

# How to support social innovation insights from the Finnish perspective

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# 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*

