

SERVICE DESIGN  
IMPACT REPORT

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# PUBLIC SECTOR



Netherlands Enterprise Agency



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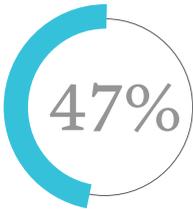
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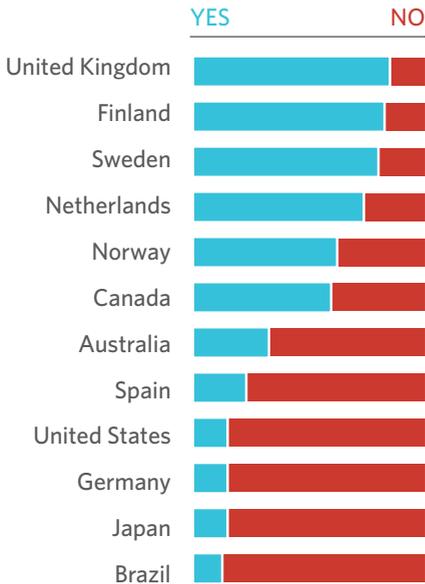
The background consists of several overlapping, slightly offset white paper sheets, creating a layered, geometric effect. A thin teal border frames the central text area.

DESIGN  
FOR  
POLICY

## SERVICE DESIGN IN THE POLICY MAKING AGENDA



OF THE RESPONDENTS BELIEVE DESIGN IS IN THE POLICY MAKING AGENDA OF THEIR COUNTRY



Results from online survey conducted by Service Design Network (SDN) from July to August, 2016. Question: "Is service design in the policy making agenda of the country?"

### UNITED STATES

"A lot of policy that Veterans Affairs needs to adhere to is created by congress – and they do not take a human-centered design approach. The intentions are very good. The specific solutions articulated in the policy are often problematic and don't clearly map to what Veterans want. We hope that through the lens of design research with Veterans, their families and also employees, we can gain a nuanced perspective of what is important to them. From there, we work to design implementation of policy that can at least get closer to meeting people's needs. That's a leverage point for us to create better service delivery, and also support culture change."

Sarah Brooks, Chief Design Officer, Veterans Affairs

### CANADA

"Early examples including government labs using design methods and design being taught and applied at some levels. Very few examples with plenty of room to grow."

Chris Ferguson, Service and Experience Design Strategist, Bridgeable and University of Toronto

## NORWAY

“There are large programmes publicly funded to increase the ability of public agencies to use service design as a tool for innovation.”

Kaja Misvær Kistorp, Manager of the DOT initiative at the Oslo School of Architecture and Design

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## BELGIUM

“The Flemish government structurally supports the use of Service Design to improve government services.”

David Morgan, Lead Designer at Knight Moves

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## IRELAND

“There is some commissioning of design but is not on the ‘policy making agenda’. Through a process of public sector reform the government are talking about services being user centred but not a broad range of actions have come from that.”

Heather Madden, Business Analyst at Cork Institute of Technology

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## AUSTRALIA

“We are at the beginning of the journey of incorporating design into all aspects of policy development.”

Lynne Goodyer, Service Designer at the Department of Industry, Innovation and Science

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## FINLAND

“The value of design is high in the municipality of Helsinki. Service designers have recently been employed by the municipality, along with an opening for a Chief Design Officer for the city.”

Andreas Pattichis, Service Designer for the public sector

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## JAPAN

Japanese government has some design policies. Our members are participating in the government working group.

Hiroko Yasu, Practicing service designer for the Public Sector, government employee

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## SWEDEN

A new delegation, appointed by the national government, ‘Trust in Steering’ (Tillit i styrning), is assigned to establish steering models within the public sector that embrace trust in co-creation, citizen-involvement and local creativity. The experiences from ‘Radical change’ are described in the assignment.

Johan Dovelius, Service Designer for the public sector

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## UNITED KINGDOM

Design as in process, ie. design thinking/methodology/citizen centred/iterative processes are currently applied in policy making and there’s a movement of cultural shift in policy making.

Amy Lee, Service Designer at the Ministry of Justice

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## GERMANY

The government has not yet realized how important service design is for the public sector. There are no good examples service designers can show to stakeholders in politics to convince them to start service design processes.

Juliane Amlaher, Service Designer for the Green Party and the Heinrich Böll Foundation

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# THE VALUE OF SERVICE DESIGN IN POLICY MAKING

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NICOLAS REBOLLEDO

During the last decades, service design have successfully expanded into a diverse set of domains. Initially applied in the private sector as a tool for business strategy development and service innovation, it has been recognised as a core capability for driving competitiveness and value creation. This emergence of service design in the private sector has led to its expansion to other set of domains, among which, public sector innovation has become one of the most important areas due to its large scale and impact potential.

Public sector represents near half of the economy in developed nations –with government expenditures representing on average 41.9% of GDP across OECD countries in 2013<sup>1</sup>. The opportunity for service-design however, goes beyond the scale of this ‘emerging market for design’. It is mainly about the impact that innovating in this sector may have for society. The scale and influence of the public sector implies that the way in which governments develop policies, allocate resources, and deliver services influences how our societies and markets develop and behave. Hence, improvements (or deterioration) in any of these processes of public value creation will have a direct impact on people and the public sphere.

The aim of this piece is to give an overview on: why governments need to innovate and how service design can be an effective approach to public sector innovation helping public institutions to transform the process of policy-making and public service design.

## WHY GOVERNMENTS NEED TO INNOVATE?

Governments around the world –at national, regional and local level– are confronted with an unprecedented pace of technological, demographic, and social changes. These external forces, combined with the increasing complexity of policy challenges, is making public sector innovation a growing topic inside government’s agendas.

The OECD and others are talking about an ‘innovation imperative’ for the public sector, which means that in order to keep pace with the changing environment, governments need to take immediate and bold action to catalyse the critical elements that support public sector innovation<sup>2</sup>. In simple terms this is about how governments can support

processes to create and implement new ways of doing things –or “new ideas that work at creating public value”<sup>3</sup>, covering new or better policies and services for citizens and society (external focus) and new or improved processes within government to change the way public policies and services are conceived and delivered (internal focus<sup>4</sup>).

There are at least three key drivers for this innovation imperative for governments:

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### TO DO MORE WITH LESS: INCREASE THE QUALITY OF SERVICES TO MEET WITH THE INCREASING DEMAND AND EXPECTATIONS OF CITIZENS IN TIME OF SCARCE RESOURCES.

Hyper-connected citizens who are more educated, better informed and empowered, demand better and differentiated public services that are on par with the ones provided by the private sector. However, after the economic crisis of 2008, governments have been challenged to make cuts on public spending, risking the quality and range of coverage of public services. In this context –and together with the demand for quality–, citizens are demanding for a rise in public welfare, asking for better and more sophisticated services that are also affordable.

This double-sided problem leads to a double innovation imperative: in the external dimension, it is about redefining the relationship between people and

government for bridging the gap between what governments do and what people need and expect; and in the internal, it is about improving productivity and effectiveness in the processes of policy and service design and delivery. This imperative demands a more integrative approach for the development of policies and services.

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### TO REGAIN TRUST IN PUBLIC INSTITUTIONS: OPENING GOVERNMENT.

To build a new relationship between citizens and public institutions is not just a matter of fit between supply and demand, it is also a problem of building public legitimacy. Together with the failure on delivering public services that can meet the changing demands for quality, there is a big problem of trust in public institutions that has led in many countries to a complex political crisis.

The perception of inadequate levels of managing corruption, the need for transparency, accountability and public participation might be at the core of the low trust in public institutions. This seems to be a global phenomenon for democratic countries. In Europe, trust was low after the economic crisis but has declined even more in the years after. On average, in 2008, the trust in National Governments was 37% decreasing in 2013 to 29%. Research on the area indicates that economic performance alone does not explain the perceptible decline in trust, but reduced trust reflects what Europeans

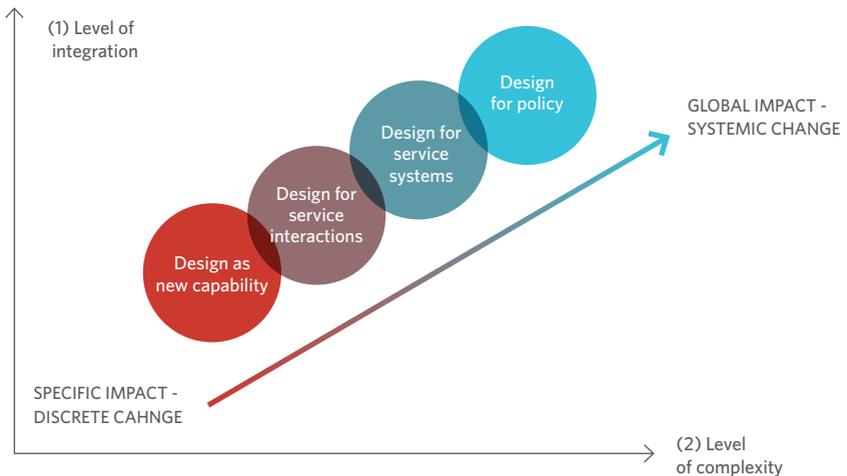
in many member states perceive as both a decline in the quality of governance and the failure of current policies to address it<sup>5</sup>.

In this context, governments must take action to go beyond transactional effectiveness and foster new and more direct interactions between public institutions and citizens, opening with transparency, giving access to public information, developing more inclusive governance models and decision-making processes, and more participatory processes and operations for allowing governments to build new relationships with the public.

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**TO DEAL WITH THE COMPLEXITY OF PUBLIC PROBLEMS: CHANGE THE TRADITIONAL POLICY APPROACHES AND EMBRACE SYSTEMS VIEW**

Both contemporary social policy challenges –such as healthcare, or pensions for a long living population– and economic policy challenges –such as fostering re-industrialisation and at the same time stopping global warming– are challenges that are impossible to manage using traditional policy approaches. According to Muir & Parker, “such problems consume a growing proportion of public expenditure and they have multiple, non-linear and interconnected causes that feed off one another in unpredictable ways, and are precisely the problems that the governments of all the advanced economies struggle to address effectively”<sup>6</sup>. They argue that this is due to the rigid form of traditional policy approaches used in government where public service reform has relied mainly on the use of bureaucratic and market-based tools, ill-equipped to deal with complex problems. This means that a more systemic, holistic and relational approach



is needed to develop and deliver policies and services able to tackle the complexity of contemporary public problems.

All of these elements configure a multidimensional innovation imperative for public institutions. In particular, they challenge the way in which governments are thinking, ‘making’ and implementing public policies, mainly because traditional linear models of policy-making cannot cope either with the ‘wicked problems’ of a complex world nor with the increasing demand and expectations of citizens. This means that governments need to do things differently by looking for alternative approaches beyond the boundaries of traditional theories and practices of governmental action<sup>7</sup>. This shift is what is giving space for service design to become one of the most important features in a new way of ‘designing’ public policies.

## THE VALUE OF SERVICE DESIGN IN POLICY MAKING

Although the systematic research about the use of design in public sector innovation is a relatively new field and there is a small but consistent set of literature, most of the advancement in the area has been led by an expanded set of practical experiences that –through different levels and scope– has shown that service design can be a more holistic and effective approach to tackle some of these innovation imperatives<sup>8</sup>. It can not only help to identify and resolve systemic problems in the public sector, but can go much further: it can help to change the way in which we think about public

problems, formulate public policies, and deliver public services, offering an alternative approach for the whole policy process from idea to implementation.

Christian Bason, former director of MindLab, suggests that design may offer a fundamental reinvention of the art and craft of policy-making for the twenty-first century. He considers that “from challenging current problem spaces to driving the creative quest for new solutions and shaping the physical and virtual artefacts of policy implementation, design holds a significant yet largely unexplored potential”<sup>9</sup>.

For understanding this potential, according to Sabine Junginger, expert on design for policy at a policy school<sup>10</sup>, we must acknowledge the idea that policies are design outcomes and as such, policy-making and policy implementation are, in their essence, design activities. However, she argues that in the field of policy-making, policies are not yet fully acknowledged as such, and design is treated “almost exclusively as an isolated, in-itself-closed activity, part of problem-solving that begins after a policy problem has been recognized as such and defined”, used merely as a tool for developing products and services at the implementation stage, leaving behind the action of policy-making.

In spite of this apparent disconnection, she argues that by looking at the work that is being done by a set of innovation units or ‘labs’ inside public institutions for developing innovative social policies,

there is an increasing integration of the activities of policy-making with the activities of policy implementation, “involving changes in design approaches, methods, practices and concepts” along the whole policy process<sup>11</sup>, leading to a new integrative approach of policy design for public sector innovation

Is in this emergent approach to policy design, where design – as an integrative discipline of understanding, communicating and acting<sup>12</sup> – is playing a relevant role. In combination with a diverse set of emergent science-based approaches, such as behavioural economics and data science, the contribution of service design to this reinvention of policy design can be unpacked in three key elements:

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### CHANGE OF ORIENTATION: PEOPLE AT THE CENTRE OF PUBLIC PROBLEMS AND POLICY SOLUTIONS.

The main argument for the value of design in this field is that it can change the focus of public policies and services from a supply oriented logic into a demand oriented and people’s centred perspective, making them become a problem of citizens and not just of ministers. From there, design can change the way services are designed and implemented to meet people’s needs and reconnect governments with citizens (external focus), but also can change the way policies are developed and delivered by the organisation (internal focus).

In the internal focus, service design methods can help policy-makers to put people and their communities at the heart of the analysis of needs and the design and implementation of policies and services. In spite that the world of policy making is based on data, predictive models and scepticism towards creative approaches, service design – as an integrative discipline of problem solving – can bring together the application of data science with ethnographic and design research tools, being able to combine strategic mandates and scientific insights with the minutia and nuances of human behaviour, motivation and needs. This approach is highly collaborative and involves co-creating with users and stakeholders, being able to produce organised interactive environments where to develop cross-sector collaboration.

Together with better connecting supply with demand – through human centeredness, interdisciplinary and collaboration –, design can go beyond problem solving when creating a service. It can make public services more desirable, compelling and delightful, creating new experiences for citizens with the potential of impacting perceptions, behaviour and choice, all three key elements of the role of policies as inductors of social change.

This change in orientation complements the traditional top-down approach of policy with a bottom-up perspective, considering citizens as the main agents of social change, giving them the opportunity to become co-creators and co-producers of services and policies.

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## THE PRACTICAL APPROACH FOR POLICY DESIGN: EXPERIMENTATION FOR DECISION MAKING.

Both policy-making and design have the aim of producing intentional change in existing situations. While traditional public policy-making does this through establishing boundaries for the action of others and expecting preferred outcomes, design takes a practical approach by shaping ideas into concrete propositions for users with the power of changing specific situations for better. The difference is that while traditional policy making is done from a normative standpoint and based on robust facts of the present, design uses a practical, imaginative and experimental approach – based on a holistic analysis of discrete qualitative facts, engagement with people, creativity and prototyping– to propose possible futures.

These two approaches can benefit from each other. Matthew Taylor, Chief Executive of the RSA and policy expert, argues that central governments function as big publishing houses, more focused on producing laws, reports and documents rather than implementing solutions<sup>13</sup>. The problem, he argues, is that laws by themselves don't solve public problems so a practical approach is highly needed for effective governmental action. Design can help because as we've said, it puts practice at the centre of the policy process. Through prototyping, testing and learning, policy makers can speed up the learning loop between what is theorised at a policy level and what actually happens on the ground. This experimental loop improves political decision making, letting political leaders kill off bad ideas before they become political problems, or letting policy-makers refine the good ones so they can have a greater impact when implemented.

This is particularly valuable in a context where uncertainty rules and there is a need to create practical evidence for risk management and decision making.

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## AN ALTERNATIVE LANGUAGE FOR COMMUNICATION.

The concrete and visual nature of design brings a new set of communication tools to the table that can be used for design inside policy teams or as means of persuasion when communicating

with others. Combining rapid visualisation techniques with a systemic view, it can help visualise complex problems, scenarios and experiences, letting policy teams identify opportunities and flaws, and then communicate them better to non-expert users. It also enables the communication of needs and the specification of solution requirements to third party service providers who can respond with solutions that more effectively align with both the needs of users and the policy objectives of government.

As means of persuasion, traditional public policy-making works with words and facts, where design works with stories and images, helping to build narratives based on people's experiences and contexts that can help policy teams understand and communicate insights, ideas and propositions in a more engaging and interactive way.

It is important to be aware that these three key contributions that service design is giving to the reinvention of policy design for public sector innovation, are complementary to both the traditional policy disciplines that are embedded in public institutions and others coming from a diverse set of disciplines. Hence, the potential of service design in this field, can only be harnessed if it is considered as a supporting feature of public action and not as a replacement.

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## AUTHORS

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Co-founder of RVO X Lab and creative lead on special assignments for the Netherlands Enterprise Agency and Ministry of Economic Affairs. Expert on developing new and interesting ways to deliver value in the form of services. He advises government agencies and commercial enterprises to express policy and strategy through services.



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Architect, strategic and service designer focused on the design and development of public service innovation processes. He is a lecturer on service design at the Royal College of Art, where he is currently completing his PhD and leading the Design for Policy Platform.



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### AVIV KATZ

Specialises in service design, research and creative facilitation of public service innovation. Aviv is a jury member of the SDN Service Design Award and visiting lecturer at Shenkar College of Engineering and Design. He was formerly partner and head of design at Innovation Unit; before that he was at Engine Service Design and the Design Council.



### MATT GOTT

Coach, catalyst and trainer, helping leaders to navigate complex change. He teaches skills for system leadership across the public sector and, starting from 'the design way', coaches teams to apply principles of emergence, complexity and living systems. Matt is a lead consultant with the Leadership Centre and the Innovation Unit. and a civil servant.



### CAT DREW

Hybrid policymaker and designer, with over 12 years experience of working in Government including the Cabinet Office and No.10 Downing Street, plus a post-graduate education in design. She works for the Policy Lab which support departments to use innovative design, digital and data techniques to improve social outcomes.



### LOUISE DOWNE

Head of design for the UK government. She leads a community of designers working across government to reform the relationship between the citizen and the state. Before joining government she worked at Seren and Engine, looking at the design of large, recently privatised utilities like health, telecommunications, energy and finance.

## INTERVIEWEES

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**Jeroen van Mierlo** Senior Advisor to Chief Information Officer in RVO (The Netherlands)

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**Liana Dragoman**, User Experience Researcher and Strategist at City of Philadelphia's Office of Open Data and Digital Transformation (US)

**Mikko Koivisto** Lead-service Designer, Hellon (Finland)

**Mr. Yun**, Project Manager for Suyu Market Korean Institute of Design Promotion (South Korea)

**Sarah Brooks** Chief Design Officer, Veterans Affairs (US)