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INTERNATIONAL SOCIETY OF SERVICE INNOVATION PROFESSIONALS

Service Innovation Blocks – A tool for the innovator

Why

Can we design valuable services for our customers? Can we support workforces with a productivity toolkit to help them meet the demands of consumers? Can we ease the struggle of keeping up with the digitization of everything? The short answer is, 'yes'. Service innovation is not a fad; it is core driver of growth, performance, and new business models, but it is sadly, undervalued and misunderstood.

Digitization and globalization is rapidly changing the way we do business. Faced with the need to adapt to this changing business environment, enterprises are turning to service innovation as a strategy for sustainable growth, as seen in a significant rise where business value is delivered As-a-Service, and where companies can create service experiences that deliver high quality, repeatable, and efficient solutions to customers. However, services innovation is a nonlinear exercise. It is complex in nature and few tools and frameworks exist to empower the innovator in meaningful ways.

The lack of these tools is where we identified a niche in the industrial field and embarked on an incredible two-year journey to develop a toolkit, a methodology, a framework that would prioritize services innovation as part of digital transformation. We invented the Service Innovation Blocks(SIB). Notably, the SIB have been tested in real-world situations and organizations with exceptional results.

Who

We believe real-world applicability is necessary for the SIB to work. We collaborated with FIR at RWTH Aachen University in Germany to develop the methodology and tool. We included the Savannah College of Art & Design (SCAD) to enhance the tool and develop marketing material. We also worked with several, companies positioned in extremely fast-paced markets, including Cisco Systems and IBM. We're already driving adoption by coaching teams on the best ways to use the SIB in industry settings.

How

We started by answering a three-pronged research question and proposed a classification of service innovation methods that apply flexibly to specific use-case situations.

We asked:

- What are the typical tasks and objectives of innovation and how can existing methods be classified according to these phases?
- How can the magnitude of existing tools be rated with respect to the tangible application potential in the various innovation tasks?
- How do methods relate to specific use-case situations and are there typical patterns or sequences which companies follow according to the use-case situation when they apply the methodology?

The structure and applicability of our framework was developed and evaluated iteratively. Collaboration and research formed the backbone and methodology for our proposed classification system.

What

Being innovative and performing innovations is one of the essential objectives for modern companies, and in this way, it is possible to maintain and increase their competitiveness. In this way, it is also possible to create a classification system.

We found that innovation management is a step-like development process. In line with other authors, we noticed that almost all procedures covered similar development phases. We generated the following scheme:

- **Exploration:** the pursuit of new knowledge.
- **Evaluation:** the judgement of an idea and calculating a realistic market impact.
- **Development:** the creation of a prototype.
- **Realization:** the complete steps, from functional prototype to placed, validated, and scalable service.

Based on expert interviews and research, the outlined four phases of service innovation in Figure 1 represent the complete task of service innovation at the highest level of abstraction and cover every relevant development step. Figure 2 represents guidelines to delve deeper into insights that arise from the inner layer.

Figure 1. The inner layer of Service Innovation Blocks– main phases



Figure 2. The second layer of Service Innovation Blocks – the guidelines



Although innovation is both abstract and intricate in nature, these blocks guide the innovator through the main innovation phases in a structured way. By having an inner circle of phases, numerous strategies of the Service Innovation Blocks can then apply to specific contexts. For example, innovators can reorganize the sequence of the blocks according to their needs. The “K-Strategy” represents a “rapid-prototyping” approach. The “U-Strategy” represents the “traditional innovation” approach, which used to be and still is common in many industries. The “X-Strategy” represents “trial and error”.

Beyond these strategies and phases, we also included guidelines to aid the innovator, see Figure 2. Each innovation phase includes three guidelines to help the user develop detailed insights from the inner layer to the outer layer, like an onion. The design empowers the user to have an intuitive understanding, while the name represents the required result.

Where

After developing the Service Innovation Blocks, we put them to the test in the industry with several companies. According to interviews with experts of leading worldwide companies, the framework is state-of-the-art and combines most of the industry-common frameworks into a single, comprehensive one. The blocks allow flexibility where needed and constriction where mandatory. A Fortune 100 company used the framework to stimulate innovation in a 3-month incubator program. The managers of the program reported they experienced more structured and mature results from the incubator teams than in the past.

The Service Innovation Blocks contribute to the development of new services. Changed economic worldviews require digital enterprises to innovate continuously at faster speeds.

If you want to enhance the digital landscape, remain competitive, and stimulate your services, put services innovation at the forefront of your business strategy. [Engage with us to learn more](#) about our toolkit and how you can get started.

References:

1. Gudergan, G., Heikenfeld, H., Heßler, A.: Service Innovation Blocks – A classification of service innovation methods for its application in digital transformation, In: Service Science (submitted for publication)(2017)
2. ISSIP Service Innovation Framework Group: <http://www.issip.org/about-issip/community/special-interest-groups/2487-2/>