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Park-Lee, Seungho; Person, Oscar

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Published in:
Proceedings of DRS 2018

Published: 01/01/2018

Document Version
Publisher's PDF, also known as Version of record

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Please cite the original version:
Park-Lee, S., & Person, O. (2018). Perspective: the gist of public tender for service design. In C. Storni, K. Leahy, M. McMahon, P. Lloyd, & E. Bohemia (Eds.), *Proceedings of DRS 2018: Catalyst* (Vol. 7, pp. 3078-3089). (DRS International Conference Series). Design Research Society.

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Perspective: the gist of public tender for service design

PARK-LEE Seungho* and PERSON Oscar

Aalto University

* Corresponding author e-mail: seungho.p.lee@gmail.com

doi: 10.21606/dma.2018.367

Governments around the world are increasingly formalising design as an innovative approach to renew public services. In this development, the capabilities of external service design consultancies often play an important part, which calls for new insights into how public organisations procure the expertise of consultancies and what contributions designers can make to public-sector organisations. In unravelling such insights, we review preliminary data from an ongoing case study of service design procurement practices in Finland. Our initial findings suggest that the types of work service design consultancies carry out for public-sector clients are dictated in part by the requirements set in different procurement practices. Through reviewing real-life cases against the backdrop of extant literature in design, we discern three emergent challenges in existing procurement practices and present opportunities for future research. The implications are relevant for practitioners in design consultancies and public organisations alike in identifying new practices for service design.

briefing; design procurement; public sector; service design

1 Introduction

Design is increasingly recognised as a way to drive change in public organisations, improving public service provision and policymaking. For example, several innovation teams have been set up, employing design as one of their core capabilities (e.g., Kimbell, 2015, p. 3). As an early indication of this development, these include MindLab under the Danish government, the Strategic Design Unit (also known as “Helsinki Design Lab”) at the Finnish Innovation Fund (Sitra), Government Digital Service and Policy Lab and Policy Lab under the Cabinet of the United Kingdom.

With this emergent phenomenon, however, the capacity to execute service design projects within public organizations is not always in pair with the growing demand. Consequently, the expertise of external design consultancies plays a significant part in furthering the use of service design in many public-sector organisations around the world. In Finland, the public discussion on the importance of service design in renewing public services intensified with the World Design Capital Helsinki in 2012. Along with the initiatives that integrated designers into the government (e.g., Aalto, 2012; Bennes, 2017), a large number of public service design projects involving external consultancies have been



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initiated, and the number is projected to grow in the coming years (e.g., Boman-Björkell, Korva, & Nieminen, 2016, p. 6). Examples of such service design projects includes a new online service for residence permit applications (“The Finnish Immigration Service” 2015), a participation game to transform the city of Helsinki into a more citizen-centric organisation (“City services,” 2017) and a ministerial programme to foster new ways of working in the public sector, including service design (“Digikuntakokeilu,” 2016).

Given the dependency on external consultancies in the aforementioned developments, it is vital to understand how public-sector organizations go about in procuring service design, and how that impacts the possibilities for designers to instigate change in such organizations. In reviewing initial data from an ongoing case study, we discuss how public procurement functions as “design before the design” (Bernsen, 1996, p. 3) in setting the boundaries of service design projects. We elaborate on public procurement as an important domain of service design research, and its implications for integrating design knowledge and capabilities into the public-sector.

Below, we briefly outline how we go about studying briefing and public procurement practices from the perspectives of a Finnish service design consultancy and the public entities it strives to serve. We then continue to introduce the context of public procurement in Finland and outline three distinct cases from our on-going case study. Next, we explore possible benefits and pitfalls of the outlined processes in each case against extant literature in design. We also discern how the challenges in employing external design expertise in the public-sector mirror similar challenges in the private sector, while recognising the distinct contextual peculiarities that are inherent in public-sector for design. Our discussion invites a renewed interest on past lessons in design and charts new territories for future research in service design for public-sector.

2 Method

The ongoing expansion of service design presents challenges for scholars in delineating the scope of their inquiries (e.g., Ritchie, Lewis, & Elam, 2003). As the extent and boundaries of service design remains open to interpretation, what represents and constitutes the work of professional service design consultants remains ambiguous in many ways. The field is also quickly expanding to various directions in literature (e.g., Baek, Kim, Pahk, & Manzini, 2017; Costa, Patrício, Morelli, & Magee, 2017; Hyvärinen, Lee, & Mattelmäki, 2015; Junginger & Sangiorgi, 2009; Kimbell, 2012; Pirinen, 2016; Polaine, Løvlie, & Reason, 2013; B. Reason, Løvlie, & Flu, 2016; Secomandi & Snelders, 2011; Stickdorn & Schneider, 2010; Yu & Sangiorgi, 2017). The situation is further complicated by the fact that established design consultancies – with expertise in other sub-fields of design (such as digital interaction design, industrial design and spatial design) – are increasingly offering service design as a part of their offerings. As a result, the definition and (perceived) usefulness of service design vary depending on the application area and/or the tradition researchers and design practitioners subscribe to (e.g., Kimbell, 2011a, pp. 45–46).

As a response to these challenges, we selectively approach public procurement cases on service design through a single service design consultancy – referred to as the Consultancy hereinafter. We use the work pursued by the Consultancy to demarcate the extent and scope of service design and in purposefully sampling relevant cases on service design in the public sector for our study. The first author sat in the Consultancy few days a week from April to December in 2017: observing the daily work of the designers at the Consultancy; participating in weekly meetings; internal seminars; and interviewing the employees and public-sector clients of the Consultancy.

In probing into public procurements of service design consulting work in Finland, the Consultancy is relevant for a number of reasons. The Consultancy started out as a spatial design consultancy in early 2000’s providing designs for exhibitions and commercial spaces. In 2011, the Consultancy purposefully set out to redefine itself by including service design as the core component of its offering. This decision coincided with broader service design developments in Finland during the World Design Capital year. Since then, the Consultancy has actively aimed to become one of the

leaders in service design consulting in Europe; carrying out a large number of projects and receiving several national and international design awards. Today, the Consultancy host a multinational staff of less than 100 employees and have offices in few European cities. Pursuing a holistic view on service design, the Consultancy is positioning itself as a consultancy specialised in identifying opportunities and strategies from user insight for its clients rather than implementing technical solutions.

In exploring the practices of the Consultancy, we have been collecting both generated and naturally occurring data to understand the everyday activities and challenges of the Consultancy and how public procurement processes are organized and impact the work of designers in practice. Generated data include field notes and semi-structured interviews with the employees of the Consultancy. We have also interviewed public sector employees involved in the procurement cases we followed in order to understand why and how each procurement case was organised. Finally, we have performed ancillary interviews and email communications with civil servants and a number of lawyers specialising in public procurement to understand the broader context of public procurement in Finland. The naturally occurring data cover publicly available documents from various government websites and archives, including regulations, public tender notifications, decision documents, as well as offer documents collected from the Consultancy.

For the purposes of this paper, we review some of the initial data to explore the roles public procurement can play in effectively utilising the expertise of service design consultancies and in building service design capabilities in public-sector organisations (see Table 1). Through three select procurement cases, we exemplify different paths public procurement can take in terms of the client organisation, budgetary scope and specific reasoning for procuring external service design expertise. The procurement cases display similarities in their foci on understanding people’s needs and how this information can serve different organisations.

Table 1 Data corpus of the ongoing case study (as of November 2017)

Type	Content
Interviews and email communications	<ul style="list-style-type: none"> – Interviews with the Consultancy employees – Interviews with civil servants – Ancillary interview a leader of an internal innovation team in a government agency – Ancillary interview with a service designer of an internal innovation team in a government agency – Ancillary interview with a civil servant, design advocate at a municipality – Ancillary interview with an external lawyer specialised in public procurement – Ancillary email communications with two internal lawyers in public-sector organisations specialised in public procurement
Procurement documents	<ul style="list-style-type: none"> – Invitation to tender document – Public procurement notification document – Question and answer document – Decision document – Explanation for decision
Legal document	<ul style="list-style-type: none"> – Act on Public Procurement and Concession Contracts (In Finnish: <i>Laki julkisista hankinnoista ja käyttöoikeussopimuksista</i>, 2016) – General Terms of Public Procurement in Service Contracts

3 Public procurement in Finland and its implications on service design

In Finland, public procurement of service design expertise is governed by *the Act on Public Procurement and Concession Contracts 1397/2016* – referred to as the Act hereinafter. For the purpose of this paper, we use the English translation of the Act by Finland’s Ministry of Economic Affairs and Employment adhering to the opinion of a legal expert interviewed for this study. The Act applies to any procurement item from cleaning services to construction work, except some special

sectors, such as water, energy, transport and postal services (1398/2016) and public transportation (869/2009). All public entities are bound to follow the Act in their procurements, including authorities of central and local government, churches and, state commercial institutions (Part I, Chapter 1, Section 5, *The Act*, 2016).

The Act allows public-sector organisation to customise their procurement processes, as long as the process is transparent to all participants and tenderers are treated “in an equitable and non-discriminatory manner” (Section 3, *The Act*, 2016). The contracting entity may conduct “Market Consultation” (markkinakartoitus in Finnish) with suppliers, independent specialists, and/or other public authorities to prepare for procurements (Chapter 9, *The Act*, 2016). Further, the Act details various procurement procedures that can be customised for specific purpose including procedures for open procurement, restricted procurement, negotiated procurement, and so forth.

Despite the flexibility allowed in the Act, the procurement cases we are following in our case study do not vary much in terms of the procurement value, the steps and selection criteria and the degree of communication. We have also seen a number of instances in which the contracting entity have restricted the communication with suppliers (i.e. service design consultancies) before or during the procurement processes, e.g., avoiding face-to-face interaction.

3.1 Threshold values and their implications

Public procurements in Finland follow different rules depending of the value of a project (Figure 1). For instance, the Act does not apply to procurements whose value fall below the national threshold of 60 thousand Euros. When the procurement value exceeds the national threshold, however, the Act requires the procurer to open a public tender competition and post an open call on the national procurement notification website (www.hankintailmoitukset.fi often referred to as the official abbreviation in Finnish, Hilma) maintained by the Ministry of Economic Affairs and Employment (Part III, Chapter 11, *The Act*, 2016). Despite the benefit of attracting more tenderers, putting out a public tender competition tend to add a degree of administrative burden. A greater number of tenderers participate, which requires more resources for communication and evaluation throughout the process. When the procurement value exceeds the EU threshold of 209 thousand Euros, the procurer is bound to follow a stricter set of requirements, such as opening up the competition to tenderers from all EU member states and accepting supporting documents of tenderers that are issued in other EU countries. In short, the gist of the Act is such that the degree of formalization (and hence rigidity) in the public procurement processes increases proportionately to the monetary value of a procurement.

When the procurement value falls below the national threshold, many public organisations are yet to follow internal guidelines for procurements, in which the threshold values are set below the national one – e.g., 20 thousand Euros or lower. When the procurement value exceeds the internal threshold, the guidelines prescribe inviting multiple tenderers and compare their offers before making decisions. Further, in case the procurement value falls below the internal threshold, the person-in-charge is required to document the justification on why a direct purchase is made. Congruently, our observation informs us that the Consultancy often gets an invitation to tender with procurement values below 20 or 10 thousand Euros.

In reducing the resources involved in public procurement, the Act enables (one or) multiple public entities to establish framework agreements with a set of providers for serving various parts (e.g., departments) in the organisation(s). This allows the selected suppliers (e.g., design consultancies) to carry out projects without having to engage in a separate procurement procedure for each project for a period of up to four years. The terms for engagements can be adjusted according to the needs of the contracting party, and a so-called “mini-tender” (minikilpailutus in Finnish) can also be carried out to procure a project from the selected providers for the framework agreement without having to initiate a new public procurement process.

Threshold value	Procurement type	Case	Applicable law or guideline		
Goods, services and design contests	Competitive tendering Posted on Simap (http://simap.ted.europa.eu)	—	Directive 2014/24/EU of The European Parliament And Of The Council	High	
EU threshold 209 K	<hr/>				
	Competitive tendering Posted on Hilma (https://hankintailmoitukset.fi)	C B	Act on Public Procurement and Concession Contracts 1397/2016	Degree of formalisation ↑ ↓ Low	
National threshold 60 K from 2017 30 K until 2016	<hr/>				
	Competitive tendering without posting on Hilma	A	Internal guideline in each public organisation		
Internal threshold e.g., 20 K	Direct purchase possible	—			

Figure 7 Rigidity at different public procurement threshold values, and the real-life cases A, B, and C

To conclude, the Act “seeks to enhance efficiency in the use of public funds, promote high quality, innovative and sustainable procurement” (Part I, Chapter 1, Section 2, *The Act*, 2016). However, highly customised procurement processes for the specific needs have not been frequently observed in our data collection thus far. Congruently, a lawyer specialised in public procurement in our interview stated that he/she often had to remind the importance of the aforementioned Market Consultation to the public-sector clients. Having noted this phenomenon, the Finnish Association of Designers (Ornamo) has also published a guideline titled ‘Effective Dialogue’ that emphasises early communication and encourages using more qualitative evaluations of tenderers of design services (Boman-Björkell et al., 2016).

3.2 Case introduction

Below, we present three select procurement cases from our on-going case study. The cases are chosen to unveil different dimensions of public procurement of service design in Finland, and the conscious choices – and perhaps unanticipated impacts – made by public-sector employees in procuring service design expertise. While the Act does not provide a specific procedure for procuring design expertise, the way in which public procurements are organised within different organisations seem to have a decisive impact on the contribution service design(ers) can make in public-sector organisations.

3.2.1 Case A: Public Company

The first procurement case stems from a ‘Public Company’ in a state of transition. As an independent body governed by public law, the Public Company serves more than a million customers with its hundreds of employees as of 2017. For decades, the Public Company has been the sole provider of a specialised service that reaches different parts of the Finnish government. Facing a potential transformation of the market, the Public Company was in the pursuit of better identifying the needs of a specific segment of its customers by using service design. This was the first attempt for the Public Company to procure service design expertise and was considered as a pilot. If the project would yield satisfactory results, the Public Company would consider opening a public tender with a framework agreement to meet the needs for different functions of its organisation.

At the time of preparing the procurement, the Public Company did not host formal service design capabilities internally and therefore needed to rely on external design expertise. The capabilities of the team responsible for the procurement included market research and customer satisfaction, but none of the members had a formal (service) design training. However, the team did not perceive service design as “new” in itself and aimed to internalise service design techniques to develop own skills through projects with the selected design consultancy.

As the procurement value fell below the national threshold, the procurement process followed the internal guidelines of the Public Company. As the Public Company had for long been approached by service design consultancies, the team met with few of those consultancies without a predefined idea for the project. The team had got some ideas on how to carry out a service design project through the discussions with the consultancies, and later invited three of the consultancies to tender for the procurement. By having separate meetings with each consultancy, the team iterated on how to tackle the challenge and finalised the tender invitation text. The tenders were evaluated on the overall economic benefit, in which the price and quality had an equal weight.

3.2.2 Case B: Municipality

The second procurement case stems from a ‘Municipality’ renewing its internal procedures with citizen-centric approaches. As one of the larger cities in Finland, the Municipality has thousands of employees under various departments in the city organisation and its public companies. As the city’s new mandate recognises emerging needs for more citizen-oriented public services, the Municipality has procured a framework agreement to understand people’s needs and develop internal procedures to implement the mandate. The aim was to lift satisfaction of both citizens and municipality personnel. As the Municipality has rather limited service design capability, this framework agreement was an attempt for the Municipality to encourage different parts of the city organisation to use service design. Although exact number was unavailable, it was estimated that the total number of personnel with service design background was less than five in the whole Municipality.

The procurement was carried out by a task force that consisted of few municipal employees with various backgrounds: ethnology; IT engineering; public administration; sales and account management from consulting field; and welfare. As an attempt to give equal opportunities to service design consultancies of all sizes and varied track record of their projects, the team required the tenderers to make a proposal on a hypothetical project for the Municipality. During the process, the team issued a question-and-answer document answering acute questions from all the tenderers. A limited number of consultancies was selected based on the overall quality and the economic benefit. The tenderers were evaluated based on the qualification of the designated consultants, as well as the proposal to the hypothetical project. The evaluation criteria for the proposal included the methods for user observation and involvement, prototyping and quality of the outcome.

According to the framework agreement, the Municipality (its departments and public companies) should approach the consultancies in the order of winning rank to inquire about the availability of the designated service designers for the framework agreement. If the predefined designers in the winning consultancy are not available, the next consultancy among the winning ones would be approached. This way, the Municipality can acquire the expertise and resources of one of the winning service design consultancies with a project fee up to few thousand Euros. If the sum goes over this threshold, a mini-tender (minikilpailutus in Finnish) should be pursued among the winning consultancies. Although not mandatory, the Municipality could also open mini-tender for assignments with the procurement value falling below the threshold.

3.2.3 Case C: Ministry

The third procurement case stems from a ‘Ministry’ providing support for municipalities to implement a recent government programme that aims to foster efficiency and experimental culture, among other things. Through this framework agreement, municipalities in Finland can use

consultancies with different expertise. The themes of the call included resident-driven services, experiments involving citizen participation, and service innovation. Accordingly, the public procurement was carried out under those parallel categories that sought for the various capabilities, of which service design was one.

The service design capabilities vary across the municipalities for which the framework agreement was intended for. Our observation in the Consultancy also informs us that the municipalities of Finland show various degree of interest in using (service) design – some of the larger municipalities invest heavily and regularly, while others only have made early investments.

The selection criterion for the framework agreement was set in relation to the overall economic benefit against quality points of the designated consultants: the number of relevant projects executed; and the amount of experience in working for municipalities. Three service providers with the highest overall score were selected for each capability-category. Through the framework agreement, the municipalities can acquire the resources (time of the consultants) of one of the three winning service design consultancies with a project fee up to few thousand Euros. Unlike case B, there was no possibility for mini-tender. However, each municipality could freely select one consultancy from the winning ones based the fit between its own needs and the qualification and experience of the consultants.

4 The gist of public procurement and opportunities for future research

In following the procurement processes in the cases above, our initial analysis suggests that the type of work service design consultancies carry out for the public-sector clients is often embedded in – and ultimately dictated by – the public procurement practices. In specific, we note that the public-sector clients conduct “silent design” activities (Gorb & Dumas, 1987) that impacts the work of service designers by often unknowingly imposing restrictions on the scope, means of communication, and selection criteria in procurement processes.

In elaborating on the consequences of such ‘covert’ design activities, we discern three challenges and present opportunities for future research in relation to how public procurements for service design are organised in Finland. Reflection upon the extant literature in design, the challenges span across different stages of design adoption – from early project discussions to how service design expertise is used and embedded into public organisations.

4.1 Briefing as an integral part of public procurement practices

The first challenge we note pertains to how public procurement practices impacts briefing in design. As an integral part of settling the aim, scope, and requirements for projects, design literature often place emphasis on establishing a partnership between the client and the designer early on during briefing (e.g., Phillips, 2004) and involving multiple stakeholders in the process (e.g., Blyth & Worthington, 2001; Luck, Haenlein, & Bright, 2001). Further, briefing is predominantly conceptualised as a continuous and iterative process in dialogue between clients and designers (e.g., Blyth & Worthington, 2001; Dorst & Cross, 2001; Lawson, 2004, pp. 13–29; Phillips, 2004; Ryd, 2004).

As noted earlier, the Act provides guidance for how to structure the dialogue between public sector organisations and service providers in early communication in the form of “Market Consultation” (Part II, Chapter 9, Section 65, *The Act*, 2016). It also outlines provisions for how to structure communication and decision-making depending on the specific needs of a procurement. To this end, we note that the Act in many ways provides enough freedom to pursue briefing in a way that is close to what is advocated in design literature. However, examining the procurement cases pursued by the Consultancy, we note that such practices may be prevented by the requirements applied to the different threshold values for procurements, as well as the administrative burden those thresholds place on civil servants.

For example, the Public Company in case A seems to methodically have followed the guidance in literature by hosting open discussions with various service design consultancies before finalising the invitation to tender. Faced with higher procurement values, however, the practices pursued in case B and C could not readily adhere to such recommendations; holding only limited dialogue with consultancies during the early stage of the tendering process. For example, the Municipality in case B submitted the invitation for tender on the national procurement notification website in complying with the rules for competitive tendering in Finland. The invitation led to a great number of tenderers participating in the procurement, and the procurement team in the Municipality used a question-and-answer document to respond to inquiries for clarification. The one-time question-and-answer document reduced the administrative burden while providing answers to acute questions in a manner that was fair to all tenderers.

Yet, we note that a lack of iteration emerged in reducing the dialogue to single document, which might have prevented the civil servants and service designers – both experts in their own rights – to learn from each other and further develop the scope and content of each procurement. Studies show that design consultants often have only partial insights into the processes and operations of their clients before a project begins (e.g., Hakatie & Rynnänen, 2007), and therefore the scope of a project is often subject to change and iteration (e.g., Dorst & Cross, 2001). This is also true to service design projects for public sector where the foci of the work often lie in engaging with various people throughout the process and/or identifying a broad network of stakeholders that provide the public service in concert. In other words, the changing and iterative nature of design is very much present in public sector projects, not unlike to those found in the commercial sector. For public procurements, however, it is seldom possible to simply add a small extension to accommodate changes in a project once it has been procured, as it runs the risk to raise the accumulated value of a project over its initial threshold value. The scope of the public-sector service design project we are following have often been set slightly below the threshold values – likely to avoid more complex procurement processes at higher thresholds. In such cases, the public-sector client is required to start another public procurement process (Part IV, Chapter 15, Section 141, *The Act*, 2016), otherwise face sanction by the Market Court.

Given the criticality of briefing emphasised in the literature, we conjecture that inadequate briefing could impede achieving the aims of public sector organisations in making successful investments in service design. In responding to such challenges, we recognise research opportunities in how service design procurements are initiated in public-sector organisations, how the aim and scope are settled through which mechanism of Market Consultation, and how and why these activities are aided or discouraged by observing the real-life work of civil servants. For example, in-depth studies could fruitfully be directed towards further understanding the specific context of briefing for service design projects in the public-sector, potentially profiting from the practice-theoretical approach (e.g., Kimbell, 2011b, 2012).

4.2 Proficiency of public-sector clients in using service design

The second challenge pertains to the proficiency of client organisations in using design and its impact on the work of design consultancies (e.g., Micheli, 2014; Ramlau, 2004; von Stamm, 1998). In tandem with the challenges associated with briefing above, we note that the (limited) design proficiency in the public-sector organisations in some cases contributed to situations where the expertise of service design consultancies was not effectively assessed and/or utilised.

A case in point can be found in the assumptions that drove the hypothetical project assignment in case B. As noted earlier, the hypothetical assignment had been devised to give a fair chance to each participating tenderer regardless of its size and/or track record of past projects. In evaluating the capabilities of consultancies, participating tenderers were invited to submit proposals on how to go about in creating a project for the municipality that was not fully specified. While well-intended, the open nature of the assignment also caused confusion among the tenderers. Roughly one fourth of all questions in the questions-and-answers document revolved around the assignment, including fundamental details about its aim, scope and budget. The questions were predominantly answered

in terms of being “at the discretion of the tenderer” (translated from Finnish). In short, the Municipality set out to evaluate the capabilities of the consultancies (their process and/or creativity) without actively considering the substance of the assignment. To this end, how the assignment was organised came to overlook the inherent problem-solution dependency in the work of designers (e.g., Dorst & Cross, 2001), which warrants a discussion about how design is understood in public-sector organisations.

Questions about how the work of designers was understood within public-sector clients also surfaced at other instances. For example, the values (scope) set for direct purchase in the framework agreements in both case B and C were only few thousand Euros. As the going price of one design consultant per day is around a thousand Euros in Finland, this translates into a few days of work for a service design consultant leaving little time for the consultants to engage with the substances of individual assignments. Further, it also presents practical challenges for designers on how to conduct more encompassing user engagements, as often suggested in service design literature (e.g., Polaine et al., 2013; Stickdorn & Schneider, 2010). Our observation in the Consultancy also informs us that the impact of the phenomenon is not unique to framework agreements. For instance, we have noted that the Consultancy sometimes rejected invitations to tender because the tendering and briefing process would consume most of the monetary return already before a project would commence.

In addressing these challenges, future studies could be directed towards action research by participating in – and improving on – the procurement practices for service (e.g., Reason & Bradbury, 2006). Exploring the impact of varied procurement value thresholds, the actions of interventions may illuminate theory and vice versa. We also recognise possibilities for protocol studies, inviting civil servants with varying degrees of experience in procuring service design to gain insights into their practical knowledge in procurement processes and how to potentially advance their design understanding thereof.

4.3 Use of the tacit knowledge of designers

The final challenge we distinguish pertains to how the tacit knowledge of service designers can benefit public-sector organisations and how public procurement processes may enable or hinder the use of such knowledge. Design literature has explored various ways to reveal tacit knowledge from client organisations and harnessing the creativity of users (e.g., Akama & Prendiville, 2013; Visser, Stappers, van der Lugt, & Sanders, 2005) and how to surface and expand the tacit knowledge of designers (Park, 2011).

As observed in the Consultancy, a large part of service designers’ work is about transferring the insights gained from observation and/or facilitation activities to the parties that are planned to use them. The handover often takes place in the form of a presentation or report, in which the tacit knowledge accumulated throughout a project can rarely be fully captured. For this reason, practical guidelines emphasise the importance of involving designers from problem identification through solution implementation in the form of “stewardship” to guide the development work in the public-sector (e.g., Boyer, Cook, & Steinberg, 2011). As pointed out earlier, however, the premises of public procurement challenge the possibilities for such engagements to take place as the procurement threshold values are set relatively low for design work, and each procurement is required to invite tenderers anew. In short, projects for creating citizen-insights and for designing solutions from those insights tend to be carried out by different consultancies, which limits the effective transfer of tacit knowledge across projects.

In addressing these challenges, studies point to the importance of building and maintaining long-term relationships between client organisations and design consultancies (e.g., Bruce & Docherty, 1993; Bruce & Morris, 1994; Paton & Dorst, 2011). In such a relationship, both parties accumulate tacit knowledge about each other and can utilise them for their benefit. Although keeping a single design consultancy over years of collaboration is not practically possible in public procurement in Finland, framework agreement may resemble the benefit of a long-term relationship for up to four years. For instance, utilising tacit knowledge may be conceivable if a framework agreement is

created for a relatively narrow target user of service design – e.g., a department in a municipality – for a long-term development project.

Given the complexity of challenges often found in public sector work, how to transfer and benefit from the tacit knowledge gained in different projects would be a key area of development both in design research and practice. In order to kick-start this development, future studies could explore highly customised procurement practices within the current legal boundaries in collaboration with experienced service design consultants.

5 Final remarks

In many ways, the challenges we present in this paper mirror the obstacles design consultancies face in selling their expertise to commercial organisations. For example, large and international companies often follow systematic procurement processes to ensure cost-savings and prevent insider trading. Despite these obvious benefits, rigid procurement procedures may also cause challenges for design outcomes due to poor briefing, lack of design proficiency, and underutilised tacit knowledge of external consultancies. Therefore, the research opportunities we recognise are closely coupled to fundamental areas of research, which design and design management literature have addressed in the past.

Having said that, the peculiarities inherent in the public-sector context call for a renewed interest in these areas of research. As pointed out in recent literature (e.g., Hyvärinen et al., 2015; Junginger, 2009, p. 4), the tools and methods developed within the commercial context are often based on a different set of premises than those prevalent in public-sector organisations. For example, various dimensions are uniquely inherent in the work of civil servants who need to operate within specific legal and administrative frameworks as outlined in this paper. What is more, the immaterial nature of service design (e.g., Secomandi & Snelders, 2011) and “unavoidably political context” (Bailey & Lloyd, 2016, p. 3629) of public-sector work may render some of the lessons from the extant literature in other sub-fields of design incompatible with the context of procuring service design expertise. Finally, the changing landscape of the public sector may also require more “flexibility, provisionality and anticipation” in responding to the rapid change in the society and politics (Kimbell & Bailey, 2017, p. 218).

To conclude, there is much to gain in reinvigorating past discussions on design and design management towards service design in public-sector organisations on the one hand, while on the other hand there are important contextual gaps in knowledge that calls for future research attention. Although our insights arise from the specific context of public service design procurement practices in Finland, we encourage readers from all design fields to consider the topic in their own context, as it may be relevant to other areas of design and/or other geographical areas.

Acknowledgements: The authors are grateful for the openness of the interviewees in describing their work and the context of public procurement in Finland. We also would like to thank Eeva Julia Lehto for her research assistance.

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About the Authors:

Seungho Park-Lee is a doctoral candidate at the Department of Design, School of Arts, Design and Architecture, Aalto University. His research focuses on the role of briefing in design. In 2013, he has founded Design for Government course at Aalto University.

Oscar Person is an assistant professor at the Department of Design, School of Arts, Design and Architecture, Aalto University. His research concerns the strategic integration and management of design with a special interest in the expressive nature of design work.