
Service Design -
An Approach to Better Public Services?
A Civil Servant's View

Heli Leinonkoski

WORKING PAPERS

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35–36 Eagle Street
London WC1R 4AQ
United Kingdom

T +44(0)20 7404 3309
www.finnish-institute.org.uk

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Preface	1
1. Introduction	3
2. Drivers for new ways of developing public services	6
2.1. United Kingdom	6
2.2. Finland	9
3. Services – public services	12
3.1. Services in general	12
3.2. Public services	14
4. Design thinking and innovation	17
5. Service design as a method	21
5.1. Definition	21
5.2. Links with other disciplines	23
5.3. The stages of the service design process	24
5.4. Examples of service design methods	26
6. Designing public services	31
6.1. Advantages of using the service design approach	34
6.2. UK public sector cases	34
6.2.1. Engine Service Design Consultancy: The Southwark Model	35
6.2.2. Engine Service Design Consultancy: The Works at Walker	36
6.2.3. SEED Foundation: Plug It	38
6.2.4. Social Innovation Lab for Kent (SILK)	39
7. Thoughts for Finnish local authorities	42
8. In conclusion: A letter to a fellow civil servant	47
References	50
Interviews	52

Preface

My journey in the service-design world began at the start of February, 2011. The Finnish Institute in London offered me a great opportunity to work as a visiting researcher for three months. My employer, the City of Jyväskylä, made this possible through its Visiting Employee programme.

The purpose of my stay in London was to learn about service design, its principles and key methods, about why it is such a hot topic in the public sector right now, and how it has been applied in different contexts in the UK. Another aim was to explore the applicability of service design to Finnish municipalities – is there anything to be learned from the British experience and, above all, is service design a key to having more user-friendly, productive public services delivered by Finnish local governments in the future.

My intention was to learn from people with various backgrounds in design, and hence to expand my understanding of design in general. I met experts who were involved in service design in various ways. To gain a better understanding of the methods and tools of service design I took part in the two day –seminar “Service Design: Key Methods and Strategies” organised by DMI (Design Management Institute). The seminar, run by Engine Service Design, was very practical and included case studies and workshops.

My journey of exploration into the world of service design has been absolutely delightful and educational, and I would like to thank:

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Heli Leinonkoski
Director of Administration and Finance
The City of Jyväskylä, Urban Design and Infrastructure

1. Introduction

Any comments on how the public sector works are my own, and mainly concern Finnish local authorities, and reflect my background working as a civil servant for last fifteen years.

This report is intended to give an idea, mainly for public sector actors, of what the design of public services is all about and of the potential of service design to help public services meet people's needs. There are many good examples of successful service design in the public sector in the UK, which makes it an interesting country to explore more closely. In Finland the discipline of service design has so far only been discussed from a very theoretical point of view. Many articles and a few books have been written, but there are few real-life examples in the public sector. The implementation of design methods in the public sector is limited, although there has been some progress. To increase awareness of the possibilities of service design, more real-life cases, experiences and examples are needed.

Chapter 1 focuses on the topical issues in the public sector in the UK and Finland, and on the drivers forcing public-sector actors to find new ways of developing their services. The public sector in both countries is facing massive challenges. Although the structure of the public sector is different in the two countries, and consequently ways of dealing with problems differ, too, there are many fundamental challenges that they have in common. The turbulence in public-sector financing, growing expectations from citizens, and serious social issues, such as demographic ageing and climate change, require local-government reactions. In the UK the Big Society ideology is being put into action by trying to transfer power from Central Government to local authorities and communities. In Finland the Government is driving the Local Government Reform programme as a partial solution to the challenges facing local government. Government programmes are drivers, but real reform of services requires new ways of thinking.

To find solutions to the challenges facing the public sector, and especially to develop public services, it is essential to understand the special nature of a public service. When we talk about public services we are basically talking about “the common good” or the impacts of the service, and not about financial benefits or buying behaviour.

Chapter 2 outlines some of the main differences between services delivered by the private and public sectors.

The world around us has changed enormously in recent decades, but public services have unfortunately remained almost untouched. Stable structures in the public sector are not easy to undermine. Design thinking is now seen as a key to better public services. Design methods that take a user-centred approach are shifting attention to citizens and service users, and away from administrative processes. Design thinking is described in Chapter 4.

Design thinking take concrete form in service design that offers a fresh new approach to public service development. Service design is an emerging discipline that combines features from a number of other disciplines, e.g. management and ethnography, and creates a holistic picture of the issues involved by involving critical stakeholders. Service design puts the user at the centre of the service process, employing tools that encourage innovative ways of working. Although the term ‘service design’ refers to services, its tools and methods are applicable in solving many kinds of challenges and in tackling complex issues. It offers a way of breaking a problem down into understandable parts. Basically it is about communication, visualisation and co-creation.

Most people are becoming increasingly interested in issues that affect their own surroundings. Plans and decisions made by local governments are more readily criticised than before, and people are aware of their rights. Service design offers tools for involving citizens, e.g. when planning a new skateboarding park or residential area.

Chapter 6 introduces some successful cases in the public sector in the UK. One of the best-known is SILK, Social Innovation Lab for Kent. SILK is an in-house innovation unit of Kent County Council and its work is an excellent example of how the gap between council and citizen can be reduced.

Chapter 7 offers some ideas for Finnish local authorities on the applicability of service design methods in various cases. Service design methods are extremely well suited to

a variety of situations requiring problem solving. It can be applied to service development as well as to situations involving a conflict of interests.

As Katherine Kerswell, Chief Executive of Northamptonshire County Council, said: “We are very privileged in local government that we not only deliver services but what we deliver can change lives and communities.” The question is: do we recognise the responsibility inherent in this privilege, and do we genuinely co-design services around people? Should we put a bit more effort into understanding people’s lives and what really matters to them?

2. Drivers for new ways of developing public services

Local government is facing hard times due to economic fluctuations both in the UK and Finland. There are also challenges in providing public services that are more personalised and which meet the needs of diverse and demanding users. These two main factors are forcing the public sector in both countries to pay extra attention to ways of increasing productivity, and at the same time of delivering higher-quality public services that provide the best value for citizens. This chapter raises some topical issues for the public sector in both the UK and Finland in order to understand the drivers for new ways of developing better public services.

The structure of the public sector is different in the UK and Finland, and this means that their ways of tackling public-sector challenges may also vary. In the UK public services are highly centralized and the role of local government is smaller than in Finland. Local-government spending in the UK was only around 26 per cent of total public spending in 2010¹. In Finland the basic public services are provided by local government, i.e. by municipalities. Municipalities are responsible for providing social welfare and basic health-care services, as well as basic environmental and technical-infrastructure services. They also provide most of the educational and cultural services. Municipalities account for almost 70 per cent of public expenditure². In international comparisons, too, Finland is an exceptionally decentralized country.³

2.1. United Kingdom

In the UK a rapid succession of new, radical cut-backs has been announced by local authorities. At least one pound in every four of existing public spending will have to be cut in the coming years. The UK is said to be facing some of its biggest economic, social and environmental challenges in decades.

The Commission on 2020 Public Services reveals in its final report that public services in the UK face a triple crisis – of social demand (ageing society, chronic

¹ Website http://www.ukpublicspending.co.uk/uk_year2010_0.html, retrieved 24th Feb, 2011.

² Heikki A. Loikkanen, Henna Nivalainen (2010). Suomen kuntatalouden kehitys: Miten tähän on tultu. Kuntien takauskeskukselle tehty raportti 18.6.2010.

³ Moisio, Antti & Loikkanen Heikki A. & Oulasvirta Lasse (2010): Public services at the local level – The Finnish way. Policy Reports 2. Government Institute for Economic Research.

diseases, climate change, social polarization, global competitiveness), fiscal constraint (the gap between government revenue and expenditure in 2010/11 was about £148 billion), and inadequate productivity (in 1997-2008 public-sector productivity declined every year, except for 2006, an average annual fall 0.3 per cent)⁴.

The report argues that British society needs a shift in culture, power and finance in order to move towards better public services. The shift in culture means public services must engage and enrol citizens, families, communities, enterprises and the wider society as partners. For example, rather than allow cash-strapped public-realm services, such as libraries, parks and leisure centres, to close, wherever possible these should be run as mutuals by local people. This shift in power means that public services have to be more closely shaped around people – as citizens, not just consumers or recipients – and the places they live: from the centre to the citizens. The commissioning of services, and the way they are designed, has to reflect this. The shift in finance means that the way money is raised and spent should reinforce the purposes of public services, and do so transparently. Public services must be more open and understandable to citizens.⁵

In the UK there is currently a discussion about a new allocation of public services, and in the coming years responsibilities will most probably be transferred from the government level to local authorities, nearer to citizens.

This idea is called the Big Society, launched by Prime Minister David Cameron in summer 2010. It is about empowering communities, redistributing power and fostering a culture of volunteerism. The message was somehow unclear to Britons when Cameron re-launched the Big Society concept once again in February 2011 to correct misunderstandings and to clarify its goals. When talking about the Big Society with Britons the most frequent response is still “whatever it means...”. Cameron’s aim is an ambitious one: more power for local communities to decide about their own issues. The challenge is to put the idea into practice.

⁴ The final report of the Commission on 2020 Public Services (2010): From social security to social productivity: a vision for 2020 Public Services. 2020 Public Services Trust at the RSA.

⁵ Ibid.

Mark Luntley⁶ at the Local Government Association (LGA) thinks British local councils should have greater autonomy in making decisions about their own areas. According Luntley this does not mean that councils should get more money, but that it should be easier to coordinate budgets for services delivered by different parties. Luntley considers budget integration, e.g. between councils and the NHS (National Health Service), to be essential at the local level. Co-operation between councils and the various public agencies is crucial for better public services.

Many local councils have already taken steps to extend co-operation by sharing chief executives and senior management teams with each other. Three London authorities (Hammersmith & Fulham, the Royal Borough of Kensington & Chelsea, and Westminster City councils) are seeking views on proposals to combine services with the intention of saving £35 million a year by 2014/15. Their focus is on four areas: children's services, adult care services, environmental services and corporate services. The idea is to merge back-office services and to spend more on the front line, on services that matter to people.⁷

The report from the New Local Government Network (NLGN) think tank warns that councils considering shared service agreements will have to introduce innovative ideas if they are to deliver major efficiencies. Sharing "old services" is not enough – true redesign and transformation should be used to manage the impact of spending cuts.

Local government in the UK is being quite badly affected by the economic slowdown and many councils are struggling with serious financial challenges. The Government Budget 2011-12 will not make those challenges any easier: the government grant for local governments is being cut by 12 per cent, but cost pressures in areas such as adult social care, child protection, waste management, and flood defence will continue to mount. According to an estimate by the LGA, local government faces a funding gap in the order of £6.5 billion in 2011-12.⁸ This reduction in income is driving councils to cut services in the short term. There is a political debate going on

⁶ Interview with Mark Luntley in London, 21st Mar, 2011.

⁷ London Evening Standard 28th Mar, 2011.

⁸ LGA Budget Briefing 2011, retrieved from website www.lga.gov.uk 25th Mar, 2011.

about whether councils can reduce spending by being more efficient instead of cutting services.

According to Luntley there are four time horizons which entail different impacts on the public sector. In the short term budget cuts are the quickest way to make savings. When we look at the medium term the public sector will be able to increase productivity through shared services and developing IT system. In the long and very long term we are talking about the integrated commissioning of services and the impact of preventative actions.

There will be a major change in public-service delivery in the UK in the coming years if the Government's objectives are carried out. The highly centralised public sector will be brought closer to citizens. There has been a realisation among some public authorities that this change requires a new way of thinking in order to be successful. How can citizens and communities get involved in co-designing and even co-producing better public services? On the other hand, how can civil servants and decision-makers be helped to understand that engaging citizens is the only way to reduce the gap between people's needs and what the public sector delivers?

2.2. Finland

In Finland public finances are also facing serious challenges. According to calculations by the Ministry of Finance the sustainability gap, i.e. the difference between the surplus required to secure sustainability and the general government structural balance, will be around 5.5% of GDP by the middle of the decade. This is significantly more than earlier estimates. The Ministry of Finance takes the view that increasing the productivity of the social, health and education services, mainly provided by local government, would be an extremely effective means of reducing public-service provision costs, thus alleviating the sustainability problem. The Ministry has estimated that an annual increase in productivity in the public services of 0.25 per cent would reduce the sustainability gap by around one percentage point.⁹

⁹ Finland's Public Finances at a Crossroads. Approach to fiscal policy in the 2010s. Ministry of Finance Publication 8b/2010.

The sustainability problem facing industrialised countries is mainly being caused by a rise in the average age of the population¹⁰. Although demographic ageing is an international phenomenon, the Finnish population is ageing faster than those of other European countries. The reason for this is that from the 1940s to 1970s emigration from Finland was high, while and at same time the birth rate fell rapidly. These factors influenced the structure of the Finnish population in both the short and long term. The demand for social and health services for senior citizens is growing extremely rapidly. At the same time and for same reason the working-age population in Finland is decreasing faster than in most other countries.¹¹ This means more pressures on public finances, because of the attendant reduction in tax revenues.

At the same time citizens have become more demanding and more aware of public services. They expect better value from services and are willing to say this out loud. In Finland this is reflected extremely clearly in the increasing amounts of feedback and complaints addressed to the authorities.

Further challenges are caused by the fact that a large group of local-government employees will retire in Finland in the near future. It has been estimated that there will be huge retirement boom in the coming years: 322,000 municipal employees are due to retire during 2010-2030. That is 63.2% of the current municipal workforce.¹² If we take the cuts in public spending into consideration we realise that new employees cannot be recruited on a one-for-one basis. This will certainly affect the structures and ways of working in the local-government sector. It will force us to manage with lower resources and to introduce a new generation of services. Lack of resources can be the spark that ignites creative thinking¹³. In many cases this may be the best thing that has happened to public services for decades – it will force the public sector to change old habits.

¹⁰ Finland's Public Finances at a Crossroads. Approach to fiscal policy in the 2010s. Ministry of Finance Publication 8b/2010.

¹¹ Heikki A. Loikkanen, Henna Nivalainen (2010). Suomen kuntatalouden kehitys: Miten tähän on tultu. Kuntien takauskeskukselle tehty raportti 18.6.2010.

¹² Halmeenmäki Tuomo (2009). Kunta-alan eläkepoistuma 2010-2030. Kuntien eläkevakuutuksen raportteja 2/2009.

¹³ Bichard, Michael: Article "Overcoming obstacles" in *Innovation by design in public services* (Solace Foundation, 2008).

The Finnish Government is promoting the Local Government Reform programme as a solution to the challenges faced by local government. Basically this will lead to growth in the size of municipalities – to less, but bigger municipalities. While the Government in the UK is trying to bring public services and decision-making very close to citizens, the Government in Finland is taking steps towards bigger units at the local level, which at worst may take it in the opposite direction.

Some similarities in the local-government situation in Finland and the UK are evident, although the structure of public sector differs. Both countries face similar challenges:

- public-sector spending has to be cut
- the productivity of public services has to be increased
- citizens' and customers' demands for better, more accessible public services has to be responded to
- solutions have to be found to major social challenges, such as demographic ageing and youth marginalisation

Local government has less money available and more serious problems to resolve in a much shorter period than before. A new way of dividing up public services is essential for maintaining functional services. Constant cutting of public services cannot be a permanent response to the economic pressures facing the public sector. New ways of reforming public services have to be found. The public sector in the UK has already taken steps towards new ways of developing services and involving citizens. Some successful examples in the UK are described in Chapter 6.2.

3. Services – public services

In order to find solutions to the challenges faced by the public sector and especially to develop public services, it is essential to understand the special characteristics of a public service. When we talk about public services we are basically talking about “the common good” or about the impacts of service, not about financial benefits or buying behaviour. This chapter gives an overview of the main differences between services delivered by the private and public sectors.

3.1. Services in general

Services play an important role in the economies of developed countries. Over two thirds of Europe’s GDP comes from services. In 2006 in Finland the share of services was 65 per cent and in the UK the figure was as high as 75 per cent. The importance of services has been recognised in recent decades.

This has not been always the case. Services were previously seen as something unproductive as compared with products and goods. Segelström cites “The Wealth of Nations” by Adam Smith and discovers that Smith’s “those who deliver services do unproductive work” went unchallenged for almost two centuries. In the last decades of the 20th century research on services focused to a large extent on how services are different from goods. The characteristics of services were found to be **intangibility** (services cannot be touched), **heterogeneity** (because of mood fluctuations in the service deliverer the service procedure cannot be standardized), **inseparability** (production of services is inseparable from the consumption thereof) and **perishability** (a service cannot be pre-produced and saved for later use).

Not until the 21st century was this traditional view of services challenged. Segelström quotes the service-dominant logic set out by Vargo and Lusch in 2004. Service-dominant (S-D) logic includes the idea that service provision rather than goods is fundamental to economic exchange, and focuses on interactions between the service provider and service receiver, and on the joint effort involved in making a service transaction meaningful. The approach put forward by Vargo and Lusch puts the customer in the centre of activities, as three of their ten foundational premises show:

The customer is always a co-creator of value.

The enterprise cannot deliver value, but only offer value propositions.

A service-centred view is inherently customer oriented and relational.

As Segelström concludes, the concept of services has gone from being something unproductive and not helping society's advancement in Smith's view, to being viewed as the centre of all economic transactions in the S-D logic view.¹⁴

According to Grönroos services are still seen mainly as something provided by a certain type of organization. This is misleading since it neglects the hidden services (administrative, financial and technical 'routines') from manufacturers and agriculture, and furthermore it views services as a sector of the economy, not as a business logic and a perspective on how to create a competitive advantage. Grönroos claims the success of a company depends on how well it understands the importance of developing of every element of the customer relationship. The driving force is the service perspective, according to which customers are provided with the goods and services of the core solution, and with hidden services, such as invoicing, complaints handling, advice and personal attention, information and other value-enhancing components.¹⁵ In order to improve service and deliver more value to the customer it is essential for the service provider to recognise all the activities related to the service process, including those that are not visible to the customer, but which may result in a negative service experience when they fail. For example, how does the invoicing process pass through the organisation before the actual invoice reaches the customer. The customer does not know about any possible stages within the organisation, but he/she will notice if the process becomes bogged down and does not produce the expected result.

Grönroos claims that the most important characteristic of services is their process nature. Services are processes consisting of activities or a series of activities. In order to understand the management of services it is crucial to realize that the consumption of a service is process consumption rather than outcome consumption.

¹⁴ Segelström, Fabian (2010): Visualisations in Service Design, thesis no. 1450 Linköping Studies in Science and Technology

¹⁵ Grönroos, Christian (2007, 3rd edition): Service Management and Marketing - Customer Management in Service Competition.

Parker and Heapy¹⁶ see the process nature of services as Grönroos does, although Parker and Heapy, as service designers, define service more closely to the users' point of view: services need to be understood as a journey or a cycle – a series of critical encounters that take place over time and across channels.

The character of a service, especially its process nature and the fact that a customer is always a co-creator of value, make it obvious that service-development work should be done in close collaboration with users.

3.2. Public services

The European Parliament has defined public services as follows: Public services (services of public interest or public utility, such as electricity, gas and water supply, transport, postal services and telecommunications) are economic activities of general interest set up by the public authorities and operated by them or by delegated separate operators (public or private).¹⁷ Public services can also be defined a little more broadly as “any services provided for large numbers of citizens, in which there is a potentially significant market failure (broadly interpreted to include equity as well as efficiency), justifying government involvement – whether in production, finance and regulation”¹⁸.

There are differences between services delivered by the private and public sectors. When we evaluate the capability of private-sector services to match people's needs we can focus on consumers' buying behaviour. With services delivered by the public sector evaluation is much more complicated. How do we assess the influence of “the common good”, effectiveness or social impact that should be generated for people. We are talking about their impact on people's lives.

There are other points that are also characteristic of public services: many public services cannot be delivered by the private sector – e.g. a building permit or the custody of a child. In the public sector the service provider may not want you to need

¹⁶ Sophia Parker, Joe Heapy (2006). *The Journey to the Interface*. How public service design can connect users to reform.

¹⁷ http://circa.europa.eu/irc/opoce/fact_sheets/info/data/market/rules/article_7197_en.htm retrieved 26th Apr, 2011.

¹⁸ Grout, Paul A. and Stevens, Margaret (2003): *The Assessment: Financing and Managing Public Services*.

the service at all, or at least not twice – as, for instance, with drug-addict rehabilitation. Most of the public services are financed by tax revenues – not by charging users. Compared to the private sector customers are a very heterogeneous group: from listed companies to grannies with dementia, and in many urban planning situations even future generations.

Sometimes it is even hard to say who the customer is. Consider the work of traffic wardens. Their job is to make sure that cars are not parked where they should not be, and that cars are not parked anywhere for longer than is allowed. Who is the user or the customer? Are they the same person? Is the customer the driver who is given a reminder with a parking ticket? Fundamentally, the purpose of parking control is to secure safe movement for all users of streets, walkways and pavements. Who then is in the centre of the service design process? The fined driver hardly considers parking control a service at all. Even so it might be important for the fined driver that the reason for receiving a parking ticket is clear, and that she or he is not fined unfairly. Other important things for the fined driver might be that a parking ticket is understandable and that any appeal process is easy to go through. For road and walkway users it is important that traffic routes are not occupied by vehicles parked against the rules and regulations.

Services are often defined as helping someone to do something. In that case parking control is a service for road and walkway users, but not really for the driver who is being fined. When improving the parking control “service” both groups are involved as users or as stakeholders. So both groups are taken into account in any case. “The common good” and the user experience are present side by side.

Understanding differences from private services is essential when developing public services. It makes a difference if a customer cannot choose where he/she buys a service such as a building permit. It makes a difference from both a building control officer’s and a customer’s point of view. Building control officers might think that user experience is not relevant to their business, since strict interpretation of the law and regulations takes priority. Often this is still the case in highly regulated public services, although the goal cannot always be a happy customer. But the goal should be a customer who feels that he/she has been treated fairly and with respect, and he/she has understood the facts underlying a possible negative decision.

The public sector holds a huge amount of data about people. The interesting thing is how that information is being used. Strict segmentation based on demographic or social class factors, or any other approach dividing large numbers of people into subgroups, is limited by the assumption of homogeneity within each segment. It is claimed that focussing on customer segments disguises the system of relationships that impacts on people's experiences and outcomes. Used in isolation, customer segmentation carries the risk of reducing service interactions to a series of one-to-one transactions and of reinforcing the "provider knows best" paradigm.¹⁹

The diversity of public services requires more in-depth ways of finding out what people really need. Typically local authorities gather information about residents and customers through straw polls and feedback forms. The commonly used customer inquiries, which seek to measure service-user satisfaction, are not enough to tell service providers whether or not public services are responding to citizens' needs. If the average score is 3 on a scale of 1 (lowest) to 5 (highest), should the service provider be happy?

We need more than box-ticking surveys, and more than yes or no answers to identify the true needs of citizens. The public sector as a whole needs to change its way of thinking. We need to look at services through the eyes of the people for whom those services are intended, and we need a deeper understanding of how the services we deliver affect people's everyday lives.

Service design has recently been seen as an answer to this dilemma. Service design is an emerging discipline, which helps us find ways to close, or at least to narrow, the gap between people's needs and what organisations do. It is the application of established design processes and skills to the development of services²⁰.

¹⁹ Sophia Parker, Joe Heapy (2006). *The Journey to the Interface*. How public service design can connect users to reform. Demos.

²⁰ Website <http://www.slideshare.net/groepl/service-design-1223900>

4. Design thinking and innovation

We cannot discuss service design without trying to understand the concept of design thinking. According to Wikipedia “Design Thinking is a methodology for practical, creative resolution of problems or issues that looks for an improved future result. It is the essential ability to combine empathy, creativity and rationality to meet user needs and drive business success. Unlike analytical thinking, design thinking is a creative process based around the “building up” of ideas. There are no judgements early on in design thinking. This eliminates the fear of failure and encourages maximum input and participation in the ideation and prototype phases. Outside the box thinking is encouraged in these earlier processes since this can often lead to creative solutions.”²¹

Tim Brown of IDEO has described design thinking as “a discipline that uses the designer’s sensibility and methods to match people’s needs with what is technologically feasible and what a viable business strategy can convert into customer value and market opportunity.”²²

Both definitions use words with a similar content: user needs/people’s needs, business success/market opportunity and empathy/sensibility. These words describe the essence of design thinking. Design thinking is about using empathy and creativity to find a way to meet people’s needs while not forgetting the interests of the organisation.

A former product designer, Clare Brass, who is now focusing on issues of sustainability and social enterprise, sees design thinking as an ability to look at things from very far away, as when looking at a big picture, and immediately looking at the same problem from very close to, and being able to shift back and forth between these two types of looking.²³ Design thinking is about seeing the world not as it is, but as it could be, about finding solutions and hence creating innovations.

Roger Martin and Michael Bichard both see innovative thinking as vital for the success of organisations.

²¹ Website http://en.wikipedia.org/wiki/Design_thinking, retrieved 28th Feb, 2011.

²² Website <http://designthinking.ideo.com/?tag=design-thinking>, retrieved 28th, 2011.

²³ Interview of Clare Brass in London 16th Mar, 2011.

Over-intense appreciation of analytical thinking is damaging for an organisation, for its ability to sustain design thinking and create innovations. Roger Martin argues that as companies grow they become more comfortable with the administration of the business. They like and encourage analytical thinking. In analytical thinking all proof is derived from the past, or from a set of observations of events or behaviours that have already happened. Martin further sees the goal of analytically trained managers in this kind of organisation not as being to drive out innovation, but as to protect the organisation against the randomness of intuitive thinking. But that is what they do – they drive out innovation.²⁴

Martin also thinks that reliability-oriented firms, for instance, build up permanent departments staffed by interchangeable people in permanent posts, who devote the bulk of their energies and resources to rigorous planning and strict budgets. At the same time they drive out initiatives that cannot produce near-certain future outcomes.²⁵ In his article²⁶ Bichard stresses that creativity tends not to flourish in organisations that are centralised, prescriptive, defensive, hierarchical, introspective and status conscious. He says that the way in which teams, departments and organisations are structured greatly influences their capacity to innovate.

Martin and Bichard's ideas fit many organisations in the public sector. Besides that, another great barrier to innovation is the culture of avoiding mistakes. Mistakes are not generally permitted, or you will at the least be taken to task by internal auditors or your boss. Development through trial and error is not advisable. It is not wise to gamble with taxpayers' money, but on the other hand without risk-taking nothing innovative can ever be achieved.

As is generally known a leader's example is crucial. Bichard points out how important it is for leaders to show that they are open to new ideas; that they are personally willing to try out new approaches; that they welcome being constructively challenged, and that they respond to failure in a way that seeks to learn the lessons without

²⁴ Martin, Roger (2010): *The design of business – why design thinking is the next competitive advantage*. Harvard Business Press.

²⁵ Ibid.

²⁶ Bichard, Michael (2008): Article "Overcoming obstacles" in publication of Solace Foundation: *Innovation by design in public services*.

prematurely apportioning blame. Trust between leader and employees is essential. If that trust does not exist, innovation is much less likely to happen, simply because people will fear the consequences of failure.²⁷ An organisation's leaders must expand the traditional definition of "designer" to include all of their employees – innovation needs to be everywhere in an organisation, not sequestered away in some lofty R&D turret²⁸. The role of R&D departments or in-house innovation labs should be to encourage employees to think in fresh, innovative ways, and to help departments by offering them knowledge and methods for development and design work. Innovative development work cannot be done far away from the service-delivery interface.

Attempts have been made to try to improve the public sector's ability to create innovation by establishing in-house innovation units in public-sector organisations. One of the most successful public-sector innovation units in the UK is the Social Innovation Lab for Kent, which will be described later on in this paper.

Viewing an issue or a problem from unconventional angles can produce surprising results – real innovations. A fascinating example of this kind of unconventional approach and innovative thinking is the so-called Cola-Life case, in which the answer was found in a totally different service solution. There were major difficulties in distributing medical supplies to remote areas of Africa where cars and lorries could not reach. The father of the Cola-Life idea, Simon Berry, noticed that Coca-Cola bottles can be found in nearly every single village. How on earth was the Coca-Cola distribution network able to cover almost all the remotest corners of Africa? Berry realised that the standard Coca-Cola crate, while containing bottles of Coke, also contained a lot of 'dead' space. He decided to use this space for an essential medical kit called an 'aid pod', which mothers could use to treat children who might have conditions such as diarrhoea.²⁹

As this example shows, an open-minded attitude and an ability to apply other people's solutions to one's own problem can lead to an innovative outcome. People

²⁷ Bichard, Michael (2008): Article "Overcoming obstacles" in publication of Solace Foundation: Innovation by design in public services.

²⁸ Brown, Tim (2008): Article "Public servants – by design" in publication of Solace Foundation: Innovation by design in public services.

²⁹ Website

<http://www.rsmvideos.com/videoPlayer/?vid=155&class=videoThumbhttp://www.rsmvideos.com/videoPlayer/?vid=155&class=videoThumb#videoInfoLinks>, retrieved 9th Mar, 2011.

responsible for delivering public services should learn more about the best private-sector examples and then carefully, but open-mindedly assess their applicability to the public-sector context.

5. Service design as a method

5.1. Definition

Different people – even those with a design background – define service design very differently. Some people see it as a type of design like product design or web design, there purely for developing better services. Some think it is more like a mindset and not a strictly defined discipline.

Segelström³⁰ sums up service design as follows: Service design can be described as the use of designerly ways of searching for solutions to problems in people-intensive service systems through the engagement of stakeholders. He says that one of the core issues for service design is putting users in the centre of design activities. To be able to do this, service designers use a variety of empathic research methods.

*The Design Dictionary*³¹ defines service design as follows: service design addresses the functionality and form of services from the perspective of clients. It aims to ensure that service interfaces are useful, usable, and desirable from the client's point of view and effective, efficient and distinctive from the supplier's point of view. Furthermore according to *The Design Dictionary* the service-design process applies explorative, generative, and evaluative design approaches, and the restructuring of existing services is as much a challenge in service design as the development of innovative new services. When seen from this angle, service design stands in the tradition of product and interface design, enabling the transfer of proven analytical and creative design methods to the world of service provision.

Jari Koskinen³² sees service design as designing service-related communication. The word 'communication' is understood here in its broadest possible sense. Service design consists of:

³⁰ Segelström Fabian, 2010, Visualisations in Service Design, thesis no. 1450 Linköping Studies in Science and Technology.

³¹ Website http://www.service-design-network.org/system/files/Mager_Service%20Design_0.pdf, retrieved 18th Feb, 2011.

³² Website http://www.muova.fi/documents/key20120115170526/Raportit%20ja%20julkaisut/7_Koskinen_Service%20Design.pdf

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- a) Designing service-environment-related communication (communication with several of the senses)
 - b) Designing service-process-related communication (web pages, brochures and other marketing and communications material)
 - c) Developing communication done by service personnel (personal communication skills, style of dress etc.)

Clare Brass defines service design as helping make anything that people do in their lives easier, better and more sustainable. Brass sees this as being all about communication and partnership – there are different people who know different bits of the puzzle.³³ Sarah Drummond feels service design is more like the mindset involved in visualising and prototyping³⁴.

One of the best descriptions is the definition found on the Service Design Network website³⁵:

*Service Design is design thinking
applied to service development
for people, with people
enabling collaboration, enabling co-creation.
It makes the service useful, usable, desirable, efficient, effective, different.
The user is the center.
The journey is tracked.
All touchpoints are designed aiming for the perfect user experience.*

This definition is easy to understand and accentuates significant words: design thinking, user, co-creation, journey, touchpoint, usable and effective. Like good design itself the definition is simple and understandable.

Service design can be seen as an implementer while design thinking is more like a mindset. Service design concretizes design thinking by using methods and tools,

³³ Interview with Clare Brass in London 16th Mar, 2011.

³⁴ Interview with Sarah Drummond in London 17th Mar, 2011.

³⁵ Website <http://www.youtube.com/watch?v=QUN6GrFcFdM>, retrieved 18th Feb, 2011

many of them familiar from other disciplines. It is a systematic, but iterative process for developing services.

5.2. Links with other disciplines

Service design can be closely linked to various design and management disciplines, such as product design, design ethnography and social design. These disciplines facilitate service design and vice versa.

Product design has always been linked to the manufacturing process, but this seems to be changing. Companies producing consumer products are now being challenged to develop hybrid products, i.e. products in which the service has been designed as an inseparable part of the product. Apple's iPod and iTunes product package is a good example of a hybrid product. Both the product concept and service system are developed in tandem.³⁶ Hybrid products are thought to be more tempting to consumers than a product alone.

Design ethnography, which means qualitative ethnographic research within a design context, is one example of service design's links. Design ethnography offers reference material on people's everyday lives: their practices, motivations, dreams and concerns. It explicitly aims to generate materials that communicate the insights from the research to a wide group of stakeholders, to make sure that the foundations for the designs are well understood and accepted.³⁷

In architectural design, service design should be present more often than it is. Fortunately there are cases in which potential users are really listened to, and in the most progressive cases they are even able to engage in the designing process. This kind of involvement is important particularly when discussing public buildings financed by the public sector: schools, hospitals, homes for elderly people... Schools should be designed to enable the best circumstances for children's learning, hospitals to enable the best possible health care and rehabilitation for patients, and homes for elderly people to enable lives of good quality. It is very hard to believe that people

³⁶ Miettinen, Satu (2010): Article "Product design: Developing products with service applications". This is Service Design Thinking.

³⁷ Van Dijk, Geke (2010): Article "Design Ethnography: Taking inspiration from everyday life". This is Service Design Thinking.

who are not personally involved in these activities could design the most appropriate solution on their own. It should be clear that the best possible solutions can be achieved only by engaging stakeholders in the design, e.g. when rebuilding a school: students, teachers, other personnel, parents, members of the community living nearby etc. As was noted in The Works at Walker project: *“The school is a social system first, and a building second.”*

Social design delivers a positive social impact, which is a key issue when talking about public services in general. Social impact is about affecting the surrounding community, it is about affecting people’s lives directly or indirectly. Recognising the growth of a potential new design movement, many designers have begun forging multidisciplinary networks aimed at social improvement through design³⁸. Examples of social design are the Cola Life case, projects by SILK, and SEED’s Plug It project described in this paper.

5.3. The stages of the service design process

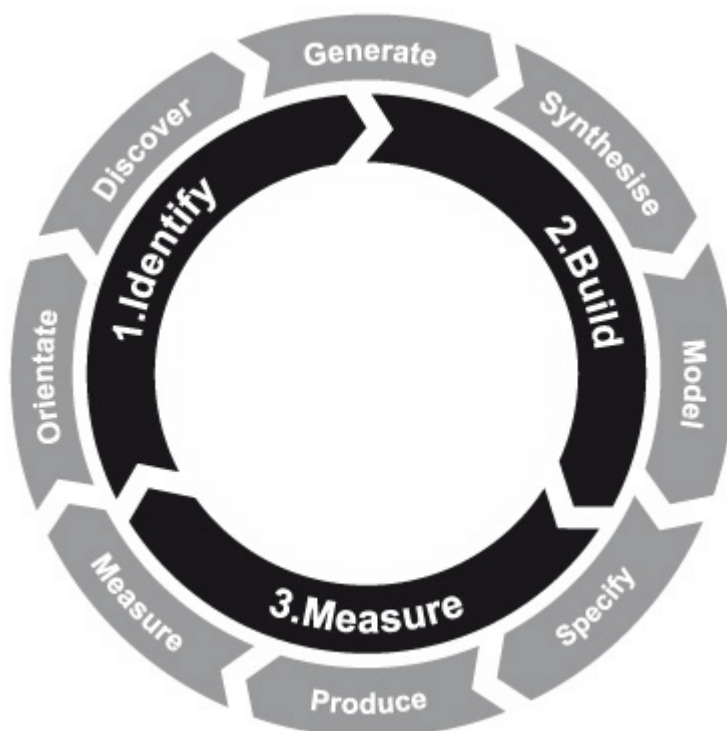
The most important thing is to understand that the service design process is iterative. This means that at every stage of the process it might be necessary to take a step back or even to start again from scratch. There is no prescriptive, linear, how-to guide to the process, just rough frameworks.³⁹ These frameworks act like a connecting thread and help keep the focus on the right things. There are many frameworks and almost every service design consultancy or research house has its own – although the basic idea is the same.

The framework for the service design process used by the Engine Service Design consultancy is quite detailed, and one of its purposes is to describe to Engine’s customers how the service design process goes forward. Engine divides the service design process into three main stages, represented in Figure 1.

³⁸ Andrews, Kate (2010): The article “Social design: Delivering positive social impact”. This is service design thinking.

³⁹ Stickdorn, Marc and Schneider, Jakob (2010): This is service design thinking. BIS Publishers.

Figure 1. Stages of the service design process used by Engine



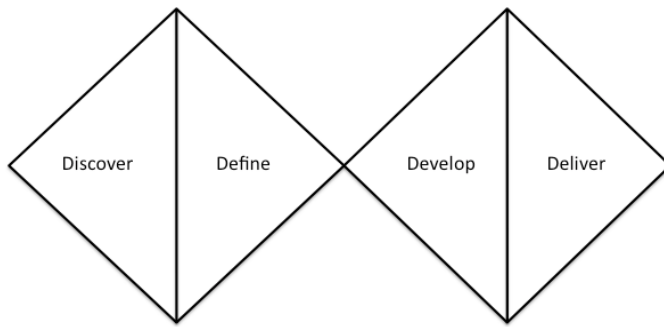
Source: http://www.enginegroup.co.uk/service_design/our_process/

One of the best-known general design process models is the so-called Double Diamond model (Figure 2) developed through in-house research at the British Design Council in 2005. This model is divided into four distinct phases: Discover, Define, Develop and Deliver.

The Discover stage is about identifying the problem, opportunity or user need that should be addressed. The Define stage should be thought of as a filter where the review, selection and discarding of ideas takes place. This is where findings from the Discover stage are analysed, defined and refined as problems, and ideas for solutions are pitched and prototyped. The principle of the Develop stage is to prototype and iterate the concept to get it as close to an end product or service as possible. The testing of concepts and prototypes form a major part of the Develop stage. The Deliver stage of the double diamond design process is where the final concept is taken through final testing, signed-off, produced and launched.⁴⁰

⁴⁰ Website <http://www.designcouncil.org.uk/about-design/How-designers-work/The-design-process/>

Figure 2. The Double Diamond by Design Council



Although the service design process is co-creative, there has been argument about whether it is necessarily wise to involve users at the concept-development stage of completely new product or service concepts for the future. This argument is based on the assumption that users can react only to what exists or to what they know, and nothing surprising and new can emerge. Henry Ford said “If I had listened to my customers I would have built a faster horse”.

There are special tools and methods for all the different stages of service design methods. Most of them are common and widely known.

5.4. Examples of service design methods

There is a lot of information available about service design tools, especially on the internet. There are also numerous publications describing the various tools.

The methods used in service design projects are very often familiar from other contexts. The use of the best methods in new contexts and spiced up a little is justified, since applying “old, familiar” tools is easier than inventing new ones. This applies, for instance, to customer-journey maps, which involve visualising the process with simple flowcharts familiar from process modelling.

Kent County Council’s SILK team (Social Innovation Lab for Kent) made a deck of method cards for service innovation. This collection of methods was developed and action-tested by the SILK team, and was taken from areas such as social-science research, community development, design and other creative disciplines (www.kent.gov.uk/SILK). The method deck does not expand on the methods very

literally, rather it suggests the appropriate methods for different stages of service-innovation projects.

Since the goal of service design is to see things through the user's eyes, the tools and methods are very much user-orientated. The following methods are good examples of how the service design process puts the user in the centre.

Mapping (e.g. stakeholder, issue, customer journey mapping)

A map is a structured visualisation, for example, of actors and their mutual relations, of issues related to the service, or of a service-user's experience of touchpoints. A lot of significant information can be included in a single vivid picture. Maps as visual representations help different parties acquire a common conception of the issue under discussion. Mapping is a commonly used method in the first stages of the service design process, when the aim is to try to understand the problem as a whole.

Figure 3. An example of a journey map made by Engine (from the Southwark Model)

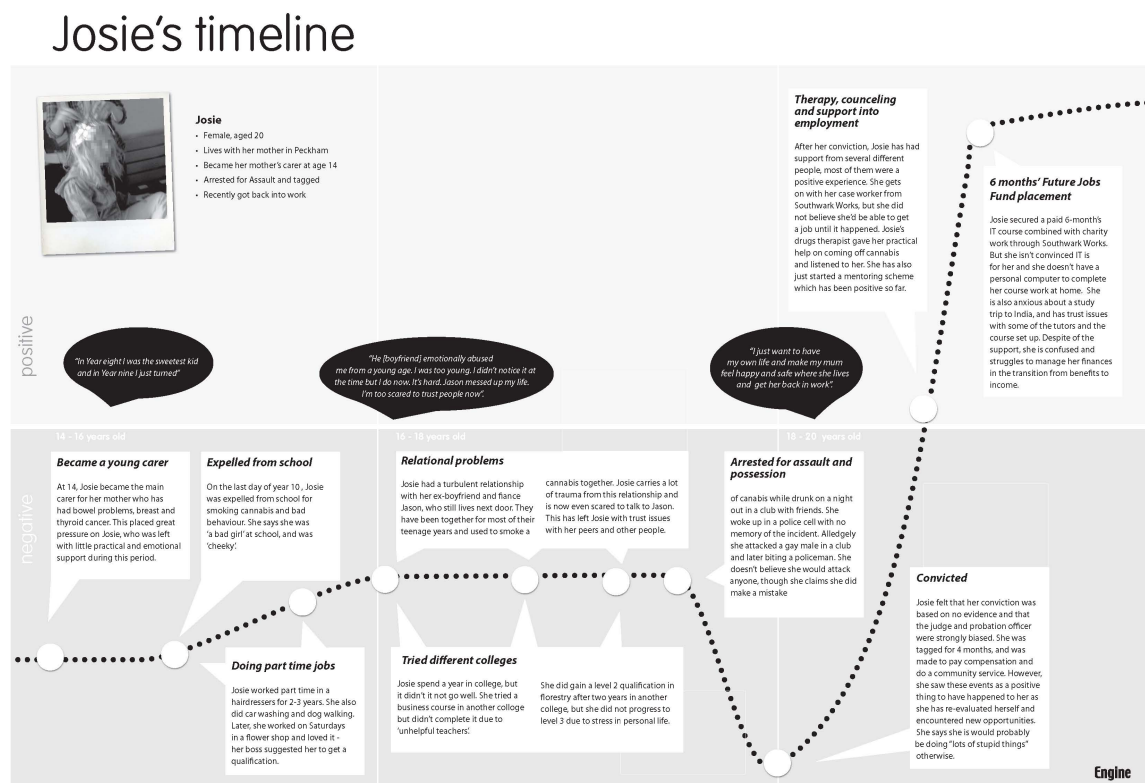
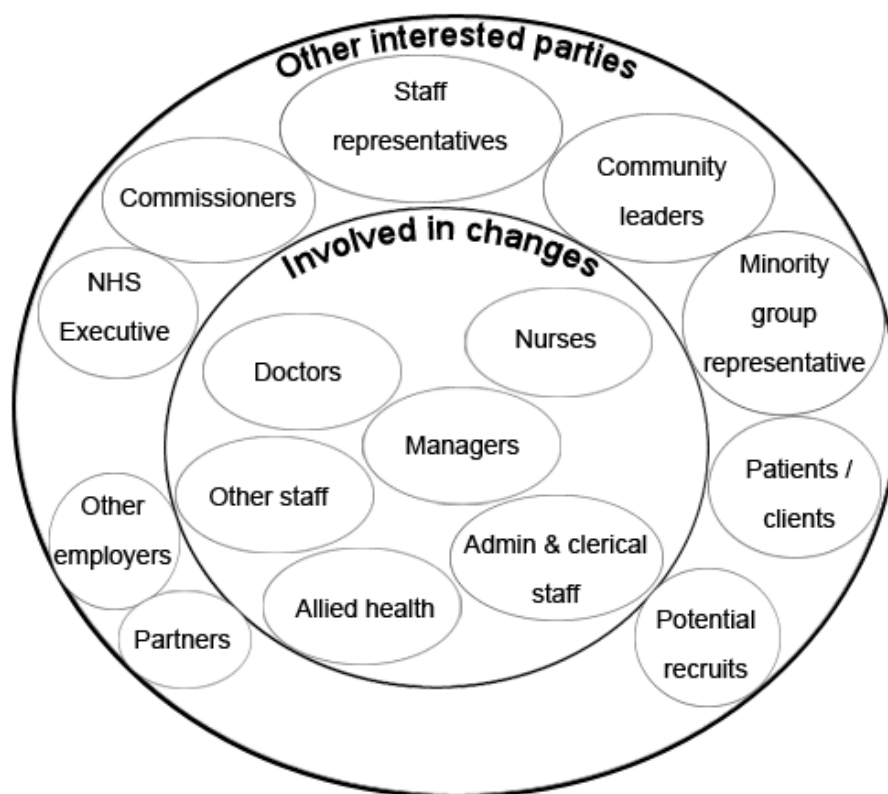


Figure 4. An example of a stakeholder map.



Source: www.nhsemployers.org –website

A Day in the Life

The A Day in the Life method collates the research material on a particular type of customer in order to create a descriptive walkthrough of his/her typical daily activities. The aim is to provide an overview of a typical day.⁴¹

This method is very useful, for example, when researching the needs of elderly people living at home. An elderly person might be too polite or unable to talk about their needs when asked. By spending time with a target group of elderly people in at their homes and following their daily routines local authorities can gain valuable information for designing home-care services.

⁴¹ Stickdorn, Marc and Schneider, Jakob (2010): This is service design thinking. BIS Publishers.

Personas

Personas are fictional profiles, often developed as a way of representing a particular group based on their shared interests. They represent a “character” with which the client and design teams can engage.⁴² Personas act as a constant point of reference during the service-development process, helping focus on users’ states of mind, behaviours, attitudes and perceptions around the use and delivery of services⁴³. Personas are usually based on real people taken from research.

Personas are a good tool when the service is used by various kinds of customer groups. For example, when redesigning a building supervision service the personas represent different customer groups, such as private persons and families as first-time builders, small building companies, big building companies, architects and head designers acting on their customer’s behalf etc. Although the law is the same for everyone the service process is different for a first-time builder and a big building company. The first-time builder usually requires much more guidance when applying for a building permit. Personas are a great tool for keeping different types of customers in mind.

Desktop Walkthrough

A Desktop Walkthrough is a small-scale 3-D model of a service environment. Employing simple props such as Lego figures allows designers to bring a situation to life and act out common scenarios, and helps develop prototypes.⁴⁴ Although adults playing with Lego together may sound ridiculous the method is effective. Once again everything is based on a visualisation, which helps to create mutual understanding between the participants.

Desktop Walkthrough is ideal when testing how fluent the designed service process is from the customer’s point of view. What, for example, happens at the health clinic? How many times does the customer wait for different touchpoints, such as

⁴² Stickdorn, Marc and Schneider, Jakob (2010): This is service design thinking. BIS Publishers.

⁴³ Social Innovation Lab of Kent (SILK): Method Deck. A deck of method cards for service innovation. Kent County Council.

⁴⁴ Stickdorn, Marc and Schneider, Jakob (2010): This is service design thinking. BIS Publishers.

registration, the doctor, the lab, an X-ray, maybe the doctor again, the cashier... How much does the customer walk around?

The service design process includes a lot of creative methods familiar to people with designer education. The point is that not everyone necessarily feels comfortable with drawing or acting. Heapy⁴⁵ considers it essential to create a trusting atmosphere to work in right at the beginning of the service design process. Heapy sees it as very important to get workshop participants warmed up using creative design methods, such as getting them to do drawing exercises, so that they feel comfortable with the methods.

⁴⁵ Interview with Joe Heapy and Daniel Ivatt in London, 4th Apr, 2011.

6. Designing public services

It is amazing how little public services have actually changed over the decades. Public organisations have been delivering services for a very long time, and it is only now that we are seriously talking about how we should improve user experiences. In business this has been done for as long as there has been entrepreneurship. Knowing your customers and their needs has been vital for success in business. In the public sector there has been no driver or any absolute necessity for that until now. As the Commission on 2020 Public Services in the UK said, that has to change because of social demand, fiscal constraints and inadequate productivity. The Commission says that the culture is able to change by addressing citizens' needs and resources within service design⁴⁶.

Both Brass and Drummond have noticed how seldom public services are really designed. Brass talked about a municipal officer who after the service design process said: "Before it never occurred to me, ever, that we should design services. When we had a new service roll-out we basically printed a leaflet about what we were going to do, put leaflets through everyone's doors and just started to deliver the new service. It never occurred to us that we maybe should ask people what they thought about it." Unfortunately this statement in many cases represents a lack of common sense in service delivery in the public sector – in both the UK and Finland.

There is no culture of innovation. Heapy thinks that local government has not really been asked to reinvent itself. It is used to cutting costs and every possible form of reorganisation has been carried out within the same old structure⁴⁷.

Now times have changed and some councils and other public organisations around the UK have woken up to the possibilities of design. Kent County Council is in the lead having established an in-house innovation unit called SILK (Social Innovation Lab for Kent) a few years ago. West Sussex County Council has created its own model based on service design thinking so as to engage people. London councils, such as Camden and Southwark, have run projects that used service design methods. The

⁴⁶ The final report of the Commission on 2020 Public Services (2010). From social security to social productivity: a vision for 2020 Public Services.

⁴⁷ Interview with Joe Heapy and Daniel Ivatt in London, 4th Apr, 2011.

NHS Institute of Innovation and Improvement has developed an approach called Experience Based Design (EBD) to help its personnel design healthcare services. In Scotland there are excellent examples of designing public services, such as SNOOK's MyPolice. Fortunately these are only examples and not a complete list.

In the UK there are public organisations that promote service design for the public sector in numerous ways.

The Design Council hosts debates and workshops on designing public services. It runs a coaching programme, called Public Services by Design for public sector professionals, enabling them to innovate and deliver customer focused services. Design London offers postgraduate education and research in design. One of the leading advocates of design is the RSA.

Despite successful cases in practice and hardworking advocates there is suspicion about the concept of design. Design is not thought to be related to services. The Engine Service Design Consultancy, for example, avoids the word 'design' when marketing its services or making offers to new clients, because of the risk of misunderstanding. In such situations Engine tends to illustrate the process and outputs with examples⁴⁸.

Although design thinking and service design methods can be used in problem solving of almost any kind, in the public sector three different aspects come up:

- The aim of improving the user's experience of a certain service, such as applying for a building permit or visiting a dentist
- Tackling bigger social issues, such as youth marginalisation, the ageing of the population and the welfare of senior citizens
- Trying to change people's behaviour in order to generate positive, sustainable, social impacts, e.g. reducing water consumption or increasing waste recycling

At first glance the first one, improving the user experience, might seem to be marginal compared with the last two. But it is not so simple. Going through a service process might give people a new perspective and help them tackle larger challenges. For example, an attempt to improve user experience in building supervision may lead

⁴⁸ Interview with Joe Heapy and Daniel Ivatt in London, 4th Apr, 2011.

to better guidance of customers and increase awareness of energy-saving building. That would have an impact on energy consumption, which is a much bigger issue than improving the user experience.

The last two aspects, which deal with social challenges and people's behaviour, are difficult and time-consuming to resolve (and will frequently perhaps remain unresolved), but as we find ways of preventing youth marginalisation or of increasing waste recycling, we will have done work that has a huge impact on peoples' lives – and on public spending as well.

The important thing in any organisation, but especially in public-sector organisations, is that service providers should be able to use the tools and methods of service design by themselves. They do not need to be professional service designers as long as they are taught the logic, aims and tools by professionals. Qualified, experienced service designers are needed to teaching people in public sector. What is fascinating in service design is that it is a creative process occurring between people, and you cannot go wrong as long you have an understanding, respectful and empathic attitude to your customers and, on the other hand, remain focused on finding a solution. If long-term effects are required, increasing the skill level of the design work is the only way to include service design thinking as an operative element in the development of public organisations. Interviews indicate that a commonly held opinion is that it is very important that the service designer leaves their knowledge with the client organisation.

As discussed earlier in this paper there are two quite opposite goals, which make things more complicated. The public sector has to increase its productivity, in other words to deliver at least the same services for less money and, on the other hand, to radically improve user experiences and achieve greater social impact. It is clear that a totally new way of thinking about introducing new models is needed. There is a desperate need for new service innovation, but also a need to improve existing services in order to meet user expectations and the demand for higher productivity. Adopting a little bit of design thinking, instead of sticking to the analytical approach, is a way to open doors to new solutions.

6.1. Advantages of using the service design approach

The service design approach can offer multiple advantages for the public sector. First of all the service design process runs through the entire service-delivery process by engaging with stakeholders and this is very useful when trying to uncover inefficiencies and barriers to service use.

Service design methods are at their best when testing out ideas related to a new service concept. Launching a new public service is always a financial and image risk, and if there is no proper testing stage that risk is even greater. Workshops with potential service users employing, e.g. customer journey maps and desktop walkthroughs, reveal likely faults in the intended service delivery process. When redesigning services, for instance, for elderly people or young children, traditional research methods such as interviews might not be enough to tell service developers what is important for these user groups. Different methods are needed. Shadowing or A Day in the Life methods can point to needs that users cannot put into words.

One of the biggest advantages of the service design approach is that it genuinely brings public-service providers and users together. Users are not just ticks in a column, they are real people with opinions and needs. Understanding these needs helps service providers design services that have a greater positive impact on people's lives and target resources in the most efficient way, which is essential especially in financially hard times.

6.2. UK public sector cases

The following examples represent different kinds of cases in the public sector in which design thinking has been applied. In the first, “The Southwark Model”, a London council created a framework for closer collaboration between the council and the community. The second case, “The Works at Walker”, is about a school-refurbishment project in which stakeholders were extensively involved in the planning phase. The third case, “Plug It”, is an example of the aim of changing people's behaviour. The work of the SILK team (Social Innovation Lab of Kent) is described in the last case.

6.2.1. Engine Service Design Consultancy: The Southwark Model⁴⁹

Southwark Council, which faces the same financial challenges as the 32 other London boroughs, wanted to make better use of its resources and to introduce collaborative working across the council's departments, its partners, the community and the voluntary sector. The Council also wanted to find new ways of tackling the issues surrounding unemployment and benefits faced by families and young people. The co-operative project carried out with Engine resulted in the design of the new Southwark model.

The main target group was young people with complex lives: youngsters who frequently see the world in black and white, and who have had difficulties that cost the council a lot of money.

The project consisted of four phases. Phase 1, the Initiate phase, visualised the diverse ways in which partner organisations already work together and mapped their abilities to identify opportunities for collaboration. Several workshops were organised for both the core team of 15 members and for a wider group, including policy makers and frontline staff. In the workshops in the Initiate phase the plans and schedules for how the project was intended to go were drawn up: how to get residents involved and what kinds of methods should be used. The output from this phase was, e.g., a map visualising collaborations between partnership members, four plans for research workshops with 25-35 residents, and a guide to ethnographic research with individual residents.

In phase 2, the Discover phase, six day-long ethnography studies were carried out with young people and their families and friends. Four workshops were held with different groups of young adults and parents with NEET status (NEET = Not in Employment, Education or Training). There were also interviews with frontline service staff and the service managers of the partner organisations, and open discussions with residents, enabling them to explain key moments in their personal development. The most important thing in this phase was to create an in-depth

⁴⁹ Interview with Joe Heapy and Daniel Ivatt in London, 4th Apr, 2011, material from Engine

understanding of the reality of citizens' lives and needs in relation to unemployment and how the current system responds.

In phase 3, the Design phase, a system was to be designed that responds to the needs of the individuals, such as those studied in the previous phases. In the workshops in this phase policy makers listened to stories from the ethnographic research, visualised a new system and used ethnographies to test out ideas. At the end of the Design phase there was a strategic commissioning framework, with principles to be applied at strategic-partnership level, commissioning level and service-delivery level, and an early version of the Southwark Model. The workshop attendees understood that there was a need for more fluid partnerships and that the mechanisms needed to allow the flow of resources, ideas, time and money, and that there was no central service-development function within the council and that establishing one would be a cultural change.

In phase 4, the Prototype phase, the theory had to move into practice, in other words, to prototyping components of the Southwark model in the social-care context.

The Southwark model is a framework for more in-depth collaboration between Southwark council's departments, its partners, the community and the voluntary sector. It is a great example of an attempt to narrow the gap between the council and the community, find a solution to the problem of segmented thinking, and create a model for processing and discussing the shared challenges.

6.2.2. Engine Service Design Consultancy: The Works at Walker⁵⁰

The previous UK Government launched Building Schools for the Future (BSF) – a multi-billion-pound scheme to rebuild or refurbish hundreds of secondary schools in England over the next 15 years. The Walker Technology College in Newcastle started its own BSF process by setting up an OurNewSchool project with the Engine Service Design Consultancy. Later on, in July 2010 the BSF Programme was cancelled by the current UK government. At that point, 185 schools had received BSF investment and Walker Technology College was among them.

⁵⁰ Interview with Joe Heapy and Daniel Ivatt in London, 4th Apr, 2011, www.enginegroup.co.uk, material from Engine

The school is ‘a social system first, and a building second’. From that point of view Engine started the service design project with Walker Technology College in order to develop learning and conceptualise what the school building should be like to be more fit for purpose.

Co-creation is an essential part of the service design process. Engine worked closely with staff, students, local businesses and the community to understand how the bricks and mortar of the school could facilitate new activities, new ways of learning and future ambitions. One of the key designs was a diagram showing a student’s entire journey from Year 7 to Year 14, including the decisions, interactions and support that they will encounter on the way. With the complete experience mapped out, it was possible to look at the services the school provided to students with fresh eyes.⁵¹

The booklet “Dear Architect, a vision of our future school” was written as a result of the project. It describes the school’s future vision of life at Walker through the activities and experiences the school wants its students, staff and community to have. It contains the key design principles to show the architects what really matters to the school.⁵²

In such cases a holistic approach to service design is particularly valuable. When building the new or refurbishing the old an in-depth understanding of the present and future needs of stakeholders is important, and more importantly stakeholders should be encouraged to think about their actions and needs in a creative way. A building designed by an architect should serve these ambitions – not the other way round. In addition when designing public premises the community view has to be taken into account. The community might have innovative ideas that allow multiple use of the premises.

⁵¹ Website http://www.enginegroup.co.uk/projects/pcs_page/designing_schools_for_the_future, retrieved 13th Apr, 2011.

⁵² Website http://www.ournewschool.org/index.php/walker/article/dear_architect/, retrieved 13th Apr, 2011

6.2.3. SEED Foundation: Plug It⁵³

Clare Brass, a founder of the SEED Foundation, feels strongly that it is not possible for designer to create sustainability with clients because the designer always ends up doing what the clients want. Designers have no real power to make decisions at the right level. Brass worked for several years as a product designer in Italy, including for Alessi. Over the years she became more and more interested in the social and environmental aspects of design, and wanted to use her creative skills to create sustainability. She founded the SEED Foundation, which is a social environmental enterprise with a design approach. Social enterprises in general are defined as businesses with primarily social objectives and whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners. SEED does not have clients in the conventional sense of the word, it works with partners and communities, and its projects are mainly financially supported by government.

One of the SEED Foundation's projects is Plug-It. The UK's central government wants to reduce the consumption of water in the UK. Increased consumption will impact on water resources, but also on climate change, since heating water in the home accounts for around 5% of total UK greenhouse gas emissions. The SEED Foundation addresses this challenge by means of design. The Plug-it Project is trying to affect the choices consumers make when they are purchasing or sourcing new kitchen and bathroom fittings, and white goods. This is a 'moment of change' at which water-efficient behaviour can be introduced or reinforced.

There are several stakeholders in the project. One of the most important groups is retail-store assistants and plumbers, who can actually influence the choices people make. Other stakeholders are consumers and water companies. The Plug-it project uses service design methods to ensure engagement and communication. Designers, together with several key stakeholders, design a training kit that will better equip public-facing 'water professionals' to advise their customers about the products and services that will enable more responsible consumption of water.

⁵³ Interview with Clare Brass in London, 16th Mar, 2011 and website <http://www.seedfoundation.org.uk/enterprises/plug-it/>

Brass and SEED are excellent examples of the attempt to make the world a better place to live in and to truly establish something good by means of design. As Brass says, there is lot to do and design alone cannot save the world, but it is really useful for addressing various kinds of problems.

6.2.4. Social Innovation Lab for Kent (SILK)⁵⁴

The county of Kent, south-east of London, is the home for over 1.4 million people. The county is split into 12 administrative areas, known as local-authority districts. These districts are further divided into parishes. Kent County Council is one of the largest councils in the UK, with 42,000 employees, and provides over 300 services, some together with district and parish councils.

There was a realisation at the senior level of Kent County Council that the Council was producing policies and services, but there was actually a serious disconnect between people's day-to-day lives and the way policies were made. The SILK team was set up as an in-house innovation unit to respond to this challenge, and to establish a way of working that places citizens at the very centre of everything the council does.

The Engine Service Design Consultancy played a significant role in the start-up stage, as an adviser and sparring partner. Joe Heapy from Engine thinks it was a wise decision to establish the innovation unit within the council, rather than establishing a social enterprise outside the council. Acting within the authority, as a part of it, gives it a better chance of making things happen.

Emma Barrett, Programme Manager at SILK Team, says that their five-year journey has not always been an easy one. Although the SILK Team has run successful projects, there have also been – and still are – challenges related to the way institutions, in this case the council, have been set up and how they work. This way is the direct opposite of the SILK team's way of working. The SILK Team has created a bottom-up, horizontal network inside the Council to share expertise and experiences, and hence to help people understand SILK's way of tackling issues. From the beginning the SILK team was allowed to do things differently, and according to

⁵⁴ Interview with SILK team (Emma Barrett, Vicky Butler and Demetria Cacafranca) in Maidstone, 5th Apr, 2011.

Barrett this was critical for their further success. The SILK Team understood that they had to justify their existence by demonstrating that the different way of working can actually achieve changes for the better.

Three team members work closely together with other council teams and divisions, and a lot of workers have been involved in the SILK team's projects over the years. The SILK Team's role is to facilitate and build a capacity for social innovations across sector boundaries. By offering practical service design methods and tools, and spreading skills, the SILK team does valuable work on narrowing the gap between the council and the community a bit at a time.

Involving people (residents and staff) in the design of services goes a long way to ensuring that KCC provides services that are valued, useful, easy to access, needed and wanted; all of which means that Kent taxpayers are getting good value for money.

Barrett stresses that communication is crucial. For the SILK Team it is important that other council teams that need the SILK team's expertise are willing to start projects, and really want change to happen instead of being told to do something.

The team members do not have any particular design background. Barrett says that for the first two years they had Engine Service Design Consultancy helping them set up the SILK team, but the team mainly learned by doing.

For every project funding has to be identified. The funding depends on the type of project. When the project is done for another Council team "the customer team" pays the SILK Team's expenses. There are also projects that are funded by Central Government, and for these projects funding has to be applied for separately. Barrett would like to see more funding of research work.

The Silk team has had numerous successful projects during its existence. The "Engaging Fathers" project focussed on fathers and why they felt public services were orientated more towards mothers than to themselves, and what could be done to make them feel more included. The "Houses as Homes" project focussed on resettlement and accommodation of offenders. A lot of effort was put into understanding the offenders' journeys, body and soul, and at what stages of the

journey public services could have improved the offenders' lives, and what kind of service interventions could have taken place. "The Parkwood Time Bank" project is still on-going, and is about time banking, which is a way for people to come together to help others and help themselves at the same time: they earn credits for the time they spend volunteering or helping others. Credits can be spent in a variety of ways, either on other people's time or on tangible goods.

SILK's experience shows that, once there is a basic knowledge of the design process and related methods and tools, the most important things are common sense and a genuine interest in making things better for people. Reconciling the expectations of the council and the community requires excellent communication skills, and at the same time humility and an ability to make decisions.

7. Thoughts for Finnish local authorities

The purpose of this chapter is to give local authorities clues about how to use the service design methods in Finnish municipalities.

Service Design is still an emerging discipline in Finland, too, but not totally unknown. For instance, the City of Helsinki chose to use service design methods when developing services for companies. The target groups in the first stage were event organizers and company founders. Workshops run by service designers for the authorities and the various stakeholders led, for instance, to the development of new e-services.

Dr Satu Miettinen is one of the pioneers of service design in Finland. Her invitation brought SNOOK's (www.wearesnook.com) Sarah Drummond from Scotland to run the Winter Service Design School in Kuopio for a few days in January 2011. Drummond taught the methods of service design in practice through workshops and exercises. The focus in Kuopio was on designing for elderly people. Drummond was really enthusiastic about all the work done in the Winter Service Design School, although there were minor difficulties because of language differences⁵⁵.

The Association of Finnish Local and Regional Authorities provides information about the potential of service design mainly through seminars. Unfortunately not many local authorities have applied design thinking in developing their public services. There are many reasons for this. First of all, service design is still a new discipline and is not yet established as a method of service development in the public sector. Secondly, there are small service design consultancies, mainly in the Helsinki Metropolitan Area, and for some reason their services are not familiar to municipalities elsewhere in Finland. Thirdly, municipalities are in such difficult economic situations that it is hard to launch innovative projects, although the benefits of the successful implementation of service design would be sorely needed right now.

⁵⁵ Interview with Sarah Drummond in London, 17th Mar, 2011.

The first reason is perhaps the most significant. Designing public services is a long-term process, which cannot produce instant results. The benefits can be reflected in greater customer satisfaction, fewer complaints, or better productivity over a period of years.

Because this is about solving problems and finding solutions, there is a huge potential for using design methods to increase mutual confidence between municipal officials and political decision-makers. It is not unusual for officials and decision-makers to seem to be on opposite sides, or at least not to understand each other's points of view. This emerges very clearly when there are difficult issues to be resolved, e.g. during the budgeting process in financially hard times. A new, refreshing approach might be to create a culture in which challenging issues were worked out using different methods. True collaboration for a common goal would prevent misunderstanding. Informal seminars where issues are approached with totally new tools would be one way of promoting greater understanding and confidence between officials and decision-makers. In Finland the Local Government Reform programme is going to spark off fierce battles between the municipalities that the Government wants to merge. New methods that make it easier to reach a common understanding and a shared vision on the merging of municipalities would be very valuable.

On the other hand, design methods are also suitable for internal discussions within public organisations. Municipalities are responsible for a wide range of services, and the organisations providing those services are still very much divided into sectors. Unfortunately this very often leads to a partial optimization, instead of to a comprehensive solution. For example, savings on street maintenance in wintertime in Finland may lead to increased expenditure on health services because of accidental falls. An elderly person's broken hip may require years of expensive hospital care, to say nothing of the human suffering.

Design methods are also useful in cases where in-house processes spanning different departments have to be rationalised. Internal invoicing, decision-making processes, budgeting and HR processes are frequently examples of internal administrative processes that take too many resources and are complicated. Using design methods to visualize processes can help understand, for instance, how things flow within the organisation, and whether there is anything that can be simplified.

A decision of the Education Board to close a village school, move young pupils to a bigger school further away, and sell off the property can lead to instant cost savings, but what about the long-term effects? It may cause a reduction in the size of the village, which may no longer be a tempting place for young families to move to, and in selling the school premises the community may lose the one place where it gathers together. Studying in a huge school of hundreds of other children and youngsters may cause a feeling of insecurity in little ones from rural areas who are just starting their journey through school. This may have social consequences later on and lead to extra costs for the social sector. School transport adds to costs and is out of step with climate objectives. The question of closing village schools is a complex one, and requires a broader examination by all the stakeholders, not just a report by municipal officers. What role could the village community and other stakeholders play in keeping the village school running and vital? Are there any possibilities for making concrete proposals out of the fine speeches about collaboration between local authorities and the third sector? Design methods would be appropriate specifically for this kind of problem solving, which should be done in far-reaching collaboration with the community and other stakeholders.

E-services are one of the focuses of service-development work. The internet is becoming an increasingly important channel for service delivery in the public sector. In my experience e-services in Finnish municipalities are unfortunately too often designed solely by software houses, in some cases together with civil servants. The end-users of the e-services are very rarely, if ever, involved. To ensure that e-services come up with the goods (reduce service-delivery costs, bring added value to the citizen...) it is crucial that they are easy to access and simple to use. E-services should be designed and piloted together with real users. The tools of service design, such as service blueprints and personas, would serve that goal excellently.

In the UK a lot of effort has been put into designing healthcare services. One example is the NHS Institute for Innovation, which has developed a new design approach called Experience Based Design (EBD). The purpose of EBD is to improve healthcare services by concentrating on experience rather than on systems and processes. It focuses strongly on capturing and understanding patients', carers' and staff's experiences of services, and draws out their subjective, personal feelings at crucial

points in the care pathway. Collecting stories from both patients and staff through interviews and storyboards, observing, mapping the journey... the tools of EBD are basically familiar from service design. The NHS Institute for Innovation has further developed design tools for its own purposes, compiled an EBD approach guidance and toolkit, and held workshops about EBD for staff working in the NHS.⁵⁶ In addition to revealing the design thinking within the NHS, this example also shows perfectly how an innovative organisation can reshape design methods to suit its own purposes.

Besides Experience Based Design being a valuable approach for redesigning healthcare services, it is also useful when the aim is to build a new hospital or to fully renovate an old one. Understanding the needs of patients, carers and staff through their own experiences is essential when designing modern healthcare services to be run in new premises. At best new premises will support modern ways of delivering services, assuming that the services are designed before, or at least at the same time as, the building.

As we found earlier in this paper, the customer of a municipality can also be a future generation. This is particularly the case in town planning. The town-planning process is strictly regulated by the Land Use and Building Act. People's opinions are heard in a very formal way. The hearing process is too frequently carried out solely because the rules say so. Critical opinions and complaints are considered a burden that slows the planning process. To make the process easier, both for citizens and for planning architects, there should be more co-operation in the very early stages. Unfortunately, true co-creation in town planning has so far been rare.

For example, a new residential area is designed entirely by a planning architect or small team of architects. The plan mainly reflects the vision of the architect(s). Although a credible town plan for a residential area relies on architects' professional skills and vision, a dash of the wishes of potential future inhabitants would not ruin it. Frequently it is quite clear what kind of people the area is going to attract. One area might be perfect for families with young children, because there is a school or day-care centre nearby, another area is for well-off couples/families, because of its

⁵⁶ Website http://www.institute.nhs.uk/quality_and_value/introduction/experience_based_design.html, retrieved 17th Oct, 2011.

high-priced plots of land. The town plan usually regulates what kind of buildings (colour, size, number of floors, building materials) can be built, where parks and other green areas are to be situated, what kind of streets and walkways there are to be, etc. Many of these have a major influence on the life in the area and on how convenient it is to live there. Gathering together a group of people of a certain age and with a certain situation in life, it is possible to build up a control group, which can represent the potential new inhabitants of the future area. Co-designing with this kind of group may give the architect a new point of view on what really matters to people.

There have been attempts to truly listen to citizens, instead of holding formal hearings. In the most progressive town planning we are talking about co-creation. Peter Tattershall is one of the advocates of co-creation in urban planning in Finland. The wikiplanning method developed by Tattershall is a fascinating tool for building up understanding and insight between architects and citizens. Briefly, the method involves participants working in small groups and creating different models of the urban surroundings with wooden blocks and Lego bricks. The method has been used successfully in many actual cases. One of them is the Kangas district of the City of Jyväskylä, where the citizens were asked to engage in and submit ideas for the forthcoming architectural competition and planning process for a former paper mill area, before a single stroke was drawn on paper by an architect. It is not usual to engage citizens in planning issues to this extent.

As we have seen above, there are many situations in municipalities where new ways of thinking and problem solving are necessary. Service design methods are not only suitable for improving services, they work extremely well in cases where a common understanding has to be reached. There is nothing complicated about them, basically it is a matter of communication and co-creation – and these should be an automatic part of any authority's work anyway. Service design methods simply smooth the path and offer a systematic way for authorities to understand people's lives, and to deliver better public services that really match people's needs.

8. In conclusion: A letter to a fellow civil servant

This letter to a colleague is based on interviews, literature and other material referred to in this report, and sums up the message of the report.

Dear Colleague,

I understand your pain in trying to balance budget cuts and the growing expectations of citizens. More impact, more productivity, more effectiveness, more user-friendly services... the list seems to be endless. Besides that, something has to be done to prevent the growing marginalisation of young people, and people should realise how their choices influence climate change...

You have tried everything to improve the services you are responsible for. There have been questionnaires to citizens, development of e-services, and new opening times. The staff are overworked, but there is still no light at end of the tunnel.

When you first hear about service design, you think it has nothing to do with you. Designers are artists, not serious business developers, you may mutter. You wonder how this new approach differs from conventional service development. Soon you hear that it is all about engaging stakeholders in an iterative, but systematic process, using creative methods and putting the user in the centre. Could this be the solution to gaining greater impact for service provision with limited resources? Could this be the key to expanding service providers' understanding of people's lives and what really matters?

Please be careful when choosing a service designer for your project. Service design is an emerging field, and there are service designers with professional skills and experience at different levels. Choose the service designer who has been in on successful service design projects. A big plus is if the service designer is familiar with public-service delivery, recognises the challenges facing local authorities, and knows how the council/municipality works. Excellent social skills are a must since the service designer is the person whose task it is to create a trusting, but innovative atmosphere in the project, and to treat participants sensitively and appreciatively.

This is especially important when dealing with social issues, such as youth marginalisation or unemployment.

A service designer is able to convince you, and you then make the decision to let her/him start up a service design project in your council. Congratulations, you have taken the first step on the path to a new, innovative world.

The stages of the design process become familiar to you: discover, define, develop, deliver. Some service designers have different stages, but the principle is the same. The issue or problem is identified, findings are analysed, and ideas are pitched, a concept or solution is prototyped, and finally tested, produced and launched. The process is iterative, in other words, at every stage it is possible to take a step back.

You get to know the creative methods of service design, in all likelihood at least customer-journey maps, personas (character profiles), and desktop walkthroughs. Workshops are based on communication and visualisation.

During the process, please remember a few things. First of all, be brave, step out of your comfort zone. Try to remember that nothing new can grow from thinking in the same old way as before. Encourage and inspire your staff who are involved in the process to question the old, habitual ways of doing things. Soak up information and learn about the tools and methods that the service designer uses in their workshops. Think about how you could apply them in another context, to the next case perhaps, without an external service designer.

Regard the user participants as partners who share a common goal, not as being on the opposite side. Regard any criticism by service users as a challenge, not as personal flak. Be constructive.

Orientate yourself and your staff to the idea that this project is more than a one-off project for your council. It is a change in way of thinking – maybe something of a transition from analytical thinking to design thinking.

I truly believe that service design will empower you to acquire a new kind of thinking – perhaps it will enable a slight shift from analytical thinking towards design thinking. I wish you and your council a successful journey, and better public services!

Best regards, Heli

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