Open Innovation Forum for Developing Industrial Service Business – a case study
Industrial Service in Machine Manufacturing Industry

- Enlarging offering beyond traditional spares and wears, e.g.:
  - Project management
  - Engineering
  - Data management
  - Remote diagnostics
  - Maintenance
  - Performance

- Transforming into a service company that applies a service dominant logic
  - Customer value creation is in the focus of all business and operations
  - “Value partnering”
Industrial Service Business and Changing Rules of Value Creation

- Industrial service business is based on understanding customer value creation
- In service, the value is co-created in systemic boundary crossing processes
  → also the customers need to change in order to benefit from service.
Industrial Service Business and Value Networks

- Industrial service business restructures the prevailing value networks and the traditional industry clusters:
  - Increased customer intimacy / involvement
  - New kind of roles, new stakeholders
  - Work and related benefit sharing in change, risk sharing in change
  - Value creation logic and earning logic is in change

- How to facilitate the development of competence renewing and restructuring change?
Open Innovation Forum for Developing Service Business - starting points

- Networks companies including horizontal and vertical value chains and companies from different sectors, financing bodies, research institutes, and universities

- Is not only IPR trading, but also benchmarking, co-development, co-innovation.

- What means “open”:
  - Company boundary crossing (Dispersed knowledge)
  - Transparency
    - Its known, who attends: open is open only for a closed community
    - There are principles for benefit sharing
    - There are practices related to confidentiality
BestServ Objectives

Business Objectives

- Promote knowledge and case study sharing between forum members and others
- Create mental mindset towards industrial service business
- Define generic frameworks to help business transformation
- Solution and life cycle business models
- Business transformation process
- Organisational change models (for service related mindset)

R&D Objectives

- Establish research area for industrial service business
- Activate and evaluate research and development activities
- Assist to define industrial service oriented education and training activities to different levels
- Define generic terminology for industrial services business
BestServ Forum Members of All Times
Forum Working in Practice
Meetings and Contents During a Half Year Period

Forum Meetings (3/year):
- Presentations
- Group working
- Setting topics for RT work

Round table working:
- Around different themes
- Companies’ benchmark and develop models/methods, views, approaches
- Research integrated

Industrial Service Business Day (1/year)
- Open
- Outside specialists and company presentations
- Networking

Forum Meetings (3/year):
- Presentations
- Group working
- RT results

Forum Member Companies
Steering Group

“Business oriented track”
- Enhanced university participation, information from research projects.

“Research oriented track”
- Around different themes
- Companies’ benchmark and develop models/methods, views, approaches
- Research integrated

Integration of results
Practical arrangements
Analysis
Roundtables as key activity – problem-based learning, industry-lead collaboration

2005
Service Sales Models
Service Business and Contract Management
Management of Service Organisations
Integrated Product and Service Development Models
Remote Monitoring Business

2006
Service Business Strategies and Management
Best Marketing and Sales
Desired Offerings
Service Excellence
International Expansion of Service Concepts
Service Development in World Class

2007
... Enterprise Architecture for Industrial Service Business

2008
... Networked Life Cycle Service for Wind Energy Business

2009
Service Business in Recession
Spareparts as Service Business
Methods for Sales Training

2010
Organisation’s Capability to create customer specific service solution
Transformation into a service company - culture and mindset in change
Understanding and acting together with customer
Company case - a new service offering as a part of portfolio
## Characteristics of Main Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Frequency</th>
<th>Participants</th>
<th>Focus / content</th>
<th>Confidentiality</th>
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</thead>
<tbody>
<tr>
<td>[1] Forum meeting</td>
<td>3-4 per year.</td>
<td>All forum members are allowed to participate.</td>
<td>A mini-seminar containing presentations and workshops.</td>
<td>Within the forum member organisations.</td>
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<tr>
<td>[2] Round table.</td>
<td>4-8 RTs running constantly, total 3-6 meetings/RT.</td>
<td>5-10 non-competing forum member companies, a researcher and/or a consultant are allowed to participate.</td>
<td>Benchmarking and sharing best practices; solving a practical problem or working on a real case; visionary working; service value network integration.</td>
<td>Within the round table participants. The generalised results are reported in a forum meeting.</td>
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<tr>
<td>[3] ISBD.</td>
<td>Once a year.</td>
<td>Open to everyone, who has registered and paid the fee.</td>
<td>Industry-oriented seminar involving company cases and research results.</td>
<td>Public.</td>
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</table>
Experiences concerning the activities

- **Round Table working is most useful**
  - Concrete
  - Business focused
  - The challenge is that they need a lot of work

- **ISBD is thought to be a quite typical seminar**
  - Industry emphasis in presentations is good.
  - The challenge is how to profile the event differently from other seminars
  - Make it more international.

- **Forum days**
  - Improving, interaction is good.
  - Do not try to have too much content but give time to digest and discuss the presentations in workshops.
Success factors of the forum (1/2)

- There is a well defined and expert facilitated set of activities with systematic working models and processes, which makes collaboration efficient and easy. The focus stays in the content instead of the working methods.

- The activities are selected and designed so that companies can select a feasible set of activities depending on the resources (primarily working hours) that they can put in the forum collaboration in their prevailing business situation.
Success factors of the forum (2/2)

• There are clearly defined levels of confidentiality and rules supported by legal agreements that foster openness and enable trust-building. This boosts the creativity and innovativeness

• The activities are company-lead, which keeps the focus in innovation instead of R&D, and ensures the relevance and concreteness to the attending companies

• The activities base on interaction and co-innovation of companies from different industrial domains, research and consultants, which emphasises out-of-the-box thinking.