

fimecc

— Finnish Metals and Engineering
Competence Cluster

Future Industrial Services (FutIS)

Expression of Interest
11.9 – 21.10.2009

Aim of the Expression of Interest

- ▶ Identify a core for establishing a programme consortium, that evidently will finalise and execute a Fimecc research programme on Future Industrial Services.
- ▶ Identify the main topics for which there is a broad industrial interest.
- ▶ The initial structure proposed by the Steering Group is non-exclusive and any constructive input is welcomed. Decisions will be made by the eventual consortium

Footsteps

- ▶ Fimecc Service Business Steering Group (SG)
 - Internal discussions
 - Outbound discussions, e.g. the BestServ-group
- ▶ Idea generating seminar
 - With BestServ Forum on 2.6.2009
- ▶ Draft list of items
 - Expression of industrial interest (11.9-21.10.2009)
- — — — —
 - SG evaluation (end October)
- ▶ Consortia formation
 - Nov 2009
- ▶ Programme finalisation and launch (early 2010)

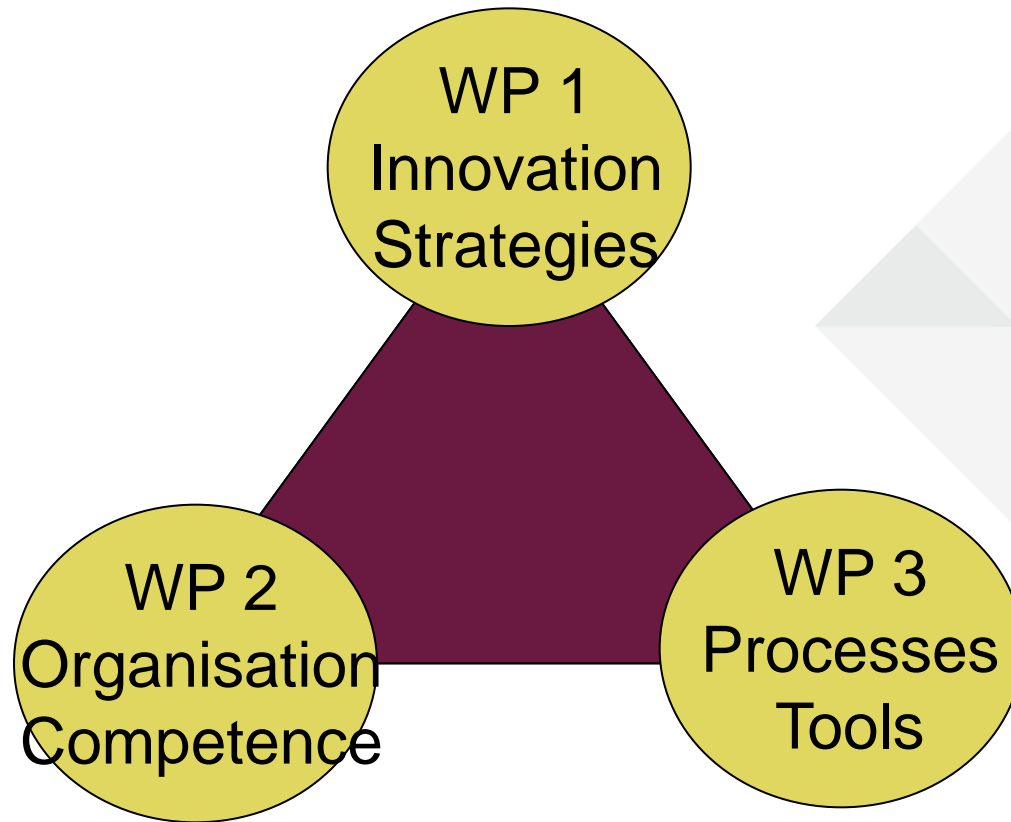
Aim of the Programme

- ▶ The “Future Industrial Service” programme supports Finnish companies’ ability to successfully lead and manage customer relationships. This is reached through improved ability to develop, design and implement customer-centric services. The research also raises the level of competence, skills and cooperation of Finnish service research to a new level.
- ▶ The programme will generate new innovative business models, and create new understanding regarding operative service processes and their management.
- ▶ Participant companies will develop their business models, processes and solutions that they can better support the value creation for their customers.
- ▶ Service business development needs to serve customers so that the customers are able to develop their own business and operations in order to benefit fully from the services. Through this the customers will gain competitive advantage and the service providers will find innovative new paths towards an internationally sustainable, growing service-oriented business.

FutIS Objectives and Business Benefits

- ▶ Building understanding on service business logics, customer demand forecasting, inter-organizational new service development, benefit sharing, and open service innovation systems
- ▶ Improved customer understanding
- ▶ Service-oriented business models and earning logics
- ▶ Better profitability and knowledge management in industrial service business

Tentative Programme Overview



WP1: *Innovating Service for Future Demands*

- ▶ Innovation has traditionally been studied in manufacturing industries, and it is on this basis that the existing theories, models and tools of innovation have been developed. Service innovation changes the ways how value is created for the customer and captured for the seller. Recognizing the new logic underlying value creation and value capturing is the key to the development of innovative service offerings and concepts.

- 1. Strategies for service innovation (existing services, incremental innovations, radical innovations)
- 2. Co-creation of industrial service concepts (different seller and buyer roles/benefits)
- 3. Integration of service and product design and predicting service needs
- 4. Fast development and rapid application of service concepts
- 5. What role does service play in meeting sustainability demands (environment, safety and security, ethics)?
- 6. Life-cycle of services and service promises (service liability)
- 7. ...

WP2: *Workforce (Operative) Management and Organisation of Industrial Services*

- ▶ Service processes are open systems, i.e. systemic in a company network. Information and knowledge management differ from the usual closed processes within an organisation. Firms also face challenges to design global service offerings, production and management, that can be adapted to local conditions.

- 1. Best practices in organising service business (global vs. local)
- 2. Impact of customers on service operations (eg. customer churn and change in needs)
- 3. Competence management (perceived requirements vs. identified resources, service job requirements vs. allocated resources and aimed mach vs. actual match)
- 4. Systematic information processing and management
- 5. Network management (partners, M&A, etc.)
- 6. ...

WP3: *Standard Processes for Variable Service Production*

- ▶ Service processes are open systems where production and usage, and thereby also service provider and customer, interact to a considerable degree. Changes in the service production process (resources used, flow, timing) have an immediate impact on the customer's perception of the quality of the service. Streamlined processes are important for integrating especially global operations and improving profitability.
- 1. Integration and adaption to customer processes (e.g. matching service procurement)
- 2. Standard processes for variable services globally
- 3. Controlled deviation from standard operations
- 4. Variation through service network
- 5. Categorisation and boundary conditions for service products and concepts
- 6. ...

Expression of Interest

▶ Industrial interest

- Own work:
 - ▶ What? Allocate to pre-defined topic or suggest new. Short explanation.
 - ▶ When? First funding period or later?
- Research activities:
 - ▶ Indicate what research activities would be interesting to follow or co-fund. Indicate importance (interesting / extremely)
- Willingness to participate in preparation (yes/no)
- Non-committing so far

▶ Academic interest

- ▶ What? Allocate to pre-defined topic or suggest new. Short explanation.
- ▶ When? First funding period or later?
- ▶ Indicate major ongoing activities with industrial participation
- Willingness to participate in preparation

The outcomes are to

- ▶ analyze current practices for developing, designing, transferring, and commercializing services in industrial companies.
- ▶ enhance the participants' understanding of the challenges involved in service processes and operations in a manufacturing setting, and to develop 'best practices' for the management of these.
- ▶ develop frameworks, models and best practices on how industrial companies can reshape their business strategies by developing more service-oriented offerings to their customers.

Rules of the Game

- ▶ Work is done about 50/50 in companies and in research institutes
 - Research institutes: Understanding theory and practices and their connection
 - Companies: Implementation of theory, case studies
 - Knowledge creation and transformation between participants
 - Scientific research supports case studies with companies and vice versa
- ▶ Program contains work packages with different scopes
 - Participation in one or more work packages
 - At least two companies per WP

Budget and funding rules of the program

- ▶ Program budget 1 – 3 M€/a and duration 3 – 5 years
- ▶ Companies have to create 50 % of costs at program level
 - Accepted costs are same as in Tekes-funded projects generally
 - ▶ Own personal costs (salary + added costs)
 - ▶ Subcontracting costs (from other companies, research institutes)
- ▶ Public funding **at program level** can be up to 60% or 75% depending of publicity level in every funding period
 - 60%: Publication of company results as in Tekes-programs
 - 75%: Publication of company results: Same requirements as for research institutes
- ▶ Funding at participant level, depending on the participant
 - Company specific Tekes-funding limits as today (company size)
 - Research institutes: 70% Tekes-funding

Schedule

- ▶ Formation of consortium and planning of programme 2009-2010
 - *Now is the time to have an impact on the program: bring forth a project idea together with resources related to the program work packages!*
- ▶ Execution of immediate tasks:
 - target year 2010-11
- ▶ New activities:
 - target year 2011-14

Contact information

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