



Business from technology

# **Servitization and non-technological innovation in Finnish Manufacturing Establishments**

VTT Symposium on Service Innovation

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## Analysis of manufacturing industries: the Finnish Manufacturing Survey

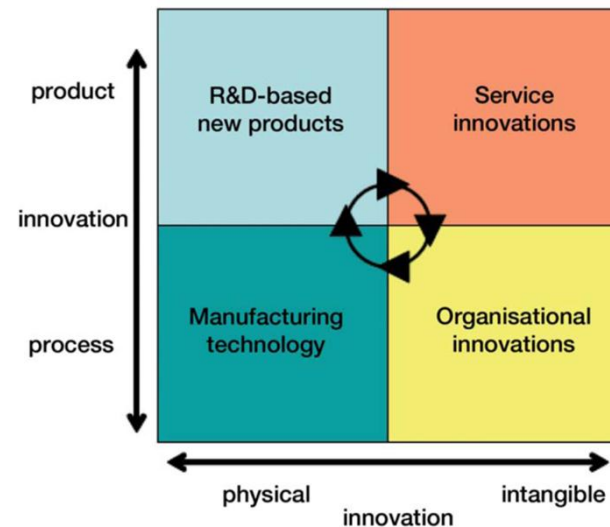
- FMS: part of the European Manufacturing Survey (EMS)
- EMS probes product, process, service and organizational innovation in the manufacturing industries (NACE Rev. 1.1 class codes 15-37)
- EMS: 13 countries took part in the 2009 round
- Target population consists of manufacturing establishments with at least 20 employees

Population	Survey		Sample	
<i>N</i>	<i>N contacted</i>	<i>Field time</i>	<i>Realized</i>	
# (Official statistics 2008/2009)*	# contacted the first time		Number of valid cases	Response rate
25 799	1 741	Dec 2009 to March 2010	131	7,0%

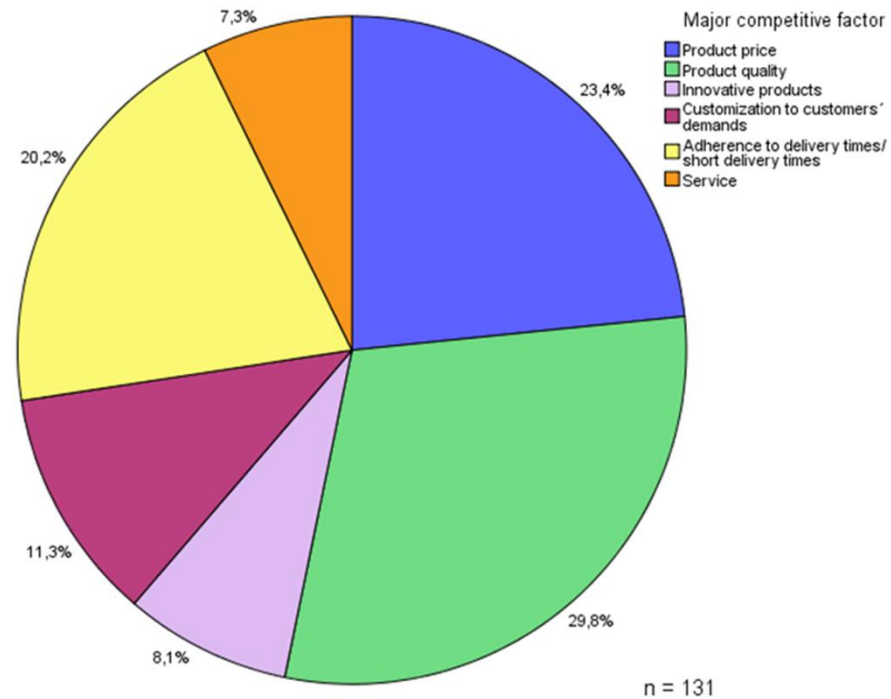
\*: Source: Statistics Finland/ Eurostat

## Types of innovation covered by FMS

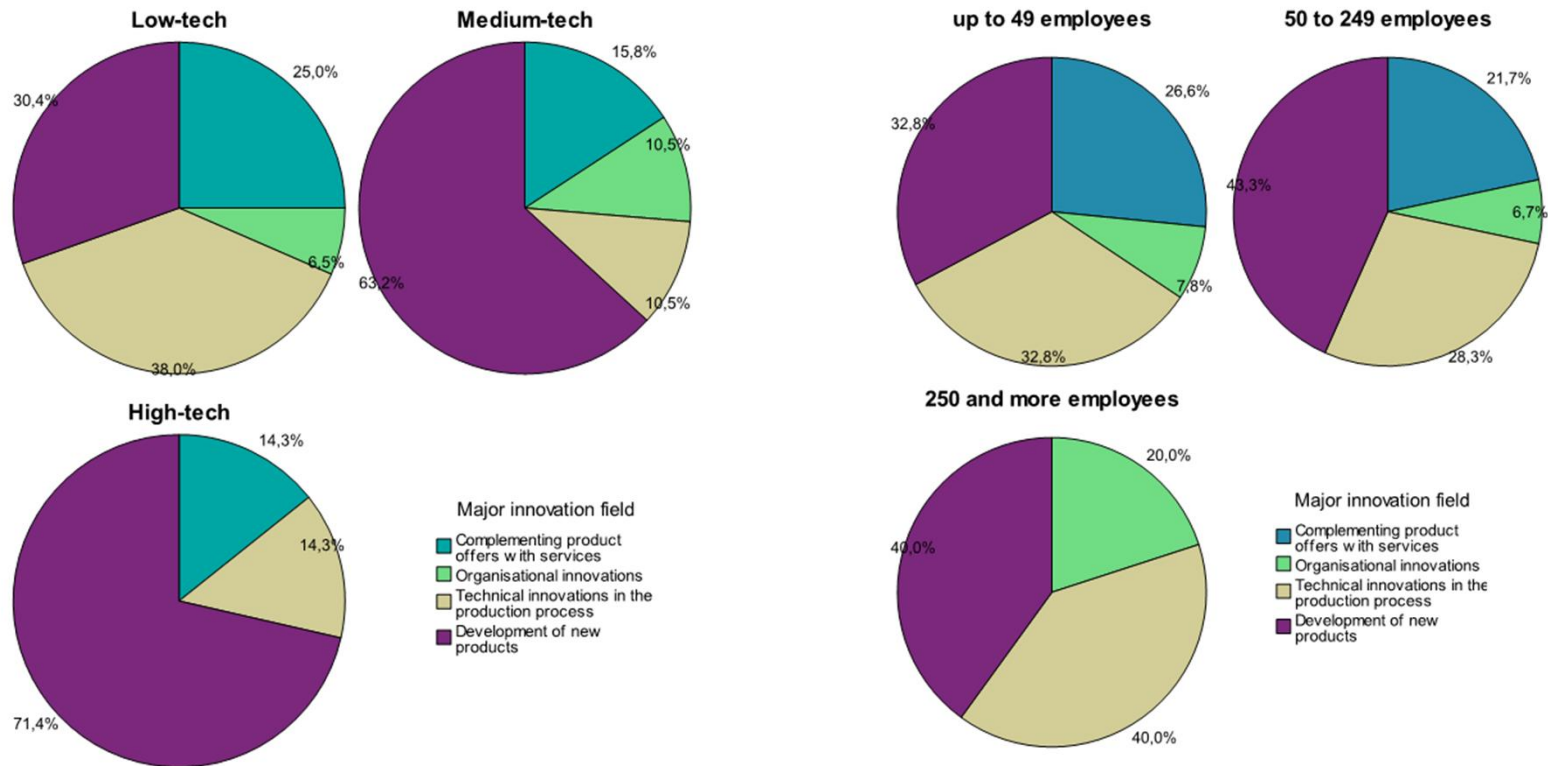
- **Process innovations:** Implementation of innovative manufacturing technologies
- **Organizational innovations:** Implementation of innovative organizational concepts
- **Product innovations:** Implementation of new products, share of turnover with new products
- **Product related service innovations :** Offer of new product-related services (e.g. training, maintenance/repair, renting, build-operate-own models, etc.), share of turnover with new services



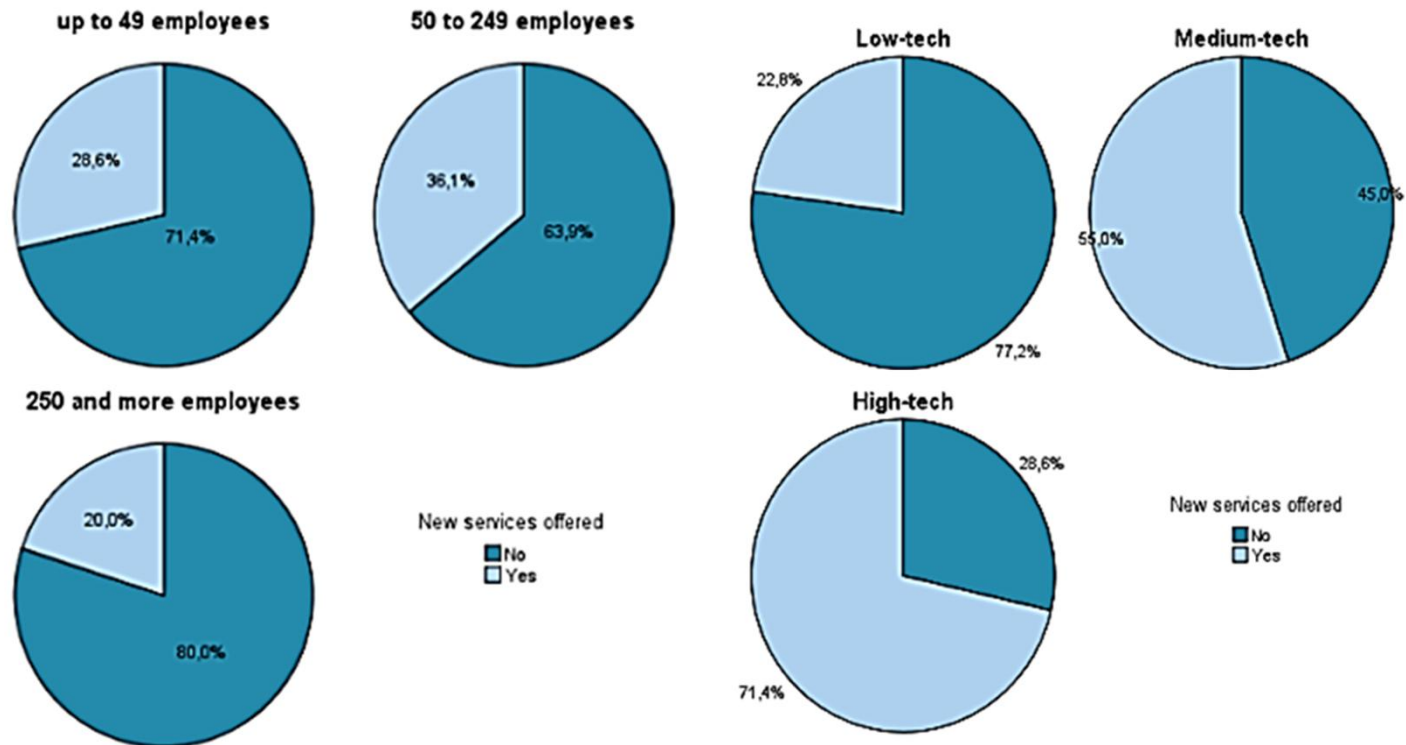
## Competitive factors of highest significance for Finnish manufacturers



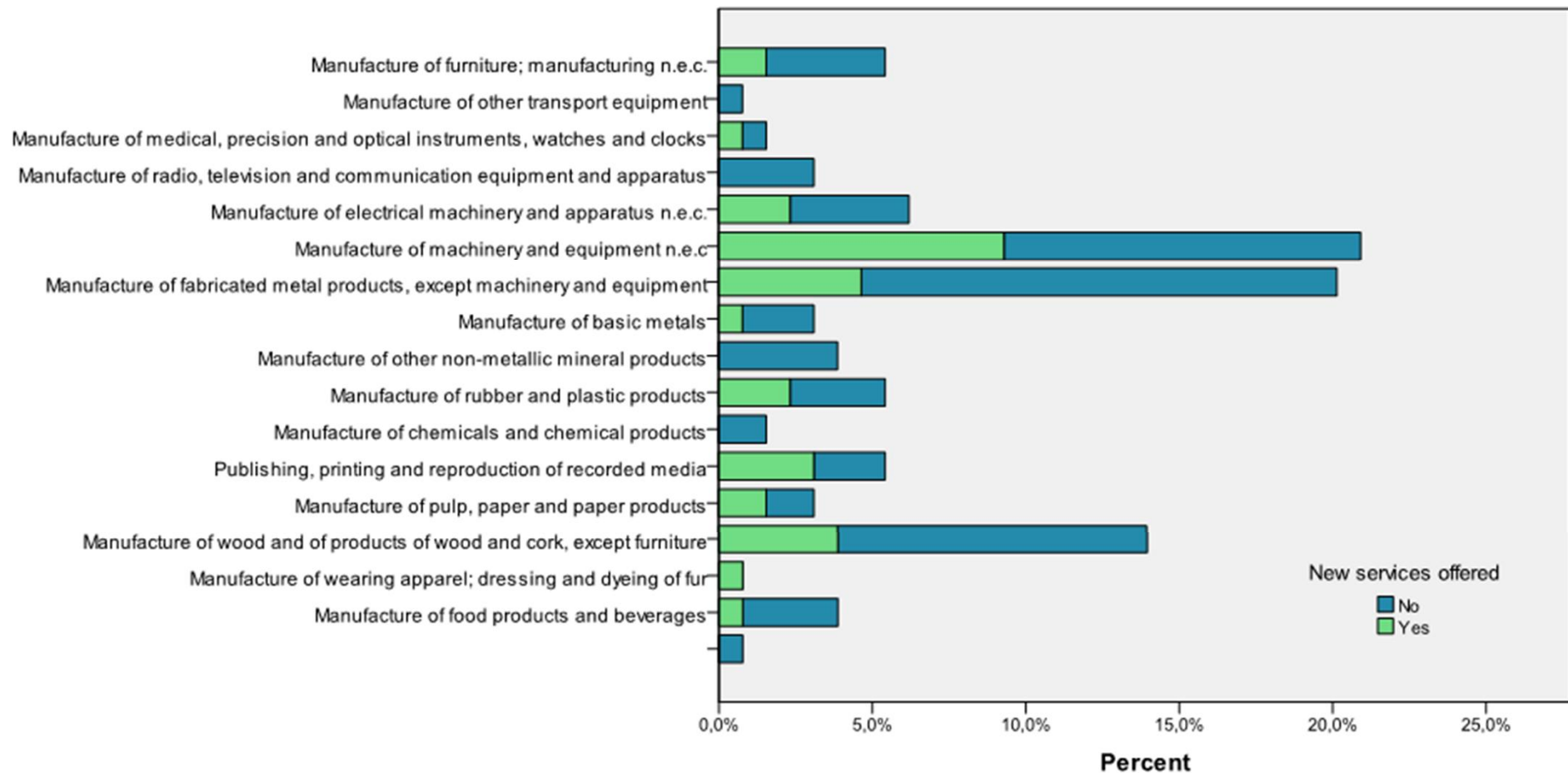
# Major fields of innovation



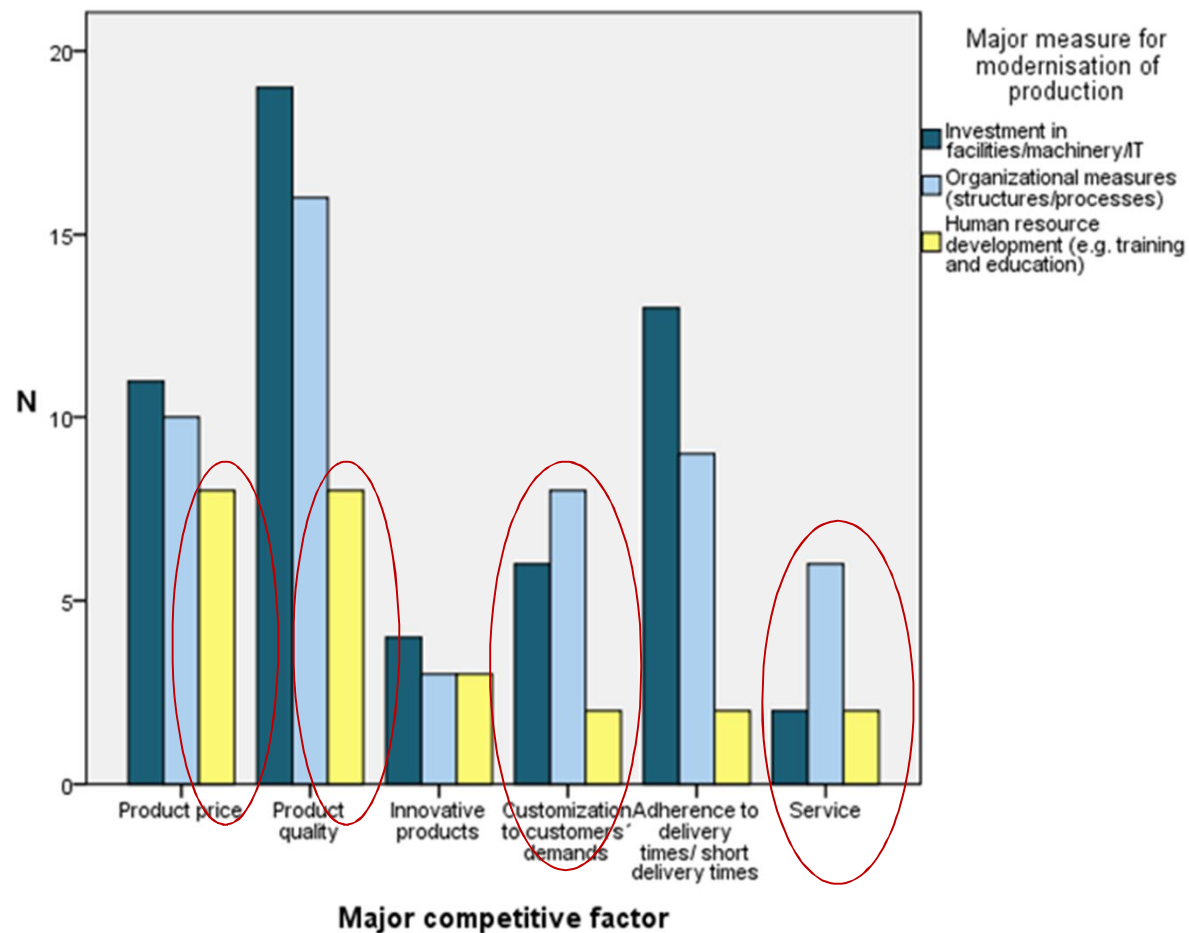
## Newly offered product-related services



## Newly offered product-related services by industry

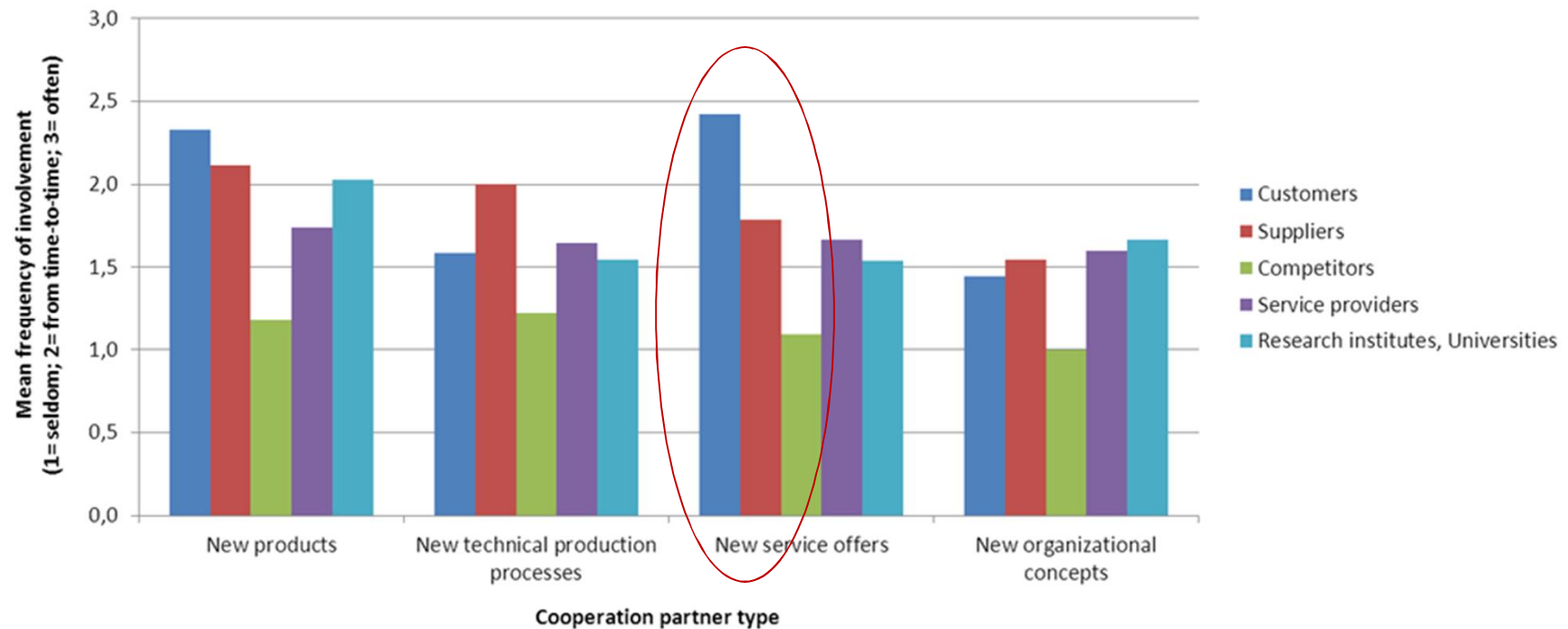


## Major measures of modernization by major competitive factor

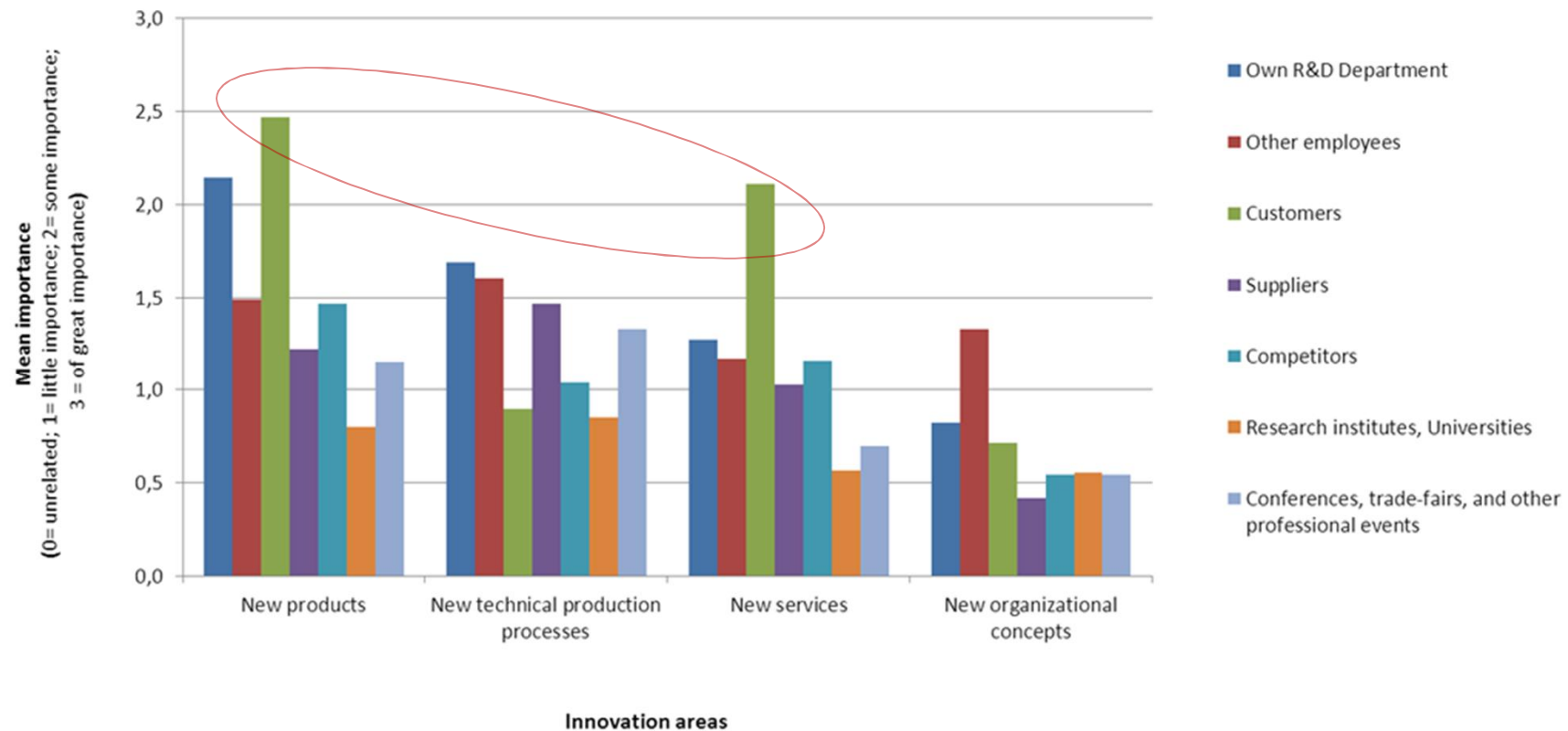




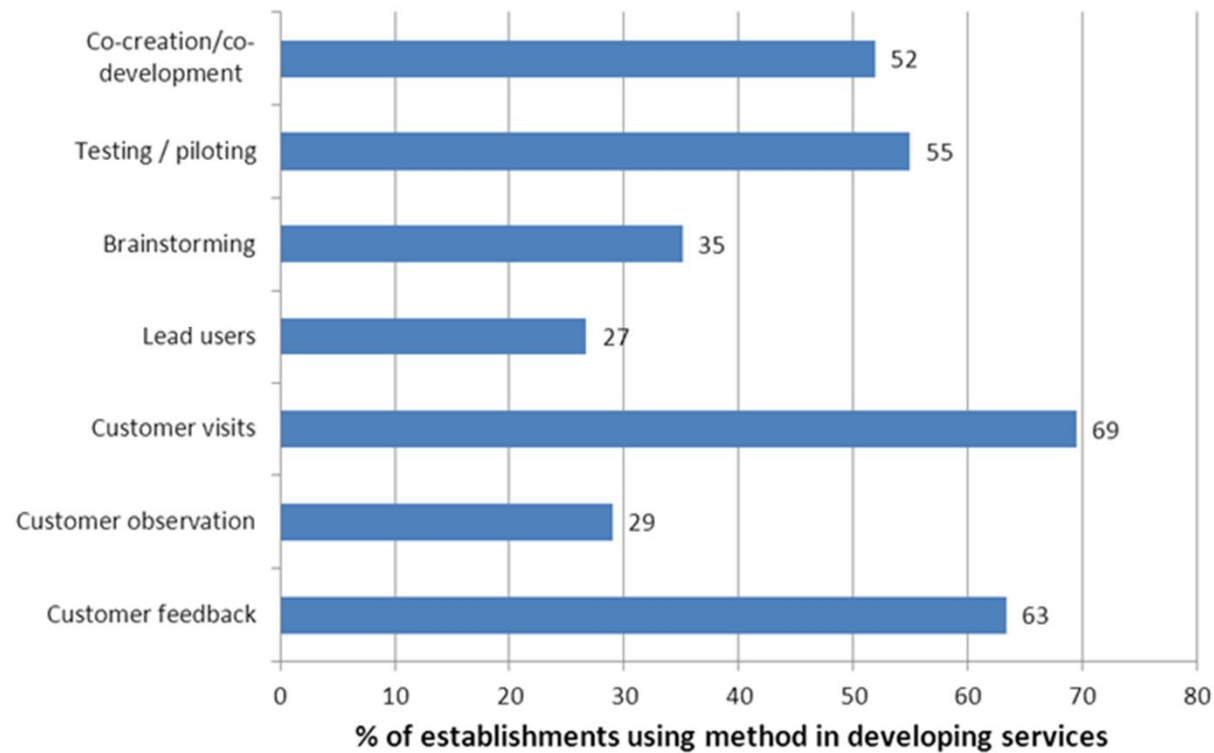
## Organization of innovation activity and the role of customers



## Organization of innovation activity and the role of customers



## How do the manufactures involve customers for developing new services?



## Conclusions

- Service not too often regarded the most important competitive factor.
- Need to encourage small and medium-sized manufacturing companies to identify and take advantage of non-technological opportunities for renewal.
- HR-development more used for technological renewal
- Modernization through renewal of both organizational structures and processes (i.e. organizational renewal) appears to be salient among manufacturers who compete on service.
- Medium-size medium-tech manufacturers appear to do service innovation more frequently.
- Customers relatively more involved in service innovation, but deemed somewhat less important than in product innovation.
- A wide use of diverse customer integration methods



## Product-, Process Industries: types of offered services

