



Design for Service Innovation & Development Final Report

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Executive summary

DeSID (Design for Service Innovation and Development) is a six-month scoping study funded by the AHRC (Arts and Humanities Research Council) into design's contribution to Service Innovation and Development.

Building on recent research from the AHRC supported Service Design (SDR) UK Network report 'Mapping and developing Service Design Research in the UK' (Sangiorgi, Prendiville & Ricketts, 2014) it is acknowledged that there is a lack of systematic studies on how Service Design agencies operate in practice as well as how they contribute to service innovation.

One of the key objectives for this research was the creation of a theoretical framework, developed from New Service Development and Service Innovation literature to provide a systematic approach to reviewing six Service Design case studies from the public, commercial and digital sectors. To strengthen the field of Service Design we propose that Service Design needs to reposition itself within existing studies of Service Innovation and New Service Development (NSD) and the broader and international and multidisciplinary field of Service Science and Service Research.

Objectives

- To construct an evolving theoretical framework based on literature from New Service Development and Service Innovation, and Design Anthropology.
- To formulate and illustrate through six case studies the different ways in which design can contribute to Service Innovation and Development.
- To position Service Design practice within existing theories of NSD and Service Innovation.
- To strengthen and promote the growth of Service Design research and increase its visibility within a wider global Service Research community.

Who is the report for?

- Academics working in and across Service related research areas.
- Communities of practice interested in knowing Service Design's contribution to service innovation and New Service Development.
- Government design, innovation and funding agencies promoting design practice and research.
- New Commissioners of Service Design within the private, public and digital sectors.

Methodology

A theoretical framework was created from Service Innovation, New Service Development and Design Anthropology literature to guide the semi-structured interviews with the service design agencies and their client organisations. The theoretical frame also informed the structure of the online quantitative survey.

The unit of analysis for the case studies was a project selected by the design agency with the support of the client organisation that best captured and reflected their approach, delivery and implementation of a client project. The data gathered was analyzed against the theoretical frame using qualitative analysis software Nvivo.

The online survey, constructed from the theoretical framework, was sent out nationally and internationally by the Design Council and the Service Design Network's social media to design agencies. The first part of the questionnaire focused on general information on the design agency with the second part looking at key questions on information relating to a specific project. The questionnaire was promoted over one month and received 49 completed responses and 418 partial completions.

A reflective workshop was held in the final phase of the research with Service Design academic experts, the service design agencies involved in the research and the client organisations. From the workshop two reflective essays were produced by two academics from service research and innovation.

Outcomes

From the six-month DeSID research the following outcomes have been produced:

- Six Service Design case studies from the public, private and digital sectors.
- A survey to understand Service Design Innovation practices in an international context and to provide supporting evidence for the case studies.
- A workshop with academic experts, service design practitioners, client organisations and participants from collaborative organisations (Design Council, the Service Design Network and NESTA).

- Two essays from leading academics in service research and innovation.
- Future research questions.

Discussion

The research identified a number of areas of Service Design's contribution to NSD and associated different kinds of practices with different levels of Service Innovation:

Positioning Service Design

This focused on the contribution of design to New Service Development and its role at different stages throughout the projects. DeSID added the Procurement and Research stages to the traditional NSD cycle to fully reveal design's contribution to service innovation and to better frame client/designer relationships. Particularly relevant were the role of visualisations to inform and support the evaluation and decision making stages; digital design agencies were the ones contributing to service implementation, having the full skills set to conduct digital product development. In some cases implementation was informed by deeper transformational processes enabled during collaborative design processes and training sessions led by the design agencies.

Contribution of Design to Service Innovation

In all the case studies it is difficult to accurately identify the level and locus in the service projects of design's contribution to service innovation due to the interconnected nature of all the dimensions of change. At the same time it was possible to discuss how client's initial intention and openness to change and learning, together with the designers' mode of working and collaborating, affected the level of innovation achieved. Within these discussions designers were described as possibly 1) informing change; 2) driving change, or 3) enabling change within organisations.

Client-designers' relationships

From the research the client/designers' relationship emerged as a fundamental factor in shaping the nature and quality of service change and outcome. Three main models of interaction emerged and have been described: parallel, collaborative and integrated models.

Reinterpreting Service Design

From the theoretical framework Service Logic and Anthropology also introduced different perspectives on how to interpret Service Design Practices.

Considering current descriptions of service as a conceptual framework within which to think in a different way of value creation, DeSID made the following findings:

- Design agencies were described as supporting organisations to develop new value relationships: in many of the case studies the design project solutions were focused on design of interfaces and digital products to transform the way different actors interacted with each other. This changed the way clients related to their own users and partners that better mirrored their needs and activities.
- Designers work both on a goods and a service logic: they work on a goods logic when developing services as discrete sets of market offerings and as discrete design outputs; they work in a service logic when they use design for services to enable deeper transformational change processes.

Matching and Designing

In all the case studies there is evidence for the need to find an institutional match between the design agency and the client organisation, with a designer centric perspective leading to a mismatch or frictions between the client and the designer. Understanding and enhancing this matching process requires attention to the following relational aspects: trust and negotiation qualities as part of the procurement and briefing activities; the use and familiarisation of professional languages; the influence of other social institutions affecting the design process; the relevance of negotiation activities to support implementation; the dynamics of power; and the emergence of ad hoc innovation and formalization processes within client organisations.

Conclusions

The DeSID research presents the different ways that Service Design contributes to NSD and service Innovation. The output is a rich picture of how designers operate in practice and contribute to wider and on going service development processes; including the way their engagement with their clients and the specific project conditions highly affect the

kind of outcome they generate. This has been summarised delineating three typologies of Service Design's contribution:

- Service Design as a skilled contribution to address a specific need: here designers' contribution is mostly concentrated on the initial stages of NSD with an emphasis on the research and design activities; the projects have finite deliverables and design activities between client and organisations tend to remain separate with clear distinct roles.
- Service Design as a people centred, creative and systematic process: here designers are chosen for their innovation approach; clients are interested in learning from their process. Designers and clients work in a very collaborative and iterative way with on going prototyping; change is driven by systematic design processes.
- Service Design as a collaborative and people centred mind set and approach: designers are called in to inform a transformation of how the client organisation works, delivers their service and thinks. In this case the NSD process is emergent and designers support a learning process within the client organisation.

Future research

There is still a need to build a stronger evidence base for Service Design's contribution to service innovation and NSD. We suggest the need for further research on the constraints and conditions for change in organisations; research on approaches and tools to increase the ability of designers to make sense of organisational contexts; research on how temporary organisations emerge, develop and dissolve; and research on the diversity of service design agencies and their future business models.

Finally evaluating Service Design's contribution to an organisation does not finish with a project. Frequently there is an innovation footprint that contributes to the organisation adopting different working practices. Where do these residual activities take place and with what consequence is another potential focus for future research.

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1 — Work undertaken

This six month, AHRC funded scoping study (DeSID) conducted six qualitative case studies and a national and international survey with service design practitioners as a first step to creating a theoretical framework to support a more systematic approach to understanding and evaluating service design's contribution to service innovation and development.

Building on the AHRC supported Service Design Research (SDR) UK Network report 'Mapping and developing Service Design Research in the UK' (Sangiorgi Prendiville & Ricketts, 2014), DeSID takes as one of its starting points; the recognized lack of research within Service Design practices, their innovation strategies and actual impact. In particular the DeSID research approach has been informed by three research recommendations as emerged from SDR UK Network work: e.g. the need to:

1. contextualize Service Design research, to communicate and acknowledge the nuances within the field and service sectors;
2. decentralize Service Design research to acknowledge and position the role of different actors in the innovation process, and recognize the diversity of Service Design Agencies' models and practices;
3. Expand Service Design research to position the consultants' contributions within an ongoing innovation and change process before and after the 'Design'

The DeSID Objectives

1. To construct an evolving theoretical framework based on a literature review into New Service Development, Service Innovation, and Design Anthropology;
2. To position and evaluate Service Design practices and outcomes along New Service Development processes, Service Innovation dimensions and KIBS studies;
3. To formulate and illustrate the role of Design for Service Innovation and Development;
4. To promote the growth of Service Design research and its visibility and relevance within the global Service Research community.

Methodology

Literature from Service Innovation, New Service Development and Design Anthropology provided the theoretical frame to guide the semi-structured interviews with the service design agencies and the client organisations; it also informed the structure of the online quantitative survey. In all fifteen interviews were undertaken with each interview taking approximately an hour and a half.

Six case studies were produced from across the public, commercial and digital sectors. The research has delivered two case studies from each sector to capture and illuminate the decisions and practices of a service design agency and the client organisation during the idea generation, implementation and evaluating and measuring of the impact of the Service Design project.

Work undertaken

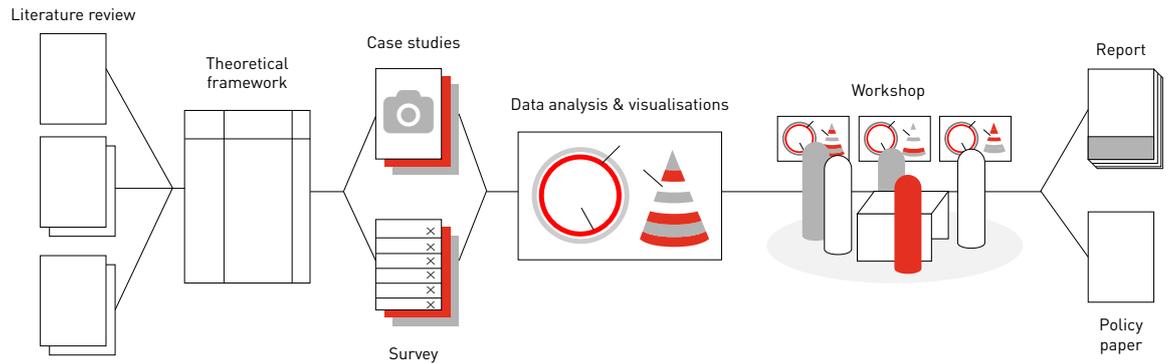


Fig. 1. DeSID research process

The unit of analysis of each case study was a project selected by the design agency with the support of the client organization that best reflected their approach and delivery and implementation of a client project. The data has been analysed against the theoretical frame using qualitative analysis software Nvivo.

The national and international questionnaire for the online survey was promoted via the Design Council and Service Design Network's social media; the first part focusing on general information on the design agency and the second looking at core questions on information relating to a specific project. The questionnaire was promoted over a one-month period with 49 completed responses and 418 partial completions.

A reflective workshop was delivered in the final phase of the research, with academic experts, the Service Design agencies involved in the research and the client organisations. The purpose of the workshop was to review and reflect on the case study findings and the data from the online survey. Preliminary visualisations, based on the case study data, were developed for each case to allow workshop participants to engage with the research findings and to compare the presented projects.

The following questions were proposed for discussions amongst the participants:

1. What is the contribution of Design for Service Innovation and Development given the data and your collective expertise?

2. What are the factors that affect innovation process and dynamics that are overlooked here?
3. What are the possible future research projects on Service Design's contribution to service innovation that would be relevant to designers, design users and academics?

The outcomes of the workshop have been integrated back into the research findings. The theoretical framework has been presented already at two international conferences (SERVSIG 2014 and DMI 2014). This report summarises the research process and its main outcomes to provide the necessary elements for academics to evaluate the suggested study approach and framework and to initiate an informed discussion about the role and contributions of Design for Service Innovation and Development. A short Policy paper will follow as a reflection by the Design Council, translating the project's findings for policy audiences.

2 — Theoretical framework

One of DeSID’s main objectives is to develop a systematic approach to study the contribution of Design for Service Innovation and Development. This section introduces the theoretical framework we developed and tested to inform our UK case studies and international survey.

We claim here how the growth of Service Design towards a mature field of research and practice requires its positioning within existing studies of Service Innovation, New Service Development (NSD) and the wider international and multidisciplinary field of Service Science and Service Research.

“Enhancing Service Design” has been mentioned as one of the research priorities for the Science of Services (Ostrom et al., 2010), with an emphasis on the need to integrate design thinking and performing and visual arts into service innovation. Notwithstanding this recognition, very few interdisciplinary research collaborations are developing within Service Research with the aim to legitimate and position Service Design’s contribution (Wetter Edman et al., 2013; Wetter Edman, 2011).

Drawing on literature from Service Innovation (Service Innovation and New Service Development studies), Service (Service Science and Service Research frameworks), and Design (Design Anthropology) we identified four main research areas with related research questions that have been used to study, position and interpret Service Design practices and outcomes (see Table next page). We summarise here the content of this framework presenting first the studies informing the section aiming to *position Service Design*, and then illustrating the key concepts that has informed instead our re-interpretation of the field — *re-conceptualise Service Design*.

Position Service Design

In order to reflect on and position the role and contribution of Design for Service Innovation and Development we reviewed key literature and concepts from the fields of NSD, Service Innovation and Knowledge Intensive Business Services (KIBS).

New Service Development

New Service Development is a relatively recent field of study that distanced itself from research that was originally focused on understanding New Product Development processes, to start looking closely at the differences when developing services and what general principles and factors enhance success (Edgett, 1994; Zomerdijk & Voss, 2011). Within these studies service design is generally described as a phase within New Service Development (NSD) characterised by a set of activities, tools and competences (Goldstein, Johnston, Duffy & Rao, 2002; Johnson, Menor, Roth & Chase, 2000); while we consider here Service Design as a professional design practice.

In an initial comparison between NSD studies and Service Design research, we have identified three main research areas Service Design could relate to:

- research into NSD processes (where and how Service Design practitioners contribute to NSD processes and practices);
- research into NSD objects and outcomes (what is the focus and object of Service Design professional practice);
- research into the facilitators of effective and successful NSD (in which way Service Design professionals facilitate service innovation and development).

Theoretical framework

Position Service Design

NEW SERVICE DEVELOPMENT	NSD process Design Analysis Development Launch	Where and how Service Design agencies contributed within the overall NSD process? What were the main phases, activities, and events?
	NSD object Concept Service Delivery System	What were the main design 'objects' and key outputs of designers' work?
	NSD facilitators Methods & Tools Staff & User Engagement Org. Dimensions	What were the main methods & tools used? Who was engaged along the process, when and why? What were the drivers and barriers of NSD process? What are the organisation's history, current structure, mission and offering?
SERVICE INNOVATION	Service Changes: Outcomes External Relational Product/Service Process Organisational	Which changes were required by the solution? Where did the innovation manifest?
	Service Changes: Levels Radical Incremental Improvement Combinatory Formalisation Ad hoc innovation	Has the solution been implemented, how and by whom? How was it adopted and evolved?
	Service Changes: Measures Technical Commercial Civic Relational	Were there any metrics to evaluate designers' work and achieved innovation (agreed or not)? What were the recognised outcomes and impact of the project?
Knowledge Intensive Business Services	Interaction Quality	Who did you interact with in the organisation and how along the process (email, workshops, meetings, etc.)?
	Interactive Learning	What did you learn across the process and how?
	Knowledge Conversion	How was knowledge exchanged? What were the main sources of information, ideas and innovation?

Re-conceptualise Service Design

SERVICE(S)	Services as Market Offerings	What was the original scope and focus of the project? What was the original brief and how was it presented/developed?
	Service as a Business Logic	Did the original brief change afterwards, and if so how and why? What was the original understanding of innovation and change of organisations? Has this changed along the project and if so how?
DESIGN(ING)	Design as Assemblage	Where does service innovation happen, when and who is generally involved in your organisation? What was the original scope and focus of the project? Who has been involved along this process, when and why? What was their contribution to the project?
	Service as Entangled	Is there any formalised service innovation process? What is the value of the proposed solution? Which changes were required by the solution and how the solution itself changed to be implemented?
	Innovation as Local Learning & Context Specific	What were the main sources for ideas and innovation? Any example of recent innovation projects or relevant service changes? And how they were initiated and developed? What was the designers' contribution in the project? How was it different from other disciplines? Where do you see complementarity and where they overlapped?

Table 1: Theoretical framework

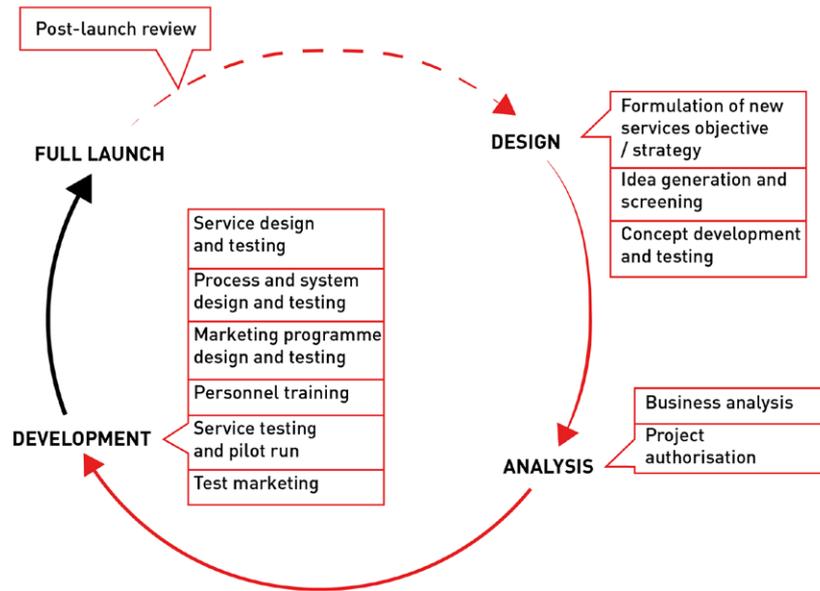


Figure 2. NSD process model elaborated from Johnson et al. (2000)

The NSD process has been described using different kinds of models. Recently open and iterative models have been suggested representing the recursive nature of service innovation, not necessarily happening within traditional R&D offices, but as part of service development and improvement day-to-day activities. In particular Johnson et al. (2000) proposed an iterative, cyclic and nonlinear NSD process model consisting of four basic phases—design, analysis, development and launch—that embrace diverse sub-phases proposed by other models (see Figure 2).

NSD objects relate to the development of the ‘prerequisites’ that can be planned and designed to increase the potential for quality in the final service delivery (Edvardsson & Olsson, 1996). Following the phases of NSD, there are two main design objects within New Service Development: the Service Concept and the Service Delivery System. Service design is considered as developing service concepts that should provide all the necessary information to inform the development of the service idea into a business and effective service performance. The Service Delivery System is instead built upon the service concept and specifications. This can be summarised in three main aspects: the service structure (physical, technical and environmental resources), the infrastructure (people), and processes (a set of activities that use the structural and infrastructural resources to deliver services) (Goldstein et al., 2002; Roth & Menor, 2003). NSD is also enhanced by ‘facilitators’ such as

methods and tools, staff and user engagement, and organizational dimensions (i.e culture, structures and communication flows) (Yu & Sangiorgi, 2014).

Defining Service Innovation

Generally innovation is described as 1) doing something new, and 2) developing this new so that it becomes accepted and applied in an organisation, market, or in society (National Audit Office, 2006). Studies into the specificities of Service Innovation are recent, moving away from an initial consideration of service organisations as laggards and appliers of manufacturing innovation. Recently studies have been acknowledging the peculiarities of service innovation activities, recognising for example its ‘interactive character’ or ‘soft’ dimensions (Gallouji & Weinstein, 1997, p. 135). This framework has adopted an extended understanding of innovation aiming to recognise in our study both the ‘hard’ (traditional technological driven innovation practices) and ‘soft’ dimensions of innovation practices. What is generally defined as non-technological innovation includes many forms of innovation e.g. “social innovations, organisational innovations, methodological innovations, marketing innovations, innovations involving intangible products or services” (Djellal & Gallouj, 2010, p. 7).

To qualify service innovation as implemented change we identified from literature three main dimensions:

- Service Innovation outcomes (where changes are mostly manifested);
- Service Innovation levels (how far changes are implemented);
- Service Innovation measures (how changes are recognised and measured).

Service Innovation outcomes can be summarised in four main dimensions (Djellal & Gallouj, 2001) moving from changes in the periphery of the organisation to changes within its own structure and culture:

1. external relational innovation (at the service interface and network levels);
2. product/service innovation (at the offering level);
3. process innovation (e.g. technical systems or operations);
4. (internal) organisational innovation (structure or organisational culture in which activities take place).

Service Innovation is interpreted though as interrelated (Den Hertog, 2000) as change in one dimension (e.g. new technology), will have necessarily impact on other aspects of service (e.g. new knowledge, skills and processes); we aimed to look at innovation as a combination of these different changes.

Service Innovation levels acknowledge the multidimensional nature of service innovation and describe service innovation as the combination of changes (Gallouji and Weinstein, 1997). The combination of changes can generate different kinds and levels of innovation described as: radical, incremental, improvement, combinatory (architectural), formalisation (of emerging practices), and ad hoc innovations (Gallouji & Weinstein, 1997; DeVries, 2006). Ad hoc innovation is in particular defined as “the interactive (social) construction of a solution to a particular problem posed by a given client” (Gallouj and Weinstein, 1997, p. 549). In contrast with a common understanding of innovation as something intentional that can be replicated, ad hoc innovation describes an emergent process that can lead to more consolidated practices and new knowledge.

Service Innovation measures instead reflect issues about performance in services. Djellal and Gallouj (2010) debate on how performance can't be just measured in terms of productivity as services performance can be related against its multiple dimensions: e.g. “technical performance, commercial performance, civic performance (equity, equal treatment, social cohesion, respect for the environment..), and relational performance (interpersonal relations, empathy, trust, etc.)” (p. 10).

Knowledge Intensive Business Services

This research project is also looking at another kind of service innovation called ‘innovation through services’ that describes the work of Knowledge-Intensive Business Services (KIBS) for and with their clients (Den Hertog, 2000). Service Design agencies are a particular kind of KIBS, belonging to the ‘Design’ consultancy services as indicated by Miles et al. (1995). KIBS are described as service organisations that are heavily based on professional knowledge, that are the direct source of knowledge (e.g. training) or that create intermediary products using their own knowledge (e.g. design services) for their clients (Miles et al., 1995).

There is recognition that KIBS “function as facilitator, carrier or source of innovation, and through their almost symbiotic relationship with client firms, some KIBS function as co-producers of innovation” (Den Hertog, 2000, p. 491). The quality of this co-production relies heavily on the quality of interaction between the KIBS and their client, which generates reciprocal learning (interactive learning). In this research project we suggest how looking at the dynamic nature of knowledge conversion processes (from tacit to explicit, disembodied to embodied, tangible or intangible) facilitated by design agencies could unveil fundamental roles played by these consultancies (see Nonaka & Takeuchi, 1995).

In particular we focused our attention on:

- quality of interaction (what qualifies designers / client interaction)
- interactive learning (how and where learning happens)
- knowledge conversion (how and when knowledge is created and exchanged)

Re-Conceptualise Service Design

Previous sections have looked at service innovation research by studying its characteristics, dimensions and processes; this section takes a higher perspective, considering what do we actually mean with 'service' as well as 'designing' and how this understanding has been changing and developing lately. Using and discussing this meta-level framework can inform the nature and future development of designing for service itself.

Defining Service

According to Edvardsson, Gustafsson and Roos (2005), there are essentially two different approaches in service research: one perceives "service as a category of market offerings," whereas the other describes "service as a perspective on value creation" (p. 118). Furthermore Grönroos (2008) suggests a third approach, which describes "service as a perspective on the provider's activities (business logic)" (p. 300). The first perspective has been guiding the so-called 'demarcation' studies, aiming to look at the specific properties of services and service organisations in their key differences from physical good and manufacturing. The second and third perspectives are instead adopting a 'synthesis' or 'integrative' perspective as they focus more on value creation, instead of physical goods or services; this view is the result of a general shift in the conception of value from considering value as embedded into tangible goods toward conceiving value as co-created among various economic and social actors (Vargo & Lush, 2008).

Following this consideration, if value is associated with use and context, the focus necessarily shifts from the units of output to the interactions. A service, therefore, represents "the process of doing something beneficial for and in conjunction with some entity, rather than units of outputs—immaterial goods— as implied by the plural 'services'" (Vargo & Lush 2008, p. 26). Goods become aids to the service-provision (Norman & Ramirez, 1989), while a service is considered as the common denominator in exchange and not as some special form of exchange (Vargo & Lush, 2004). As Gummesson describes it "activities render service; things render service" (1995, p. 250).

As a result of these considerations services are then proposed as "a conceptual framework within which to think in a different way of value creation and does not entail a distinct

set of activities" (Ramirez 1999, p. 54). The original dichotomy between products and services is resolved by proposing a higher-order concept of 'service' (singular). Grönroos (2008) describes a supplier's Service Logic as "a perspective on how, by adopting a service approach, firms can adjust their business strategies and marketing to customers' service consumption-based value creation." (p. 302). In this sense the focus is not on what the firm produces as an output but how it can better serve customers and support their own value-generating processes (Lusch, Vargo & O'Brien, 2007).

In the theoretical framework we therefore aimed to explore how service(s) and the associated business logic (approach) were conceived and approached during and after the design project:

- services as market offerings (services are treated as discrete design objects)
- service as a business logic (service conceived as an approach to innovation and transformational change)

Perspectives On Design(ing)

To assist in the theoretical framing to evaluate Service Design practices, we also considered two anthropology perspectives; the emerging area that is Design Anthropology and the proposal by Blomberg and Darrah's of an Anthropology of Services (2014). As the concept of design expands to areas such as Service Design, a field that is extending its methods and practices to the ideation of new service configurations, business models and organizational and social change (Sangiorgi & Prendiville, 2014), the frame for evaluating service innovation also needs to expand. For the purpose of this research, an anthropological focus on the human and contextual nature of innovation situates it within a social and cultural lens, that seeks to capture and illuminate the incidental and embodied practices that can easily be overlooked in innovation discourses. Design Anthropology also provides a frame for considering the institutionalization of insights and how they are made tangible and how deliverables are mapped (Rabinow & Marcus, 2008). According to Gunn and Donovan (2012, p. 11) design anthropology focuses on different ways of designing and different ways of thinking about designing.

Literature from Design Anthropology offers the potential for new insights to frame and evaluate Service Design's role in service innovation. In particular we identified three interesting perspectives:

- Innovation as local learning and context specific (what are the situated dynamics of the change processes)
- Services as entangled (what are the broader practices and institutions affecting NSD)
- Design as Assemblage (what are the various sources and resources in the innovation process)

Innovation as local learning and context specific: from an institutional perspective, Jacoby (1990, cited in Gunn & Donovan 2012, p. 71) distinguishes between exogenous and endogenous institutions. "Exogenous are those institutions that affect people and organisations from outside, external bodies such as government that enforce laws and regulations" (p. 71). In contrast endogenous institutions more commonly "affect and evolve within communities". Endogenous institutions are the "local procedures and traditions the 'how we do things round here' approach" (Gunn & Donovan, 2012, p. 72). Also endogenous institutions may also change as a result of learning within the communities and how they also respond to exogenous institutions. For Gunn and Donovan (2012) the tendency to explore innovation practice from a Science and Technology and Innovation (STI) mode means that the role of local learning is not typically captured in these formal variables (p. 72).

Services as entangled: Blomberg and Darrah (2014) propose an anthropology of services that have lessons for Service Design and Service Science. Noting the challenges facing Service Design through their characteristics of uncertainty in outcome and "the limits of intentionality in design", the paper presents services from a broader anthropological perspective, one that is intrinsic to the human condition that have existed long before the arrival of formal services. Most importantly Blomberg and Darrah (2014) make the connection between the human condition and the way in which humans adapt by providing services to one another. For the author services are never bounded as they are entangled in social institutions and broader practices of society that

can be difficult to distinguish; social systems have always been material and immaterial and they are therefore by nature entangled.

Design as Assemblage: This messier view of services raises questions regarding the current conceptualization of service value and the overly neat way in which services are conceptualized; there is an appreciation for the need of the service systems metaphor to suggest that services can be engineered but equally this omits "the openness and emergent quality of social life". Challenging the more common conceptualization of services and opening up the dialogue for a messier, human and socially framed view of service innovation, this expansion of Service Design considers Blomberg and Darrah's view of services as "less designed and more assembled from fragments of practices, institutions, life-styles and networks" (p.127).

These considerations help to question and add layers of interpretations to the general descriptions of NSD and Service Innovation as they require to expand the focus of study: from the study of designers' individual actions and contributions to their developing interactions with the project environments and pre-existing practices; from the focus on designer's project time to the longer and on-going change processes.

3 — Case Studies

DeSID applied a Case Study research strategy to investigate the current contribution made by Service Design agencies to Service Innovation and New Service Development. As Service Design emerges as a mature field a multiple case study approach was considered a timely and systematic approach to capture the ‘how’ and ‘whys’ of a range Service Design projects undertaken by Service Design agencies in the UK.

To contextualise the Service Design research, case studies were selected from a diverse set of sectors; the public, commercial and digital arenas. For each of the case studies, a Service Design project was chosen by the agency to best represent their approach to delivering and implementing a client project. Interviews were undertaken with both designers and their clients to understand different perspectives and activities that were potentially part of the wider innovation and change process; this included taking account of what happened before as well as after the designer’s intervention.

The theoretical framework, introduced in the previous section (Table 1), guided the semi-structured interviews with both the Service Design agencies and their client organisations. Design materials and evidence from the design processes were also collected and analysed with the outcomes (e.g. presentation slides, project visualisations or deliverables); these were used to complement the qualitative interviews.

Project Sample

The agencies were chosen based on their predominance of work in the commercial, public or digital sectors. Apart from one agency that requested anonymity, the remaining agencies and their client organisations are listed in Table 2. The sample projects vary significantly, considering the scope (service

redesign, new service development or service transformation) and the area of application (support services for ventilation product systems, health insurance services, healthcare information service, mental health community services, digital music player, online casting service), and the sector of the client organisation; government, public, private and third sectors.

Case study analysis

Case study interviews and data were transcribed and analysed using the qualitative analysis software NVIVO. In particular the interview transcripts and archival data were analysed to enable case and cross case analysis. These were then discussed at the final workshop and among the research team to develop more general theories about Design for Service Innovation and Development.

1. **Within case analysis:** thematic-driven analysis was initially conducted against the Theoretical Framework main areas (see Table 1) to identify text segments related in particular to the way designers were contributing within the overall NSD and to Service Innovation, as well as to the way they were interacting with their client organisations and project partners (KIBS);
2. **Cross case analysis:** the emerging themes and dimensions within case analysis were then compared across cases using both text based and visual means to inform discussion and identify emerging patterns and generalizable models of Design’s contribution to Service Innovation and Development.

PRIVATE	PUBLIC	DIGITAL
<p>PRODUCT SUPPORT SERVICES New Service Development</p> <p>Designers: The National Centre for Product Design and Development Research (Cardiff Metropolitan University) Client: Nuairé</p>	<p>CARE INFORMATION SCOTLAND Service re-design</p> <p>Designers: Snook Client: NHS24 & Scottish Government</p>	<p>DIGITAL CLASSICAL MUSIC New Service Development</p> <p>Designers: Made by Many Client: Universal Music</p>
<p>Interview with Head of Service Design (PDR)</p> <p>Interview with Marketing Director (Nuairé)</p>	<p>Interview with Senior Service Designer (Snook)</p> <p>Interview with Project Manager (NHS24)</p> <p>Interview with Team Leader (Scottish Government)</p>	<p>Interview with Senior Business Strategist and Client Partner (Made by Many)</p> <p>Interview with Director of Digital UM (Universal Music)</p>
<p>CUSTOMER SERVICE REDESIGN Service re-design</p> <p>Designers: Service Design Agency Client: Global Health Insurance company</p>	<p>CONNECT & DO Service Transformation</p> <p>Designers: The Innovation Unit Client: Certitude</p>	<p>ONLINE CASTING SERVICE New Service Development</p> <p>Designers: Wilson Fletcher Client: Spotlight</p>
<p>Interview with Design Agency Consultant</p> <p>Interview with Client Company Sponsor</p>	<p>Interview with Service Designer (Innovation Unit)</p> <p>Interview with Manager & Community Connector (Certitude)</p> <p>Interview with Evaluation Unit (Innovation Unit)</p>	<p>Interview with senior service designer (Wilson Fletcher)</p> <p>Interview with Head of Digital (Spotlight)</p>

Table 2: Case Study summary

The Final Workshop was designed to discuss cases at two main levels in an interdisciplinary team of design practitioners, client organisations, academics and innovation related institutions (e.g. Design Council, NESTA). For the workshop three main kinds of visualisations were created to make the data accessible and to support the cross case analysis:

- **Contribution of Design to the NSD process:** the original NSD model by Johnson et al. (2000) was adapted by adding Procurement and Research stages to the original cycle;
- **Kind and level of innovation:** a concentric model that suggests changes moving from the periphery to the core of the organisational culture and using colours to suggest levels of change;
- **Nature of the designer/client relationship:** representing the level and quality of interactions identifying three main relationship typologies: parallel, collaborative and integrated.

Connect & Do

Service transformation

Connect and Do is part of a new service development created by Innovation Unit for Certitude, a third sector body that provides personalized support to people with mental health issues in the community. For Certitude to grow and develop their business, they recognised a need to distinguish themselves from other service providers, and within the team of Community Development, they saw the opportunity for service innovation, which would allow them to formulate and test current ideas in mental health.

THE DESIGNER

The Innovation Unit was established in 2002 as part of what is now called the Department for Education (DfE), focusing on innovation in services for children and families. In 2006, it became an independent social enterprise, working across the fields of health and social care, education, and public services.

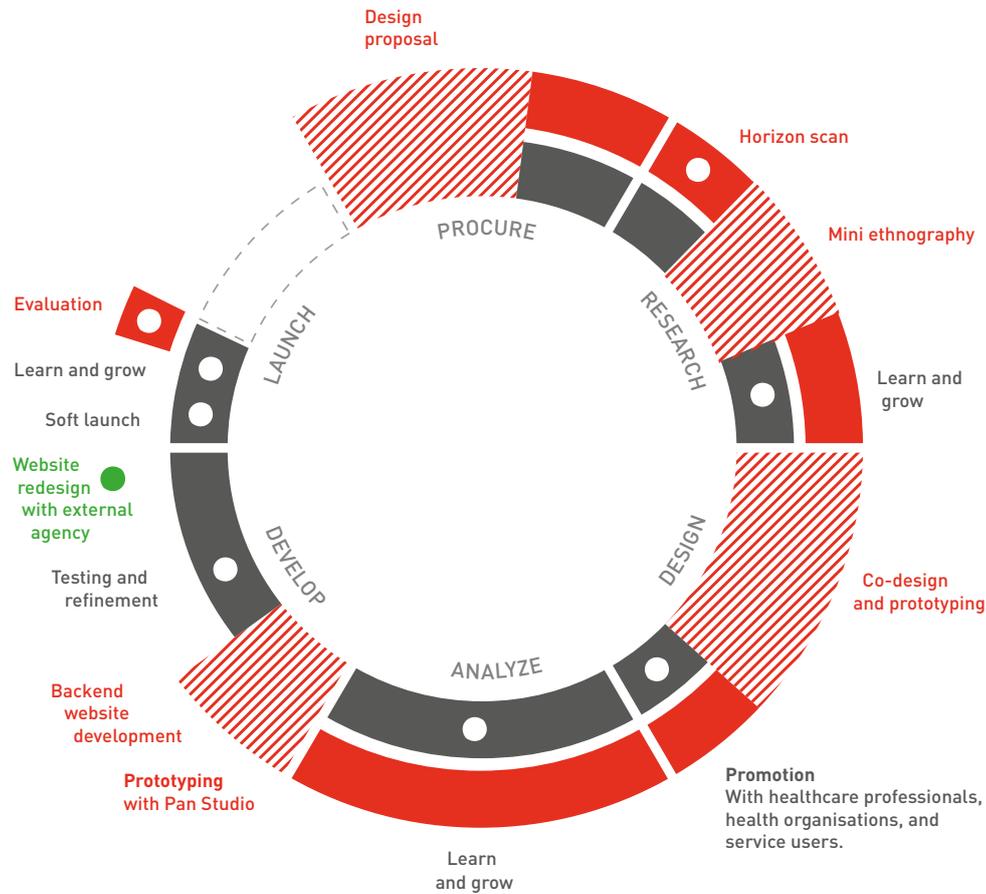
As a not-for-profit social enterprise, they work with ambitious people who lead, deliver and use public services; from charities to service users and local authorities. Together, they develop radically different, better, lower cost solutions to complex social challenges. Their expert team is comprised of designers, researchers, public service leaders, and practitioners, with a service design studio also housed within the organisation. Their skills, tools and planning create services and systems that help people lead better lives.

THE CLIENT

Certitude is a third sector body that provides personalized support to people with learning disabilities and mental health needs, their carers and families.

Their support ranges from training and mentoring to building skills and confidence, to encouraging people to find new interests and make new friends. Certitude's person-centered approach does not follow a formula, but tries new and better ways of doing things, working as partners and allies for people, carers, and families.





Timeline of processes and interactions between designer and client

The process

The project initiated in April 2013, was launched in June as a service to connect people with low level mental health needs to the wider community — connecting people to friends, sports, art and faith groups that take place outside of health and social care services. At the same time it was recognised that there needed to be innovation capacity building within the Community Connecting team so three areas of supporting activity were identified for the project; Designing the Connect and Do online tool; developing the Community Connecting team model and demonstrating and evidencing the value of a cross-disciplinary innovation team.

To generate capacity in this area Innovation Unit undertook a knowledge phase of activities; a horizon scan, that included looking at inspiring services from across the globe that were not necessarily services dealing with mental health issues; teaching ethnographic techniques to develop the Community Connecting team capacity to understand the lives of their users.

Workshops were also run by Innovation Unit with support from Certitude to identify issues and ideas that could enhance the service development and capacity building of the Community Connecting team. This led to the proposal of principles and some initial models that were tested with stakeholders, while Innovation Unit was developing the back end of the website with an external web design agency. 5 prototypes were then co-run to explore any challenges or opportunities for the project. A soft launch followed led by Certitude to start testing out the service with few users before a final launch.



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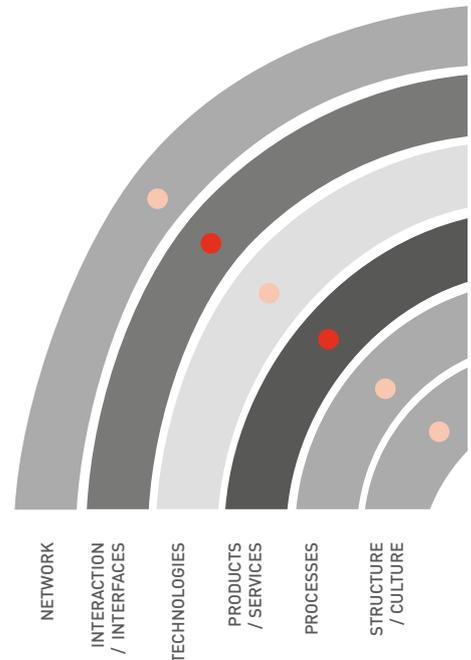
Timeline of processes and interactions between designer and client

Outcome & Evaluation

Currently a light touch evaluation is being undertaken which is capturing the number and type of people being referred to Community Connecting and those signing up to Connect and Do. Data analytics from the Connect and Do site are being compiled with follow up phone interviews and longer in-depth face-to-face interviews.

Anecdotally there is also evidence that Community Connecting, with its emphasis on facilitating and supporting people to explore and try out their own interests is also being applied across other areas of Certitude's services.

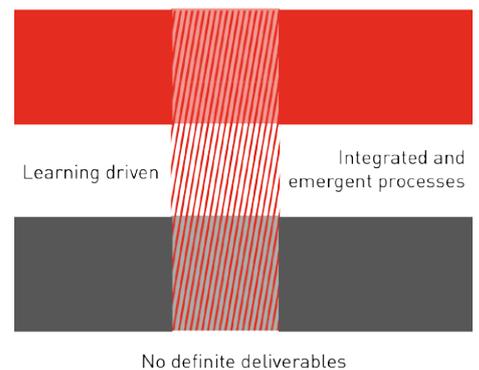
One area that is not being evaluated is the innovation capacity building within Certitude. A number of the Community Connecting team have left and with them some of tools and techniques introduced by designers.



Effect of the project on the organisation

Designer/Client Relationship

Innovation Unit worked closely with a cross-section of the Innovation Team in Certitude with 15 people participating in the project and conducting explicit learning sessions. The relationship is described as a partnership as activities were conducted together and the design process felt as a negotiation. Certitude had to overcome their natural skepticism toward an approach, which was unknown and at time felt overly designed.



Integrated designer - client relationship model

CARE INFORMATION SCOTLAND

Service redesign

Care Information Scotland (CIS) was a service re-design project undertaken by Snook and commissioned by NHS24 and the Scottish Government Health and Social Care Integration Directorate. Originally the CIS service (telephone and website) was designed to provide support information to older people and those who supported them at times of crisis – serving as a one-stop shop of assured information about accessing services.

THE DESIGNER

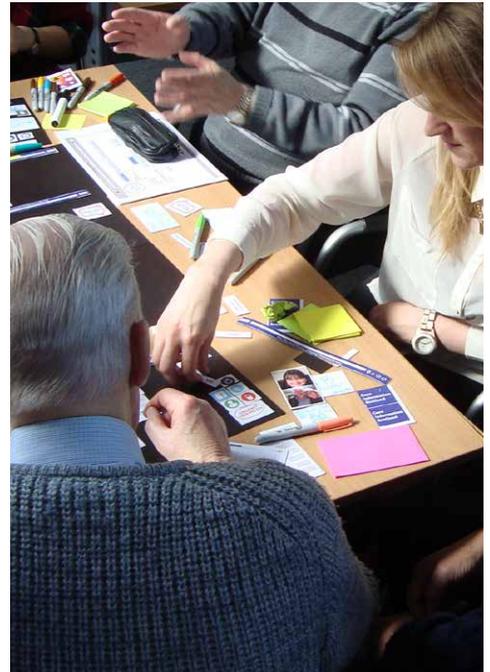
Snook have worked extensively in the public sector in Scotland, with a focus on design for public sector innovation.

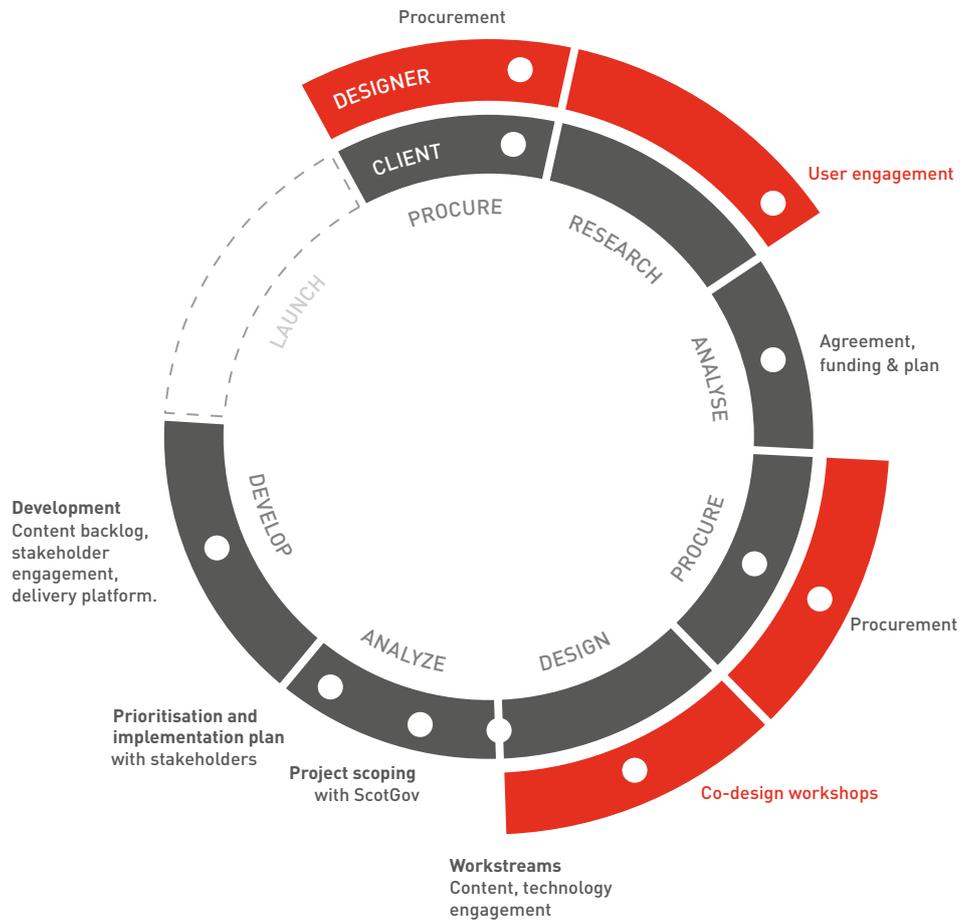
Snook use service design theory, methods and tools to stimulate innovation, enabling organisations to engage in meaningful dialogue, and co-design service solutions with end users. With emphasis on service user experience as a means of framing and developing services, Snook focuses on gathering extensive experience-focused insights through in-depth engagement with individuals and groups of service users. Snook has a team of nine service designers and visualisers to deliver service design and innovation projects.

THE CLIENT

NHS 24 is a Special Health Board responsible to Scottish Ministers through the Scottish Government Health and Social Care Directorates.

Established in 2001, NHS 24 provides the delivery of clinical assessment and triage, health advice and information by telephone and online services to the population of Scotland 24 hours a day, 365 days a year. NHS 24 is also Scotland's provider of a national telehealth service. The role of NHS 24 includes triage calls, assessment of patients' symptoms and referral of patients to the most appropriate healthcare professional within an appropriate timescale based on clinical need.





Timeline of processes and interactions between designer and client

The process

The process was divided into two phases, commissioned separately, with the first, lasting six months, focusing on general directions of what could be improved (including expanding the scope) of the service and looking into what carers wanted from an information service and whether they required something different. A wide range of co-design tools, commonly used in Service Design (e.g. stakeholder map, journey mapping) were used for this phase, with others specifically developed for the project.

Phase one was followed by a five-month time lag before Snook was commissioned again to further help NHS24 implement some of the proposals and deliver the service changes from the first phase. For phase two the client developed a project initiation document separately from Snook based on Prince 2 (a process-based method for effective project management). This document identified different work streams and was more focused on the specifics of how the changes were going to be delivered and work for NHS24.

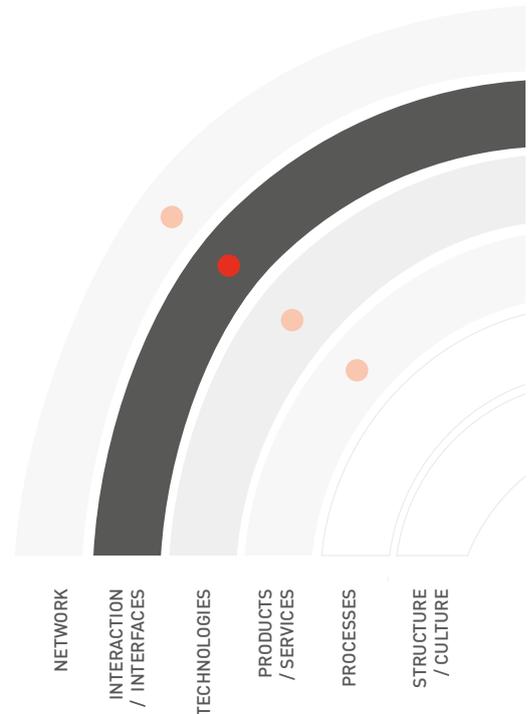
In phase 2, through processes of co-design, Snook extended the range of personas capturing a wider range of carers and their needs, using these to develop specific use cases based on the service blueprint, and interaction guidelines. Snook then presented the report to the client to guide the technical and content teams through implementation.

Outcome & Evaluation

The first phase applied Snook’s processes of engaging with the client and involved a project setup meeting with the steering group that identified some key performance indicators. These were grouped under headings: impact in the community, impact on the organisation and impact on policy. With all three groups of indicators, questions of measurement were also explored with the client.

The deliverables for the first phase were in July 2013 and consisted of a large report and a service blueprint with evidence of what people wanted and needed from CIS to address any resistance; this was used to influence a timetable for change in NHS24 and to win over any resistance to an expansion of the service from wider stakeholders within Scottish Government and obtain the needed funding for development.

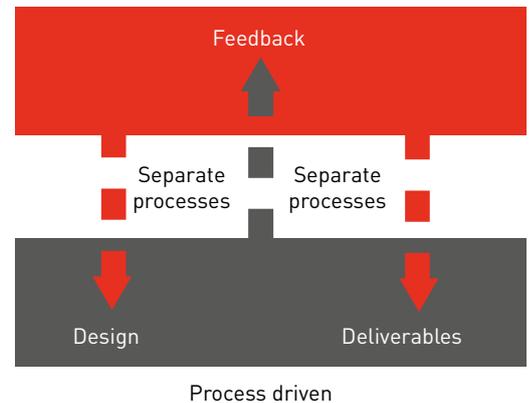
The personas and related use cases developed by Snook in the second phase suggested new ways to interact with carers via a more interactive website, social media and information materials; these were then used to inform discussion on feasibility and development of the project within another major Scottish Government digital initiative called ‘mygov.scot’.



Effect of the project on the organisation

Designer Client Relationship

A steering group / management team, comprising of six to eight people, was set up by the client to oversee the running of the project. In addition a wider stakeholder reference / advisory group was established with sixteen to twenty people representing carer organisations, public, private and third sector groups; there was also a further list of stakeholders from carer agencies who met occasionally to provide advice on carer needs. Snook communicated regularly (either in face-to-face meetings or teleconferences) with both the steering group and the advisory group but also relied extensively on the project management online tool Base Camp to keep the different stakeholders involved and motivated with updates. Throughout the project, the engagement with the client organisation was kept very separate with the client taking a very process orientated approach to the project.



Consultancy designer - client relationship model

ANONYMOUS CASE STUDY

Service redesign

This project was initiated by a global healthcare insurance company who recognised a need to redesign their current services for customers and innovate ways of working with service partners; this was due to the growing complexity within their business context and environment resulting in fundamental changes in their target operating model.

THE DESIGNER

An accomplished Service Design agency operating in UK with a diverse set of competences related to design, business strategy and user research.

Their work ranges between public and private sectors, collaborating with organisations in diverse fields such as automotive, finance, healthcare, retail, hospitality, mobile communication, etc.

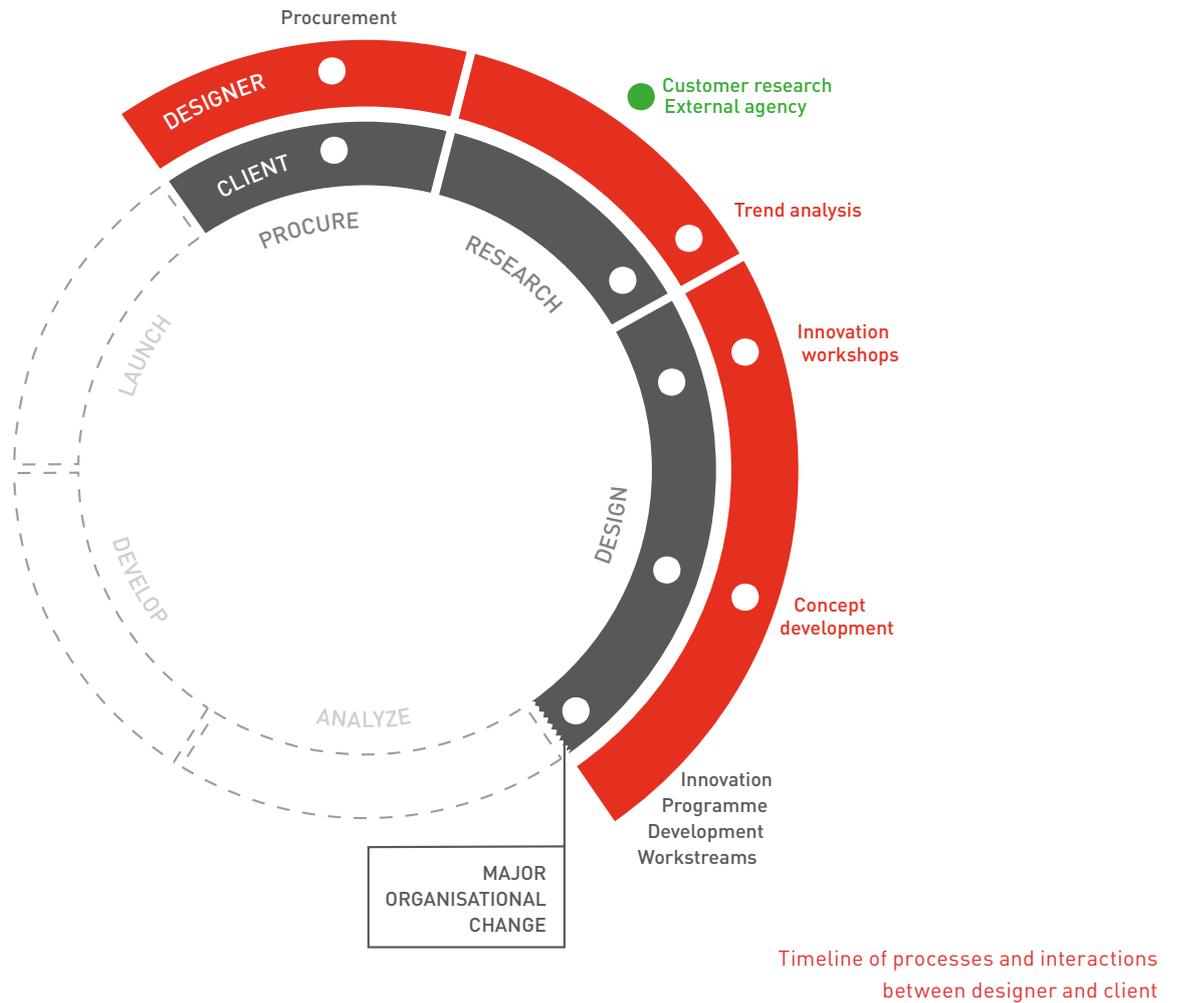
Their design contributions can work at different levels, from improving the customer experience to envision business strategies that might lead to bigger organisational transformations.

THE CLIENT

The Client Company is an international division of a global company, at the premium end of the market, operating as a multi-country entity that offers B2B corporate insurance services to client organisations with overseas employees.

In 2012 they undertook a review of their operations and identified that over time and without realizing it, because of the international nature of their offer, they had moved from being an organization that was close to the customer to one where they were operating through multiple different service partners. Consequently their target operating model had fundamentally changed and they had not kept pace with the complexity; they saw an opportunity to question 'what is it that customers are really valuing what we do, and what does our brand stand for'?





Process

The procurement process for the Client Company was very detailed lasting approximately three months. Initially four agencies were involved with the pitch but this was quickly reduced to two, with the focus being on which agency was really going to stretch them in terms of innovation.

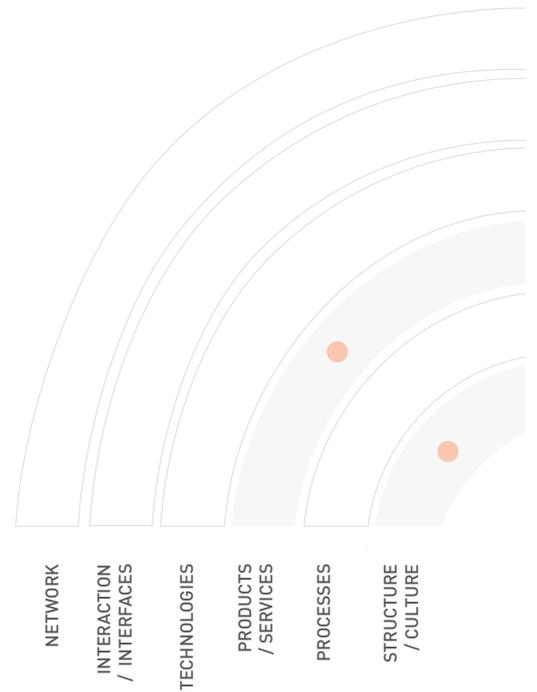
Out of the two final shortlisted companies the Design Agency was selected. Previously the Client Company had used management consultancies and had only ever used creative agencies for above-the line communications so they were unfamiliar with working in this new way. The Design Agency followed a four stages approach: Discover-Define-Develop-Deliver. In the discover phase the Client Company led online customer research and market segmentation with an external research agency, whilst the Design Agency developed external trends research and interviewed the Client's senior stakeholders.

In the Define phase the Design Agency led the work, collaboratively identifying opportunities, generating ideas and prioritizing them with the Client during co-design workshops. The Develop phase involved the development of the future 'To Be' service concepts contributing to the development of the target operating model and the shaping of their customer promises. Because of a significant organizational change though, these initial concepts and principles, were not developed further.

Outcome & Evaluation

A series of deliverables were used in a raw format along the project as excel or Google docs to enable a collaborative process. Segments, customer journeys and personas documented the 'As Is' stage, while new products and services were proposed under the 'To be' heading, and visualized as service blueprints and experience guidelines with specifications for the development of people, processes and systems.

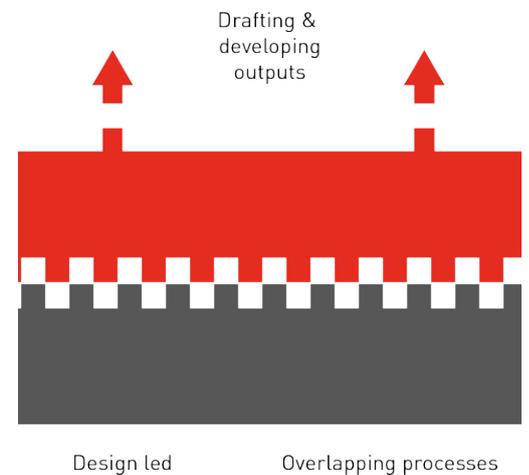
These specifications fed the target operating model program development, which had different work streams: customer, proposition, design and implementation. However, none of the service concepts or guidelines has been implemented so there are no quantifiable metrics that can be attributed to the project. The radical organizational change brought in new players and the project narrative was felt too weak to win over resistances. The key contribution was instead described as the importance of explicitly designing the experience they wanted their customers to have, instead of relying on external partners or quantitative metrics.



Effect of the project on the organisation

Designers/Client Relationship

The process has been described as collaborative and it was part of the procurement criteria to develop Client capabilities at different stages and apply a reusable process. The client project team worked as an extension of the Design Agency team, using work in progress deliverables, exchanged across the project participants and often working at the Design Agency's office. Weekly conference calls were organised. The Design creative director had conversations with senior stakeholders and project managers in order to better understand the Company and create a relationship that would enable designers to creatively challenge and push the Client.



Collaborative designer - client relationship model

ONLINE CASTING SERVICE PROJECT

New service development

For most of its 87 year history, Spotlight has been publishing books and keeping CVs of performers on their systems, as well as providing a room hiring service and supporting activities for casting sessions. However, in the last 12 to 15 years the market has been disrupted by digital technology with much of the casting process now undertaken using digital and online tools; this has resulted in a huge channel shift, resulting in much of the casting activity being carried out on what is called the Spotlight link.

THE DESIGNER

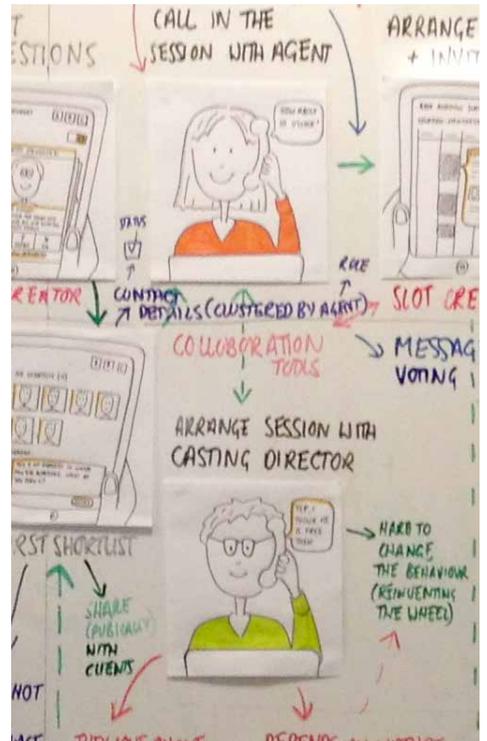
Wilson Fletcher is a digital service design studio, started in 2002 as one of the first studios in the world to focus entirely on digital services.

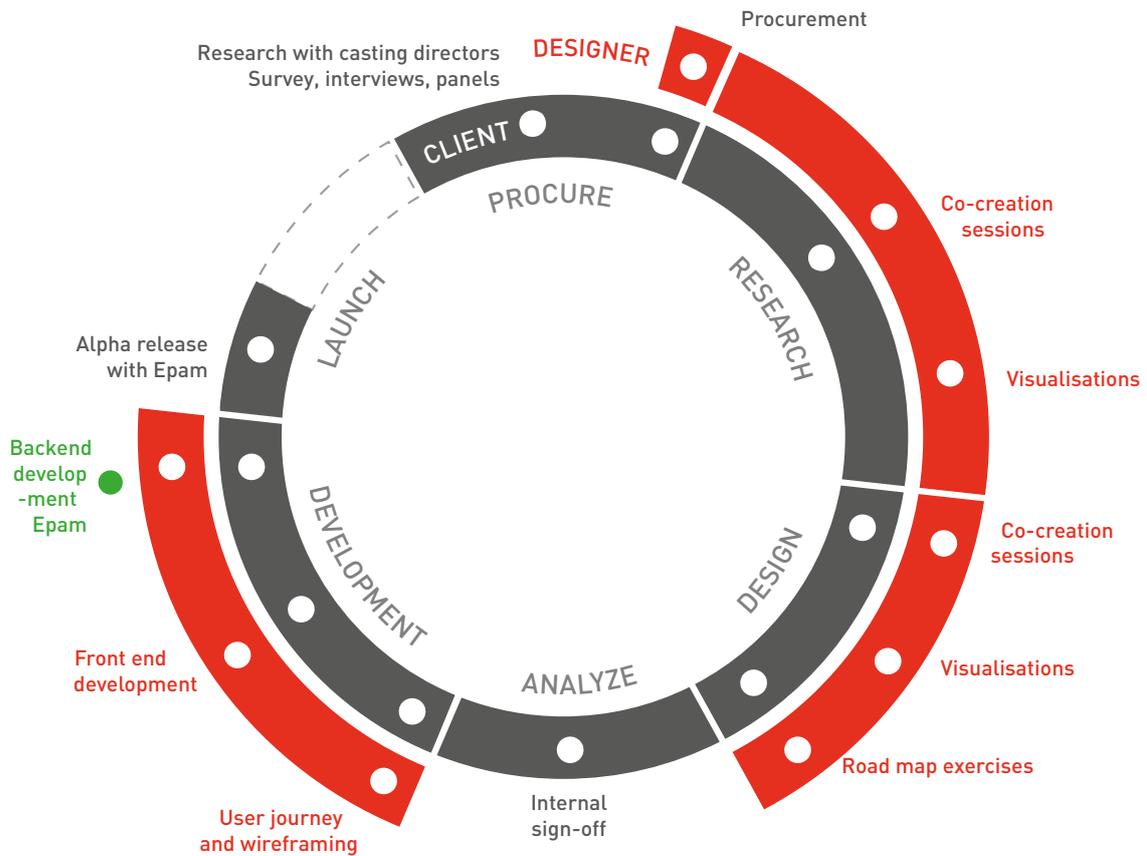
Wilson Fletcher provides consulting work that helps organisations shape their digital strategy and deliver world-class experiences across all digital platforms. Their approach is to blend the pace of lean start-ups with multidisciplinary design methods. The team of designers, technologists, analysts, writers, and strategists work collaboratively in developing new products, reinventing services, and building strategies.

THE CLIENT

Spotlight was founded in 1927 and is the UK's leading casting resource with unrivalled knowledge and contacts at the heart of the industry.

Today, over 60,000 performers appear in Spotlight, including actors and actresses, child artists, presenters, dancers and stunt artists. Thousands of production companies, broadcasters, ad agencies and independent casting directors use Spotlight as their number one casting resource. Spotlight also publishes the handbook Contacts, which is the handbook for anyone working or looking to get started in the UK entertainment industry. It includes listings for over 5000 companies, services and individuals across all branches of television, stage, film and radio.



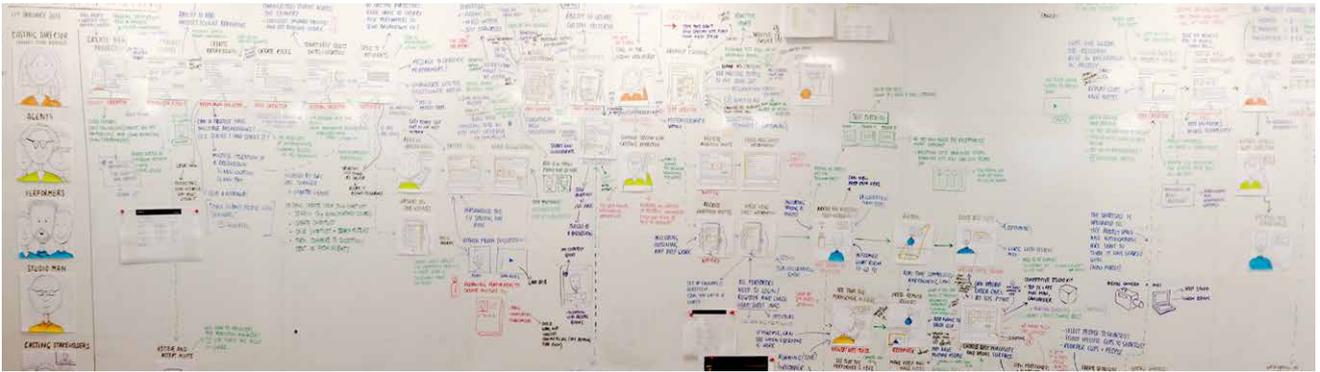


Timeline of processes and interactions between designer and client

Process

Wilson Fletcher and Spotlight started developing an online casting service in January 2013. Prior to this point Spotlight had been reviewing their relationship with their clients across a broad range of casting director needs, from theatre, film and advertisements, in order to maintain and grow the breadth of work that was so essential to their business.

Wilson Fletcher describes themselves as a digital service design studio that conceives, design and develop digital products and services. From the very start of the project Wilson Fletcher employed highly visual and dynamic mappings to graphically facilitate conversations between the casting directors and themselves; they created a concepting phase where all the different paths of the individuals (actors, agents, studio staff etc.) involved in the casting process were mapped. The casting directors were then brought back to review the mappings, feedback for accuracy, identify the pain points in the current process and make suggestions on areas for improvement. Once the multiple-customer map was agreed, paper prototyping was used to communicate the new service and this was further developed into a video to communicate the service to the board of directors and to test the process with the casting directors. Wire frames were also developed by Wilson Fletcher to show to the casting directors and these too were developed into prototypes.



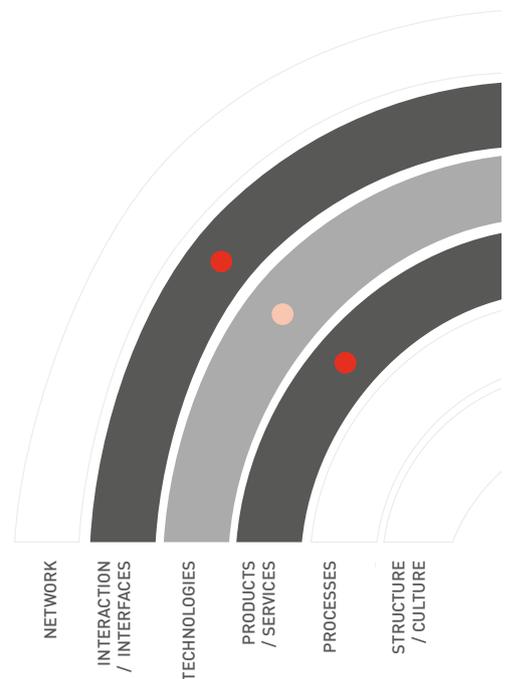
Timeline of processes and interactions between designer and client

Outputs & Evaluation

The large white wall co-design facilitation maps were the initial output from the project. The video that was produced to communicate the service to the board of directors and its testing with the casting directors was also an essential communication tool and co-design catalyst.

The wire frames have also served as a tool for co-designing the final online application. The final product, an online application, allows the casting directors multiple tools for supporting the casting process from planning and scheduling a day's casting, capturing the footage during the day, tagging and naming the meta data and the onward sharing of the data and transmission to decision makers.

Through the application's use data, analytics will be collected to evaluate which tools are being more frequently used and those that may need revisiting.



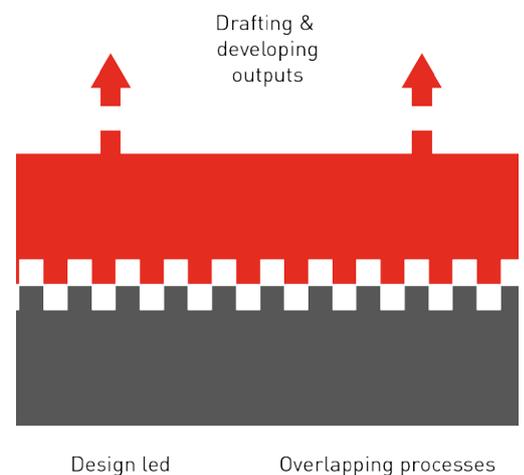
Effect of the project on the organisation

Designer Client Relationship

Throughout the process the collaboration between Spotlight, its casting directors and Wilson Fletcher was very close.

The core business for Spotlight is the casting directors and their close involvement in the development of the application has created future possible opportunities for new revenue streams.

Consequently, what could have been a very product orientated project developed into a longer term and more strategic relationship, with Wilson Fletcher now looking at Spotlight's brand.



Collaborative designer - client relationship model

Product Support Services Project

Identifying Service Opportunities

Prior to working with PDR, Nuairé was aware that the ventilation industry did not have many additional service offerings and tended to focus on the manufacturing. Nuairé was recognised for their product solutions to other companies but not for the integration of any service element into their business. PDR helped Nuairé identify what services could be provided alongside their products to increase customer experience.

DESIGNER

PDR is a design and innovation consultancy and research centre, located in Cardiff, South Wales. For more than 18 years, they have been helping organisations discover, design, and develop successful products and services.

Their work encompasses the full range of design support, from original research and analysis to get user insights, to design, prototyping, low volume rapid manufacture, tooling management and new product introduction. Their areas of expertise include user centric design, product design, engineering, manufacturing, prototyping, knowledge transfer, surgical/prosthetic design, and service design.

CLIENT

Based in South Wales, near Cardiff, Nuairé is a manufacturer of energy-efficient domestic and commercial ventilation solutions and one of the largest manufacturing companies in the area.

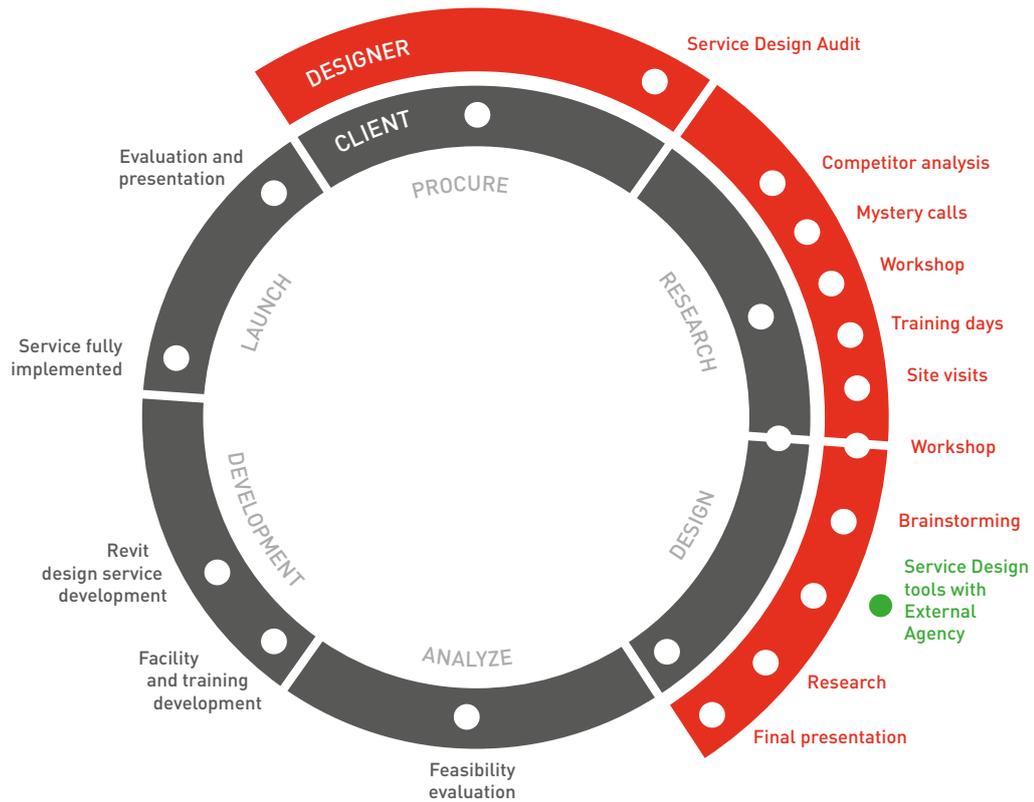
The company has a turnover of £55 million and approximately 450 employees, which takes them just above the boundary of a SME. As a company they were recognised for their product solutions to companies but not for the integration of any service element into their business. Prior to working with PDR, the company was aware that the ventilation industry did not have many additional service offerings and tended to focus on the manufacturing.



A Nuairé worker on the production line

pdr. International Centre
for Design & Research

nuairé



Timeline of processes and interactions between designer and client

The Process

The length of the project started off as being two to three months, and this was then extended for a further three months.

Early on two aims were identified:

1. To better understand Nuairé’s position in terms of levels of service that were provided by them;
2. and to create new service opportunities that would assist them in the development of their business and add value for their customers.

Desk research was initially undertaken by PDR to look at Nuairé’s competitors, and they also looked at the different types and levels of services that the company offered in order to establish how they performed in the market. PDR also carried out mystery calls across the sector to establish the level of customer experience that was provided by their competitors. As part of the user research a two-day training session was also undertaken by PDR staff so that they qualified to become ventilation engineers. Three different contractors were also visited with PDR also going to building sites and undertaking contextual interviews.

Following the analysis of all the data a brainstorming session was held to develop a number of proposals that they could introduce to their customers to improve their purchasing experience of Nuairé products, and also to start them thinking about new customers and markets.



Installation of Nuaire's ventilation product

Outcome & Evaluation

As a result of the work with PDR, Nuaire implemented two significant developments: the BPEC training facility and course that has been installed at Nuaire offices and is delivered free of charge; and the investment in design software and staff so that inquiries made by clients could be better supported in the use of the Company's products in specific building contexts.

PDR also advised Nuaire how to use technology to reduce the number of call outs. These developments mean that Nuaire, who are still focused on manufacturing, are now offering solutions to customers and working earlier and more closely with their customers in the selection and installation of the ventilation systems.

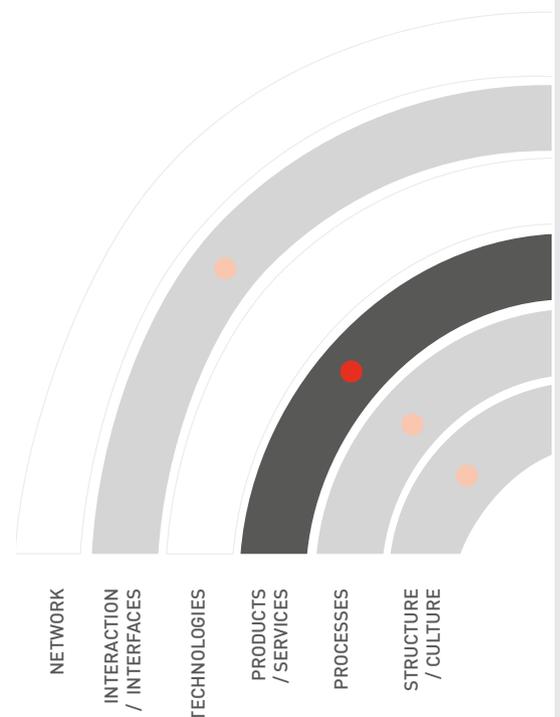
There is also a very tangible financial benefit to this project where previously a £50 product is now supported with a drawing service and ancillary products and services that go into a package which can reach a sales value of £1,000 per property.

In addition PDR also produced in collaboration with an external graphic design agency, a range of Service Design tools that are specific to Nuaire's needs (customer journey map, customer profiling, personas) so that in the future they can continue to work in this way.

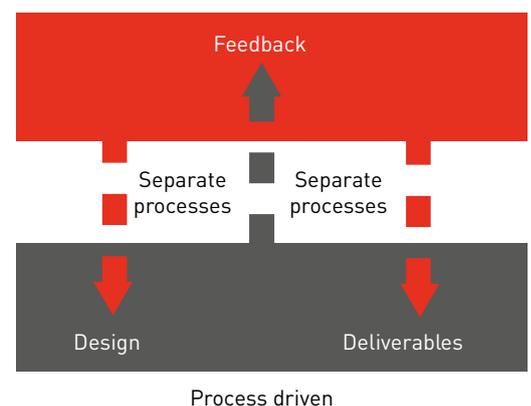
Designer Client Relationship

Face to face meetings were undertaken to scope out the project at the start of the work. There were also emails with information and results from the surveys, plus telephone conversations.

Meetings were also undertaken with the marketing and operations teams but these were reporting back meetings. Similarly the workshops were more about reporting and consultancy rather than co-designing. Nuaire wanted someone from outside to develop the ideas and PDR's feeling was that the company wanted them to tell them what they should be doing based on their research.



Effect of the project on the organisation



Consultancy designer - client relationship model

DIGITAL CLASSICAL MUSIC

New service development

Universal Music recognised that of all of their front line labels Decca's (classic music) was the one that had not undergone a digital transformation; this prompted the question for them "how can we radically transform the digital side of Decca's business". This became the starting point for the project and their engagement with Made By Many who were selected due to their creative fit with the culture of Universal Music, their technical expertise and enthusiasm.

THE DESIGNER

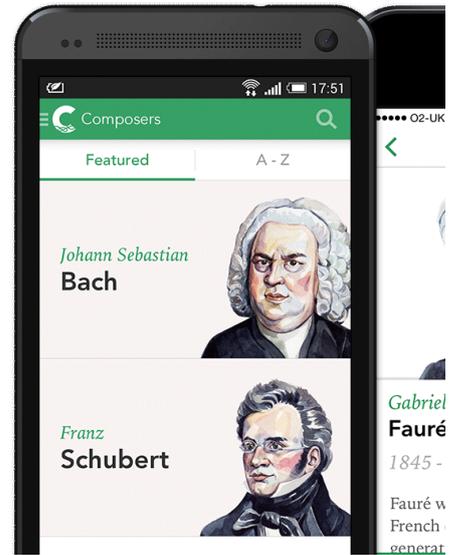
Made By Many is an innovation company, helping clients take on the challenge of rapid change in markets and technologies by creating successful digital products that deliver continuous business impact.

Made By Many's specialties include product innovation, software development, interaction design, and business strategy. The balance of skills within a group of designers, engineers and strategists, enables to invent, prototype, launch, and scale new products that fit clients' business objectives.

THE CLIENT

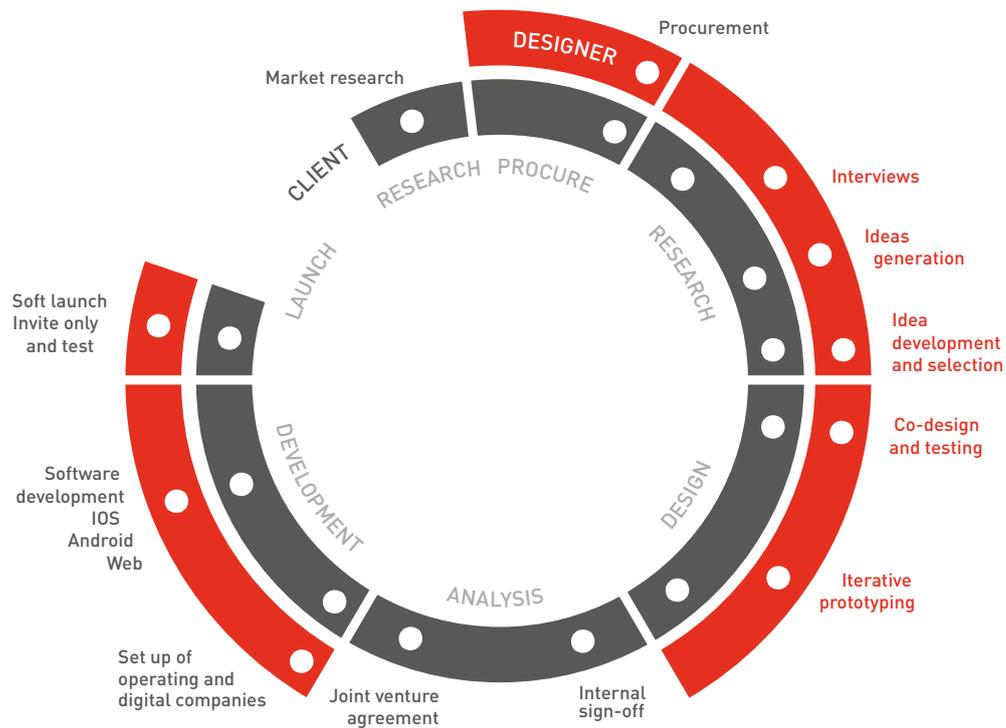
Universal Music UK is a division of Universal Music Group, the world's leading music company with wholly owned record operations or licenses in 77 countries.

Its businesses also include Universal Music Publishing Group, the industry's leading global music publishing operation. Universal Music Group is a unit of Vivendi, a global media and communications company. Universal Music is the UK's leading music company and its labels in the UK include Decca, Fiction, Island, Mercury, Polydor and Virgin.



MADE BY MANY





Timeline of processes and interactions between designer and client

Process

Made by Many describe themselves as a product innovation studio, working with large organisations to create new digital products predominantly web or mobile apps. They apply a Lean / Agile approach to their work to minimise waste, reduce development cycle times and maximise learning in order to deliver progressive innovation.

Made by Many always situates the user at the heart of the product, throughout the entire development process and believes that you cannot have one without the other. At the start of this project Made by Many made it clear in their pitch that they were presenting a process of working and not a solution. Core to their work is an approach of iterating and testing, although this does involve converting the client to see this recycling as ongoing and accepting non-static solutions.

There is also minimal documentation with an extensive range of interactive prototyping techniques that are presented to the client to gather feedback. This may be a simple sketch, a paper prototype or a more detailed prototype. Through this process a conclusion is reached that moves the work onto a more formal software development phase.



User test of Classical Music Player

Outputs & Evaluation

Early on in their customer research a series of interviews with 70 people often in pairs or groups of 3 were undertaken to identify how people listened to music. This engagement identified a number of user experience problems, especially relating to the casual classical music listener, leading Made by Many to develop a product that was different from more generic classical music players.

This project started as a digital product but it also included capacity building within Universal Music to support the digital products once they were launched. This is a bold move for the company whose business is recording and entertainment, as this moves them into the software business which is a much more strategic investment.

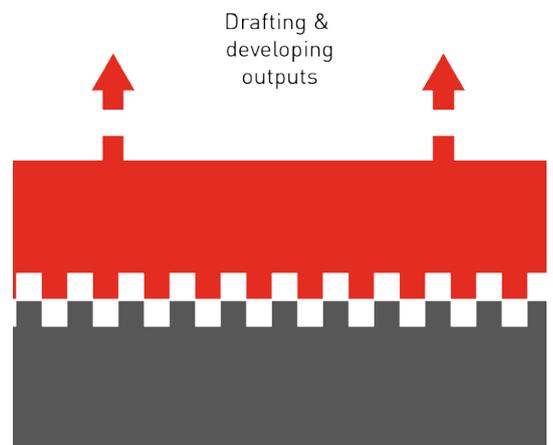
To develop their digital capability Made by Many is also involved in assisting them build capacity within the organisation and advising them on the structure. Thus from early on in the project Made by Many's remit included the building of a new team within Universal, to manage the product, which was at the time of the study, on a invited only launch phase.

Client Designer Relationship

Made by Many requires a close working relationship with their clients. With Universal Music there were daily, weekly meetings on the project's progress and they wanted the client to be part of that decision making process. Fortnightly there were also demonstrations at the end of every 'sprint' with the expectation that the client would review the work and provide feedback. The physical presence of the client at the studio of Made by Many was crucial. The client was expected to come and work alongside the staff in the studio and to be part of an integrated product team. For Made by Many, it is very much about working together in close proximity, face to face, rather than writing and documenting what work they are doing together.



Effect of the project on the organisation



Design led

Overlapping processes

Collaborative designer - client relationship model

4 — Survey

Aims

Alongside six case studies, an online survey was conducted between 15th July and 19th September 2014. The aims of the survey were: firstly, to understand Service Design innovation practices in an international context; secondly, to provide supportive information drawn from a wider sample for the interpretation of the case studies results; and lastly, to map and compare service design practices in different service sectors by classifying the collected data.

Questionnaire

The questionnaire was developed by an extensive analysis and synthesis of the literature in a range of fields, including Service Design, Service Innovation, and New Service Development. The first section of the questionnaire focuses on general background information about the service design agency, and the second part focuses on one specific project that best represent the agency's service design practices. This questionnaire was applied using an online survey tool called 'Survey Gizmo'.

Sample and Distribution

Participants for this study are service designers working in a service design agency worldwide. To reach this targeted sample, two main sources were utilised: the 500 members of Service Design Network (SDN) and the 150 members within the Design Council network who have an interest in Service Design. Therefore, a link to the survey was sent to the sample of 650 using a direct email. To encourage wider participation, the survey was promoted through the SDN's website and the Design Council's monthly newsletter,

'Pinged', in August 2014. The survey was also posted on both SDN and the Design Council's social media, including Twitter, Facebook, and LinkedIn.

Response

We received 49 completed responses with 417 partial responses, giving a completion rate of about 12%. For the first section of the questionnaire, 91 respondents completed it. Thus, the number of responses used in analysis for each section varies. The two sections of this survey are independent, seeking different types of information – general information about the agency in the first section and more specific information about particular projects in the second section. Therefore, it is possible to include responses from participants who completed the first section but chose not to complete the second section.

Analysis

Descriptive statistics are used to summarise the collected data in simple and direct ways, using mean values and frequencies. Simple diagrams, such as pie charts and bar charts, are used to present data, helping easier comparison between different pieces of data. The data gathered from the two sections of this survey were analysed separately; the first section describes general practices of service design agencies, while the second section focuses on processes and methods used in service design projects. The analysis of the second section employs six-sector classification to categorise data in to comparable sets. The six sectors are: community/personal, finance/IT, government, manufacturing, retail, and transport.

1. Service Design Agency

This section focuses on describing general background information of service design agencies.

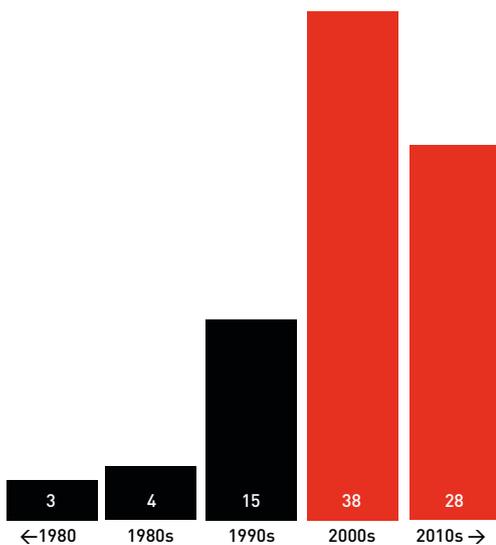
Location

More than half of service design agencies are located in Europe, including the UK.



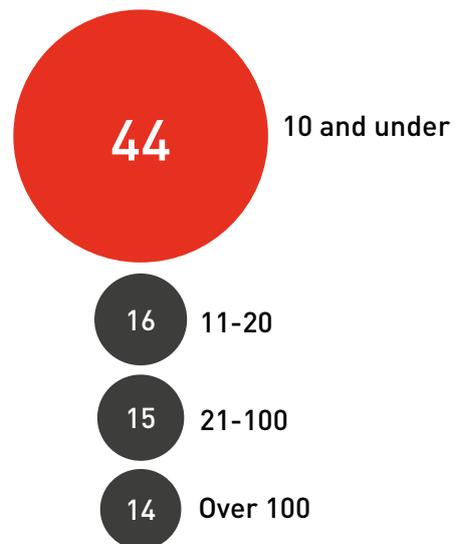
Year of foundation

More than a third of service design agencies were founded after 2000.



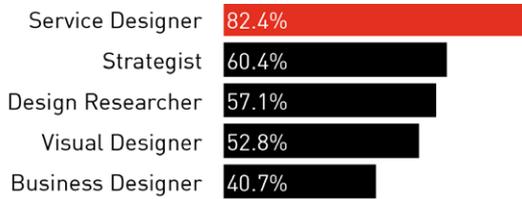
Size

Almost half of service design agencies employ no more than 10 people.



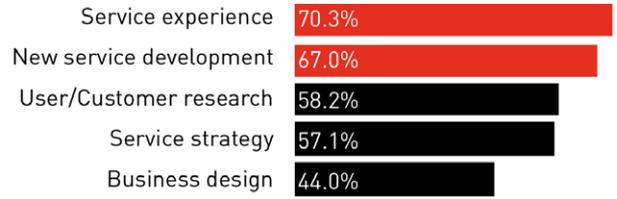
Key roles in agencies

Service Designer is the dominant key role that exists in service design agencies.



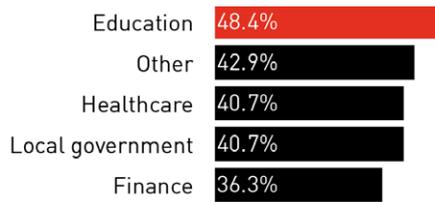
Types of services that agencies offer

More than two third of agencies offer Service experience and New service development.



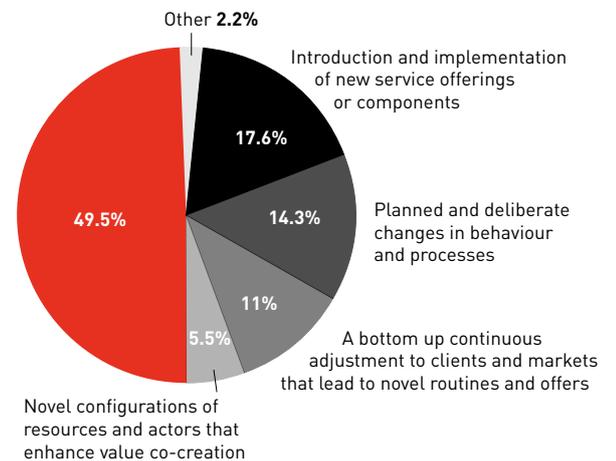
Service sectors in which agencies work

Almost half of service design agencies work in the Education sector. The 'other' sectors vary greatly but often include Central/National/Federal government, Media, Construction, Technology, etc. Healthcare and local government are ranked third, followed by the Finance sector.



Statement of innovation

Almost half of the agencies stated that innovation is transformational changes in the way organisations/communities think and develop their activities.



2. Exemplar Service Design Project

This section focuses on particular projects that best represent agencies' service design practices.

Design activity at different stages of the project

More than two third of service design projects used Market research and User studies at 'Analyse' stage; Brainstorming and Co-design workshops at 'Ideate' stage; Concept design and Co-design workshops at 'Design' stage. Just over 60 percent used Project presentations at the 'Develop' stage.

→	ANALYSE	IDEATE	DESIGN	DEVELOP
Brainstorming	51%	73.5%	51%	
Co-design workshops	51%	71.4%	71.4%	
Concept design		57.1%	79.6%	
Market research	69.4%			
Project presentations		59.2%	62%	61.2%
Prototyping			51.6%	57.1%
User studies	69.4%			

Project participants at different stages of the project

More than 60 percent of service design projects involved Users and Client management during 'Analyse' and 'Ideate' stages, and Users at 'Design' stage. Just under 50 percent involved Client front line staff, Client IT Dept., and Users at 'Development' stage.

→	ANALYSE	IDEATE	DESIGN	DEVELOP
Client Management	67.3%	61.2%	55.1%	
Client Frontline Staff	57.1%	55.1%		
Users	75.5%	67.3%	65.3%	

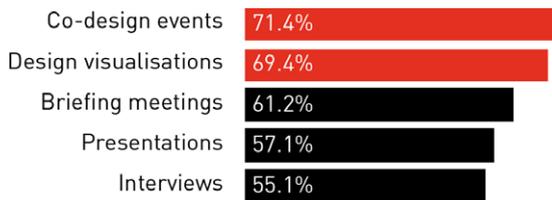
Methods at different stages of the project

Almost 90 percent of the service design projects conducted Interviews at 'Analysis' stage. More than 60 percent used Co-design events and Customer journey at 'Ideate' stage. Prototyping was dominantly used at 'Design' stage and 'Develop' stage, in more than 80 percent and 50 percent of the projects, respectively. Surveys were least relevant methods to almost half of the projects.

→	ANALYSE	IDEATE	DESIGN	DEVELOP
Co-design events		67.3%	57.1%	
Customer journey	73.5%	63.3%		
Interviews	89.8%			
Personae	63.3%			
Prototyping		51%	83.7%	51.6%
Stakeholder mapping	71.4%			
Shadowing	61.2%			

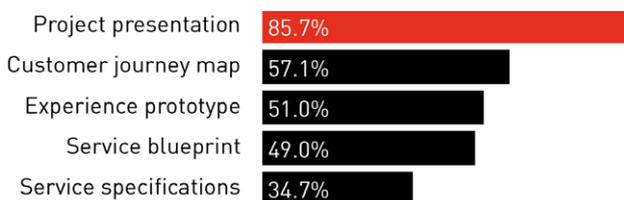
Knowledge exchange

Co-design events and Design visualisations are most common ways to exchange knowledge with clients. Briefing meetings, Presentations, and Interviews are also mentioned by more than half of the respondents.



Project solutions

More than 80 percent of service design projects used Project presentation to communicate and deliver project solutions.



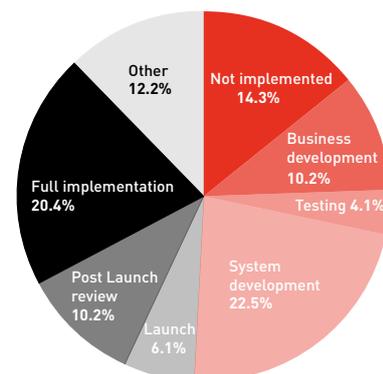
Types of innovation

Relationship innovation occurred most in service design projects, while Technology innovation occurred least.



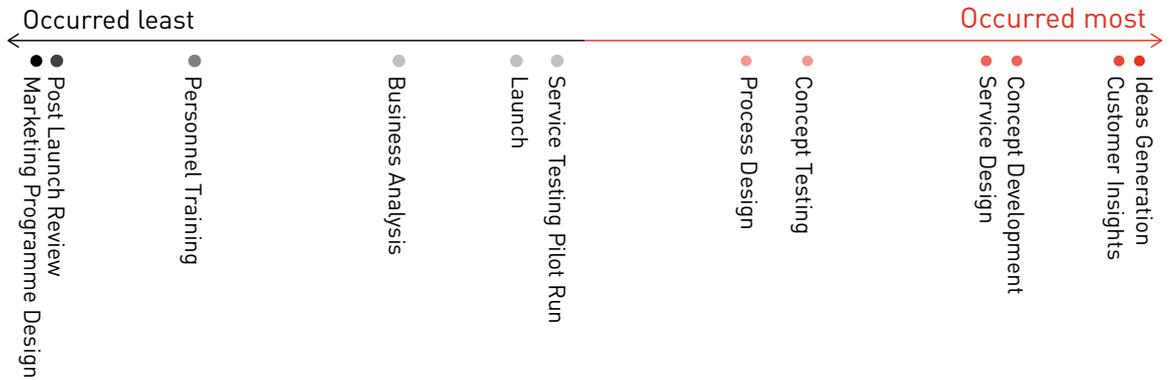
Stage of implementation

Service design projects that are not launched (51.1 percent) and those that are launched (48.9 percent) take up similar proportion of the entire responses.



Agency's contribution

Agencies contributed most to Idea generation and Customer insights. However, they contributed least to Marketing programme design and Post launch Review.

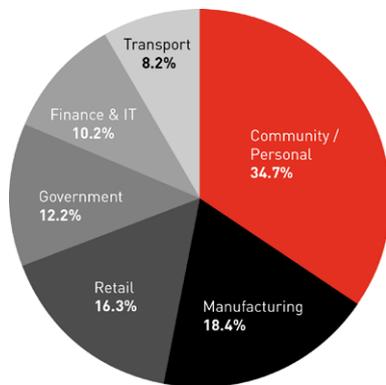


3. Service sector comparison

This section focuses on comparing the results between different service sectors.

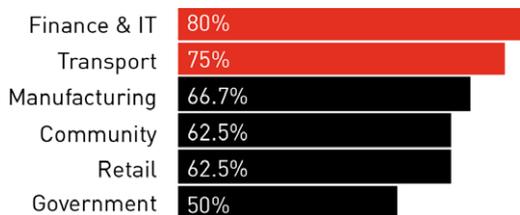
Project sector categorization

More than a third of projects were carried out in Community and personal sector.



The role of service designers

Service designers were far less prominent in the Community sector when compared to other sectors. Instead, their role was well-recognised in the Finance & IT and Transport sectors.



Service experience

Service experience is the most common type of service offered in the Finance & IT and least common in the Government sector where service transformation was much more valued



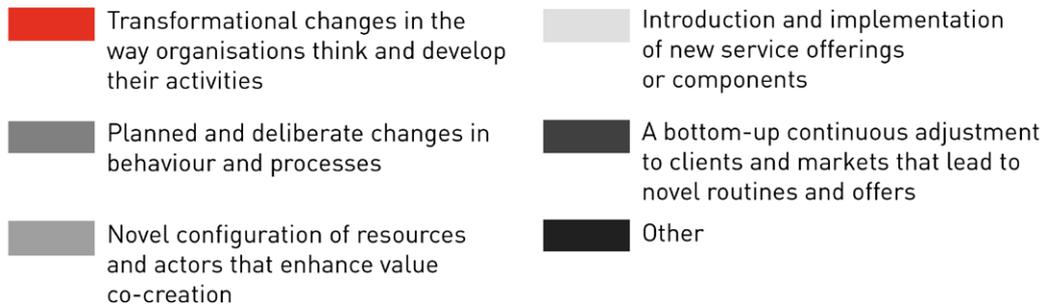
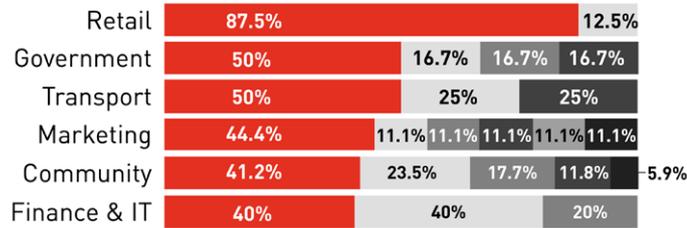
Type of innovation

Regardless of sector categorization, Relationship innovation occurred most frequently, with Technology innovation occurring the least. However, when compared to other sectors:

- Relationship innovation occurred least frequently in the Community sector; instead, innovation was spread among Process, Products and Network.
- The greatest degree of Technology innovation occurred in the Finance/IT sector; however, Relationship innovation was the top priority for this sector followed by Technology and Organisation.

Description of innovation

Innovation was most widely described as ‘Transformational changes in the way organisations/ communities think and develop their activities’ by the Retail sector. However, this occurred least in the Finance & IT sector.

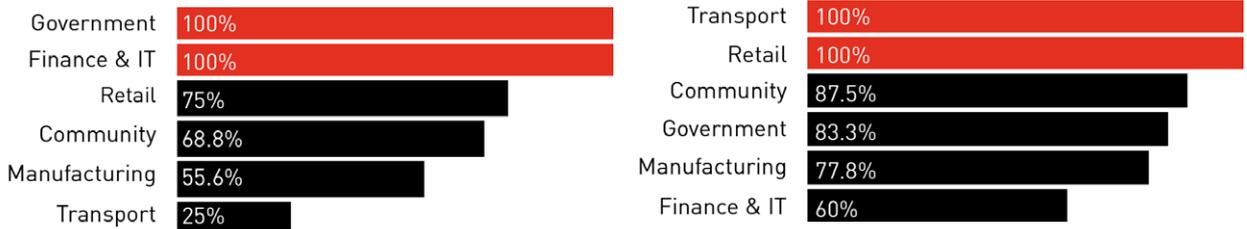


Knowledge exchange

Co-design events were most commonly used for knowledge exchange in the Finance/IT and Government sectors, while they were much less used in the Transport sector. Knowledge exchange occurred more frequently through design visualizations and briefing meetings in this sector.

Project solutions

In the Retail and Transport sectors, project solutions were mostly communicated through Project presentation. The Finance & IT sector used project presentation substantially less, relying more on experience prototypes to communicate their outcomes.



Agencies’ contribution

Regardless of sector categorization, agencies contributed most to Idea generation and Customer insights. However, when compared to other sectors:

- Agencies contributed substantially less to Idea generation and Customer insights in the Finance/IT sector, with a considerable gap with other sectors.
- Their contribution is shared amongst Concept development, Concept testing, Customer insights and Service design within the Finance/IT sector.

4. Survey insights

The demographics of the survey show that the majority of service design agencies are located in Europe, and the rest in The Americas, Australasia, Asia, and Africa. The participating agencies are relatively small in size with often less than 10 core team members and most of them were founded no more than two decades ago.

Almost half of participating service design agencies work in the education sector, followed by government (local/central/national) and other various sectors. It can be inferred that education sector for this survey participants may have a broader meaning beyond schools, universities and other educational institutions, but also trainings in organisations within other sectors.

Amongst the survey participants, innovation was most widely described as 'transformational changes in the way organisations/communities think and develop their activities'. This was most commonly occurred in the retail sector, and least occurred in the finance/IT sector. In this sector, innovation was also highly associated with introducing and implementing new service offerings or components.

Generally, the role of service designer was greatly acknowledged across various service design projects, particularly in government and transport sectors. However, it was slightly less valued in community and manufacturing sectors; ethnographer and service analyst were highly valued in the community sector while design researcher and strategist were in the manufacturing sector.

Service experience and new service development were most common types of services offered by service agencies. While service experience was widely offered within the finance & IT sector, it was least offered in the Government sector. Instead, service transformation was much more valued in this sector, indicating a recognized need for considerable changes of current services provided by government bodies.

Co-design events were most common ways for agencies to exchange knowledge with their clients, followed by design visualisations with slightly less frequencies. However, the retail and transport sectors also greatly relied on interviews and briefing meetings, respectively. While project solutions were communicated predominantly through project presentations across different sectors, the government and finance/IT sectors used experience prototypes and service blueprints far more than the other sectors.

Regardless of sector categorization, relationship innovation occurred most frequently, with technology innovation occurring the least. For the community sector, occurrences of innovation were spread amongst relationship, process, products, and network. The biggest contributions of agencies generally lied in generating ideas and providing customer insights, with an exception of the finance/IT sector where agencies also focused on developing and testing concepts, providing customer insights and designing services.

5 — Workshop

The final workshop was held at the Design Council in London. The aim of the workshop was to discuss the role of Design for Service Innovation and Development, reflecting on the data gathered from the six case studies and the international survey.

The participants involved together with the project team, were five service design practitioners and two of their clients, three international academics (from Service Design, Service Innovation, and New Service Development fields), and four participants from collaborator organisations (Service Design Network, The Design Council and NESTA).

The workshop was informed by specific questions:

- What is the contribution of Design for Service Innovation and Development given the data and your collective expertise?
- What factors that are overlooked here affect innovation processes and dynamics?

- What are the possible future research projects on Service Design's contribution to service innovation that would be relevant to designers, design users and academics?

After summary presentations of the project data, the event was organised around three main kinds of activities:

1. 'spotlight' speeches by three international and interdisciplinary academics reacting to the available data,
2. data analysis in three groups (public, private and digital projects) and
3. future research open discussion.

To support and inform these presentations and discussions the project team provided for each case study:

- a project summary,
- a poster with graphical diagrams,
- and key quotes



Spotlight presentations



Perspectives on NSD

Prof. Bosse Edvardsson

There is a growing emphasis in NSD studies on the co-creation of value and resulting customer experiences. NSD is described as the process to define and design new and better 'prerequisites' to support customers' use and integration of available resources to create value that is meaningful to their lives and activities. In this perspective companies should focus less on what offerings they have, and more on how to better understand what impact they create in the life and business of their clients ('value based competition'). As emerging from case studies, designers seem to help companies understand how their customers co-create value in their context, generating 'evidence' for change, but they need to then bridge that knowledge into the organisations and translate it into innovation practices. NSD is also interested in Service Systems, which are made of value propositions, actors, resources and institutions; institutions define the rules of the game, and to generate change institutions need to be challenged. Recognising and affecting existing dynamics of power within institutions should be part of designers' skills and roles.

Perspectives on Service Innovation

Dr. Vadim Grinevich

Service Innovation is described in terms of three main dimensions, such as exploring, executing and exploiting. When considering data against these three activities, designers seem to have stronger capabilities in the exploring innovation opportunities, but to lack skills and capability to support execution and exploitation of service innovation. Execution goes beyond improving front office activities as it requires aligning organisational strategy with service operations (HR, finance and supply); exploiting should go instead beyond one-off service innovation projects and focus on building internal capability and organisational structures for lasting innovation practices. These considerations have opened questions on how to balance the building capability function with the need to keep the client locked up or on how much to stretch designers' skills and contribution to service development.

Perspectives on Service Design

Dr. Stefan Holmlid

Service Design success is described also in terms of developing design capacity in organisations, meaning the capacity to involve users or stakeholders in their development work, and the ability to work with and develop design as a competence or practice. Conditions for the development of this capacity are a good integration of the different practices and ways of working, the pre-existing expectations and understanding of Design, the legitimisation of designers and the support from the Leadership. A useful way to observe these interactions is to consider designers and 'service owners' collaboration as a 'temporary organisation' and question what is happening and could happen in that space.

Data analysis

Discussion in groups using available data raised the following considerations:



Public sector

- Boundaries, processes & legitimacy: Public sector organisations do innovate but sometimes lack in terms of formalisation of processes or channelling of what they are actually doing, thus engaging with service designers seem to provide them with some boundaries, processes, and legitimacy;
- Sense making: A good part of designers' work seems to be about justification of the process that has been used and about the evidence that has been generated. It is about preparing the ground for a good collaboration, influencing also the procurement process and translating their language and materials into an accessible format;
- Capacity in building capacity: designers are increasingly being expected to teach how to innovate within organisations, but there is a question about their own training to do so.
- Project evaluation: When it comes to the evaluation process at the end, discussion arose about how objective it needs to be and whether you would need external third parties evaluating service design outcomes, as these may be far more intangible and less evidenced than the output that they usually focus on;
- Rigidity to change: Service design makes people aspire to new roles rather than remaining feeling trapped by the rules, but there are considerable barriers and constraints due to rigid systems; designers are not always aware of how difficult these barriers and resistances are to overcome.
- Design ethnography: is it possible for designers to learn how to conduct design ethnography within organisations? To understand the complexity of systems, power dynamics and practices, and better act within all this.

Digital sector

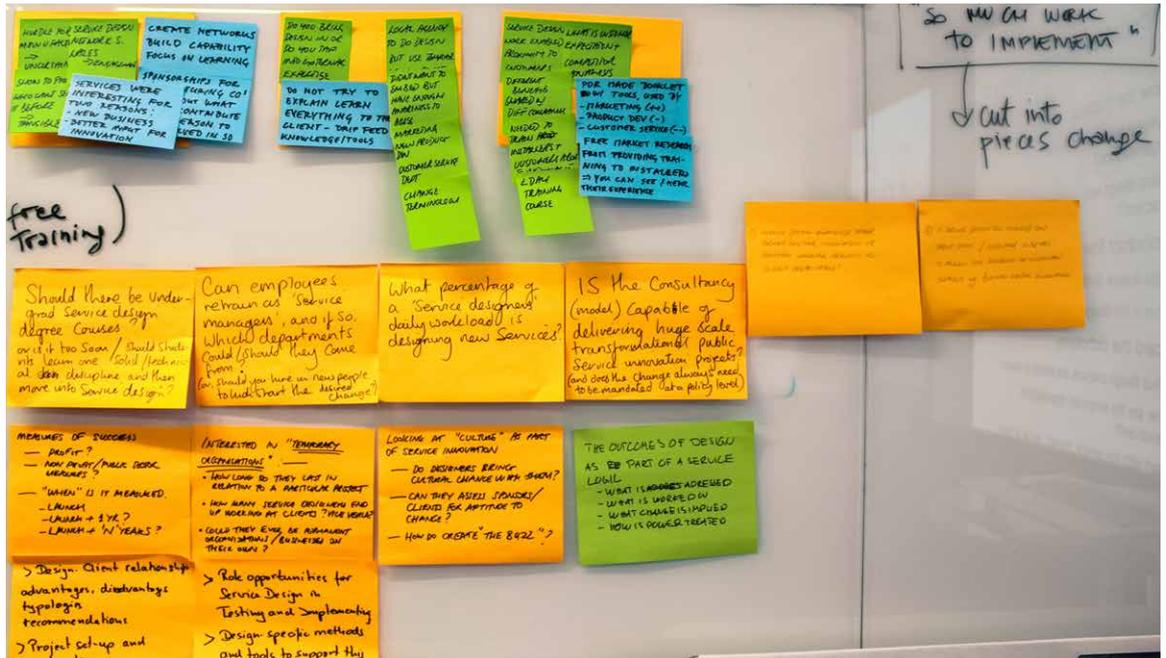
- 'Lean and Agile' methodologies: digital service design agencies use lean methodology that have been around in manufacturing for a long time, and adopted the Agile principles which require quick iterations and decision making processes; "it is often about building something and releasing it quickly particularly if it is a new service and trying out with real customers rather than doing research and conceptual work beforehand, so just try out an idea and see how it applies". This might not be the case for bigger systems in the public sector;
- Building capacity: building capacity sometimes seem to translate into building confidence in organisations to change and act in a different way; it can emerge during product development or it can be an explicit effort and aim of the collaboration; it is also about building the motivation to continue;
- Type of the brief and client-designer relationship model: the way the brief is developed depends also on the kind of client-designer relationship; a well-established brief is typical of a traditional consultancy model; in some projects designers work to help clients seeing things differently and in a more joined up fashion;
- Definition of innovation: it could be useful to consider also innovation in terms of its input, how things are developed and processed, as opposed only to its outcomes;
- Aspirations vs. actual outcomes: the aspirations of designers for radical change often translate into a progressive and gradual change within the organisation that designers not always recognise. Shall we talk about NSD or it is better to talk about service redesign?

Private sector

- Raising awareness: it is important to raise awareness of service design as something that companies can actually benefit from; and secondly, awareness of designers being needed to go through the programmes and training at client companies; manufacturing companies have to overcome scepticism about its value to get to the commissioning point;
- The value of Service: in manufacturing organisations, service design can help creating possible new businesses and better input for innovation in general;
- Tangible evidence about the outcome and process: it is important to provide evidence on what is the outcome of the project (e.g. increase in sales) but also how Service Design has practically contributed to that outcome;
- Embedding vs. commissioning: What type of people (skills and ability) we are trying to build within the organisation to embrace service design, such as ability to commissioning and knowing what certain templates in the organisation are for rather than employing lots of designers within the organisation. Three groups of people in a manufacturing organisation seem to benefit from service design approaches: marketing, new product development, and customer service department.

Future research

The future research activity instead generated statements and ideas for possible future research areas that we summarise here:



Sense-making of context

Across all the case studies there was feedback relating to the need for designers to be sensitive to the working practices of the client organization. In some instances it is suggested that designers need to prepare the ground for the conversation and journey that will occur through the Service Design process. From one group, Service Design was seen as revealing the internal barriers to implementation to new service development whilst in another group ethnography was offered up as a means to understand the culture of an organisation and strengthen and reinforce the Service Design processes.

Discussion also focused on the client organisations pre-existing relationship with the use of design and how these practices also needed to be acknowledged by designers. There was a sense that once designers became involved that these informal processes became more formalized and explicable. Questions were also raised relating to identifying the parts of an organization to partner with in order to overcome resistances and to see the Service Design innovation through.

Designer as learner / teacher / mentor

The designer as teacher and learner emerged as an area of discussion across the groups. It was recognised that designers often use phrases and terms that are unfamiliar to the client organisation. There was a feeling that the language needs to be simple, non-academic or intellectual but practical with a focus on evidence and justification through the design process. Designers were also criticized for not always seeing organisational barriers and it is proposed that methods and approaches need to be considered and developed to support the designer in reading the potential 'design capacity' within an organization.

The shifting roles of the designer and the client were identified with the question of whether or not employees can retrain as service managers and if this is to occur which departments should they come from; or alternatively should new people be hired in order to kickstart the desired changes. For many, Service Design was more than just a process leading to a new service development, the approach was also noted for revealing the 'dinosaurs and

dynamisms' within an organisation. These insights were viewed as offering opportunities to incentivise people to innovate. The discussions also raised questions about how far to 'stretch the T shape person' model to accommodate multiple roles.

For manufacturers, services were interesting for new business development and better input for innovation. An emphasis was also placed on the need to create networks, build capability and focus on learning with the client organization.

Measures of success

When Service Design projects have been undertaken within an organization the effectiveness of the different approaches and methods have not been evaluated to assess those that have had the most sustainable impact. This lack of evaluated evidence is an area of interest and concern for both designers and clients. The discussion then moved to who are the people best placed to evaluate and maintain objectivity, Service Design practitioners or academics.

Measuring the Service Design outputs was identified as being problematic. A focus on profits fits commercial organisations but is inappropriate for non-profit organisations and or the public sector? How do we measure Service Design Innovation and at what point do we assess the project's outcomes; is it at launch or one year from its completion? This issue was also tied in with whether or not there was too much focus on outputs rather than the long term outcome. This then raised the question of whether a Service Design consultancy model is capable of delivering large scale change. These questions relate to some of the issues identified in the previous section that identified an organisational issues around capacity and leadership for Service Design implementation.

In the group looking at the two digital case studies discussions looked at how the design project was viewed as part of a service logic (see Theoretical framework) – that is conceived as a process consisting of a series of more or less tangible activities that normally take place in interactions between the customer and the service; this raises the question of what is being addressed and what is being worked on. This extends also to the issue of Service Design moving into bigger spheres of government policy and what are you evaluating and designing. These are new areas for design and quite abstract concepts.

Temporary organisations

From the case studies, a close working relationship between the client and the Service Design agency was viewed as playing an important role in building trust and understanding around process and language. Often what appeared to be 'temporary organisations' were established whereby the client and the Service Design agency shared spaces or had flexible and open relationships where they were able to be in very regular and close contact. It is not clear from the case studies how long these 'temporary organisations' lasted or whether or not they would be viable as permanent organisations or businesses in their own right. Furthermore there is evidence that there is some switching of client employees moving to Service Design agencies having been converted to the particular methods of Service Design.

6 — Short Essays

Design and service innovation: A strategic management perspective

Vadim Grinevich

One useful approach to develop understanding about the interconnection between design and service innovation is to assume a strategic management perspective on innovation. This will conceptualise the role of design through the prism of three analytical dimensions such as exploring, executing and exploiting service innovation.

Although this approach may look too stylised, it does provide a very useful framework for discussing the differences in application of design for service innovation across different types of organisations and contexts. Structuring the initial observations from both the DeSID case studies and survey along these three dimensions reveals a number of interesting relationships and even tensions between the service design function and service innovation management. All this is in the context of the open service innovation paradigm, with the focus of the study being on bringing service design to organisations from the outside in.

In relation to exploring innovation, there is a clear indication from the cases that the client firms are increasingly embracing user-centred service design. They move beyond basic analysis of user needs, by incorporating a large range of co-creation and co-design tools in the process of improving existing or developing new service products. Among the examples are the Connect-and-Do online tool, co-creation and co-design workshops by Online Casting and B2B corporate insurance services, and design software tools “to work earlier and more closely” with users at Product Support Services. In most cases the transition towards the user-centric co-creation models was initiated by externally invited design firms. Most client firms, even those operating within the service sector, effectively acknowledge the lack of internal expertise to explore service innovation and chose to

outsource this function to specialised service design firms. This is a classic example of open service innovation, which should reduce costs of innovation and shorten the time to deliver new services to markets (Chesbrough, 2011). However, the dominance of the user-centric design model may raise questions about the design firms being able and willing to perform a ‘visionary’ function, and explore opportunities for radical innovation, which could hardly be anticipated by users and customers (Verganti, 2011). Indeed, according to the DeSID survey most design agencies define innovation as a ‘transformational change in the way organisations think and develop their activities’, but they seem to mainly focus on incremental user-centric design.

In relation to executing innovation, again there is clear evidence from the cases that the design firms have a substantive role to play in assisting their clients in setting up and streamlining service innovation process through service blueprinting and performance monitoring. At the same time, there appears to be a disproportionate emphasis on making more effective front office activities and user touch points, with the backstage processes and infrastructure remaining relatively neglected. The data from the DeSID survey, for instance, indicate that client human resources are among the least relevant participants in a service design project. It is also notable that business modelling, which is normally associated with designing and putting into practice effective organisational structures for implementing innovation across both the front and back stage, is reported least relevant to service design. The literature indicates, however, that the most successful service innovation cases are those where service design consistently addresses the service implementation issues across the front and back offices, and the interface between them (Bitran, 1993) via

aligning organisational objectives and strategy with human resource, finance and supply chain operations. This is also supported by the evidence from Product Support Services and Digital Music, which are, probably, the most complete and successful models for implementing service innovation of all the case studies considered.

In relation to exploiting innovation, we look for the evidence from the cases where the design firms help to put in place organisational processes and structures which are difficult to replicate and allow the client firms to renew innovation on their own. One example is Digital Classic music, where the client firm is assisted with building internal capacity and new team to manage innovation process. In most cases, however, the design firms tend to focus on one-off service innovation solutions, leaving the client firms dependent on their expertise. In the absence of sustainable intra-organisational structures to exploit and renew innovation, the client firms may become exposed when facing staff changes or pressure from competitors. For instance, the innovation capacity within Certitude was seriously affected when a number of staff from the innovation team left. The apparent unwillingness of the design firms to assist their clients with the long term innovation capacity building may have been explained by their concerns to lose their client firms. Indeed, service innovation design is an emerging specialism of design agencies who have to fight for the market niche with their competitors such as management consultancies. However, there may be substantive market opportunities and new markets for those who specialise on delivering sustainable long term service design solutions. What is also clear from some of the DeSid stories is that the innovation capacity building may have been affected by the client organisational culture and willingness to change the routines which have been in place for some time. For instance, as indicated by the Care Information Services case, there was a certain degree of resistance to new ways of “doing things” due to the rigid organisational processes and structures within NHS, as well as the perception of a significant amount of resources already invested in the existing service provision. By contrast, Product Support services and Digital Classic Music are examples of organisations readily embracing change and investing in a long term innovation capacity building.

Finally, there is little doubt about the increasing relevance of design for service innovation. Service innovation is no longer considered a fuzzy process, but implies a set of relatively formalised and carefully designed stages to explore, execute and exploit innovation. This is against the backdrop of the service dominant logic debate making no distinction between service and product innovation, stressing the value-in-use and treating individual customers and users as co-creators of that value alongside the firms (Lusch and Nambisan, 2015). The current dominance of usercentric design may, however, limit the scope for most radical, vision driven, innovation. It may also make organisations undervalue the important interdependencies between the front and back offices, when it comes to implementing service innovation. The issue of innovation capacity building is critical for organisations trying to exploit and renew service innovation long term. This, however, may be in conflict with the short term objectives of specialised design agencies to keep their clients dependent on their expertise.

Composition and blending of practices

Stefan Holmlid, Linköping University

In the study of design processes for service innovation and development, it is useful to adopt a perspective of ‘temporary organisations’. This is especially true when there is a design agency working with a service organisation, within a limited time frame, as in this instance with the DeSID case studies. ‘Temporary organisations’ is an area of study with many different aspects (see for example the work of Jonas Söderlund), however in this essay we will view these temporary organisations as the blending of practices, using a situated learning perspective (Lave & Wenger, 1991). This angle will broaden the interpretation of the details of such projects that are specific to the collaboration between a design agency and a service organization and take the discussion beyond the more common description of the organisational relationship. By considering the blending of practices we can avoid or uncover assumptions about the ‘client-designer’ category: e.g. the assumption that the act of designing is conducted only by the ‘designer’ as something that is added from the ‘outside’ to the ‘client’ organisation.

To exemplify how such a perspective may help guide an analysis, here, we will look at the DeSID cases, focusing on the blending of practices using three lenses, exhibited through the expression of frictions, flows and dichotomies in the case material. The case material used for the essay has been quotes collected by the DeSID research team, so rather than being read as comprehensive result, the examples should be viewed as hints.

Follow the frictions

When practices meet in temporary organisations frictions may ensue. A friction is not necessarily negative for a project, and it is not always expressed in negative terms. However, within a service innovation or development project, frictions typically occur when there is an overlap or conflict between practices of the actors in the temporary organisation, or a lack of engagement between practices.

One such friction in one of the DeSID cases is expressed as “I don’t think we did (learn) because we didn’t take part in that activity”

(NHS24). This tells us how parts of the temporary organisation were set up; most of the design activities were done without participation from the service organisation. Moreover, it tells us that this actor was not being an active learning participant in the practices of the designers. One may then wonder whether this is mirrored with the participation of the design organisation in the activities and practices of the service organisation, or whether there is an asymmetry in learning. However, the service organisation as well as the design agency, were temporary peripheral participants in specific areas of each other’s practices, with which they were allowed to engage. In these instances, the differences between the practices of the actors are highlighted, such as in this statement from the service organisation “they took along visual representations; they had prototypes, they’d all the things that we just didn’t have the skills to kind of do it.” (Scottish Government). There is a distinct ‘we’ and ‘them’ dyad in these statements, where the two organisations probably agree on what the result of the project should be, but differ in opinion on for what purpose the result is created. This shows through in the attitude towards the deployment of the result “We’ve made the decisions about /.../ how we are going to use some of their ideas” (Scottish Government). Here there is evidence of very little active blending or integration of practices, which creates a temporary organisation where available resources are not integrated.

Deconstruct flow

In several of the DeSID cases the processes seem to have been smooth, regardless of the relationship between the organisations. When using the situated learning perspective, as we are doing here, one may want to deconstruct these flows, to understand how the practices hook into each other, how they capitalize on the differences in perspective and competences, or how smooth collaborative processes hide challenges through avoiding conflict.

In one of the cases the service organisation talks about the temporary organisation and practice formed “What we ended up with was a process that was very new, clearly thought

through and we were partnered in a way which did require an element of trust that we didn't need to fully understand, it just needed us to believe that it was a tried and tested approach and it would arrive at the results that we wanted or more than the results that we wanted" (Certitude). However, this was depending on differences in practices: "what they brought to the partnership is something that we didn't have, what we brought was something that they didn't have" (Certitude). While being different as practices, in this case, they were temporarily shared and formed to integrate the resources towards an outcome that neither practice would have achieved on its own.

In another case the results of the project contributed to the legitimization of the service approach as such "So we kind of won a lot of people over to it from the report itself" (Scottish Government). The results of the project thus provided the opportunity to contribute to a larger project: "In terms of how the site will look on line there's a bigger project called 'mygov.scot' which is happening and we've been able to share the [design agency] stuff and the work that we've been doing with them and they were really interested in what we were up to and they wanted us to be part of the project" (Scottish Government). Here the organisation reveals (and thus deconstructs the flow) that behind this success they had to put in a lot of work as translators: "The language is different and I spent a good part of my time explaining for now mostly the stakeholders, as to what for example a blueprint is, what this diagram is, and what it's telling them" (Scottish Government). By making the vocabulary and concepts their own, using the results from the project, they were able to take leadership, legitimize and transfer part of the practice into a larger project.

Finding and deconstructing flows in a material sometimes is tedious work; the examples above are merely scratching the surface. To be able to do this, one needs to find an 'opening'. A good place to start is to look at how practices are activated, or how work is divided and construed in the temporary organisation. One may also identify the kind of work that is not being done by any actor, or work that is assumed that some other actor or practice is taking care of. Moreover, as in the first example, one may look for how the different kinds of work are taken care of, and carried forward through to other projects, partners and stakeholders.

Alternative dominating dichotomy

When taking a perspective that the projects are temporary organisations, we assume that they are compositions of practices from different actors and organisations. However, if we look beyond the dominating dichotomies exhibited in a situation, e.g. the dichotomy between the agency and the client, other observations may emerge that either reinforce the traditional construed dichotomy or offer alternative relational and practice interpretations.

In some of the DeSID cases there were already design practices in place in the service organisations. One of the service organisations articulates that they already had a practice of working with their customers, which also forms some of their expectations "our view of the customer was a little bit tainted as a manufacturer in terms of what the customers actually thought about the product and how they worked" (Nuairé). In this specific case this practice does not seem to be integrated or built upon with the practice brought by the design agency in the temporary organisation. The designer says "So effectively they'd asked us to go away and present a bunch of concepts to them rather than, so it wasn't particularly co-created it was more consultancy on what they should do" (PDR). Continuing such an analysis would focus our attention on the dichotomy between the designerly practices in the two different organisations (Lantz & Holmlid, 2010).

In another case we can see traces of how the temporary organisation is set up based on integration of practices. The designer says "so in terms of the communication I think we tend to work quite collaboratively with clients and see them more as partners than clients. So yeah lots of back and forth and it's very much they're doing work as well as we're doing work on the project, so we both need each other to actually make stuff happen" (Innovation Unit). The service organisation echoes this "they always gave us homework and I was always talking about this to the team saying 'every time we have the meeting with Innovation Unit they are giving us a massive load of tasks'" (Certitude). It is central to this project that there is a mutual need between the practices, which becomes the pivot for joint work, they seem to have a shared view of what the goal of the project is (MalMBERG & Holmlid, 2013). In this case our focus is drawn to aspects of e.g. mutual learning.

Allowing alternative dichotomies to dominate an analysis, is a stance that focuses on understanding the areas and practices of the participating actors that are activated in the temporary organisation, and finding perspectives and practices that they share, those that distinguish them from each other, or those that join them together. As an analytic stance it helps direct our attention away from the things that creates assumed divides between actors.

Beyond the cases of DeSID

In this essay we have viewed the cases in DeSID as temporary organisations, using a perspective on this temporary organisation as a composition of practices. When looking at how these practices blend and integrate, we could identify specific aspects of those projects that relate to e.g. service design.

In the Nuairé case there was a difference in ways of working with customers, where the practices did not integrate or blend but the two organisations complemented each other. On the other hand, in the Certitude case, joint work and learning was at the heart of the process. In the case of the Scottish Government, the mutual learning seem to have been scarce, although the service organization gained internal legitimacy, and could take on some leadership, from working with the design organisation.

Given this, further multidisciplinary analyses can be made based on the following concepts:

- Integration of practices; how practices integrate based on processes, ways of working, resources, expertise, division of labour, professional learning, etc.
- Organizational and individual expectations; how expectations are formed and influence the projects, such as the previous experience of design work, previous experience of insourcing competence and capacity, expectations from shared or disjoint project focus, conception of the nature of design, conception of the nature of service, etc.
- Legitimization processes; how the different practices and perspectives are legitimized within the participating organizations, based on conceptions of focus of outcome, roles, learning processes, conception of what the core practice is, processes of mutual adaptation and change, etc.
- Leadership; how leadership is shared, transferred and supported within the temporary organisation, in the different practices and organisations during as well as after a project.

7 — Discussion

In this section we will discuss what we learned about the original question of what is the contribution of Service Design to NSD and Service Innovation. We also discuss how we can re-interpret Service Design by adopting a Service Logic and Design Anthropology lenses.

Positioning service design

Contribution of Design to New Service Development

Each case study illustrates a different level and kind of contribution to a New Service Development process. We discuss here designer's role within what we identified as main NSD stages.

All projects required a **procurement** stage, which was generally anticipated by an initial market research by the client organisation. Procurement is a fundamental stage as it informs the generation of the project brief and the selection of design companies.

Apart from differences related to public or private procurement processes, design agencies were required to present a proposal (Snook and Innovation Unit), a set of initial outputs (PDR) or a pitch (anonymous, Wilson Fletcher, and Made by Many) to respond to an initial brief or problem and to negotiate a process. This is a fundamental stage as it sets the conditions and tone for the collaboration and scope of the project and it should be considered already as a contribution in itself to the innovation process.

“ They were the ones that we went with in the end and they are clearly technically highly proficient. I think that they really understood the challenge that was before us;

they seemed genuinely really excited by it and probably most importantly I felt that they were a really good culture fit for us

UMG

Factors that influenced the choice of the agencies were the ability to challenge the client and bring a fresh view, the collaborative and customer centred approach, the technical competence, as well as a sort of cultural / organisational fit. At the same time clients had to accept designers as being “a bit disorganised”, using a “weird language”, and to trust the process to allow change and learning. The brief was at this stage in some cases purposely left open, with some initial negotiations, while in other situations it was perceived as more prescriptive in the expected outputs.

“ It was a very different approach for us and it was also really helpful to be able to download all of our kind of ideas that weren't particularly thought through [...] What we then ended up with was a process that was very new, clearly very thought through and we were partnered in a way which did require an element of trust.

Certitude

Half of the case studies do stop at a Design stage, where designers define and visualise ideas for their evaluation and further development by the client organisation. This stage is always anticipated by a **Research stage**, which is generally not represented in NSD process cycles, but it is where designers and collaborators engage in field and desk research to inform innovation. This is the fundamental stage where NSD can actually learn to look into what organisational offerings do in users' business or life. The way

this research happens depends on the kind of project and collaboration, and it is mostly done independently by the agency or sometimes in collaboration with the client or other partners.

Some research approaches are traditional ethnographic (interviews, site visits) or marketing methods (focus groups, mystery calls, competitor analysis). Often though designers develop ad hoc tools depending on the audience, to enhance engagement and data collection through fun and accessible exercises; this is perceived as generally very valuable and effective in reaching out difficult audiences where the client is not able to, while in some situations some research activities were perceived as excessive and over designed.

“ We don't like to have just kind of standard tools that we always use so like when it's the young people we are just like oh we'll do it like a pizza and then we'll order pizza for them and it will be like a fun thing. **Snook** ”

Key contribution to the process was described as the capability to then translate the collected data into manageable visualisations, able to summarise complex systems (stakeholder map, blueprints) or intangible and subjective matters (persona, journey maps, videos), and to become a tangible object of conversations or co-design activities. These visualisations were very appreciated by client organisations as they created the needed evidence for change as well as inspire clients to transform their initial understanding and perspective.

“ The day in the life of a casting director [...] was a real example of service design thinking, because it did take so many different angles into account and it really was seen through the lens of a customer's experience, and not a web-user, not a book-reader [...] I think that was a real moment of clarity for us. It also enabled us to articulate what we wanted from our development team very well so it was really good in terms of managing the development effort. And for me, as the kind of key

stakeholder from this side, it made it very, very easy to sell into the business what I wanted.

Spotlight

The research stage often overlaps with **Design activities**; co-design events or early prototyping are used to gather data, but also to start informing, discussing and developing ideas in an iterative process. This collaborative and iterative approach based on draft and developing design materials, are also described as a vehicle to instil a different way of working and approaching change, which aims at reducing bureaucracy and siloed systems, enhance dialogue and more equal interactions centred on understanding users and materialising better solutions and experiences. The way the design process ends then depends on the kind of collaboration between designers and clients; in some cases there is a distinct project hand over, with a final presentation of design recommendations to the client (e.g. blueprint, use cases, persona, project report, powerpoint presentation), or a stage where clients become more independent to take over early prototypes and ideas to further develop the project if the relationship is more collaborative.

“ They created initially some supporting visuals and guides for us to do some audit work. Then they had a few presentations where they brought back results to us and did competitor analysis. We then narrowed down the project to a specific area that would make impact to the business and they did more investigation work and presented that back to us as a final pdf and PowerPoint presentation to explain what they thought the recommendations were. **Nuaire** ”

The **analysis stage** is then when the ideas and insights are evaluated, and the project or part of it, is signed off for development. In this stage designers are generally not involved and the process is slowed down to allow the buy in from seniors or investors. This is also where designers can lose sight of how the project develops and where choices, timings and adjustments are decided, based on available resources, existing strategies and viability of the solutions. Design materials and the narrative behind them here play a fundamental role for the success or not of project development

(e.g. design visualisations or digital prototypes). In the case of Certitude, designers participated in this stage by supporting and guiding the organisation on how to better present their work, working on slides and language, to the relevant stakeholders. At this stage politics and power dynamics are also very tangible and project demonstrations and negotiations are essential to win resistances to change.

“ We started to come up with our implementation plans and at that point the whole organisation went through a massive restructure which affected our division”.

Anonymous client organisation

In three cases designers continued the collaboration beyond the analysis stage to support also the **development stage**. In the case of Certitude, Innovation Unit partly supported the development stage by developing the prototypes to conduct the pilot and test the ideas, and the development of the related website with an external web design agency. Their work has though been further tested and changes have been developed in the website and tools given the feedback received during the testing activities. In the case of the digital innovation projects (Made by Many and Wilson Fletcher), the development stage was mostly about software development, and the support for a ‘soft launch’; in Made by Many case, the development stage included also the support to set up a digital team within Universal Music, in terms of selection of personnel and definitions of the required skills set, in order to help them to become independent in the management of their digital offering.

“ So we’re working with them to help them build a digital product group within Universal. So it’s an entirely new set of skills that they don’t have [...] this marks a real step change for Universal; for them it’s a pretty bold statement about where they see themselves going; I think it’s a really interesting for a recording company, an entertainment company, to move into the software business.

Made By Many

This is where we could say designers succeed to engage in both the execution and exploitation stages of innovation. This seems more probable in the digital service innovation field where agencies have the complete skill set to support their clients from the idea generation to the digital service implementation stages, but also when design approaches and principles succeed to become integrated within the existing client innovation practices so that they continue to inform change in the longer term.

Finally the contribution at the **evaluation stage** took different forms focusing on design deliverables, service use or business performance. In one case the evaluation appeared to be a formality at the start of the process with a focus on evaluating the specific design contribution and not the overall project outcome; this is the case of Care Information Scotland where designers defined together with NHS24 Key Performance Indicators (KPIs) for their deliverables that have been then ticked off by the client at the end of the process. In the case of Connect & Do project the consultancy agency has been called in after the end of the collaboration to conduct an evaluation of the project outcome given the need of the third sector organisation to prove the value of its work to commissioners; a different unit within Innovation Unit with expertise in project evaluation conducted this evaluation piece focusing on available evidence of service usage with challenges to measure sustainable behavioural change and cost\benefit ratio.

“ We worked on a theory of change with them. And there were loads of conversations about the confusion about what success looked like but we came out with, because you know they were saying things like, some people had been isolated for 3 years and they’re not ready to make friends after 12 weeks; but actually for them success is being able to go to a reading group once a month and just sit there and take part. So we had this kind of conversations and from that we developed 3 outcomes: being more active, being more connected and being more resilient.

Innovation Unit

In the case of digital innovation projects instead the evaluation is integrated in the design of the digital platform and the revision of Google analytics that can eventually

motivate and initiate new service re-design cycles. Finally in projects like Nuairé company, the evaluation is conducted by the company independently from designers, adopting their business performance indicators (e.g. market growth, client retention, employment, or revenues) as a way to measure the impact of the project implementation. In all these cases, even when the cultural change was part of the project objectives, evaluation of these subtle transformations has not been taken into consideration.

Contribution of Design to Service Innovation

The level and locus of change in the service projects we studied can't be defined in an accurate way as all dimensions of change are very interconnected. Depending on the kind of project and design intervention there is inevitably a question on how to define the time-frame within which to measure change and innovation. Also the potential of change might be diminished or transformed given project implementation problems (see radical organisational change in one of the case studies) or for significant service adaptations that affect the overall outcome.

“ We are expecting to be engaged or to deliver the new service on a thing called Mygovscot, which is sort of equivalent of the gov.uk websites or portal that will deliver, but I'm expecting that to give me quite a lot of constraints in terms of design and branding which we may not be able to overcome and so the delivery of some of these more social media type we might have to develop in a different brand because it might be not possible within the formal government type site.
NHS24

In some cases it might be easier to identify where change is concentrated as the design project is focused on a specific product/offering or interface, while the organisational main processes and way of doing and thinking are not highly affected. The client organisations in the case of Snook or Nuairé had no specific intention or interest in deeper transformational changes; changes therefore will consequently spread into organisational practices more as consequence of service implementation, when the solution is adapted and adopted by the organisation and staff, than as led by design interventions. In Nuairé

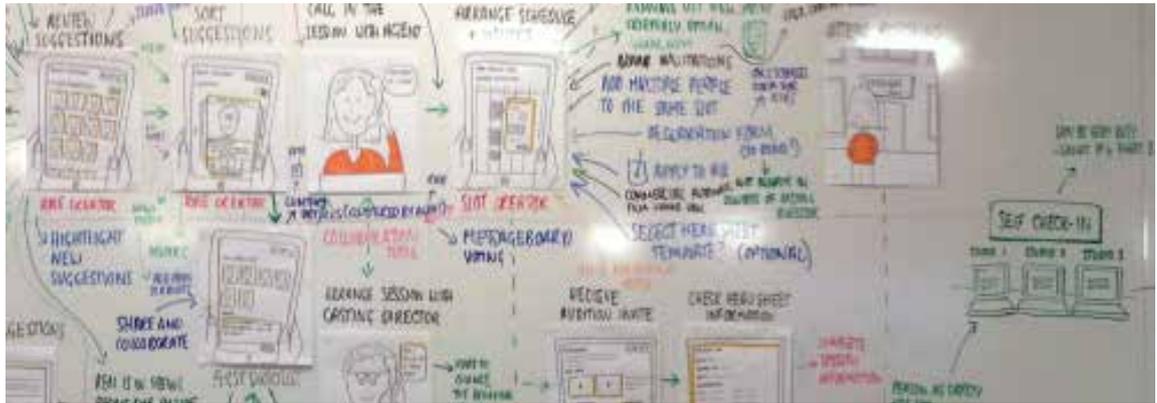
for example the project resulted in a higher level of awareness of service driven innovation opportunities. **In these cases therefore designers inform change, but has limited influence on the way and level in which it is actually implemented.**

“ The main change was what we offered to customers so rather than being a product manufacturer offering products A, B, C and D we now offer still products A, B, C and D but we offer them services around it was well and we use services to help promote and use our products in the best way. So where before the company would probably only consider the products it was very evident that looking at the service side as well brought a different dimension to us as a company.
Nuairé

In other cases such as Certitude or Universal Music the level of change is more spread across the organisation, as the nature of the brief and project required a process of cultural change through designing. Both Certitude and Universal Music aimed to fundamentally change the nature and mode of their businesses, in one case developing a more collaborative approach to mental health care, and in the other changing the nature of the music industry from delivering what artists create to developing offerings around people's desires and mode of listening (from a good to a service logic). **In both cases designers drive or enable change by assisting the creation of the required solutions, skills and practices.**

Finally change can remain at a potential state, as a legacy in the transformed way of thinking of few key people in different organisational positions who recognise the value and potential of applying service design. These people though might leave the organisation or might encounter challenges to apply their learning given organisational constraints.

“ I believe what [the design agency] brought to the party and helped us see was the importance of deliberately designing the customer experience [...] and that for me was the light bulbs going on.
Anonymous client organisation



Customer journey planning from the Casting Service project

Client-designers relationships

The client-designer relationship appears to be a fundamental dimension influencing the process and outcome of Service Design consultancies. As a way to simplify our discussion during the final workshop, we suggested three main models of interaction: parallel, collaborative and integrated models.

Parallel relationship: this is a traditional consultancy model where designers are tasked with a very finite and defined contribution and output within the NSD process, which is agreed from the start. The client and designers' innovation processes run in parallel, not necessarily influencing or significantly touching each other. The deliverables are presented and submitted as completed documents to inform organisations' evaluation and development. The documents have a huge importance and role as they need to speak to the client organisation without the designers and guarantee the continuation of its proposals and spirit. Snook, PDR (International Centre for Design & Research) and Wilson Fletcher's projects are an example of this kind of collaboration, which is determined by the specific needs and requirements of the client organisation; there is no interest for NHS24, Nuaire or Spotlight in learning new processes or transform the organisation, as they are looking for evidence and ideas to improve their offering or develop new ones. The proposals and ideas are then evaluated independently from designers and implemented in the parts that better fit with their current resources and existing development plans.

“ The main interaction between ourselves and Nuaire was, there were one to one meetings with Andy, who was the main client. [...] they were

reporting meetings really so we were reporting back what we discovered, what we'd found about their competitors and what we were proposing. PDR (International Centre for Design & Research)

Collaborative relationship: this model considers projects where designers and their clients develop a very collaborative mode of working, which is still led by designers, but that implies sharing of work spaces, and an iterative development of the design solution without finite and completed deliverables; deliverables are described as drafts that are exchanged between designers and their clients for approval or co-development. The Agile approach of digital design companies reflects this need to avoid deliverables and use prototyping as a way to guide and lead the design development in a more quick and effective way. The anonymous case study and Made by Many project represents this way of working, which is informed by an open brief and an explicit interest from the organisations to change their way of working, learning from a close collaboration with the design agency.

“ The tempo does require a lot of trust because we don't have these formal, old school master kind of see 3 design presentations, you chose a concept, you sign each kind of paper and say you are happy with that; there is, it's very iterative and therefore the relationship actually between the kind of us and the client is very, very important.”
Made By Many

Integrated relationship: this model is a further development of a collaborative one, when designers and clients work in a more integrated way, sharing tasks and informing each other activities; designers here train the service organisation in using design tools and engage them in the facilitation of events. The process is not completely led by designers, but informed by their mode of working and decisions are gradually developed together. The client organisation might change some of the tools or approaches if they think they don't fit with their users or context. Deliverables in this situation are also not definite and the outcome is more associated with a different way of working and interacting with their clients. The example of this way of working is the project by Innovation Unit, where the client organisation aims to learn from designers a different way of working and delivering services which is informed by design principles and approaches. The nature and existing culture of Certitude and the previous experience with designers, have supported a more open and flexible approach to the consultancy collaboration.

“ They gave me some suggestions, some ideas like the skills and the knowledge that maybe we need to have, like be more friendly and be more open minded and flexible and encouraging [...] we were always given a task to do after the session like now we've got this idea why don't you try this idea and then come back and discuss it.

Certitude

These models are an artificial description of modes of consultancies that have much more nuances and might sit in a continuum, rather than in closed categories. What it is interesting here is how these 'temporary organisations', as described by Stefan Holmlid in his short essay, are formed, why they assume those forms and with which consequences. At this stage we can suggest that the existing culture and innovation practices of the client organisation, their specific project aims and timeframe, and previous experiences with design agencies can affect the project relationship at different levels; on the other side the designers' approach, the ability and willingness to engage with senior managers in strategic

Survey Data on NSD

The survey separated the process of service innovation and development into four stages: Analysis, Ideate, Design, and Development. Participating service designers indicated types of design activities practiced, project collaborators involved, and methods used in each stage of this process. Firstly, the results revealed market research and user studies as the most common methods used by service design agencies at the Analysis stage to identify service opportunities. Accordingly, this stage greatly relies on the users' participation in research, predominantly involving interviews.

Secondly, the opportunities identified in the Analysis stage are further explored at the Ideate stage, often employing brainstorming and co-design workshops. Users and the client management team are considered as the biggest contribution to these activities. Thirdly, at the Design stage, service designers tend to co-design and prototype the ideas mostly with users. Lastly, service design prototypes are developed often through project presentations to the client, including their management team, IT department and front line staff and users.

The majority of the survey findings resonate with the case study, such as the use of traditional user/market research methods employed in early stage of the projects, co-design and prototyping used to generate and develop ideas, and delivering design outcomes to the client through visual presentations. The survey findings also confirmed the importance of user engagement throughout the process in service design projects. However, in-depth case studies indicated the need to extend the process stages to include Procurement and Evaluation stage, where service design agency's participation is often considered essential.

conversations and renegotiation of the original project brief and problem can also affect those dynamics.

Re-interpreting Service Design

We discuss here how Service Logic and Anthropology introduce a different perspective on how to interpret of Service Design practices, and some of the findings.

Service as an offer or a logic

When considering the latest evolution of the service concept that we have presented briefly in the theoretical framework section, we can make two main considerations about Service Design:

Designing for new value relationships: in recent service research literature, the distinction between products and services has been considered irrelevant. This because the focus is not anymore on the individual offering, but on how this offering is able to help and support the co-creation of value in the user context. Most of Service Design projects solutions were about the design of interfaces and digital products to transform the way different actors interacted with each other, and in particular the way the client organisation could relate with their own users and partners in a way that better fit with their need and activities. Clients were interested in exploring new channels and novel models of client/users interaction as well as collaborative design approaches and customer centricity. This focus on improving and transforming interactions to increase value is central to the contribution designers bring to service innovation;

Designing for a service logic: as introduced in the theoretical framework, services can be conceived as discrete set of market offerings (goods-logic), therefore considering them as discrete outputs, or a service can be considered as a business logic, as a way to innovate starting from customers' needs and practices. Similarly service designers can work both in a goods or a service logic; they work in a goods logic when they treat services as discrete design objects, as finite deliverables, working as a traditional consultancy that generate and deliver ideas and solutions that the organisation might then develop or not; or they can work in a service logic when they transcend the kind of output they might generate and focus on the outcome and the approach to

innovation, working with and within organisations to help them become more dynamic and customer centric.

The shift toward a service-logic depend both on the designer capability and willingness to engage with deeper organisational changes, as well as on the actual needs and intention of the client organisation. Moreover Designers' ability to understand people and their practices and translate this people centred approach into opportunities for innovation, need to be then translated and integrated in the on going client organisation's practices and change processes. The bridge between the designer's insights and the organisational dynamics is a space that we suggest would require some attention. This is where the issue about sustainability of change (the stages of execution and exploitation of innovation) is raised requiring novel skills and knowledge.

Matching & Designing

The transformational role implicit in the description of design for a service logic raises questions that require the use of another interpretative lense. We suggest here how in order to better understand the translation and transformation processes within organisations, designers need to acknowledge, understand and approach institutions with their culture and ongoing change processes in mind.

Stefan Holmlid in his short essay, identified conflicts and flows between designers and clients in a number of the case study examples. In some cases differences of practices and cultures are acknowledged but not solved; in other cases strategies are developed to create trust and alignment (for example mirroring the structure of the client organisation), while in others a practice might overtake (e.g. when clients gradually buy in the rhythm and approach of designers). A granular understanding of how practices and changes are accepted or not, adapted and negotiated within daily interactions and translations during and after designers, is the level of details we need to consider to paint a relevant picture of these phenomena.

In academic literature two types of organisations are recognised, exogenous and endogenous (Jacoby 1990 in Rofstam and Buur 2012:72). Exogenous organisations are those institutions, such as design consultancies that affect organisations and people from outside.

Often they are imposed on us. In contrast endogenous institutions are those that build on their local knowledge and procedures and learning within communities. In innovation discourses this matching of the degree to which the designer acts to match the institutional setup is often ignored, yet by doing so it increases the risk of institutional frictions (ibid). To avoid this, it is suggested that designers see the client organisation as an endogenous context, whereby they align and match themselves with the client organisation. The challenge for the designer is to achieve this institutional match (p:74). In most of the case studies there is evidence of dynamic innovation cultures that engaged with users endogenously prior to the commissioning of an agency. These cultures were responsive to external changes and in the case of Certitude they were happy to apply non-formalised and intuitive adhoc approaches to exploring services.

“ So prior to us using a designer partner I suppose where our processes came from is, we think up a good idea and then just go and try it, and we still do a lot of that don't we?
Certitude

Spotlight were instead very responsive to the changing service context of their casting service prior to the commissioning of a design consultancy. As an organisation that works extremely closely with their clients, Spotlight took the first steps to implement a process of innovation when they realised that there was an opportunity, from the qualitative feedback that they received from the casting directors:

“ I think it became very clear, about 18 months ago probably, that the way casting directors went about their jobs had changed, had evolved since, you know, in recent years. We were particularly interested to know what else casting directors used in order to get their job done.
Spotlight

These two examples show initial endogenous innovation practices, which were then interwoven to support and engage an exogenous institution, suggesting less delimitation between the two. This fits with Lucy

Suchmann's observation that there is a need to acknowledge design's particular place 'as one (albeit multiple) figure and practice of change.' In all the case studies there is evidence for the need to find an institutional match between the design agency and the client organisations with a designers centric perspective leading to a mismatch or frictions between the client and the designer. The following headings with quotes offer some insights into the need for an approach that is less design centric and instead one that considers the following elements:

Trust and negotiation as part of procurement and brief activities: Building close formal and informal relationships through openness and access to each of the institutions, developed trust and supported transformational processes and the adoption of service design practices beyond the life of the project. The close interaction of designers within the client organisations and informal exchanges were important to building trust and establishing confidence in the processes.

“ Wilson Fletcher really wanted to become partner for Spotlight, they really were; I mean it sounds like one of those things that everyone says but they really wanted to sort of understand what made it tick....In order to familiarise themselves with Spotlight and to get under the skin of Spotlight” .
Spotlight

Use of language: In all the case studies there was evidence of familiarising and converting the client organisation to the language of service design. Different degrees of alignment over language and processes emerged in nearly all the case studies with some of the design agencies addressing it headon with explicit tactics, with others seeing it as something that would emerge over time.

“ Most companies don't understand service design. It's a really brutal fact but it's true most companies, especially manufacturing companies, think service is to do with either customer service, phone calls or to do with after sales service, which is support for products, which have broken down.
Certitude

Entangled in social institutions: In all the case studies there was extensive entanglement with other social institutions with different cultures, which also created frictions for the client organisation. Evidence emerged that design processes smoothed institutional frictions between the client and its network.

“ Having that stuff in there from Snook and having that design thinking and having really looked at it and had the visual stuff it’s easier to share with people so you could share it with people from ‘mygovscot’ and say ‘this it what we are up to’ and they could get it.
NHS24

Negotiation activities to support implementation: From the case studies it emerged how the design outputs smoothed out resistances and assisted negotiations within the client organisations. In three of the case studies the material produced by the design agencies helped justify new approaches within the client organisation, directions that otherwise would have been rejected for their non-institutional fit.

“ Well the key contribution will be this evidence based product proposals, so it gives me, as a project manager, I can now say to, when I get people saying ‘ah well we people don’t do that’ I can go ‘well actually there’s the evidence with interaction with user groups who have said they will use that’ and so it’s easier for me to defend those more radical developments [...] it gets you out of that institutional bind.
NHS24

The dynamics of power: Power relationships were acknowledged as creating frictions in the acceptance and adoption of design practices and transformative methods. These power dynamics exhibited scepticism in the design practices but also in the way in which individuals were empowered to make decisions within the client organisation.

“ But it’s also about making sure that the right people are in the room at the right times so there are some decisions that, you — we typically try and work with our

clients early on to identify a product owner on their side who’s empowered to make decisions.

Made By Many

Ad hoc innovation and formalisation processes: Although resistances occurred in some of the projects in three of the case studies the evidence shows that the design practices offered a formalisation and confidence to work in a new an unfamiliar ways. People spoke of the initial reluctance to move into the spaces of uncertainty brought about by the design practices but once experienced there was a transformation and conversion to the benefits of these methods. These were then adopted, not necessarily systematically by the organisation but were now spoken of as normalised practices.

“ From my level and my team’s level I think it’s given us confidence that we can do it. It is quite scary thought. I think it’s given us some processes, kind of procedural things, the notions, actually we’ve changed our meeting formats to be more like a sort of sprint format.
Made By Many

Within each of the case studies there are frictions and flows that affect the projects. In two of the case studies the close working relationship between the client and agency quickly built trust whilst with others there is evidence of a slower conversion process that took time to reach a point of organisational match between the client and design agency. In all the case studies, to a greater or lesser degree, there are traces of design practices being adopted by the client organisation beyond the timeframe of the project; these included new ways of engaging with customers and or formalising processes of innovation. There was also evidence of the client organisations engaging in their own design activities that were less formalised and more adhoc than those of the agencies. These endogenous innovations were often a first step to engaging with the service design agency. As well as undertaking the Service Design work the designers, in many instances, were also presented with challenges of internal organisational practices and insitutions capacity for delivering change.

8 — Conclusions

This short research project gave us the opportunity to look closely at Service Design practices and their relationship with New Service Development processes and service innovation. We developed and tested a research framework that informed the case study and survey research using inputs from NSD, service innovation, service research and design anthropology studies; we analysed and discussed these findings against these fields during a final interdisciplinary workshop where data visualisations were created to share insights and inform discussion.

The output is a rich picture of how designers operate in practice and contribute within wider and on going service development processes, and the way their engagement with their clients and the specific project conditions highly affect the kind of outcome they can help generating.

The theoretical framework has been very effective to direct our study and data analysis and we recognise the potential of its use in a more integrated way and with the conscious use of specific interpretative lenses:

- **Theoretical framework – the need for an integrated perspective on Service Design:** the articulation of a theoretical framework to inform our case studies from a multidisciplinary perspective has been extremely useful to gather and articulate insights and position Service Design contribution within specific areas of study, e.g. redefining the main stages of NSD or articulating the level of change designers contribute to within specific innovation projects. What emerged though as most promising has been the potential of using these different disciplinary perspectives in a more combined

and integrated way to form a more articulated understanding of innovation practices: e.g. the kind of contribution to NSD affects the kind and level of achieved innovation and viceversa, as well as these processes affect and are affected by the nature and kind of relationship between designers and their client organisations;

- **Theoretical framework – interpretive lenses:** the use of the two lenses of a Service Logic and Design Anthropology has provided a useful perspective to further discuss and interpret these practices; Service Logic has been useful to articulate the transformational potential of design interventions and the conditions of when a different business logic can be implemented; while the design anthropological perspective has enabled a richer and more granular description and evaluation of the qualities of contexts and human interactions that condition the way NSD and Service Innovation actually manifest and operate. The use of these interpretative lenses could be further applied focusing on specific innovation dimensions or factors, or new lenses could be chosen to better interpret innovation phenomena that require more or diverse explanation.

Our understanding of the role and contribution of Design for Service Innovation and Development has expanded and confirmed the need to look at the specific contextual conditions and expanded role of innovation actors to fully appreciate service design. We identified three main kinds of contributions of Design for Service Innovation and Development, that we found resemble partially the famous Design Ladder model (Danish Design Council); these are a simplification of course of the nuances

	SERVICE DESIGN AS A SKILLED CONTRIBUTION	SERVICE DESIGN AS A PEOPLE CENTRED, CREATIVE AND SYSTEMATIC PROCESS	SERVICE DESIGN AS A PEOPLE CENTRED AND COLLABORATIVE MIND SET AND APPROACH
Procurement	Chosen for their skills (e.g. user studies and engagement, co-design, visual or creative skills)	Chosen for their process and organisational fit	Chosen for their approach to change and innovation
Well defined and output oriented	Oriented toward outputs; focused on developing/improving an offering	Open and exploratory; focused on developing/improving an offering	Open and exploratory; focused on learning a new way of doing things
Contribution to NSD	Initial stages of NSD (e.g. research and design activities)	All main NSD stages toward implementation	All main NSD stages toward staff independence
Design outputs	Distinct designed deliverables	Work in progress documents and prototypes	No definite deliverable
Innovation outcomes	Changes are informed by design contribution	Changes are led by design process	Change is enabled through learning
Designers / Client relationship	Separate processes with distinct roles	Collaborative processes led by designers	Integrated and emerging processes

of how designers work across and in between these typologies but it can help us simplify and make our insights more accessible.

- **Service Design as a skilled contribution to address a specific need:** as described through the case studies, in some cases designers are called in specifically for their skills in terms of user studies and engagement, co-design, visual or creative skills that can inspire and inform change in specific organisations; in this case the contribution is mostly concentrated on the initial stages of NSD with a particular emphasis on the research and design activities; the projects have specific finite deliverables and design activities between client and organisations tend to remain separate with clear distinct roles; changes are informed by design contribution and can spread through the organisation via the implementation processes;
- **Service Design as a people centred, creative and systematic process:** here designers are chosen for the process they apply to approach the design of a new service or the improvement of an

existing one; clients are interested in learning from their process and adapt it to their current innovation practices. Designers can lead the change process engaging the clients in the decision making process and can work across the NSD stages depending on the nature of the organisation and project. Designers and clients work in a very collaborative and iterative way which do not necessarily require final deliverables, but mostly on going prototyping; change is driven by design processes and can inform the creation of new service offerings and interfaces and affect organisational delivery and innovation processes;

- **Service Design as a collaborative and people centred mind set and approach:** on another level designers are appreciated for the approach to change and innovation that they introduce with their practice and are called in to inform a longer term transformation of how the client organisation works, delivers their service and thinks. In this case the NSD process is emergent and designers support a learning process within their client organisation adapting their

practice to their needs and requirements; designing and prototyping becomes a way to experiment with a new way of looking at the client practice and can inform multiple parts of the NSD toward final implementation. Change is enabled through learning and can transform the way services are designed and delivered and the way the client organisation perceive their own work and identity.

These three roles and contributions are not neatly separate and the way design work can touch different spaces at different times of a single project as the collaboration develops and might change direction and scope. This brings back our attention to the specific contextual and situated dimensions and dynamics of design practices that can inform, support or drive change in different ways or levels, which have been discussed in the previous section (Matching & Designing): e.g. trust and negotiation processes, dynamics of power, adaptation and formalisation processes or entanglement with other social institutions.

Future Research

DeSID has provided the background and a framework to inform future studies on how Design contribute to service innovation and development. We would like to see more research in the three models of design contribution we suggested here, and we summarise some of the possible research areas areas that could help to progress this study further:

- **Constraints and conditions for change:** in this short project we identified factors that support or not change and implementation, such as the use of visuals, the establishment of a trusting relationship, the quality of the brief, the process of learning, or power and political dynamics; we suggest how further research into these constraints and conditions could inform better practices. We envisage that these future studies could converge Service Design research with Design Management, Organisational Change studies and Anthropology of Innovation;
- **Sense Making and Context:** together with understanding the general constraints and conditions for changes, we suggest the need for research to inform the development of knowledge, approaches and tools to increase the ability of designers to make sense of organisational contexts. A suggestion was to direct and develop the skills and approaches used to study users toward organisations, developing a sort of ethnography of organisations. Understanding organisations better with their change processes and dynamics, can increase the 'matching' of designers and organisational practices to better support innovation implementation and exploitation;
- **Temporary organisations:** another research focus that has been touched upon frequently in this short project is the relationship between designers and clients that Stefan Holmlid framed as 'temporary organisations'. We documented how this relationship does affect the way projects develop and the impact designers can have on organisations. Looking closely at how temporary organisations emerge, develop and dissolve, paying attention to how practices integrate or not, how expectations influence developments or how legitimisation processes occur (see short essay by Stefan Holmlid) can provide further inputs in these kinds of collaborations;
- **Future of Service Design practices:** a wider topic that could be informed by this study, is related to the future of Service Design consultancies. Vadim Grinevich has well pointed toward the potential for design agencies to increase their ability to support sustainability of innovation exploitation. This is a general issue in the literature of Knowledge Intensive Business Services (KIBS) whether to support outsourcing or develop inner skills for innovation in organisations; and it is also implicit in the description of designing for a service logic, that imply developing organisations' capabilities. Understanding the diversity of practices as we partly did here, and imagine future business models could represent a relevant research project.

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This report organises materials from DeSID research activities. It summarises and presents the theoretical framework, case studies and survey data to then report insights from discussions during the final workshops. Two short essays from international guests also provide further materials for reflection. In our conclusions we bring together all the data and insights positioning service design contributions along a new service development process and articulate our updated understanding of where and how designers contribute to service innovation and development. In these descriptions the relationship and modes of interaction between the clients and designers play a considerable role.

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