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Developing a New Service for Micro Enterprises in Co-Creation with Customers Using Service Design

Lindström, Henri

Laurea University of Applied Sciences
Leppävaara

Developing a New Service for Micro Enterprises in Co-
Creation with Customers Using Service Design

Henri Lindström
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Henri Lindström

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The purpose of the thesis was to develop a new service for Finnish SME service company together with its customers. The customer group were struggling with the fact that they have limited resources, such as money and knowledge to purchase services available and therefore are lacking a service they badly need. This problematic situation created a perfect opportunity for the case company to start a service design project. The goal was to illustrate and explain the process of developing a new service together with customers by using service design methods and how implementing service design thinking would affect the case company's service development.

The theoretical section discusses the basic concept of Goods versus Service Dominant Logic, Value Exchange and Value-in-Use, Co-Creation and Service Design Thinking. In the study, service design has a major role, but it was seen as an approach or a way of thinking rather than a fundamental theory. Besides the service development, the thesis focused on implementing service design thinking into the development work and culture of the case company.

The new service was designed by using the service design process including the phases of exploration, creation, reflection and implementation. Background information and customer insight were gathered using an e-mail survey and phone interviews. Service design methods and tools were used in the development work. As a result, the thesis presented the service design project where the new service was created in co-creation with customers. Another outcome of the thesis was the effect of implementing service design thinking into the development work.

For further development, a study about the effects and benefits of implementing service design thinking into the service organization's development culture could be beneficial for the whole service industry where the case company operates.

Keywords: Service Dominant Logic, Value Exchange, Value-In-Use, Co-Creation, Service Design Thinking

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Opinnäytetyön tavoitteena oli kehittää uusi palvelu suomalaiselle PK-palveluyritykselle yhdessä yrityksen asiakkaiden kanssa. Asiakasryhmän yritykset tarvitsevat kipeästi palveluita, mutta heillä ei ole liiemmin käytössään resursseja, kuten rahaa ja osaamista ulkopuolelta ostettavien palveluiden käyttämiseen. Tämä ongelmallinen tilanne loi erinomaisen mahdollisuuden kohdeyritykselle aloittaa palvelumuotoiluprojekti. Opinnäytetyön tarkoituksena oli kuvata ja esitellä uuden palvelun kehitysprosessi, jossa hyödynnetään palvelumuotoilumenetelmiä yhdessä asiakkaiden kanssa. Sekä kuinka palvelumuotoiluajattelun jalkauttaminen vaikuttaa kohdeyrityksen palvelukehitykseen.

Teoreettinen viitekehys tutustuttaa lukijan peruskäsitteisiin tuote- vs. palvelulähtöinen logiikka, arvon luonti vaihdon ja käytön yhteydessä sekä yhteiskehittelyn ja palvelumuotoiluajattelun osalta. Opinnäytetyössä palvelumuotoilulla on suuri rooli, mutta se toimii enemmänkin lähestymis- tai ajattelutapana kuin perusteellisena teoriana. Itse palvelukehityksen lisäksi opinnäytetyö keskittyy palvelumuotoiluajattelun jalkauttamiseen kohdeyrityksen kehitystyöhön ja kulttuuriin.

Uusi palvelu kehitettiin palvelumuotoiluprosessia käyttäen sisältäen vaiheet tutkimus, luominen, pohdiskelu ja toteutus. Taustatiedon ja asiakaskäsityksen hankkimiseen käytettiin sähköpostikyselyä ja puhelinhaastatteluja. Kehitystyössä käytettiin palvelumuotoilumenetelmit ja työkaluja. Opinnäytetyön lopputuloksena esiteltiin palvelumuotoiluprojekti, jossa uusi palvelu yhteiskehitettiin asiakkaiden kanssa. Toinen lopputulemana kuvattiin palvelumuotoiluajattelun jalkauttamisen vaikutukset kehtiystyöhön.

Jatkotutkimus palvelumuotoiluajattelun vaikutuksista ja hyödyistä palveluorganisaation kehityskulttuuriin olisi hyödyllinen koko palvelualalle, jossa kohdeyritys toimii.

Keywords: Service Dominant Logic, Value Exchange, Value-In-Use, Co-Creation, Service Design Thinking

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1 Introduction

Micro enterprises are often said to be the backbone of all economies. A micro enterprise is a company that has less than 10 employees and an annual turnover lower than EUR 2 million (Statistics Finland). In Finland, the situation is not different from other economies, when it comes to the importance of the micro enterprises to whole economy of the nation. In the end of year 2012 Finland had total of 266 909 active companies (excluding agriculture) from which, the micro enterprises presented 93,4% share (Federation of Finnish Enterprises). In turnover, the micro enterprises produced together total turnover of EUR 66 Mrd, which is 17% of the total turnover generated by Finnish companies (excluding agriculture) by the end of year 2012 (Federation of Finnish Enterprises). So it is safe to say that the micro enterprises play an important role in the nation's economy.

As the majority of all Finnish companies falls into micro enterprise category, there are of course many business service providers focusing on offering services to meet needs of this particular group of companies. In generally speaking, the target group of micro enterprises is sometimes a challenging customer base to serve as they tend to have needs for the services but often they suffer from limited resources, like money, to use services available. It is also common that not many of the large service providers focus on offering services to the micro enterprises or at least they do not have them as target customer group. The large service providers which have the best recourses, like competence for example to provide the service are more focused on fulfilling the needs of larger accounts as they are seen more lucrative for business over micro enterprises.

The Micro and SME companies are also struggling with the fact that they have limited resources to produce the service themselves, so in other words, they cannot hire in-house experts like larger companies can for the service they badly need. In order to cope with the constantly changing and more challenging business environment they are forced to buy the needed business services from outside service providers. As in many cases, the needed services are mandatory to use for companies to be able to operate and have a solid business with for example, larger customers. These services cannot be easily replaced, due to the high-end expertise involved in providing the actual services. This has led into a problematic situation were the services are often too expensive for customers to use and they need to take unnecessary risks in business, as they do not have a service available that they could use with the resources they have. Even thou the needed service in many case is quite small, the price can still be quite high for the customer, due to the involvement of high-expertise and the dominant service model in this particular business field. In many times, the cost of the service is too large compared to the actual business case. And companies are force to continue their business without the service they badly need and trusting that nothing bad will happen. This

problematic service situation created a perfect opportunity for the case company to start a service development project with the potential target customers, in order to create a service that would be design to solve their problems and the challenges they have with the limited resources to utilize outside services in business. The idea for this development projects came from a prior project were the case company had analysed the CRM information for a strategy review purposes. It was seen that the case company had few customers in this particular target group, but full commercial potential of the target group was not possible to acquire with the services they had. As the case company saw this target group to be potential for more new business, it started to think how to acquire more customers from this target group. After more analysis it came clear that the case company should develop a new service for this target group, in order to have more business out of them.

1.1 Purpose and goal

This study was about reporting a service design project were Finnish SME (Small and Medium Size) Service Company developed a new service for a new customer group together with the potential end-users. The purpose of the thesis was to illustrate and explain the process of developing a new service together with customers by using service design methods. And how implementing service design thinking effected on the case company's service development process.

The goal of the project was to develop a new service that would meet the needs of the target customer group. And furthermore, would be available to them even thou they struggled with limited resources to use outside services, like money for example. Another aim for this project was to involve the potential end-customers to the development process of the new service and using service design thinking as tool for reaching the goal.

With the help of the development project, the author was looking answers whether there were benefits of implementing service design thinking in the case company's development work?

1.2 Limitation of the thesis

The thesis was not about analysing or comparing a new service development as such, nor the different ways of developing a new service, but rather it tried to illustrate the new service developing process and the development of new service in co-creation with the customers of the case company. The thesis did not take into consideration whether the development process presented in the thesis is better or more beneficial than other ways of developing new services, but rather it tried to illustrate how implementing service design thinking into the

case company's service development process would have any impact on the development process or the results itself. The focus was on illustrating the actual development process and the effects of implementing service design thinking.

1.3 Structure of the thesis

The structure of the thesis was divided into five parts; first part covered the introduction of the thesis including the purpose and the goal of the study. In the second part the readers were familiarized with the main context of the study along with the introduction of the case company. The theoretical foundation of the study was explained in the third part of the study. Following this the actual development project with the results were familiarized to readers in the third part. Last part was all about the conclusion and analysis of the study mainly focused on learning process of the author and the case company's organization.

2 Context and Case Company

The service field where the case company operates was known for its conventional mind-set in service offerings. The field was very conservative and only few companies have had the courage to start offering alternative choices of services for customers. As the service field has long and very traditional roots, the service model and way of doing business has been practically the same for decades. The service field was also quite controlled by the head organization, whose aim was mainly to protect and enhance the traditional business model and the service offerings.

In general speaking, the service providers were very homogenous. Only the fields of expertise and size of the company separate them from each other. Larger service providers can offer of course a wider service portfolio when small ones focused on one or two specific parts of expertise in the service field. From the point of view of customer, the situation was quite challenging. If a company wanted to have a full service in order to have all the service parts covered, one needed to buy the service from large company, which was often quite expensive to use. Another option was to use several small ones. This can sometimes be very inefficient, in terms of time and money. Especially for the Micro and SME companies whose needs are often quite elementary but the existing service model was basically the same regardless of the case at hand.

As the service was sometimes mandatory or at least essential for companies to use, the role and status of the service providers has grown quite large. As the service providers were operating mainly in similar way, the price of the service was often the key element for the Micro and SME companies when the service provider was selected. Also the fact that larger service

provides were mainly focusing on larger companies rather than Micro and SME companies, did not leave many alternative choices for the customers to choose from.

2.1 Case company

The case company was founded almost a ten years ago by a visionary who came into the conclusion that in this specific traditional service industry, where the case company operates, had room for new ideas and service models. The service market was back then very homogeneous and all the service providers had pretty much the same service concepts available for all customers. The case company launched a new service model and started to gain markets from the other service providers quite fast. From the starting point of two employees, the case company has managed to grow profitably to over 90 employees and a bit over 10 million euros turnover as today. The case company offers business services to a wide range of customers, both domestic and international. The case company is a limited liability company owned by its employees.

The case company has tailored services for the Small and Medium Size companies, which are companies that have 10 to 250 employees and have turnover less than EUR 50 million (Statistic Finland). The customer base was wide and the service models were scalable for meeting the different needs of different customer groups. The case company has a history of developing its services continuously for trying to find suitable solutions for its different customer groups. They have been very active in productizing their services for meeting the customers' needs.

2.2 Context of the thesis

The case company had prior to this project analysed its customer data for general strategy reviewing purposes. In the analyses of the customer data, the case company discovered that despite of the large service portfolio a certain customer group was missing in the company figures. For a closer analysis of the current situation, the case company came into the conclusion that they did not have a right kind of service to offer for that particular customer group. And therefore it was missing in the figures almost completely. For now, this customer group was using part of the other services the case company had available, even though they were not suitable for them directly. For more analyses and discussion later, the case company came into the conclusion that they should start a project of developing a new service that would be suitable for the customer group, which was lacking a service at the moment.

The customer group from which the new service was developed for was discovered by analysing the customer data that the case company had in their CRM system. The case company al-

ready had few customers from that target group, so they had some experience about their needs and wants. It was seen that this particular customer group or should it be called sub-industry has a huge potential to become an important focus group for the future business. The sub-industry was quite new in general, meaning that it was not yet established itself in large scale, but rather starting to do it in Finland.

The companies in the sub-industry were at that time quite small, as the whole industry was still starting to picking up its speed. Therefore only handful of companies had business operations running in that scale that it would even made sense for the service providers to offer services to them. Many of the companies were on the development face and did not have any business actions yet. In general the companies were very small, only 1-5- employees per company and as mentioned, still focused on developing their products or services for the market entry.

There was however few major success stories that boosted the others to aim for the same kind of success. The sub-industry was starting to get popularity in media as well. For this industry, it was typical that the success can happen over-night so to speak, meaning that after the service launch the business can grow very fast and be very profitable in no time.

As the companies in this sub-industry were mainly in start-up face with low capacity to buy services, even thou they badly needed them, it was also seen as a very interesting business case. For the case company, the aim was to have the companies as their customer in the early stage possible and hoping that if the success would come, they would be already customers for the case company. The business glue in here lied in the fact that quite often the first selected serviced provider continues to serve the company and can grow the business with them.

The target companies operated very similar way and due to nature of the industry, they all needed basically the same kind of service. As there were only few companies that had succeeded already in that industry, there was not that much of competition between the service providers. Basically, the sub-industry was not seen so potential at that time for the service companies to develop a service that would fit the need of a small start-up company. As there was no guarantee, can these companies make a commercial success or not. As the sub-industry was quite new in Finland, there was at the beginning of the project just little over 100 companies operating in the business field. As the numbers of potential customers were that small and they had similar needs, it also gave a perfect opportunity to start developing a service for them.

As the target customers had limited resources to use external services, mainly due to the lack of money, even though they still badly needed services to help them in making their business breakthrough. This was an interesting starting point for developing a service, as the need was there but many of the target customers could not use the services available due to the limited resources they had. In general, the services the case company offers were high-end business services that were usually very expensive to use. The need for the service was often there before the money started to come in from services the target companies were offering.

As the target companies were so homogeneous and the number of companies was rather small, it started to make sense to co-operate with them for developing a new service. As the case company did not have right service available for them and their needs were so similar, it was a perfect opportunity for service development project.

The idea was that developing a service with the potential end users would make the service really what they needed. And also it would help the case company to differentiate its service from the other service providers. The fact that the services available on the market were not suitable for major part of the companies created an excellent business opportunity for a new service development. It was seen that if succeeding in developing a service with the potential end-users, it would be an easier way to have them as customers, rather than trying to offer them services that were not really what they needed.

In the past the case company has been developing its services quite traditionally without involving the customers into the development process or the involvement level has been very low. This time the case company wanted to engage the potential end-users of service to the new service development process. The target group for this project was selected based on several matters. First, the selected customer group was very potential, in terms of future business opportunities. Secondly, the case company did not have suitable service for this chosen customer group, even though they had wide range of service already in their portfolio. Thirdly, this particular customer group was lacking the service they need, from the point of view of the whole service market. And last, the case company already had few very good customers in this particular customer group and they wanted to gain more similar customers.

The current situation gave to the project a clear goal. The case company wanted to develop a new service for the customer group, which could be commercialized later on. If the project would be successful, it would give obviously another profit source for the case company. And even more it would create more competitive advance for the case company towards its competitors. Another point would be testing a new way of developing services and the effects of implementing new way of thinking into the case company's culture of developing services.

The case company decided to involve the potential customers from the target group into the development of the new service. This was due to the idea that the potential end users could help the case company to develop a new service that would meet the needs perfectly. Also that the target group would be then more willing to use the new service, as they had been involved in developing it. As the case company desired to be a customer oriented service provider, the idea of developing service together with potential new customers was seen as idea that could fulfil that aspect more than great. As they did not have any previous experience in using service design methods or service design thinking in the development projects like this, it made the project interesting learning experience for the company and for the project leader.

3 Theoretical Framework

In the theoretical framework part the main theories and concepts used in the thesis are introduced to the reader. Generally speaking, the theoretical framework created a solid platform for the development project and for the thesis work. The theories and concepts used in the thesis are illustrated in the picture bellow.

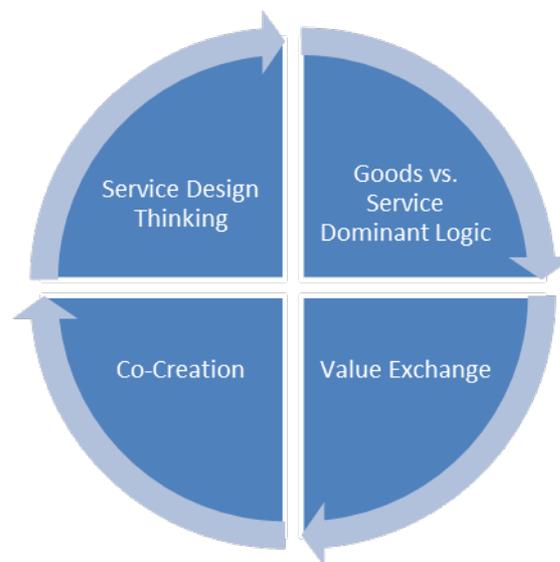


Figure 1: Theoretical framework illustration

The theoretical parts were introduced in four separated chapters. First chapter familiarised the reader to the basic concept of Goods versus Service Dominant Logic. Second part was about explaining the concept of Value Exchange and the Value in Use. Third part presented the Co-Creation and last part focused on the Service Design Thinking. The theoretical parts are explained more closely later on in this section and the partial use of them is illustrated in the case part while the new service development case.

3.1 Goods vs. Service Dominant Logic

Vargo and Lush first introduced the concept of Service Dominant Logic in year 2004 in an article in Journal of marketing. The fundamental purpose of the article was to illustrate that the evolution of marketing was shifting towards a new dominant logic. According to Vargo and Lush (2004), marketing has moved from goods dominant logic, which was seen central to the tangible output and discrete transactions to a new service dominant view. In were, the intangibility, exchange processes and relationships were the key focus points.

Another point from the authors (Vargo & Lush 2004) were that focus on the recourses was also shifting towards a new perspective. Traditionally the resources were seen as operand resources, which were tangible resources. They were seen as operations or acts that produced an effect. The new perspective saw that resources were more operant resources like skills, information and knowledge, which were intangible and were the recourses that produce effects through operand and other operant resources. Traditionally, the goods were seen mainly as operand resources and end products in comparison to the new perspective, were the goods were seen as transmitters of operant resources used by operant resource, like customer to create value in use.

In traditional sense, the marketing focused largely on operating resources like primarily goods as a unit of exchange. As the base was on agricultural products, the marketing was seen as a transfer of ownership of goods and their physical distribution. Early days the marketing relayed on the idea that the value was embedded in a product. As the service-centered view argued that marketing was continues series of social and economic processes. That process strives the firm to make better value propositions than its competitors and the value was created in the process.

According to Vargo & Lush (2004), there were six main differences between the goods- and service-centered dominant logic; Primary unit of exchange, Role of goods, Role of Customer, Determination and meaning of value, Firm-customer interaction and Source of economic growth.

In the first difference the GCDL (Goods-Centered Dominant Logic) saw that people exchange for goods and these goods served primarily as operand resources. As the SCDL (Service-Centered Dominant Logic) saw people exchange to acquire the benefits of specialized competences or services. Knowledge and skills were seen as operant resources.

The second difference was the role of goods. The GCDL pointed out that goods were operand resources and end products. It stated that marketers took matter and change its form, place,

time and possession. The SCDL pointed that goods were transmitters of operant resources. They were intermediates that were used by other operant resources as appliances in value creation process.

The role of customer was seen in GCDL as recipient of the goods as well as the operant resources. The other view was that customer was a co-producer of the service and the marketing was a process of doing things in interaction with the customer.

The producer determined the values and it was embedded in the operant resource as seen in the GCDL. The SCDL saw that value was perceived and determined by the customer on the basis of value-in-use and the firm could only make a value proposition.

The firm-customer interaction was seen in the GCDL like this, customers were acting to create transactions with the resources. And the SCDL saw that customers were active participants in relational exchange and co-production.

In the last difference, the GCDL pointed out that the wealth was obtained from surplus tangible resources and goods. And it consisted of owning, controlling and producing operant resources. The SCDL saw the wealth was obtained through the application and exchange of specialized knowledge and skills.

As seen above, the thinking has changed quite much and the focus has shifted away from tangibles goods toward intangibles goods, like skills and information. As well as, the orientation has shifted away from the producer to the consumer. The value was not embedded anymore rather it was co-created by the customer during the service process.

Vargo and Lush (2004), defined the service as an application, in where skills and knowledge were seen as a special competence that benefit entities through deeds, processes and performance. The basic idea was that perspective was moving away from tangible outputs with embedded value that highlights the static transaction towards dynamic exchange relationship with people. In were, the involvement in performing processes and exchanging skills or knowledge were essential. According to the authors (Vargo & Lush 2004), one of the main conclusions of service dominant logic was the general change in perspective. They elaborated that one of the goal was to customize offerings in a way that customer was always seen as a co-producer and the customer involvement in customization was maximized, in order to fulfil customer needs better, as the value was created by customer during the use of service.

The new perspective Service Dominant Logic raised a pregnant discussion after the publication of the article. One of the commenters was the Northern European Scholars also known as

the Nordic School. Even though, the scholars in the Nordic School agreed with many findings in Service Dominant Logic, they felt that there were few differences in perspectives between these two views. They felt that goods should be considered to be more than just transmitters of service and seen rather as a resource. Another thing was that service should be seen as a combination of multiple resources in a process that was consumed by customers. This chain of events in a process was seen as a clear attribute that clearly distinguishes a service from a good (Grönroos 2006).

The battle between the old and new perspective was visible also in the service field where the case company operates. In general speaking, many of the service providers saw the role of customer and value determination more through the eyes of the old perspective rather than the new one. In this specific field, it was quite common that the customer was seen only as a receiver of the service not as an active party. The parties involved in the transaction often saw the value differently. Companies tend to see that the value was embedded in the service, as they thought expertise and knowledge they have were the factors that created the value for customers. As in many cases, the use of the service to solve a problem or tricky situation was the factor for the customer that created the value, not only the expertise and knowledge of the service provider. The case company has taken few steps towards the new perspective, as this development project will later on illustrate. Of course, there are still many things to be done and steps to be taken before the new perspective will be dominant in the service field of the case company.

3.2 Value Exchange - Value-in-use

The traditional view Goods Dominant logic focused on the goods (firms output) and the value in exchange. This view emphasized the idea that customer was as separated party in the process of value creation. This means that firm and customer had separated roles in the production and consumption. And the market was the place where the value was exchanged between firm and customer, leaving customer without a role in the value creation process. As seen in picture below, the value exchange and extraction were the main functions performed by the market, which was separated from the value creation process. The firm was in charge and directing the communication from its own perspective, as the market was only a place where the value was exchanged. The customer also had to adapt to the offering in a way that the firm can extract the most value from transactions (C.K. Prahalad & Ramaswamy 2004a).

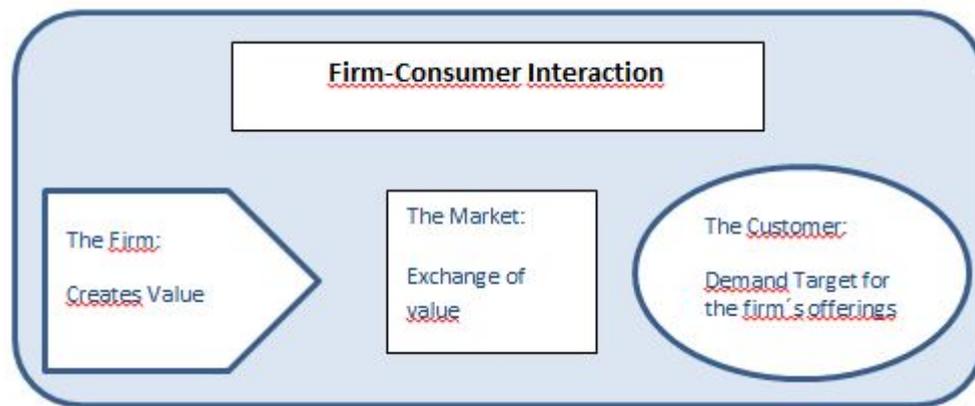


Figure 2: Firm-Consumer Interaction. Prahalad & Ramaswamy (2000a).

Vargo, Maglio and Akaka (2008), added that in Goods Dominant Logic the main focus was to make and distribute things to be sold. Firms' embedded value or utility into a good and the market price or what customers were willing to pay from it presented the value of the good. Grönroos & Gummerus (2014), saw the value-in-exchange as a potential value that was embedded in resources provided by a firm, which as then realized as a real value for them through sales, for example.

The alternative view, The Service Dominant Logic pointed out that service was the base of all exchange and that "when goods are involved, they are tools for the delivery and application of resources" (Vargo & Lusch 2006, 40). The authors Vargo & Lush (2004), also presented that the value cannot be embedded in the service, meaning that the company cannot produce the value by themselves through offering, but rather that the value was co-created with customers when using the service. The idea was that companies could only offer value proposition, which was then turned into value by customers. According to Service Dominant logic, the value was created when operant resources, like skills and knowledge were used for one's benefit. Goods can act as transmitters of these operant resources between customer and a firm. They (Vargo, Maglio & Akaka 2008) also stated that value couldn't be created alone by the individual, as it happens in a service system together with several parties like, company, customer, employee and other stakeholders. Due to that, the value was always determined by the beneficiary, which usually means customer. The framework focuses on value-in-use, where the idea was that customer perceives and defines the value when using service or goods. The value-in-use was different for every customer and therefore an individual experience, since the value was co-created with the customer upon the usage.

In the Service Logic view, the value-in-use was defined as a value that customer creates for itself during the usage of resources. The value (value-in-use) evolves in a cumulative process during the customer's value creating process and it was a unique, experientially and contex-

tually perceived and determined by customer (Grönroos & Gummerus 2014). The Service Logic view shared the same fundamental purpose with Service Dominant Logic; “to acknowledge the importance of service and the interface between service providers and customers” (Grönroos & Gummerus 2014, 210), but it had some differences as well. They argue that service was not the basis of all business, as the value creation for the provider was more fundamental than service. This means that value creation presents the basis of business where the service acted as a facilitator. The factors like price and long-term costs affected the value creation in addition to the service itself. Second disagreement was that user and service provider were always co-creators of value. The Service Logic saw that firm, as a service provider cannot influence the customers’ value creation process just by allowing customers to join the firm’s processes. They saw that the level of value-in-use changes whenever social, physical, and mental or other contextual factors were changed. The Service Logic stated that value-in-use was created by the user for the user as well as the level, which was also determined by the user. This means that customer, as a user was the value creator and the driver of the value creation process (Grönroos & Gummerus 2014).

Heinonen introduced another view for the value-in-use in the Customer Dominant Logic in 2004. In here the starting point was the customer’s real life, rather than the service company or its processes, including the service encounter or the relationship. Voima et al. (2010) argued that value formation was not always active process where the value was created. They saw that value was multi contextual and multiple dynamic contexts in the life of the customer, which change continuously and effects on how the value was experienced. They add that visible and invisible life of customer created a space where value was formed and those functions were the energy for value formation itself.

Heinonen et al. (2009) introduced three differing point in value-in-use compared to the Service Dominant Logic. First, they pointed that customer and most of the value-in-use appearance might be invisible to the company itself and therefore beyond the company’s visibility line. They argued that value was experienced before, during and after the service, and therefore it was also related to goods as well, not just service. Value-in-use was extended beyond the interactive process, and therefore it was not only linked to the service process. In the second argument, they pointed out that value-in-use was more complicated than only “use” in terms of consumption process or interaction with the service. They saw that value-in-use includes also mental activity and were more than just behavior activity of the customer. Last they argued that customer’s role, position and interaction with social structure formed the basis of value-in-use.

Sandström et al. (2008) emphasized the role of service experience in the context of value-in-use. In here, the value-in-use was seen as an evaluation of the service experience, where the

customer's own judgement of all the functional and emotional experience outcomes created the value. The service provider cannot predefine the value as the user defines it during the service consumption. They stated that value-in-use was a result of the cognitive assessment of the total service experience, which included both functional and emotional dimensions.

In the thesis work the value-in-use played an important role. The service industry where the case company operates normally tends to see the value formation in conventional way, rather than in the new perspectives illustrated above. Quite often the service providers were "embedding" the value in the service products and were not seeing that the real value for the customer was not created when customer was buying the service, but actually it happened when the service was used by the customer and sometimes even after the usage. Also the fact that normally the customer was the one, who defined the real value of the service not the provider, had a point that needs to be addressed in the development work of the case company. The impact of the service experience to the value-in-use was one important issue to remember in the development work, as the value-in-use is more complex than just an interactive process where the customer creates value upon using the service.

3.3 Value Co-Creation

As mentioned prior in the thesis, the fundamental view of value has shifted from firm-centric to the customer-centric approach during the years, in where customers and companies had separated roles in production and consumption of the goods and/or services. In the traditional value chain view, the company was able to design, produce, develop and control markets with no or just a little interaction with the customer as the value was produced for the customer. The value creation was seen as an action that occurred inside the company through its activities and the value was embedded in the units of output (Value exchange). This was usually the case especially in the manufacturing businesses. However, in the service companies the value was usually produced together with the customer, meaning that customer were actively participating and providing resources in the service process. The customers were not passive recipients of service, but rather seen as an integrated part of the service organization. The customer input was relevant to the output of the service process, as the customer was often both present and active in the service production. Nowadays, the meaning of value and value creation process has changed quite rapidly towards the customer experience and joint value co-creation. In the value co-creation, the customer takes actively part in the process by both creating and defining value (Ojasalo 2010, 171).

Prahalad & Ramaswamy (2004a) defined the co-creation as a joint creation of value by the provider and the customer where the informed, networked and active customers were increasingly co-creating value together with the service providers. The high-quality interaction al-

lowed individual customer to co-create unique value with the company as the value was jointly created together. Gummesson (2008) continued that the supplier's role was to offer value proposition that will support the customer's value creation process, where the value was co-created and the value fulfilment was the customer's contribution. Payne et al. (2008, 86) added that customer value creation process could be seen as "a series of activities performed by the customer to achieve a particular goal".

As the value creation takes place in the consumer-company interaction it was vital to understand the process of co-creation of value. Prahalad & Ramaswamy (2004a) illustrated The DART model of value co-creation seen in picture below.

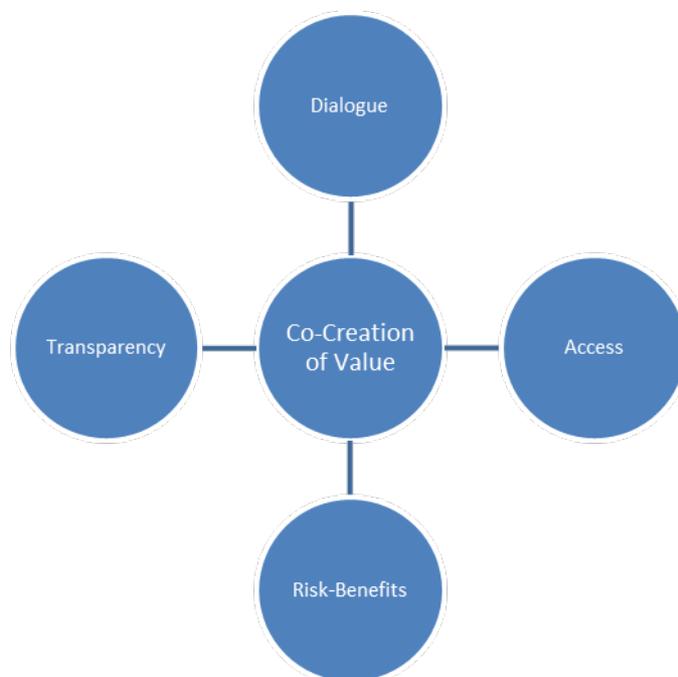


Figure 3: DART-model by Prahalad & Ramaswamy (2004a).

In the picture there are four key elements; Dialogue, Access, Risk benefits (assessment) and Transparency (Prahalad & Ramaswamy 2004b). Here they are explained more closely.

1. **Dialogue** means interactivity, engagement and tendency to act by the customer and the company. It includes shared learning and communication between two equal partners as they operate together solving problems. Good dialogue created and maintained loyal community, so it was more than just listening customers during business transaction.

2. **Access** starts with information and tools. The idea was that company had to open up its processes to the customer, in terms of data and service process information. With the information and tools provided by the company, customers could join in the service process as equal partners and participate effectively together with the service provider.
3. **Risk benefits (Assessment)** referred to the idea that the risk of the business was better known by the active co-creators when they had more than just the data, but also the appropriated methodologies for evaluating the personal and social risks related with the products and services.
4. **Transparency** corrected the situation in which the company ones were able to benefit from the asymmetry of information between the company and the customer. The company no longer can hold and use the information about price, costs and profit margins as the customer had access to the data through other customers, community or by the company itself.

The authors Prahalad & Ramaswamy (2004a) believed that the changes for value creation were improved significantly, if the company focused on the concept of personalized co-creation experience as a source of unique value. This means that individual interactions and experiences were advancing the outcome in co-creation. Personalized co-creation experience relates on how the customer, as an individual chooses to interact with the experience environment that the firm facilitates. According to the authors (Prahalad & Ramaswamy 2004a), the co-creation should not be seen as a transfer or outsourcing of activities to neither customer nor customization of service or products. The value co-creation was based on personalized interaction on how the individual wanted to interact with the company. They saw that all points of interaction between the company and the customer were opportunities for value creation and extraction. And the market was the place where dialogue between parties (Company, customer, communities and networks of companies) takes place.

From the thesis point of view, the value co-creation concept was vital, as the case company was developing a new service together with the potential customers. With the help of the development project, the case company was trying to build a service environment in which the high-quality interaction between the company and the customer was possible to accomplish. The aim for the project was to create a service that could support the customer value creation process in a way that it also benefits the company in business wise. Previously, the case company's service development has been more in customizing the service offering, which is not co-creation as mentioned in the theory part. The DART-model offered excellent

tool for the case company to keep focus on the right issues, when developing a service environment that allowed value co-creation between the case company and its customers.

3.4 Service Design Thinking

The service design thinking created a foundation for design work, as it could be seen as a driving force of the design process. Generally speaking, the service design thinking or just design thinking refers to a mind-set, which could be seen as the most valuable tool for the designers in service design work. The service design thinking could be defined as a human-centric innovation process that focus on collaboration, observation, fast learning, and visualization of ideas, rapid concept prototyping and current business analyses, which later on can influence the innovation and business strategy of a company. The goal was to unite customers, designers and business people together in development work (Lockwood 2010).

The service design thinking helps companies in development work of new desirable, more feasible and useful service and design solution. The service design thinking utilized creative methods when creating new solutions for design problems. It emphasised fulfilling mutual needs without demanding excess sacrifices for neither human factor nor natural resources. Companies' could benefit using the service design thinking as a tool when developing innovative solutions and/or business models. It helped companies to utilize different information sources when defining direction for the development project (Miettinen 2011).

For company's perspective, the service design thinking should be more than just design activity that happened during the development project. It should be seen as an ability to act creatively and proactively when adapting operations to a new business environment, as well as a tool for the change management. It should be a part of companies' capability in creating new content and develop business activities through predicting and prototyping, as working over the boundaries of organisation and business fields. With the help of the service design thinking companies could benefit from multidisciplinary knowledge by using creative, visual, functional and concrete methods in the solution centric operations (Miettinen 2014).

The service design thinking focused on humans rather than organization, when finding ways to help the organization and other stakeholders to co-create value through service design. Stickdorn (2010) introduces five core principles to explain what the service design thinking is all about. The five principles of service design thinking are explained above.

1. **User-centred** = service should be experienced through the customer's eyes.

It is clear that to deliver a service it requires certain participation from the customer as well. From the service design thinking perspective the customer should be put

in the centre of the service design process. To be able to do that it will require a genuine understanding of the customer, much more than just statistical description and empirical analyses. To have an authentic customer insight, for example individual service experience, one needs to include the application of methods and tools to be able to be in the customer's shoes and understand different needs and mind sets that customer has. The service design thinking begins when one has understood and revealed these different mind sets of the customers. The later on success is depending on how well this knowledge is used during a service development.

2. **Co-creative** = all stakeholders should be included in the service design process. As a single service proposition can involve several parties like customers and employees for example, it is vital that during the service design process all the necessary parties are involved in exploring and defining the service proposition. With the help of several methods and tools, one should involve these different peoples in the creation of service. It is important to have the insights from different user perspectives in development, creation, testing and prototyping a service concept. This co-creation is vital aspect of service design thinking as well as fundamental part of service design. Co-creation with the customer in the early part of the development work will allow customers to have a change to add value to the service. If customers are actively involved in the service provision early in the development phase of service, more likely it will increase customer loyalty and long-term engagement.
3. **Sequencing** = the service should be visualised as a sequence of interrelated actions. As services are dynamic processes that happen over a certain time period. The time line of service is crucial to keep in mind when designing services, as the rhythm of the service affect the mood of the customer. All service processes have three transition phases, which are; pre-service, actual service and post-service. These sequences of service moments need to be in harmony, in order to create a pleasant rhythm of service for the users.
4. **Evidencing** = intangible service should be visualised in terms of physical artefacts. Service is often intangible and takes place in background unnoticed. Physical evidence and artefacts are very important for the service as they can trigger emotional associations and memories of the service experience beyond service period. Service evident can increase customer loyalty and recommendation if used wisely. Service evident can be, for example, bill, mail, email, a brochure etc. they add a tangible element to the service experience. It is vital to design these in a way that they are in line with the story and the sequences of the service.

5. **Holistic** = the entire environment of a service should be considered.

The intangible service takes place in some a physical environment and it is evident to the customer through touch points and service moments. It is not possible to focus on all the aspect of service when working in a holistic way. One should try to see the wider context, in which the service process takes place and focus on different levels of the service process each time. At the individual level the focus should be in touch points and service moments and at the level of service sequences the focus should be in alternative customer journeys. In the last level, the service provider should put the focus on the organisation itself.

Stickdorn summarised the service design thinking like this “service design thinking supports the co-operation of different disciplines towards the goal of corporate success through enhanced customer experiences, employee satisfaction, and integration of sophisticated technological process in pursuing corporate objectives” (Stickdorn & Schneider 2010, 45).

For the thesis point of view the service design thinking played an important role. Due to the nature of the development project, the case company had taken its first steps towards using the service design thinking as a tool for the new service development. It was a quite remarkable decision, as it required that the case company adapted totally a new way of developing service. The development project was lot more than just inviting customers in the development work; it was an opportunity to implement a new way of thinking about services and service development for its customers and the organization itself.

4 Development Project

In the thesis work the service design had a major role, but it was seen as approach or a way of thinking rather than a fundamental theory. Besides the development of the service with the help of service design, the thesis work focused on how the case company can benefit from using and implementing service design thinking into the development work and culture of the case company.

The service design itself is a complex topic, which has no one right definition. Here is a definition from Marc Stickdorn “Service design is an interdisciplinary approach that combines different methods and tool from various disciplines. It is a new way of thinking as opposed to a new stand-alone academic discipline” (Stickdorn & Schneider 2010, 29). Referring to the definition given above, it was safe to say that service design uses several methods from different sciences together, in order to improve or create new services. In a way, takes advantage from commonly known methods and tools and uses them out side of the box type of way to create

new or improve the old services. These statements were used as a guideline in the development work.

4.1 Service Design Process

When designing a service, the process is more complex and has more dimensions than for example physical product design process has. Even though, they have some similarities between them it is not possible to directly implement physical design process into designing service. According to Stickdorn & Schneider (2010), the design process is not linear process where designing starts on a certain point and goes forward stage by stage towards the finishing point. The basic idea in service design process is that on every stage it might be useful to review the outcome and sometimes even go back and/or do some stage again, in order to have the best outcome. Sometimes it is even better to start again from the beginning and take the mistake as a learning experience rather than continue the process like a linear process would. The picture below illustrates the service design process as nonlinear workflow.

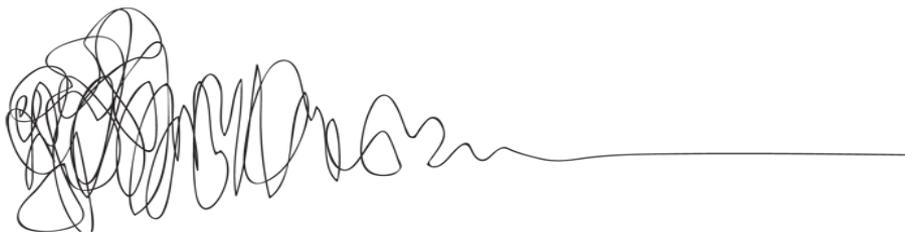


Figure 4: “The Suiggle” by Damien Newman Cetral Inc., Stickdorn & Schneider 2010, 125).

4.1.1 4 Stage Service Design Process by Stickdorn

According to Stickdorn & Schneider (2010), it was important for the designers to understand that service design was always also about designing the process itself and it had to be in compliance to the context of the service that was designed. The service design process had four stages that were used iteratively during the whole process. The thesis used the 4 Stage Service Design Process by Stickdorn (2010).

Stage 1: Exploration

The first stage was all about understanding and seeing the big picture of the designing process for the particular case. It was important to find out the customer's goals and make sure of that they as well understood what the service design process was all about. Another vital factor was to identify and specify real problem before starting the actual work. The greater the amount of information gathered here was, using various methods, the greater it would pay off

in the other stages. It was also important to visualize the finding for making it easier to understand complex and intangibles issues (Stickdorn & Schneider 2010).

Stage 2: Creation

In the second stage the ideas and concepts were tested and modified several times, as it was easier and cheaper to make mistakes and correct them in this stage of the process. The basic idea was to not avoid mistake, but rather to make them and learn from them as well as to use this new knowledge later in designing the service. Important factor was also to involve all the main stakeholders and use various methods in the development work in this stage of the process (Stickdorn & Schneider 2010).

Stage 3: Reflection

Main focus in the third stage was testing the ideas and concepts created in the previous stage. It was important to have good mental picture of the service, in order to have it properly tested. One such bear in mind that this stage also used the iteratively approach and retesting was a good way to gather more valuable information about the ideas and concepts that were under development. As the services are intangible, one should put effort in visualization and prototyping the service concept so that the test group could actually test the service (Stickdorn & Schneider 2010).

Stage 4: Implementation

The final stage of the service design process was to implement the new service concept. This always needs a process of change in the organization. The key factor was to communicate and motivate customers as well as employees for the future change of the service. It was important to involve employees to the change process and to make them understood and support the new concept. It was vital to manage and monitor the change process, in order to notice any problems and solve them fast and creatively (Stickdorn & Schneider 2010).

4.2 Service Desing Methods & Tools

As stated before the service design itself is a complex topic, which has no one right or wrong definition. Same approach applies to methods and tools as well. The methods and tools could be used in several different ways and combinations. For successful design project sometimes it involves finding suitable combinations and even modifications, in order to met the target of the project. The main point in using service design methods and tools in development work was the fact that they allowed and helped designer to see the world through the eyes of customers in effective way. In here the methods and tools used in the thesis are briefly introduced to the reader. The practical use of them is illustrated in later chapters.

Co-creation was considered to be a core aspect of the service design approach, as it tries to involve all the necessary parties into the development work. As a principle, the co-creation creates an environment in where many of the methods and tools could be used in conjunction. When planning co-creation session it was important to bear in mind that moderating the session is crucial for successful results. In the session, service designer should set boundaries for discussion without limiting it too much. The key was to know when to let the discussion flow in general level and when to direct the discussion back on the specific point of the service that was under review. The aim of the session was to explore potential directions and wider the perspective in the process. Another positive effect of co-creation was the facts that it created a feeling of shared ownership and increased the quality of design over the concept and innovation that was under development. The Co-creation was a useful method in design work, as the designer quite often does not know or cannot fully understand all the aspects and various perspectives of divers users (Stickdorn & Schneider 2010, Curedale 2012).

Design workshops can be described as a strategic design method that brings together design team and various stakeholders, in order to explore issues related to the people to whom the service was designed for. The method had many benefits for supporting the use in development project. It was fast and cheap way for the shareholders to share information and designer to gathered it. Also it promoted trust and increased the probability of implementation of the outcome (Curedale 2012). In the thesis the workshop was designed so that it consisted of five different workshops, which created one entirety over the subject of developing a new service for the target group. The methods and tools used in the workshops are explained bellow. More in-depth analyses of the use are illustrated in the following chapters.

In the first part the main tool was benchmarking, which was a good method for organization to compare product, service or customer experience with other service providers in the industry for finding and identifying best practices (Curedale 2012).

The second part used the basic idea of service safari but it was modified a bit for the functionality reasons. The aim of the service safari was to put people to explore the examples what created good and bad service experience from their own perspective. This method was excellent and easy way of putting people in the shoes of customer. It also helped people to develop an understanding of common needs and problems customers had. These insights were important and useful as the information generated by the people could be later on used in creating service innovations (Stickdorn & Schneider 2010).

The third part used modified version of a method called a day in the life. The idea in the method was to collect information about particular customer's daily activities. Regardless of

the format how the insight in collected, focus was on creating holistic view of the matter affecting customer's action even beyond the actual service interaction. The method was very useful tool to reveal customer's everyday problems and created a more holistic view of the motives and drivers, which sometimes were hidden (Stickdorn & Schneider 2010).

In the fourth part the method was brainwriting, which is an alternative method to the brainstorming. The idea of the method was to generate ideas by asking people to write down their ideas rather than over a conversation. The method was chosen, due to the fact that it was more efficient and easier to moderate than brainstorming. Also it tended to generate more ideas and it was far better to use, if the participants were shy or not willing to interact openly in front of others (Curedale 2012).

The last part used service prototype as a method with some modifications. The service prototype is a simulation of service or service interactions. The range can vary from conversation to physical touch points. Normally some type of mock-up of the service system was created for gathering information for later on iterations. Service prototypes tended to generate more information than just written or visual descriptions (Stickdorn & Schneider 2010). In the thesis, the basic idea of the service prototypes was used with some alternations. In the thesis, the service prototypes where created during the workshop by the participants. And the further development by iterations was carried out after the workshop.

4.3 Case project and timetable

The idea for this development projects came from a prior project, were the case company analyzed company's CRM information for a strategy review purposes. It was seen that the case company had few customers in a particular target group, but the full commercial potential of the target group was not possible to acquire with the services they had. As the case company saw that this target group could be a potential for more new business, it started to think how to acquire more customers from this particular customer group. After more analysis, it came clear that the case company should develop a new service for this target group, in order to have more business out of them.

As this development project was also a pilot project for the new way of developing services, it was important to get fast results on how this kind of development project would work. If the idea of developing service in a co-operation with potential customer would work, it could be then redone with other segments as well. In other words, the pilot project needed to be successful so that the development of the services could continue. This in mind, the development plan was made.

It was planned so that the actual development projects would be done by the end of year 2012, starting in August and results should be ready by then end of November 2012. As the amount of companies in the development project was rather small, only 113 it was possible to execute the project in rather short period of time.

As illustrated in the picture bellow, the main project started on August when the questionnaires were sent out, following by the interviews. After analyzing the results, the planning of the workshop was started. In the following month the workshops were designed, tested and conducted with the potential customers. Last part was to analyze the results of the workshops and create a prototype of the new service. Before the launch of the new service it was tested through few iteration rounds.



Figure 5: Development project timeline

The whole development process and its phases are explained more deeply in the following chapters.

4.4 Exploring

In the first state of the development process the main focus was on gathering information and insights of that particular target group to whom the service was to be developed for. In the data collection public sources and outside service provider were used. An e-mail survey was carried out for more in-depth insight of the target group with excellent answering rate of almost 58%. After the data collection the information was analyzed for further use. Use of the

methods and the results of the data gathering are explained more deeply in the chapter later on.

The e-mail survey was a set of open-end questions created for the purpose to learn more about the customers and collect information that would be used later in the workshops. As the qualitative method aims for describing and understanding a particular phenomenon and interpret it rather than generalizing it, this approach was chosen. The open-end questions cannot be answered with simple word, as it requires at least some level of explaining. Due to this, open-end questions gives far more in-depth information than simple yes or no questions, which could lead to missing some important facts or even incorrect information. Format of the survey should be made as easy as possible to read and answer to. As well as questions has to be simple and easy to understand and written in plain language. Using several simple questions tends to work better rather than using one complex question. It also makes it easy for the participant to understand the questions and respond to it without difficulties (Kananen 2013, Eriksson & Kovalainen 2008).

In May 2012 when the idea of developing a new service saw the light, the first thing was to start planning the development project. As this was a pilot case for the case company in developing a service with potential customer, the process needed to be lean, fast and easy to execute. The collection of the background information for the projects started in spring 2012. First task was to list all the companies that were in the chosen target group. As mentioned earlier, the numbers of companies were rather small only 113, so the task was not so difficult to conduct.

For collecting the company information public recourses found in Internet, Asiakastieto services and few industry organizations web pages where used in order to find out the names of these companies. After the companies were listed, the company information like revenue, amount personnel etc. where looked through. For helping the analyzing of the information the data was transferred to Excel form. As the gathered data was in Excel sheet, it was easy to start creating bigger picture about the whole target group. By shorting the data, it was possible to identify and verify factors that would be critical in the later development work. These factors were size of the companies, revenue, employees and physical location. As the companies were all in the same sub-industry, it was not relevant to investigating data any further. These factors were important as they have an effect on how and what kind of services they use or would use. As mentioned earlier, the industry were the case company operates these kind of factors quite often determined the service provider. For the project itself it was important to verify that mainly all of the companies were same size, in terms of revenue and personnel, as it effected on what kind of service would be developed. Companies were mainly in the Metropolitan area. From the data it was also possible to isolate few other

geographical locations were this particular target group was peaking. The data was also used to secure that the right assumption was made that the companies were in the same stage of their lifecycle, as again this has an effect in what kind of service would be developed.

As the entire target companies were operating in the same sub-industry, it was rather easy to assume that they would have the same kinds of basic need for the service to be developed. This assumption was based on the case company's previous customer contacts and later on verified in the workshops. As the case company had already some of these companies as customers they were analyzed more deeply, in order to find out what kind of service they had used and how much. The idea was to have some kind of frame in mind about the service scope and the usage of the service, from the service user point of view.

The aim for this project was to develop a new service for the target group by involving the potential end-customers to the developing process. The next stage in the projects was to gather information from the potential end-customers. For the development project to be successful, it is vital to gain as much information from the users of the service or in this case the future users. The unique understanding of the future customers, their needs and different mindsets were crucial for the development work.

Basic idea was to find out general views and attributes about this particular area of services what the case company was about to develop. Aim was to gain information that could be useful in the development project and to understand more on how the target group comprehended the service field, the elements and the attributes that created the actual service. As the amount of the companies in the target group was rather small, it was decided to create an e-mail survey to be sent for all the companies. The method was used due to the fact that it was easy, fast and convenient way to gather information from the target group. And on the other hand more convenient for the answerers to participate in survey than interviews for example. The assumption was that as the receiver could choose the time by him-/herself when to answer to the survey, it would create more answers and more information. Due to the tight timeframe, this method was seen far better than trying to arrange interviews with all of them. The case company had previously noticed during business that this particular business field likes to communicate through electronic systems, for example e-mails, rather than face-to-face or over a phone, which supported the decision.

There were only few questions in the e-mail survey for the participants to answer. This was due to the previous experience that people did not like to spend a lot of time going through long surveys. The survey was designed to be fast and efficient to answer for securing that the answer rate would be high and it would generate as many answers as possible. As the target group was rather small, it would be essential to have high response rate. It was also clear

that all of the participants would not answer to the e-mail survey, no matter how convenient would it be to them. And therefore, the survey was created in a way that it would work over a phone conversation as well, as it might be needed to contact some of the participant over phone to get answers to the survey. The survey template is illustrated below.

Survey template

1. What kind of xxx service would you like to use?
2. What are the most important elements in this service for you?
3. What are the least important elements in this service for you?
4. Would you like to participate in developing a new service together with the case company?

The first three questions were open questions as one wanted to have the ideas and feeling recorded “in your own words” for later use. It was decided not to use any premade list of elements of the service, as it would have narrowed down the information and mindsets of the participants. The last question about the willingness to participate in the development project was of course yes/no question.

In the first questions the aim was to find out a “dream service” for the companies from this particular are of service. As many of the companies had not experienced our services earlier, the information about the attributes that the potential users would like to have in the “dream service” was important to the case company as such, as well in the development of the new service. Logic behind this was that the participants would compare the possible prior experiences and/or hopes they had for this type of service. And also create a mindset of their own based on what they had already used or what kind of service they would like to use. As the target group was very homogenous, this would also illustrate in general level what kind of services the target group was looking after.

In the second question the aim was to have a list of key attributes that the service should include or have, in order to be interesting and valuable for the potential end-users. It was thought that it would make sense to have the participants list the key elements also for the point of view what were the most important elements that the service should have. Quite often professional services were developed from the needs of the provider or at least they were based on the assumption what the service provider though were the important or valuable elements to the service user, in generally speaking of course. Here the aim was to have their own views on the elements they would value in the service to be developed.

The third question had the same idea but the opposite approach. Here the aim was to find out what were the least important elements in the service from the point of view of the par-

ticipants. This was very important for the whole project, as here it could be possible to illustrate elements that were seen less important. And the focus could be then directed to the important ones in order to make the service more like the potential end users would want it to be. This information was important to the case company in general level as well. It was vital to know what elements of the service were seen less important, in order to put the focus on the right ones.

The last question was about to find out the willingness to participate in the developing project with the case company. Here the important factor was of course to have as many yes-answers as possible, but also review the results from the perspective of how the companies reacted in this type of approach in developing services.

The e-mail questionnaire was sent to the entire target group total of 113 companies. The questionnaire was open for 15 days and one reminder note was sent after 10 days. It turned out so that there were 65 answers by the end of the closing date in the inbox. The answer rate for the e-mail survey was almost 58%, which can be said to be quite high. According to our own experience, the pull in these kinds of survey normally was around 10-15% at the best.

From the 65 answers 8 companies were willing to participate in the development project. There were still 48 companies that could not be reached at all. It was decided to contact all remaining companies by phone and conduct the survey by interviewing the remaining participants over the phone. In week time 41 companies were reached over the phone out of the 48 that were missing from the total of 113. During the phone interviews 5 more companies' accounted willingness to participate in the development projects. In the end, total of 7 companies were not reached at all.

After the e-mail survey was closed and all the remaining interviews were over, the data was imported from the survey tool to the Excel sheet for more analyses. Based on the answers given in the first question the "dream service" was surprisingly similar among the participants. A conclusion was made that due to the nature of the business field and the similarities in services available had greatly impacted on the answers of the "dream service". It seemed that the participants were using negative service experiences as a baseline and then the "dream service" was built to be a reflection of that. These assumptions were later on verified during the workshops. From the second question it was important to find out what were the key elements that would be the most important ones in the service, according to the participants. The list of elements was used later in the workshops for developing purposes. And in the third question, the goal was to list the elements that were not seen so important for the service. In here, the participants listed elements that they saw very irritating and ones that could be the reasons for ending the use of service or even changing the service provider. This

was very important information for the developing project as well as for the case company in general.

At the end of this phase, 106 companies were reached by e-mail or phone out of the total of 113 companies. The total amount of potential co-creators ended to be 13 companies. The result was very good as almost all of the companies were reached from the target group. Valuable information that could be used in the project later on was gained during this phase. And the main point was of course the 13 yes-answers to the co-creation part of the development project. After this the planning of the workshops for the service development project started.

The planning of the workshops started in September with several internal brainstorming sessions. The idea was to play around with main task or problem that would be solved during the development project. As mentioned earlier, the main task was to develop a new service for a new customer group together in co-operation. The work started by listing out top-of-mind ideas about what was trying to be solved or accomplished with this project. By this the aim was to create a clear frame for the developers to start working with the actual planning of the workshops. During previous brainstorming sessions, one has noticed that it is very important to have a clear frame in mind when playing around with ideas. In order to keep it clear in mind what one was actually trying to do or accomplish here. The idea was not to limit or set boundaries to the participants' thinking, but rather to have a target in mind where to aim at in thinking.

During the brainstorm session an idea of series of workshops saw the light. The idea was that a series of workshops would work better than one. And would eventually lead to solving the initial problem or task of the project better. The goal was to start with clean plate and after the sessions a prototype of the service that would solve the problem for the target group would be ready. Knowing that the participants in the workshops might not be willing to spend whole business day with developing a new service with the case company, as they need to put all the efforts in their own business, it was decided to have a half-day session with them. Also knowing from previous experience that most business people were not willing to spend the whole day out of the office strengthened the idea of having a half-day workshop.

After many discussions later, it was decided to have five workshops that would be creating a one entirety over the subject of developing a new service for the target group. The basic idea was that the first workshop would have a theme around the attributes of good service as in general level. The second workshop was about what we can learn for the other service providers or industries. The third workshop processed the theme of service, when the focus was in the customer's day-to-day business life. The fourth workshop was all about idea

generation over the topic of a new service. And last one was about creating a prototype of the new service. So all in all, the workshop began by analyzing the key attributes of good service and after all the workshops were through, a prototype of a new service would be ready.

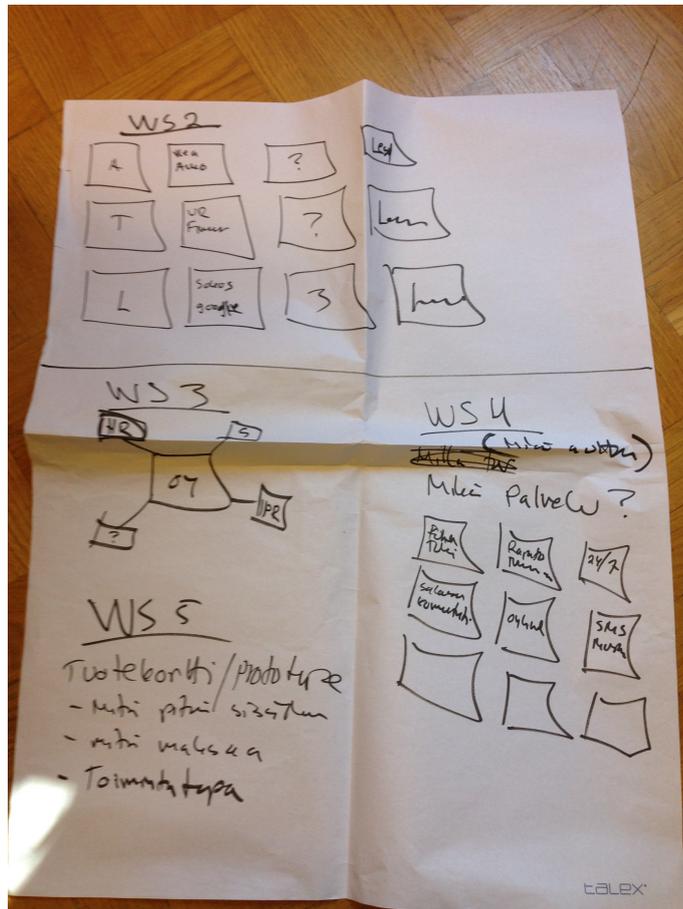


Figure 6: Picture from brainstorm session

This structure was selected due to several reasons; first it was seen that development project like this should have clear consensus in all doing, by this one means that having a several workshops around the topic they should be linked together, in order to fulfill the original target of the development project. As the structure was planned so that next workshop starts were earlier ends, the continuous of the development goes logically forward during the sessions. In one's opinion, this was also beneficial way for the parties, customers and case company, involved in the process.

From the point of view of the case company this type of structure gave so much more information about how the potential customers were creating the new service step by step, as

they started to develop the service from clean plate and after various steps ended up having the prototype of the service ready. From the other point of view, the customers involved in the process could really create a service that would help them in the real business life, as they were building it from the start using their own needs and desires as a baseline for the development work. Also the fact that this was a pilot case for the case company, it was needed to have a ready prototype of the new service at the end of the development project. In order to be able to illustrate to the board of the case company that the new way of developing service really made sense. The content of the workshops are explained more deeply below.

4.5 Creation

In the second stage, the aim was to engage the future customer in creating the service together with the case company. Co-creation and workshops were the main methods in this part. The used service design methods and tools were presented more deeply in the previous chapter. The practical use and results are presented later in the chapter

Workshop 1: Attributes of Service

As mentioned earlier, the project started with e-mail questionnaire that was sent to all of the potential end-users of the future service. In the questionnaire, the participants were asked to list “the most important attributes that make service good” in their own words and based on their own experiences. And the service in this case, was a professional business service what the case company and/or its competitors are offering. First all the answers were listed to the Excel sheet and then grouped up together with similar attributes. It was essential to have clear groups of attributes for the workshop, in order to start the development work based on the most important ones, rather than just a long list of good service attributes. The groups were formed putting similar attributes together and then they were sorted by the size, starting from the biggest one. After more analyzes, seven different groups of attributes were formed. These groups included the most popular attributes that the participants listed previously. It was decided to limit the attributes in these seven groups, in order to have a clear frame and due to the fact, that they were the most popular ones among the participants. Each group was named with a name that would illustrate the key attribute at the best.

The groups were:

- 1) Customer oriented approach
- 2) Practicality
- 3) Competence

- 4) Flexibility
- 5) Understandability
- 6) Transparency
- 7) Industry know-how

As mentioned earlier, these were the most popular attributes in the survey grouped together. Next the workshop participants were asked to think and choose what were the most important ones, in their own opinion? A timeframe of 3 minutes was given to think and choose the top three attributes. Then the participants explained to others why they have chosen these three. Same time a list was made, which were the top three attributes by using tally marking. The top two was clear, but in third place there was three attributes with same amount of votes. Then it was discussed with the participants that keeping in mind the service industry that the case company is presenting, what would be the most important one out of these three. After discussion, the decision was made and the final top three attributes were presented.

The idea in this exercise was to make the participants to choose themselves, what were the most important attributes of good service. It was noticed that it was very important for the whole development project that the participants could choose the “frame” from where to start the development work, rather than using attributes given by the organizer. This approach was used due to the idea that if the attributes were chosen this way, the participants would choose the ones that really matter to them, and therefore the future end-result would be more like they wanted it to be.

Second part of the first workshop the idea was to continue with the attributes that were chosen in the first part. During the discussion three flipchart were made, one for each attribute. The idea was to go through the attributes more deeply one by one. A timeframe of five minutes was given to think individually the first attribute.

The guideline was to think:

- 1) What do you think this attribute actually means?
- 2) How it is concretely visible or evident to you?
- 3) Give some real business life examples of service where it is visible or evident?

After the timeframe everyone explained their thoughts about the first attribute over discussion and the results were written down on the wallpapers. After this, the second and third attributes were dealt with same method.

With this approach, the idea was to accomplish several matters. First, it was very important to think and talk through what did the attribute actually mean. The point was that as all of the participants explained how they understood the attribute, it would be easier to make a consensus over the abstract topic for the future development. Meaning that it is quite common that even though you are talking about the same thing, we are still seeing it differently. And in the end, we are not necessarily talking about the same thing after all. In business life for example, companies tend to say that they are customer oriented service providers. In general speaking, companies are not necessarily clear what they are even stating with that line. In one's opinion, it is very dangerous to say that you are something, if you are not sure what does it actually mean for the parties involved. If a company has not clarified what does the customer oriented service approach mean neither from the company's point of view nor on the customer's point of view. It is quite safe to say that it is hard to fulfill that service promise in day-to-day life, if the company and customers are not talking about the same thing, in terms of customer oriented service.

At the end of this workshop, the idea was to have a list of three the most important service attributes that would be used later in workshops when continuing the development of the new service. And that all of the participants would have a clear and common understanding what the attributes mean in this context.

Workshop 2: Learning from others

In the next phase the three most important service attributes were taken under closer examination. There were two papers on the wall; one with the list of the service attributes selected in the earlier stage and the other was blank. Now the participants had five minutes to think of companies that have succeeded exceptionally well with these service attributes. Participants should have had personal experience with the ones they chose. Next task was to think of companies that are well known for their exceptional service, in general level.

After five minutes the blank wallpaper was filled up with the names of the companies that have done a great job with the selected service attributes. The participants were asked to explain why they chose this particular company as an example. Here the basic idea was to go through ones again the chosen attributes but now with real companies and service experiences. The point was to establish a clear link between the service attribute and a real service, meaning that when service attribute was explained through personal service experience and with real company, it became more visible and concrete to the participants.

After this the participants were given a form (See App. 1). In here, the idea was to choose two companies and two attributes from the previous list. And then the participants explained

individually, how the attribute that was chosen was evident in the company's service. With this, the point was to establish a stronger link between the service attribute and good service experience. Hoping this would help the participants to create an understanding that good service was a combination of service attributes that were evident for the service user. When all the forms were presented, the next step was to use these attributes in the context of the case company. Participants were asked to think how the selected services attributes could or would work in the service field were the case company was operating?

The aim of this exercise was to move the thinking more towards the topic of the day from the more general thoughts about the service attributes. In other word, borrow some good service attributes that were working in some service, according to the participants, and used them when developing a new service for the case company. The idea was that during the workshop so far the participants have learned the essence of the good service attributes, in their perspective of course. And now the focus would be more in the service field and in the services what the case company offers. Now that the participants had together established some kind of conclusion what were the good service attributes, how they were visible and why they were important, it was time to move forward in developing the actual service in the context of the case company's service field.

Workshop 3: Customer in the Middle

In the third workshop the main focus was in the business environment of the future service users. It is clear that one should know the service users' day-to-day operations and environment before starting to develop a service for them. In here the idea was to familiarize the service developer in where the participants were using services and what were the triggers that made them to use services, in their own business environment. The service in here was referred to the service the case company is offering. The basic goal was to find out and understand how the need of the service was created, in order to take the results account in the development of the service.

The participants were given a form (See App.2) where they wrote down in what kinds of matters they have used services like the case company offers. Idea was that the participants thought through in their own business environment, where they have used services and what kind of problems or situations triggered the need of using services to solve the problem regardless who was the service provider. First the participants listed four matters and business cases were they usually would have used services what the case company is offering. Then they added to the list how the matter was handled, internally or with external help. Last amendment to the list was the nature of the matter urgent or important. Here the idea was to establish an understanding what were the matters and business situations that were

related to the use of a service, and how the matters or situations were taken care, did it require help from outside or was it solved internally? Also the nature of the matters and situations were clarified in here, were they urgent or important.

These factors were important to understand before going further in service development. It was vital to the whole project to understand in general, what were the matters that were triggering the use of the service (need) and how the potential end user wanted to solve the situation or problem. Did it require a service that could be used to solve the situation internally or was it something that could be solved by using an outside service? The nature of the matter was important because it gave a perspective on how badly the participants wanted the problem or situation to be solved. So all in all, the picture of the future service environment was established here by examining the business environments of the participants.

Workshop 4: The Brainwriting

In the second last workshop, it was time to widen the thinking by using brainwriting method. In here, the participants took the four business problems or situations listed in earlier exercise and wrote them into the form given to them (See App.3). Idea was that the problem so to speak was written in the left side of the form with a short explanation. Then in the second column the participants wrote their own solutions proposition, meaning what kind of service would be useful or could solve the problem. Then the papers were passed in clock wise around the table, so that no one had their own paper in front of them. Then the participants quickly read the first two columns and continued developing the idea of the problem solving service from a new point of view, their own. Then the rotation was carried on until the full round was completed. Now the participants had their original paper in front of them. Then the task was to read through how the solution has developed during the rotation and make final comments on the last column. Then the findings were presented to other participants, what was the problem or situation, what was the solution and last how it was developed during the rotation.

In here, the idea was to broaden the view of thinking on solutions that would help the day-to-day business life problems that were listed by the participants. It was vital to understand that one should have enough different viewpoints and comments during the development process, in order to create new service that would eventually solve the problem. Many participants were amazed by the new ideas that were generated during the rotations and furthermore, on how the comments from the others helped them to finalize their own thinking about the solutions in the end of the workshop.

Workshop 5: The Proto

In the last workshop the idea was to combine all the new ideas together and create a prototype of the service. The participants took two problems or situations that were most important to them from the last workshop and started to create a prototype using a form given to them by the organizer (See App.4). The form was created in a way that it would be as easy as possible to the participants to create a prototype or maybe it should be called a craft of the service. The participants were asked to answers following questions in a process of creating the craft. The answers were used later on as baseline information when the actual service prototype was created. The questions are listed above.

- 1) To what problem the service is solutions for?
- 2) What are the benefits of the service?
- 3) What is included in the service?
- 4) What is the price or pricing model of the service?
- 5) What is the name of the service?

The idea of this exercise was to have a concrete service prototype created by the potential end users. It was important for the both parties that the development work went into a concrete level, meaning that the actual prototypes were created and not just leave the development works in level of thoughts. The aim was that the participants could have a chance to create a service that could solve their problems and they could have an active part in determining how the service was used, what it included and of course the price. What would be the fair price for getting the problem solved with the help of the new service prototype? As the goal of the development work was to create a new service, the multiple service prototypes created here would be used as a baseline information and data source when creating the actual service for the target group.

Based on the results and from the feedback of the participants this workshop worked as planned. The participants were very enthusiastic when creating the crafts of services. It seemed that when the participants had the possibility to solve a problem identified and determined by them, it boosted the amount of commitment, level of work and willingness to participate in the development work. On the other hand, the information gained during the workshop was very valuable for the development work and for the case company.

4.6 Reflection

Main focus in the third stage was to test the ideas and concepts created in the previous stage. Data from the workshops was analyzed and a prototype of the service with visualization was

created for testing and iteration purposes. Feedback was gathered over a phone conversation and through e-mail feedback form.

After the workshops, the data gathered from the notes and materials were analyzed more deeply. The aim was to isolate elements and needs that were the most common in overall materials. One was searching service situations and problems that would be in our service scope and the prototypes that had potential to be developed further created by the participants. After sometime a clear understanding was reached, meaning what kind of service would be suitable and desirable for the target group, based on the workshop results and the survey that was carried out in the beginning of the projects. The idea was that this combination of previously created service crafts would meet the most needs and wants, which were isolated from the materials. Based on the findings a service prototype was created.

After the creation of the prototype a marketing material was put together. The idea was that it would be easier to get feedback on the service elements and the concept through proper marketing material. With the material, it was rather easy to illustrate and explain the core of the service and of course, the benefits to the new potential users. The service prototype went for its first iteration round. The aim was to test what kind of response it would create among the target group? The marketing material was sent first to smaller group of the potential end-users; these were the participants of the workshops and the ones that were willing to develop the service with the case company but could not participate in the actual workshops. The basic idea was to get the first feedback on the matters like, was this something you had in mind and was the development work in the right track?

Good set of feedback was received. Based on the comments and feedback some modification to the service was made. Surprisingly there were not any major false or misconceptions during the assembly of the prototype according to the feedback. It seemed that the service prototype was more or less what the target group was after for, at least among the ones that were involved in the development work. When the second version of the service was ready another marketing material was made and sent to a little bit bigger group of potential users. Again the idea was to verify, now with a larger audience, would this service be suitable for the target group? The aim was to get feedback of the new service prototype before the real launch. The second iteration round did not lead to any major changes of the service, so the next phase was to launch the service for the market.

4.7 Implementation

At the final stage of the service design process the focus was on the implementation and education of the new service concept. Marketing campaign was carried out with training session with both, customers and employees.

After the service had gone through the last iterations, it was time to start the actual launch of the service. A marketing campaign was planned and executed among the target group. The aim for the campaign was to of course present the new service and its benefits, educate the target group on how to use the new service and illustrate that the case company had taken new methods in use when inviting customers to develop a new service for them. The results were very promising, after few weeks several new service users were gained and the sales of new service were growing.

Quite soon it was noticed that the customers needed some training on how to use the new service concept created in the development process. The case company organized training sessions where new potential users were invited to hear how to make the most out of the new service concept. During the session it was noticed that the need for training was not on the complexity of the service, but rather it was the lack of choices existing in the service business of the industry. Meaning that many of the customers had very strong attitudes toward the new service concept, even though they were mainly positive. This was due to the resistance of the change in way of using the new service. It seemed that major part of the potential users was very happy about the new service and the fact that it was created specially for them. And furthermore, it had the elements what was needed, but still some of the customers wanted to use the service like they have used the old ones. This was a mindset that needed quite much work before the new service could be used as designed.

On the other hand, same issues were discussed within the case company's employees. It was fascinating to realize how loved the current service models were in the case company. Even though, the new service were not replacing any old ones, still it was a bit of a struggle to have the employees understand that this new service was better for the target group and for the case company as well. The mindset needed to change among the employees as well. All in all, it seemed that the new service was what the end-users were seeking for and after training; both internal and external the results were very promising.

4.8 Results of the Development Project

After the development project it was time to look back on what were the highlights of the projects. The development project had basically three targets that would help one to measure

how the project overall went. First goal was the actual development of the new service, what was the end-result and was it what both, the case company and the customers in the target group were expecting. Second goal was the new methods and tools used in the development work. As this was a pilot case for new development methods, the experiences and the results were very important to the case company and of course for the author as well. Last goal was the new way of thinking, in terms of service development and service design. How the thinking has changed in the case company during the project or has it? And were there any evident of the change or the effects?

In general it is safe to say, the new service development work went very well. The goal was to develop a new service and engage the potential end-users in creating the service together with the case company. In that perspective the project was successful. Before the project, the target group was lacking a suitable service and after the development project they had new service that was developed based on customers' own needs and directly for them. The sales numbers were showing promising figures in the new customer group, so the investment that the case company made, in terms of the development work was turned out to be lucrative. And based on the feedback, the customers in the target group were very happy with the new service available to them. The success however cannot or should not be measured only on monetary targets. During the development project the case company had the opportunity to learn more about the customers' insights of this specific customer group. The information gained here was very valuable for the case company even beyond this development project. It seemed that both parties got what they were looking for from this project, in terms of the service development.

Prior to this project, the case company had developed its services quite tradition way. It was not easy task to gain the trust from the management and the board to start a development project that utilised methods and tools that were unfamiliar to the case company. However, quite soon the results were so promising that disbelief about the methods and tools that occurred in the beginning turned in to enthusiasm. It was interesting to notice how fast the new methods and tools gained support from the management and the board, even thou it was the first time they were used in the case company. After the development project, it was clear that it was worth of all the struggle to get the approval to use the new methods and tools in the development work. By using the service design tools and methods in the development work, the case company gained several benefits compared to the traditional way that they used earlier.

First time in the case company's history, the development work was based on the real problems of its customer rather than assumptions what would they be. With this kind of approach, it was more likely that the real problems are solved with the end product of the development

work, as it turned out in this case as well. After the project the case company had created solution for its customers to solve the problems they had difficulties before. Also with the help of service design, the development work was faster than before and the service created was almost immediately ready to be commercialized. The fast and lean way of development saved the case company's resources, meaning money and time and as the result could be commercialized faster, the investment in the development started to payback in no time. Also the new way, meaning engaging customers into the development work, was noticed among the customers wider than with ones that were participating in the development project. This created positive reputation and strengthened the mental image of the case company for being the forerunner in the business field where they operate. All in all, it is safe to say that the new way of developing service paid off in the end.

The case company operates in the business field where the basic mind-set was that the service providers know better what customers needs. And therefore no need to change the old way of providing the services. For some time the case company has fought against this approach with its forerunning services. Even though, the mind set of the case company has been as far as possible from the old fashioned way of thinking about the role of service provider and user, the real breakthrough came with this development project. For the first time the customers were engaged in proper dialog when trying to find out the roots of the problems they have, in order to solve them the right way. The slow progress of spreading the service design thinking into the organisation of the case company and educating the organisation about the new mind set created the base for the successful end. It was interesting to see how the thinking about the customer centric approach changed during the project. Quite fast there were parts in the organisation that really understood what it was all about and started to change their attitudes. From the authors point of view, it was fascinating to see how people spontaneously started to shift their thinking more towards the customer centric way and how they were operating as spokespersons, when trying to get more people to join in the movement.

Based on the good results in the development work and the feedback from the customers and the organization of the case company, it is safe to say that the project was a success. After the pilot there were plans to start other similar projects with different customer segments. And more important, the implementation of the service design thinking has gone long way from the starting point, even though there are still work to be done.

5 Summary & Conclusion

The purpose of the thesis was to develop a new service for Finnish SME service company together with its customers. The customer group were struggling with the fact that they have limited resources, like money and knowledge to purchase services available and therefore are

lacking a service they badly need. This problematic situation created a perfect opportunity for the case company to start a service design project. The goal was to illustrate and explain the process of developing a new service together with customers by using service design methods and how implementing service design thinking would effect on the case company's service development.

The thesis used the 4-stage service design process by Stickdorn (2010) for designing the new service. The background information was gathered using public data and outside service provider. The customer insights were gathered using e-mail survey and phone interviews. Several service design methods and tools were used in the development work. As result, the thesis presented the service design project where new service was created in co-creation with customers. Another outcome of the thesis was the effects on implementing service design thinking into the development work.

The development project opened a new door for the case company for the development work and service thinking. Before the project the development approach was customer oriented but not customer centric. Previously the case company has developed and tailored services for its customers but the baseline of the development were more in competence and in the service model. The thesis work changed the fundamental mind-set of the company, in terms of service development. First time in the case company's history the customers were engaged in the development work at the level seen in the thesis work. And what's even more significant, for the first time the customer insight was truly examined before the actual development work.

As written before, the first part of the service design process is the one that should be conducted carefully and with no hurry. With help of this project the case company had the chance to learn how important it was to examine and learn what were the hidden needs and motivation factors under the statistical data. After the project the case company's comprehension towards the importance of knowing your customers and their needs before starting the actual development work grew significantly.

The use of new methods and tools in development worked in favour for the case company in many significant ways. First, the development work had new fresh approach and the actual work was conducted faster and more efficient then before. Also the employees of the case company saw the new way of developing service more interesting and meaningful. During the project the interest toward service design and customer centric approach rose significantly. Also the good results gained with the new tools and methods lead to planning how same kinds of projects could be conducted among the other customer segments. Secondly, the customers of the company were very happy that services were developed based on the customers' true

needs and problems. It was clear that the target group, which took part in the development project, was extremely happy with the results but it had positive effect even in large scale. The case company has been recognised as a forerunner in the business field where they operate and this project with the publicity it received, in the traditional media and in viral medias strengthened the role even more. Thirdly, the engagement of the customers to the development work seemed to increase the customer loyalty and recognition among the target group. This came evident in the customer feedbacks and surveys conducted long after the pilot project.

It is safe to say that the implantation of the service design thinking had a huge effect on the case company's development work for this particular case and the ones conducted in the near future. It was evident during the project that the mind-set among the employees were changing towards the customer centric approach. More and more people were interested in service design and design thinking. Many employees wanted to get involved in the development work with their own customers. The case company even started to educate more employees in service design, which would not have happened without the successful pilot project. It seemed that, as the understanding of service design thinking rose, the more the case company wanted to do to serve the customers better. And doing so, the mind-set was to put the customers in the middle of the development process. All in all, the results of pilot project were significant for the case company and its customers.

6 Analysis

From the author's point of view, the thesis work served many purposes in personal development and growth. Obviously a great learning happened in the area of practical use of service design methods and tools. The learning by doing with a real service design project cannot be compared to the case works that were done in the school environment. The fact that one has planned, created and conducted the whole project with real customers and with real problems. And the results being judged by the management, the board and by the customer are for sure an excellent experience in self-development. The fact that one can use successfully the knowledge and skills learned in the SID programme in the real business environment pays off all the long days in school, while working fulltime at the same.

Another learning path for the author was the education and implementation of the service design thinking to the employees of the case company. It was really a fascinating experience to see how hard and persistent work will lead to great success. In the starting point the resistance of the new way of thinking was quite tense but in the end it was very rewarding to notice that learning happened also among the employees. And even more, when they started to change their attitudes and working methods towards the customer centric approach.

Perhaps the most significant impact to the author from the project was the change in the job description. After the successful pilot project the job description changed in a way that it consisted mainly the development of the case company's services using service design. It also strengthens the idea to change the professional career more towards service design. The thesis work played important role in the learning of service design in practical and theoretical levels. With the help of the thesis work, the author has gained meaningful and valuable experience in service design that has served the current employment and will serve the future ones as well. So in the ends, it is safe to say that this has been very important and meaningful project for the author.

Even thou the thesis were a successful project it is vital to reviewing the work with more critical eye. Clearly the goals of the thesis were fulfilled and the chosen methods worked as planned, but were there something that could have been done different for even better results. The target group was rather small as mentioned in the report. And even thou, the majority of the population took part in the development work, some in the actual workshops and some through the customer insight data collection, still one wonders was this enough? Of course the nature of the pilot project and business limitations created the frame in where the project was possible to execute. If there had been more recourse available, meaning time and people, it would have made sense to dive deeper into the customers' insight. This would have meant wider collection and examination of the customer insight data in the first part of the development project. Due to the tight timeframe it was not possible to conduct wider survey or face-to-face interviews that would have given even more information about the customer insight. Also a wider selection of the data collection tools and methods would have been used if the timeframe and resources had been different. Even thou one were satisfied with the work, for the future projects the early stage of the project needs more time and resources to be conducted more deeply.

For next development project I would not change the design of the workshops as such, but the working style could be done little differently. For better results the time used per workshop could have been larger. One believes that if the amounts of time spend in the workshop could have been greater it would have of course affects the results as well. It would have given a change to gain more viewpoints from the target group and of course better knowledge. With more time also the phase could have been slower, which could have related to better outcome and more pleasant working method.

The service design methods and tools worked as planned but of course as this was the first design project for the author, more practical training with the methods is needed for the future development projects. It is safe to say that learning by doing works here as well, but it is

also true that one needs more than one project to master the tools that were used in the thesis work.

One thing that surprised the author most was the resistant of change among the employees of the case company. It was fascinating and at some point even frustrating to notice how deeply the old way of developing was loved in the case company. The reason for the resistance would have be the fact that as this was a pilot case, it was not informed to the employees before it started. The reason for this was the fact that it all fails there would not be any distortion create to the organization with the projects. Now looking back, this was one thing that should have done differently. It would have made sense to engage the organisation to the project from the beginning rather than in the end. One is quite sure that the level of resistance would have been lower and on the other hand, the personnel involvement could have been utilized more during the development work.

All in all, as the author of the thesis one is very happy and pleased with the working methods, results and most of all the personal learning that happened during the first service design project.

For further development, a study about effects and benefits of implementing service design thinking into service organization´s development culture could be beneficial for the whole service industry where the case company operates.

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Federation of Finnish Enterprises

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Figures

Figure 1: Theoretical framework illustration.

Figure 2: Firm-Consumer Interaction. Prahalad & Ramaswamy (2000a).

Figure 3: DART-model by Prahalad & Ramaswamy (2004a).

Figure 4: “The Suiggle” by Damien Newman Cetral Inc., Stickdorn & Schneider 2010).

Figure 5: Development project timeline.

Figure 6: Picture from brainstorm session.

Appendixes

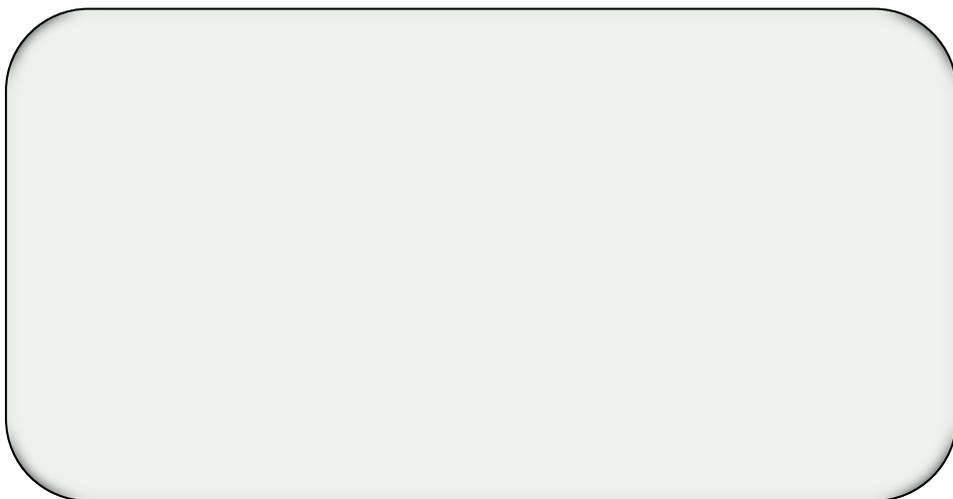
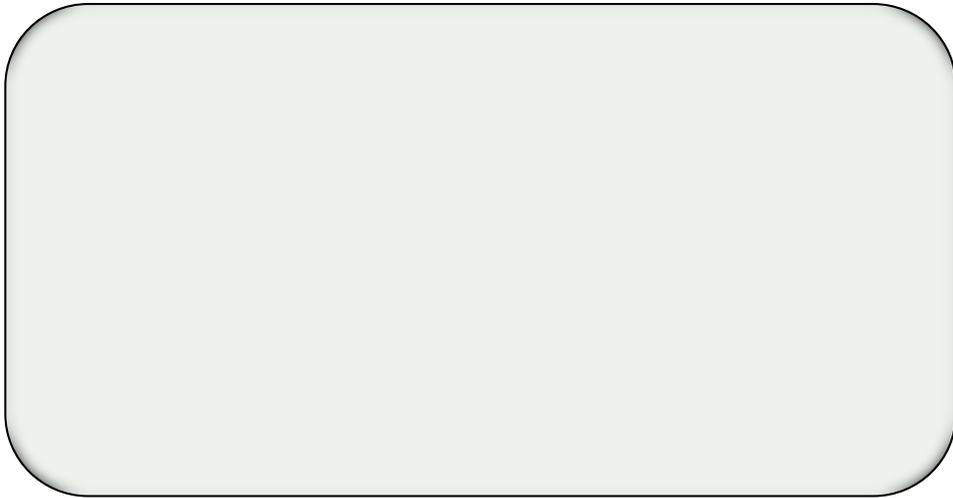
Appendix 1:

Workshop 2

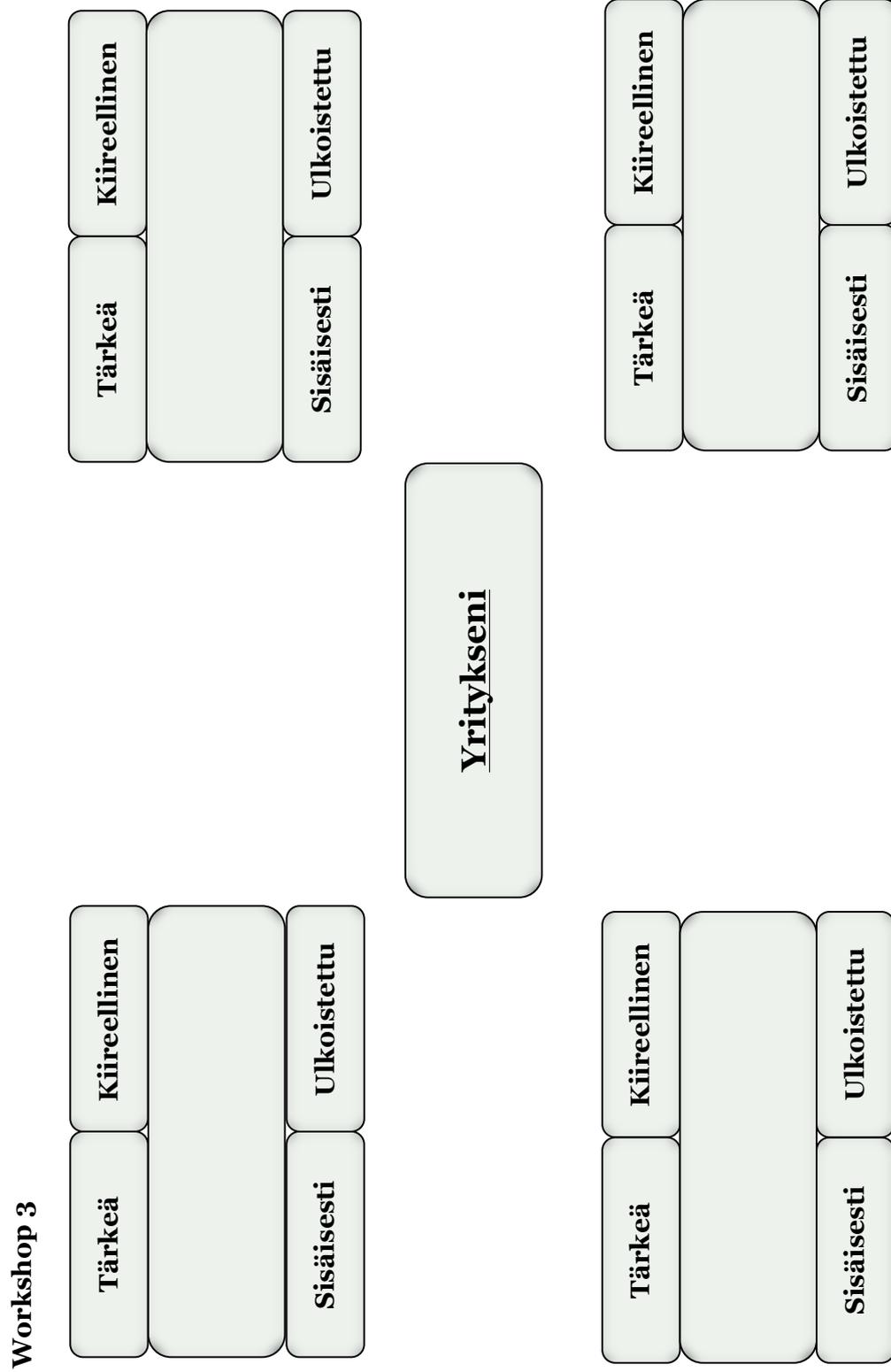
Lisää ominaisuus: _____

Yrityksen nimi: _____

Kuvaile miten ominaisuus ilmenee valitun yrityksen toiminnassa?



Appendix 2:



Appendix 3:

Workshop 4

	Osa-alue	1. kierros	2. kierros	3. kierros	Yhteenveto
1.					
2.					
3.					
4.					

Appendix 4:

Workshop 5

Minkä ongelman palvelu ratkaisee?	
Mitä hyötyä palvelusta on sinulle?	
Mitä palvelu sisältää?	
Mitä palvelu maksaa?	
Anna palvelulle nimi	