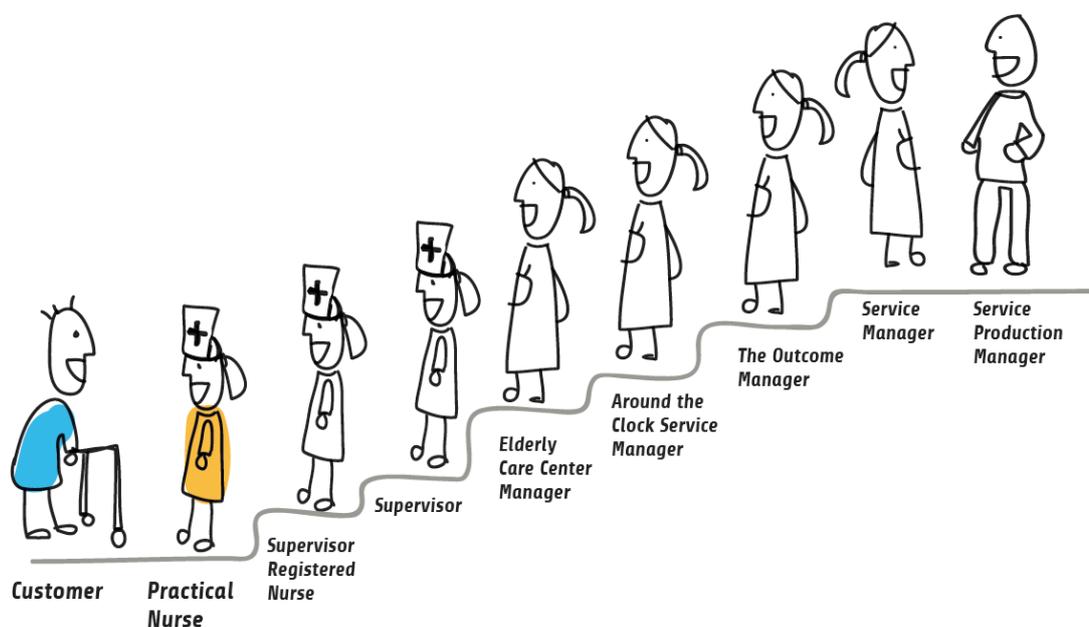


Figure 26: Steps from the customer to the top management

Every idea should have the opportunity to be tested. Because in service design the main target is to develop usable services to its users, it is important to test the services in the right environment. Services are intangible and hard to test without its users. Until the service is not tested, we do not know if it is going to be usable, understandable or even workable. That is the reason why a great idea on the brainstorming situation could turn out totally unusable in a real situation. It is almost impossible, or it needs lots of good luck, if the whole development process for the service can be delivered into the real situation without doing any testing. Of course, many of us have been witnessing situations like that, but this is the issue what makes some service better than the other - testing and iterating it with the real users.

Because in this project we did not have the opportunity to test and develop the concept ideas that we were creating, it is difficult to say what challenges it would have created. It can be said, that it was very disappointing to the participation team that we could not together take the concept ideas further. The responsibility of continuance and to taking ideas into reality were left after the project to the around the clock manager and on the elderly care manager's shoulders. One of the reasons why the service professionals were excited about the service design method was the fact that it would bring needed support, tools and strategy for implementing ideas into reality. The members were looking forward and were ready to test the ideas into practice. It was noted that the personnel would have wanted to have the chance to learn from each other, and test something as a group and afterwards make some instructions to every unit easily to follow. The challenge when lot of different development project are going on, is that if those projects would not create something practical and permanent, there would not be so enthusiastic people to make the development. It has been said that personnel prefer not to talk a word about the project because it automatically means something that is not permanent and will not have continuance on the future.

#### *Evaluation and sharing the results*

The ending of the process always should include an evaluation phase. Evaluation should be made during the actual process and at the end of the whole process. The challenge on evaluating is to be patient and perform it whenever it is needed. You should not fall into the trap that you just approve what have been created and move straight on to the implementing. It is important to step back and evaluate what have been done and reflect it to the objectives and the feedback, which have been received, for example from testing situation. The evaluation means discussing and being critical on what have been performed. This is an important phase and needs to be done systematically and frequently. It is also good to remember that when the service is launched, it needs to be evaluated from time to time to make sure it is still relevant and meaningful to the provider and the user.

The evaluation phase could have been more intensive or in my opinion it should have had guidelines on what and how to assess. The members should have received information on those guidelines before the review phase so that they could have had proper possibility to give their feedback at the situation. Maybe the topic of those three meetings was not right. It was taken concern only the visible parts not perhaps the process in a whole. I think the participants were only waiting to see the study and the results, and they were not prepared to evaluate the project at the same time. To conclude this, barriers can be as follows: all the participants are not prepared for the situation, they are not providing information about how the process is going on, and what is the real meaning of the meetings. If neither of these is done, the results from the meeting could be unexpected. To share the results or to have an

evaluation session, it is needed to separate them clearly in a way that all the included stakeholders know what is expected from them.

#### 4.5 Learnings about the project

This was my first project done in the public sector, and it was interesting to learn how public sector as an organization works and how it differs in its processes from the private sector's way of working. When working with the public sector, it is considerable that the timetable is not that intensive as it is in the private sector. I believe it is because of the bureaucracy and the level of hierarchy, when every decision needs to be evaluated in a group of the right kind of decision makers. I have come across to the fact now, when I have been working in quite many different projects in the public sector, that in every project there is a number of different boards or steering groups which are responsible for the next group in hierarchy level. Often there is a steering group above all which is guiding and making the decision about the budget to the project's board group. The steering group may not be dealing with the project's agenda in their daily routines at all. This causes the effect that important decisions can take time and can be easily misled if the information from the groundwork is not heard properly in the project's manager group. The communication channels in these situations are playing a very important role. Information should flow through all hierarchy levels intact and both ways, otherwise it is useless to try to communicate.

Interesting part of the previous chapter is the part of the outside counseling in a project. As in my situation, I was an outsider consultant who was leading a short project together with the employees. The roles in this project was dealt in a way that we had together with the around the clock service manager, co-management for the project. I was responsible on performing the subscribe process and the around the clock manager was responsible on informing and communicating about the project to the personnel involved. I was communicating to the employees through the manager. The most important learning from this situation was that it is crucial to give all possible information to the manager you are dealing with because he/she is often the only link you have to the rest of the employees who is involved. To increase the general understanding of the process is a necessity to have good communication channels in order to have a successful project. The starting point to the project is always fuzzy, and people do not know what to expect. That is fine at the beginning, but when the actual work starts the importance of the common understanding rises. I suggest, that one should design a form which includes all the important questions which are reflecting to the upcoming project. And during the first meeting, the answers to all of those questions are gone through in order to arrange the next meeting. This way we could be sure that everyone has shared knowledge

about what, why, when and to whom is happening. This form could be published in shared forum or through emails or such.

The role of an outsider is usually tricky especially in public sector. You are bringing your professionalism into the center of the system, which hierarchy is based on years and years of gaining trust and experience about the issue dealt in this case social- and healthcare profession. The way to achieve the credibility and trustworthiness among social- and healthcare division is hard, so as an outsider if you do not know about the hierarchy, you are easily treated, among the service professionals, as a “yet another” -councilor from the private sector. The challenge in this is that the social- and healthcare service professionals need case examples from their line of projects to adopt new methods presented to them, and if you do not have them enough, then all training can be wasted. Outside consultant needs to have some knowledge about either similar developing projects from social- and healthcare or have experience on developing services in some line of activities on public sector. In this project, I used a couple of examples from social- and healthcare sector but because there are not enough proper examples available yet in Finland and most of those good examples are from abroad it can bring insecurity among the members. It is important to gain the trust and loyalty from the participants by showing to them in a clear way what is this development method's meaning and purpose by presenting example cases from their field. Also it is significant to explain the role why you are with them. When it is clear to everyone that you are not there only to explain what needs to be done, but you are there to help and work along with the service professionals on how we could together do things better.

To gain the trust from the service professionals, when working in the project, means that you are working with them and not to them. To achieve the general understanding for the objectives it's important that the service professionals are along for the whole time and not to be left out from the decision-making boards. To see the big picture, everything is connected. To achieve this it is crucial to have all the stakeholders, which are involved including service professionals around the same table. To share the thoughts, learnings and results there has to be proper channels for dealing the information otherwise you will lose the link between the service professionals. When you have gained the contact, you will have to maintain it. When the base is an open, honest and trustworthy environment, then the innovation and co-creation is most likely to be happened.

Attitude - to be a service professional, not just a worker. The word attitude was brought up many times during the interviews and in the end meetings. For example, when we were talking about education among nurses there was pointed out that practical nurses would not receive any education about customer service, in their studies. This seems to be a problem in daily basis, when the professionals are saying that they are nurses, not servants. We know

that the situation today is that all professions are more or less service profession, because all of the business is going to be service based. This change in the attitudes should be delivered already in the schools, not only in workplaces. Another example what the supervisor was describing, was that usually when something needs to be developed, the resistance attitude towards it rises. This can be noted especially among the older professionals who are not that willing to change their way of working because they have done so for more than 20 years. This means a lot of understanding from the part of the development team, and this needs to be considered when the development is in progress. This shows again one of the meanings why it is necessary to involve service experts into the development work, to deliver the understanding of the practices and the experience of the business. We have to keep in mind when we develop services that those who develop not only make better services now but also in the future. So if the attitude is a challenge now we need to start changing peoples' behavior by developing services.

One of the learning's from the project was the situation of the elderlies and their family caregivers. Family caregiver situation and the lack of support and services were quite obvious to me when I was progressing in executing the project. This would mean that there could be potential to improve overall service that could answer directly to the needs of family caregiver and their loved one. The need was reflecting from the fact of customers which were participating in the informational retrieval when they where describing of how they were lacking proper, and the right information about helping their loved ones and managing by themselves at home. For the future development project, this seems to be one of the most interesting and urgent cases to be developing.

## 5 Conclusions

The purpose of this master's thesis was to map and define the factors that will make the service development process successful in public elderly care and to address the question of the nature of the challenges that need to be overcome when the development process is executed. The goal was to add information about the development process where the user are in the centre of the development and in this way improve the process in a way that all of these issues have been taken into consideration. As an outcome of the thesis work, I redefined the service development process for public sector welfare division (figure 27). The aim of the redefinition was to underline the process maintenance actions of different process phases, which are critical when development process is performed. The process maintenance actions are showing the identified challenges in a way that you need to overcome those or at least recognize those in order to go forward with the process. In the illustration, there is presented the main actions, which represent the framework for the development process. Under these actions are listed phases and subtasks, which are describing the context what is happening

in each step. The ones that are highlighted with blue color are the identified challenges, which need special attention when aiming to produce successful service development process.

The redefinition of the process is based on the reflection between the literature at the beginning of this thesis and the case study. As it was pointed out there are multiple factors, which are affecting to the process. Same factors from the literature as from the case study; management, coordination, hierarchy, communication and co-operation. The ones, which were noted from the literature and not from the case study where the user-centered approach and development bloat. And the ones that were noted only from the case study the whole process, implementation and evaluation. All these identified factors are barriers, which need special attention in order to achieve successful process and end-results.

To manage a successful project means that everyone has right from the start the understanding what is supposed to be done in which timeframe, what are the objectives and what are the responsibilities of all the stakeholders, which are involved. Other key element is to have enough knowledge about how the project is progressing, inner trust and enough experts to know about the context of the issues, which are meant to be improved.

# SERVICE DESIGN PROCESS IMPROVED

	LISTEN		UNDERSTAND		IDEATE		HANDS-ON		IMPLEMENTING	
PHASES	1. Definition	2. Understanding the possibilities	3. Research	4. Customer understanding	5. Ideation	6. Organizing	7. Quick Testing	8. Evaluation	9. Documenting	10. Launching
SUB TASKS	Kick-off Brief Objectives Resources Timetable	Process Methods Learning Stakeholders	Service Roles Stakeholders Benchmarking Communication channels Futures and Foresights	Informational retrieval Techniques Workshop	All together Rules Workshops Methods Free Innovation	Concepts Small selected team Co-development Test environment	Rapid testing Feedback Evaluation and selecting go/no go	Preparing for piloting Evaluation Communication with every service stakeholders	Documenting service Education Instructions Piloting	Implementing Creating measurement indicators On going development
PROCESS MAINTENANCE TASK ATTENTION	Managing Communication Process	Coordinating Communication User-Centric Hierarchy	Coordinating Communication User-Centric Hierarchy	Customer User-Centric	Coordinating Communication User-Centric Hierarchy	Managing Coordinating	Communication Customer User-Centric Evaluate	Managing Communication Evaluate	Coordinating Communication	



Figure 27: Identified challenges highlighted from the development process

One of the results of this thesis process what came out strongly was part of the service designer in a development project when you are as an outsider of the organizations system. The difficulty is not only to take control of the project, but to gain the trust of the personnel, which is involved in the project. I think these obstacles are stronger when the work is done inside an organization where the public sector sets the guidelines. Although the driver could be efficiency and could make profitable results, the main challenge is inside the system. The system itself serves short and direct outcomes and the indirect effects are left aside. This could be one of the reasons why it is hard to hire professionals outside the system. From the outsourced professional, it is easy to buy short-term projects, which are easy to define and are precision medicine for the problem. Then again when the service, which is developed, is fuzzy at the beginning, it is harder to hire professional when you cannot specify in which problem you need help.

The hardest challenge might be in the welfare sector the attitude towards development projects and counseling. This definitely would need some updated information to the public sector managers and professionals, as well. This actually left me pondering could I create a list about pros and cons when development experts are outsourced. What positive issues and what negative issues it could bring reflecting the situation. This would help all the stakeholders understand what is the part of an outsourced professionals and what is expected from them. It should be transparent for everyone, which are the targets of that action.

I hope this thesis gave some information about the situation where public sector stands concerning the service development and opened up service designer's business. There is a lot of work to be done in order to have usable services to customers, as well as users and the professionals around it.

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#### Figures

Figure 1: Mind map of the context

Figure 2: Explanation of different terminology when developing services in public sector

Figure 3: City of Turku Welfare Division's organization 2013 (Based on illustrations on [www.turku.fi](http://www.turku.fi))

Figure 4: Customer's connection to around the clock service and to short-term care

Figure 5: Ageing population in Finland. Based on the information provided Statistic Finland 2013.

Figure 6: Supporting elderly citizens living at home. Figure is based on figure made of Välikangas 2006. (Välikangas 2006)

Figure 7: Elderlies services and care in Finland made by Vaapio S., Kemppainen T. and Kivelä S-H. 2010 (Vaapio and Kivelä 2011)

Figure 8: New service development front-end key issues of customer interaction. Illustration is based on Alam's table in: Removing the Fuzziness from the Fuzzy Front-End of Service Innovation through Customer Interactions (Alam 2006).

Figure 9: Engine's definition on service design process 2009. (Engine 2012)

Figure 10: The Squiggle by Damien Newman from Central Inc. (Central Inc. 2013)

Figure 11: Service Design Process in Service Design Project 2012

Figure 12: The recommendations illustration from Design in Practice -project (Sangiorgi et al. 2011, 43)

Figure 13: Starting point and clarification of the situation for the service design project to short-term care

Figure 14: Illustration how the service design project process progress

Figure 15: Picture collage from the short-term care units. (Photos by Salmelin 2012)

Figure 16: Creating future persona at the first workshop. (Photo by Salmelin 2012)

Figure 17: Short-term care service blueprint

Figure 18: Operation model concept number 1

Figure 19: Operation model concept number 2

Figure 20: Operation model concept number 3

Figure 21: Operation model concept number 4

Figure 22: Operation model concept number 5

Figure 23: Operation model concept number 6

Figure 24: Operation model concept number 7

Figure 25: Operation model concept number 8

Figure 26: Steps from the customer to the top management

Figure 27: Identified challenges highlighted from the development process