How to support social innovation insights from the Finnish perspective

mikko.martikainen@tem.fi
Social innovation – one definition

• Social innovations are new products, services and models that both meet social needs and create new social relationships or collaborations – they’re ‘social’ both in ends and means. Social innovations can be generated from within any sector – public, private or social – or from citizens and social movements. They may generate financial value, but don’t have to. (NESTA 2014, Making it big, Strategies for scaling social innovations)
Need for innovations is more pronounced than ever

- Ageing
  - Demand for services and labor shortage
- Productivity
  - Public finances under stress
  - Quality and extent of public services
- Change in customer/citizen demand and quality requirement
  - Citizens are interested on the quality of services (not about who produces them)
- Support company growth
  - By giving room for innovations we can support company growth
How should we look at this support question?

- Not only grants or financial aid and assistance
  - Possibilities are limited here
- More about generating demand for new innovations and solutions to the societal problems
  - How to use the all the resources and capabilities in the society
  - Not only focus and concentrate at the public sector’s own resources
- It is about learning to use the society’s resources to benefit the social goal and generating room for innovations / mindset issue
- It is about finding new ways and tools to activate society’s resources for social goals / operational issue
What should change in our thinking?

• Service delivery and production ‘model’ must be different
  • Must be based on the idea of continuous change
• New role for the cities and municipalities
  • Not service producers any more
  • More as resource and capability managers in the area/region
• Services must be thought from the citizen perspective
  • Service content/specifications, production method or organization not in the focus
  • Focus must be on the effect of the service
• Public private partnership
  • How to use and combine market resources to public resources and produce better services
Why partnership is crucial in generating better services?

• Innovation research emphasizes suppliers and customer as important sources of innovation
  • Use the innovation capabilities that suppliers and customers have
• Solving societal grand challenges demand combining all the resources
  • Not probable that one sector/organization/actor has all the knowledge to solve these problems
  • Best solutions can be generated by combining knowledge from all sources
• Citizens demand more customized services
  • Customization is easier with a large amount of suppliers and service producers
How do you activate outside resources and make room for innovations?

• Innovation friendly public procurement
  • The goal if defined, not the way of reaching it
• Idea competitions and prizes
  • Seek for new ideas around a difficult issue and theme
• Right to challenge
  • Possibility to challenge the present way and suggest a new better way instead
• Opening public data
  • Gives ‘raw material’ to developers and activates them to innovate
• Openness of planning
  • Picture the coming needs and create certainty on which to invest and innovate
How innovation friendly public procurement can improve public services

- Goals and effect, not how the service should be produced
- Wider process

Market discussions on the need and possible solution

Procurement: What is it that we want to achieve with the service
Sanctions and incentives

Contract period
Co-creation between purchaser, producer and citizens
Measurement