

Kela through a macro-scope —

Application
in Unemploy

Multilevel Service Design framework
security services

Jaakko Kalsi

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in Unemployment security services

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Master's thesis
2015

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Master's thesis, Master of Arts
Aalto University School of Art, Design and Architecture (ARTS)
International Design Business Management (IDBM)
2015

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And cut! Print. We're moving on. That was perfect.

Perfect? Mr. Wood, do you know anything about the art of film production?

Well, I like to think so.

That cardboard headstone tipped over. This graveyard is obviously phony.

Nobody will ever notice that. Filmmaking is not about the tiny details. It's about the big picture.

The big picture?

Yes.

Then how 'bout when the policemen arrived in daylight, but now it's suddenly night?

What do you know? Haven't you heard of suspension of disbelief?

— Ed Wood, 1994

Contents

1	Context	17
1.1	What do designers know about Kela?	
1.2	Public sector challenges	
1.3	What has been done this far	
1.4	Finnish social security system	
1.4.1	Unemployment security	
1.4.2	Where did I land?	
2	Multilevel Service Design model	29
3	Plan	40
4	Methods, process and outcomes	42
4.1	Expert interviews	
4.2	Expert workshop	
4.3	User interviews	
4.4	User workshop	
4.5	Personas	
4.6	Expert ideaworkshop	
4.7	Problems in user participation	
4.8	Scenarios	
5	Reflection	70
5.1	Societal value	
5.2	Interdependency	
5.3	Loose temporal dependency	
5.4	Indefinite user groups	
5.5	Legislation	
5.6	Ascent to the 'fourth' level	
6	Conclusions	76
	Afterword	
	References	
	Appendices	

Disclaimer

I worked for four months as a designer in residence in Kela, The Social Insurance Institution of Finland (*SII*)¹. This is the framework and the predominant research method of this thesis. Consequently the research material consists of official and unofficial conversations, internal reports, interviews and workshops. The opinions in this thesis about Kela, TE Services and other public sector services are my own or of those who I have worked with, but hardly represent those of Kela (or of other public services) officially. If I will refer to an official statement or policy I will notify the source in the footnote. I will also refer to unofficial conversations as they provide important insights to Kela. I will do so anonymously, but indicate it with a footnote or metatext.

1 From now on, I will use the Finnish abbreviation Kela instead of English *SII*, as the English abbreviation is unknown for most of the foreign and all the Finnish readers, whereas the Finnish abbreviation is well-established in the Finnish language and undoubtedly familiar for all the Finnish readers. I am adopting this language policy from Kela's own English language publications. All the English readers, please bear with me.

The nature of the thesis

The School of Art, Design and Architecture doesn't have generally prescribed practices regarding stylistic requirements for grammar and formatting, other than that of clearly notifying references. Similarly it does not have requirements for the sources used, other than their relevance to the topic. Design, as I will later describe, is in constant transition. I believe that it is, in fact, the very nature of design. If so, the most recent ideas are not in academic publications yet. It might take years to get one published. Consequently I will refer to everything from academic publications, essays and interviews to videos in Vimeo and Youtube, and personal blogs.

Language and structure

I'll be honest, I'm writing this thesis firstly for Aalto University as my graduation depends upon it. Secondly I'm writing this for myself, as I developed an interest in social politics, and found that writing helps me to structure and build on my thoughts. I hope however that as many Kela (and other public sector) experts as possible will read this, as I would like to see some continuation to this project. I hope that also the people who participated in the interviews and the workshops, or at least my friends who did not really know what I was doing, will take a look at this.

George Orwell suggests that simple language is needed to explain complicated ideas, complicated language to explain simple ideas and political language to turn lies and half-truths into truths.¹ To reach my audience I will try hold on to the first point and to avoid complicated language (both design and Kela jargon) or at least try to clearly explain possible lapses reader-friendly.

First I will explain why I am writing my thesis for Kela. After all I am graduating as a Master of Arts. Secondly I will introduce the framework through which I am looking at the service. Thirdly I will describe my methods and findings. Finally I will discuss how my work reflects back on the framework.

Personal motivation

Three years ago I picked up a Scenario magazine in a bookstore in Warsaw. An unlikely place to start this journey. It had an interview of Sofus Mitgaard in it. He introduced an idea that Scandinavians (and yes, I know that I'm not really Scandinavian, but I identified with the content) are more loyal to the organisation they are working for than for example their American peers, that is for Scandi-

navians jobs create more than only monetary value i.e. belongingness. And that this characteristic could be exploited by the management.¹

I want to expand this idea outside the working hours. Finnish people are loyal to the state. We volunteer and donate in charity collections, organise street festivals, run sports clubs etc. We feel all right patching up things where the Finnish welfare state fails.

This is however not the case for all the public services. The public opinion about Kela is something different. I'd say, roughly nine out of ten people has something negative to say about Kela. Either they have had bad experiences in Kela services, or know someone or have heard someone else having them.

'Vitun Kela' ('Fucking Kela') is probably a phrase that most clearly summarises students' collective attitude towards Kela. Often the reasons are legislative (out of Kela's reach), or student's attempts to misuse the benefit system or simply bad money habits. Kela is often only a lightning rod for bad publicity.

Kela's service promise is flawless. It freely translates: We give you money. Somehow it seems that they just can't deliver it. We even let the taxman take his share without much complaint. According to user feedback users would be ready to pay even little

extra because of the ease of using the service². But when we are given money instead of having to pay, we make sure to get what is rightfully ours. There is a clear gap between Kela's service promise and the public opinion. It is this gap that gave me the first nudge to contact Kela. This resulted in four months residency and the following Masters' thesis. In the thesis I'll look at Kela services through Multilevel Service Design framework (introduced in the chapter 2) and study

How and to what extent can Multilevel Service Design model be adapted to Kela service development?

1 Context

1.1 What do designers know about Kela?

When I expressed my wish to work for Kela, I mostly received looks of disbelief. Next came questions like “What do designers know about Kela?” and “What does Kela have to do with design?”. I feel that this is the time and place to address these questions.

To answer the first question, I did know very little about Kela (and still do). In fact, I have very little deep knowledge about anything. Richard Buchanan¹ argues that this is the very nature of design: ‘Design has no special subject matter of its own apart from what a designer conceives it to be.’ Béla Banathy² differentiates design from other disciplines in that design ‘is concerned with what should be’ in contrast to sciences and what is. As design has no special subject matter of its own, it brings together knowledge from other disciplines to create these should-bes. Designers focus on finding possible solutions instead of analysing the problem³. In Kela or sociopolitical context at large I do not have preconceived ideas, other than those of a service user. Consequently I can look at things with a pair of fresh eyes and question the ‘obvious’⁴ in a way that process saturated experts cannot. That is, I do not have to know much about the present Kela to work there, in fact knowing too much might even work against me in creating the should-be.

To answer the second question I have to stretch the definition of design a bit. Traditionally the design practice has delved around objects. The unfolding of design practice however has shifted designers’ interests from giving shape to tangible objects to designing the intangible (user experience design, service design and strategic design just to name a few).

Design literature illustrates the move from tangible to

- 1 Papanek 1983
pp.56–63
- 2 Steinberg 2014
- 3 2007
- 4 Hill 2012 p.45
- 5 Hill 2012 p.35

intangible with a number of metaphors: a shift from tip of the pyramid called ‘designer’s share’ to the base of the pyramid and ‘real problem’¹, from very end of a funnel to its the open end (from ‘solution’ to ‘problem setting’)², from ‘develop’ and ‘deliver’ to ‘discover’ and ‘define’ of Design Council’s Double Diamond process model³, or from ‘problem solving’ to ‘context setting’⁴. What is common to all these models is that designers find themselves from the wrong end of the value-chain.⁵

- 6 Boyer et al 2011 and
TEM 2013

As the design field expands also the definition of ‘design’ needs to be reconsidered.⁶ As design as a discipline is in constant transition, its definitions end up being fuzzy. Rather than coming up with my own definition, I will take a look paradoxically half a decade back instead.

- 7 Bason 2013

Herbert Simon’s in ⁷ considers design as ‘the ability to make up plans and actions that will change the current situation into a better one.’ In this case I am translating ‘better one’ into ‘one that best meets user’s needs’.

- 8 2011

Nesta’s Philip Colligan⁸ frames even political decisions as design challenges: ‘Policymakers and managers are taking design decisions all the time, too often without realising it.’ This is an unknown territory for a designer. Wouter Vanstiphout⁹ recognises opportunities in it:

- 9 2011

If you really want to change the city, or want a real struggle, a real fight, then it would require re-engaging with things like public planning for example, or re-engaging with government, or re-engaging with large-scale institutionalised developers. I think that’s where the real struggles lie, that we re-engage with these structures and these institutions, this horribly complex ‘dark matter’. That’s where it becomes really interesting.

1.2 Public sector challenges

The public welcomes and adapts to the technological and social developments. Public sector however cannot keep to the pace of development. Instead the public sector faces challenges of resulting from global trade and migration, threats and opportunities related to technological development, aging population, climate changes and unexpected shocks¹. Private sector services have lulled people into demanding same standards from the public sector services tackling the abovementioned issues². This however has been impossible this far. Geoff Mulgan³ points out the public sector needs to tackle these challenges in the face of austerity. How to maintain or even improve services with squeezed budgets? In the light of these challenges it seems that the public policy is more about managing expectations than finding solutions.

This far these challenges have been addressed with New Public Management⁴ and the private sector logic. The public sector has been run like businesses. The increased profit and loss responsibility has led to shift of focus from service quality to quantity. The quantifiable results i.e the speed of the processes and the number of users are incentivised, instead of the user satisfaction. In the process of developing the public sector services their primary function, to serve the user, is lost.

The challenges are those of the 21st century, whereas the public sector organisations date back to the 19th.⁵ The problem generally is not that these organisations would be inefficient. The problem is that they are trying to solve the wrong challenges. We are not asking the right questions⁶.

The challenges require a radical and fundamental change in the mindset⁷. The change of the mindset is probably the biggest challenge as the organisations in general look for stability and avoid innovation⁸. Mulgan⁹ even suggests that it is in the DNA of public organisations is to create stability.

1 Bason 2010 pp.11–14

2 Boyle & Harris 2009

3 2014

4 i.a. Hood 1995

5 i.a. Banathy 1995 p.1

6 Papanek 1972 pp.56–62

7 Banathy 1995 p.1

8 Deserti & Rizzo 2014

9 in Bason 2010 p. 16

1 2013

The public sector challenges call for radical innovations. Steinberg¹ however points out that

you can't shut down government for ten years, the thing with innovation is that you have to change the tyre while driving

2 2001

Buchanan² (among others) believes that design is the 'new learning' of the 21st century and can provide the right tools to reinvent the public sector. Maybe in the process of doing so we realize that in the 21st century the cars do not even have tires.

1.3 What has been done this far?

3 i.a. Martin 2005 and Brown 2009

Companies that embed design into their business gain significant competitive advantage. This has been claimed by design thinking evangelists³ and backed up by research⁴. Now that the private sector is slowly starting to take this advice, the public sector has also become interested in design.

4 Design Council 2012 and Pitkänen 2012

There is a lively discussion on how design can be used in the public sector and a growing number of initiatives ranging from private agencies (Live|Work, Frog, IDEO etc. internationally and Palmu, Diagonal etc. in Finland), non-profit social enterprises (NESTA and Innovation Unit in London) to semi-governmental organisations (now closed Sitra Helsinki Design Lab) and government agencies (Design Council, London; Social Innovation Kent Lab SILK; MindLab, Copenhagen). In Finland this discussion has been upheld by Aalto University, the University of Lapland, Sitra Helsinki Design Lab (HDL), and Design Foundation Finland.

2012 Helsinki was designated as the World Design Capital (WDC). It raised discussion how design could help to solve problems in

diverse contexts¹. Consequently The Finnish Ministry of Employment and the Economy together with the Ministry of Education and Culture prepared National Design Programme Design Finland later that year. The programme acknowledges that WDC increased understanding how design could benefit Finnish society at large and builds on this momentum². Aalto University has been organised courses that focus on public sector challenges since 2009³. More recently Aalto University launched a Design for Government studio course that explores the potential of design in solving complex challenges in the government and the public sector. DfG Recently the Prime Minister's Office has ordered a research under the same name. It studies possibilities of user insights, prototyping and evidence based decision making in the the very heart of the government.

1 Jäkkö 2013

2 TEM 2013 p.67

3 Jyrämä & Mattelmäki (ed.) 2015

Right now public sector resonates with design and recognises design as a tool to solve complex challenges. It however still lacks the competence to use it⁴. Each initiative increases the competence and negotiates designer's position in the value chain anew. This project is one of those initiatives.

4 TEM 2013 p.31

1.4 Finnish social security system

I will describe the Finnish social security system in few words, as the reader needs to understand where Kela sits in the context or social security system. There are, from the point of view of the unemployed, three services that the reader needs to be familiar with: TE Services, Kela and Social services. These constitute the core of the service network. I will give a short course on the unemployment benefits.

1.4.1 Unemployment security

Finland has developed one of the world's most advanced and comprehensive social security systems which provides decent living conditions for anyone living there. It consists of social insurance (i.e. pensions, sickness and unemployment benefits), welfare (i.e. family and housing aid, study grants, child-care services, services for the disabled), and a comprehensive health care system. Kela is the Finnish government agency in charge of settling these benefits. It is fair to say that every Finnish resident enjoys or has enjoyed directly or indirectly Kela benefits i.e. child benefits or reimbursements for medical expenses. The unemployment benefits are paid 'to compensate for financial losses caused by unemployment'¹. The socioeconomic objective of the benefits is to get the unemployed* back to workforce. When you are an unemployed jobseeker, unemployment security will support you financially while you are looking for work and improve your capacity for entering or getting back into the job market (Te-palvelut.fi). The condition for unemployment benefits is registration as a job seeker and participation to the employment promoting measures. These are managed by TE Services (employment office): help in job search:

1 Te-palvelut.fi

- a platform for employers and employees to meet (mol.fi) and individual connections
- instruction and education in job search, and
- direction to rehabilitation.

* In public service rhetorics the word 'unemployed', 'taxpayer' and 'citizen' have been replaced by 'customer', whereas design research has replaced 'customer' by 'user'. I will use the word 'unemployed' to refer to a person out of job, and the word 'user' to refer to a person using and co-producing the service, and in all its derivatives e.g. 'user-centric'. I will however use the word 'customer' when referring to readily translated terms e.g. 'Kela customer service advisor'.

Once registered as an unemployed job seeker TE Services issue a labour policy statement on unemployed's eligibility for the unemployment benefits. The unemployed is eligible for the benefits as long as the job search is kept valid i.e. if he continuously looks for full-time work and takes part in the abovementioned employment promoting measures (and meets other requirements*). TE Services only issue the statements but does not pay the benefits themselves. The payments have been centralised to Kela. In respect to TE Services, Kela is the pocket. If the unemployed is eligible for the unemployment benefits, TE Services deliver confirmation of eligibility to Kela (positive labour policy statement), after which the unemployed may apply for the unemployment benefits. Depending on the employment history and the length of the unemployment the unemployed may be eligible either for

a. *Earnings-related unemployment allowance:*

If the unemployed is a member of an unemployment fund (obligatory) and other conditions** are met she is eligible for Earnings-related unemployment allowance paid by the unemployment fund. It is applied from the unemployment fund directly. Earnings related unemployment allowance is paid for a maximum of 500 days.

* 1) Keeps her contact details up to date, 2) accepts a job (that matches her education and talents) offered to her by the TE Services or an employer, 3) accepts a place in training offered to her by the TE Services, 4) takes part in drawing up or assessing an employment, an activation or an integration plan, shows an interest and takes part in employment promoting services as agreed in the, 5) takes part in any other TE Services included in the plan, and 6) keeps in touch with the TE Services as and when agreed

** I try to keep it simple here and mention only the condition that the unemployed has worked for at least 6 months weeks within a two years review period.

b. *Basic unemployment allowance*

If the unemployed is not a member of an unemployment fund and other conditions* are met she is eligible for Basic unemployment allowance. Similarly to Earnings-related unemployment allowance Basic unemployment allowance is paid for a maximum of 500 days. Basic unemployment allowance is not influenced by the income of other people living in the same household.

c. *Labour market subsidy*

If the unemployed has exhausted the two aforementioned benefits or has not been eligible for them in the first place, she may be eligible for Labour market subsidy. Labour market subsidy is paid as long as the unemployed's job search is kept valid. Labour market subsidy is means-tested, unlike the basic unemployment allowance, and is influenced by the income of other people living in the same household.

If the users' income (abovementioned benefits) is not enough to cover the very basic daily expenses, she is eligible for Social assistance from the social services office. This is the last-resort form of income security.

Bring in the rest of the benefits, allowances and subsidies, number of them mutually exclusive and some of them complimentary, and it becomes 'a jungle of benefits' (an interviewee).

* As a rule of thumb if the unemployed has worked for at least 34 calendar weeks within a 28 months review period, her work time has been at least 18 hours a week, and your salary has been according to collective work agreement or at least 1 134 euros a month. There are some exceptions also to this and in some cases she might be entitled to allowance increase.



Fig 1. Time span of the benefits. Earnings-related unemployment allowance lasts maximum 500 days. Depending on the employment history of the unemployed it may be shorter, and after exhausting it she becomes entitled to basic unemployment allowance, or if this is exhausted Labour market subsidy. Basic unemployment allowance lasts similarly maximum 500 days. After 500 days the unemployed is eligible for Labour market subsidy. Basic unemployment allowance or Labour market subsidy may be paid simultaneously with Social assistance. Earnings-related unemployment allowance is paid by the unemployment fund, Basic unemployment allowance and Labour market subsidy by Kela and the municipality, and Social assistance by Social services.

The labour market subsidy is fully financed by the government up to 300 days, from 300 days up to 999 days 50% by the government and 50% by the municipality, and from then onwards only 20% by the government and 80% by the municipality. These are collected by the government as fines. During the employment promoting measures the subsidy is again fully paid by the government. This model encourages municipalities to a policy, to which media refers as ‘trick-employment’¹, and to take

1 HS 2014

empty employment promoting measures and in order to avoid fines.

By now it is clear that Kela services are to say the least complex and cannot be considered in isolation. Even though I am working for Kela, I am considering the service as a continuum from TE Services to Kela.

1.4.2 Where did I land?

1 kela.fi

Kela's service promise is ideal: Kela looks after basic security for all persons resident in Finland through the different stages of their lives¹ (or more bluntly 'We give you money'). In the year 2013 Kela office services scored 9.2 out of ten in user satisfaction surveys². The public rhetorics however is negative.³

2 Kela 2014b

3 i.a. Iltalehti 2014a
and b

Kela is a government organisation and it is managed through the top-down internal processes. The users are rarely listened and hardly ever participated in the service development. Many service concepts are based on experts' assumptions.

4 Kela 2014a

Kela follows the example set by other Finnish public services (first and foremost the Finnish Tax Administration) that have successfully embedded user-centricity into their strategies. Kela⁴ emphasises this in the strategy for the years 2015–2018:

- We enhance user participation in the service and product development, and
- We develop the service channels to meet users' true needs.

User-centricity is Kela's strategic intent, but there is still a wide gap between the intent and the reality. Kela experts put it in the context by reminding me that 'ideas of radical innovation will bump into Kela's incremental objectives'.

Kela has previously collaborated e.g. with Aalto University School of Art, Design and Architecture Departments of Film, Television and Scenography (short films) and Media (maternity package and application forms), and private design agencies (UI).

Design Council has developed Public Sector Design Ladder to assess how different organisations in the public sector make use of design.¹ At the first step, design for discrete problems, design is not coded in the organisational DNA. The projects are one-offs and do not increase organisation's own design capabilities. At the second step the organisation's employees increase their own design capabilities and solve design problems without hiring a designer. At the third step, design is a driver for policy making.

1 SEE 2013

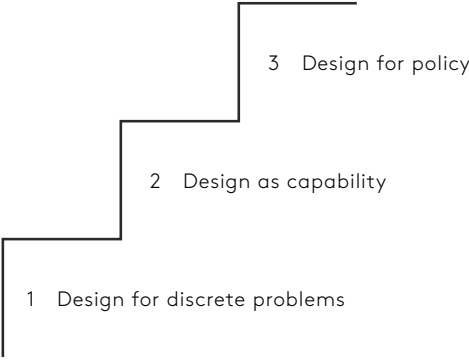


Fig 2. The Public Sector Design Ladder model. Step 1: Design for discrete problems, Step 2: Design as capability and Step 3: Design for policy. Kela would barely make it to the first step. Diagram redrawn from SEE 2013.

1 SEE 2013

2 Also used in Kurronen
2013, p44

When reflected to the Design Ladder, Kela sits tightly on the Step 1. The design projects are one-offs that do not really increase the design capabilities of the employees.¹ Furthermore I was told that ‘big ships turn slowly’². I believe this comment encapsulates something essential from the ethos on the public sector. People working in the public sector see potential in alternative ways of thinking and doing (e.g. service design), but every now and then they are pulled back and discouraged actually by themselves that ‘big ships turn slowly’.

2 Multilevel service design model

Patrício et al.¹ introduce Multilevel Service Design (MSD) model for
designing complex service systems. They argue that service design
normally treats each system level at a time, whereas MSD is a holistic
framework. It approaches different hierarchical levels of the service
simultaneously:

1.

service concept (what is the offering of the service in respect to the user and other services),
2.

service system (how the service is architected), and
3.

service encounter (how the user ‘feels’ the service).²

2 Patrício et al. 2011

To illustrate MSD model I will use a scale metaphor by Charles
and Ray Eames. The Eameses³ demonstrate how their field of view
expands as they distance themselves from the initial scene at a rate of one
power of ten per 10 seconds. Jamer Hunt Hunt⁴ develops this idea further
to address complex design problems. He demonstrates how problems
can be reframed by changing our orientation to their scalar properties
and by thinking in terms of scale and scale shifts. Let me bring these two
frameworks together:

1.

When looking from one meter (10⁰) away we can see a patch of picnic quilt and what is on it.
2.

When we scale up to 10 meters (10¹) we no longer see what is on the quilt but its relation to other things in the park.
3.

From 100 meters (10²) away, we can no longer distinguish the quilt but we see where we are.



Fig 3. Screenscaptures from Eames Brother's short movie Powers of ten to give an idea of scales of 10^0 , 10^1 and 10^2 . (Eames & Eames 1977)

Let us put this into our context and reframe design problems accordingly:

1. When looking from one meter away we can see details of physical objects that manifest the service i.e. user interfaces. Here we might ask: 'Are eServices intuitive?' 'Are the application forms understandable?' or 'Are the brochures legible?' These questions are answered in the service encounter level.
2. When we scale up to 10 meters we no longer see details but the relation of the user interfaces to each other. The design problem changes and we might ask: 'What happens after the user submits an application in eServices?' 'What happens after the user returns an application at the office?' 'How does the information travel within the service?' These questions are answered in the service system level.
3. From 100 meters away, we can no longer see even the physical

objects, but the service as a whole and its context. Here we need to frame the problem again and we might ask: ‘How does Kela position itself in the service network, that is in relation to other stakeholders e.g. TE Services, Social Services and employers?’ This is by definition the service concept.¹

1 Patrício et al. 2011



Fig 4. Scales of 10⁰, 10¹ and 10² (or in terms of Patrício et al. service encounter, service system and service concept, respectively) in Kela services to illustrate how the problem should be framed on each scale differently.

These ‘scales’ are identical to the hierarchical levels identified by Patrício et al.², but expressed with graphic examples. Hunt points out that design problems (or any problems to that matter) can be addressed on different scales and that when moving from scale to another the problem changes³.

2 2011

3 Hunt 2012a and b

Dan Hill⁴ draws analogies similar to Patrício et al. and Hunt as he discusses in terms of ‘meta’ and ‘matter’, or ‘context’ and ‘artefact’, respectively. He gives an example of State Library of Queensland by Donovan Hill Architects. Research on the user needs challenged users’

4 2012 pp 45-46

and staff's preconceived ideas about what library was, and repositioned the 21st century library (at least in the Brisbane context) as a hub of public services. The reposition of library's service offering is the 'context' or the 'meta' in this case. This 'meta' has direct influence on the 'matter', architectural minutiae from the location of the outdoor power sockets to the visibility of the signage.

1 2012 p.50

2 2007 p.6

Hill¹ sums up that the designer should zoom from 'meta' to 'matter' and back, and use one to change the other. This is the core of 'strategic design'. Hill's metaphor echoes Thackara² who suggests that we need microscopes to understand things that are too small to us to see, and macroscopes to understand what systems that are too big to understand with naked eye. The definition of 'strategic design' clearly overlap with MSD, if these two cannot in fact treated synonymously.

3 2011

Patrício et al.³ study each of these levels from two different standpoints: user's and service provider's. The first is visualised as a linear step by step description of user's actions in the different levels of the service or service experiences (Fig 5.). For the latter they suggest tools from earlier service literature: Customer value constellation (Fig 6.), Service system architecture and Navigation (Fig 7.), and Service Experience Blueprint.

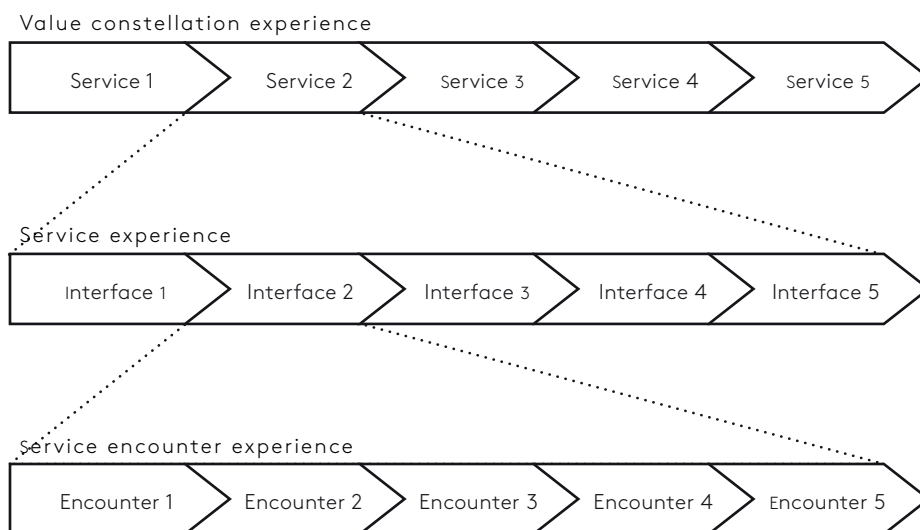


Fig 5. User experience in MSD. The diagram is rephrased by the author based on Patrício et al. (2011).

MSD states that the user co-creates the value with the interaction between services that make user's desired activity possible. That is, services are not ends in themselves, but means to an end. In order to fully understand the service network we must first define this 'end'¹. Easiest way to understand the whole experience is to imagine what happens before, during and after the service². The services involved in this experience constitute what Normann and Ramírez³ call 'Customer value constellation*'. The service concept then answers a question how does the service help the user to achieve the end in relation to other services?

- 1 Kim and Mauborgne
1999
- 2 Ibid.
- 3 1993

* From this onward I choose to use 'User value constellation' as mentioned earlier.

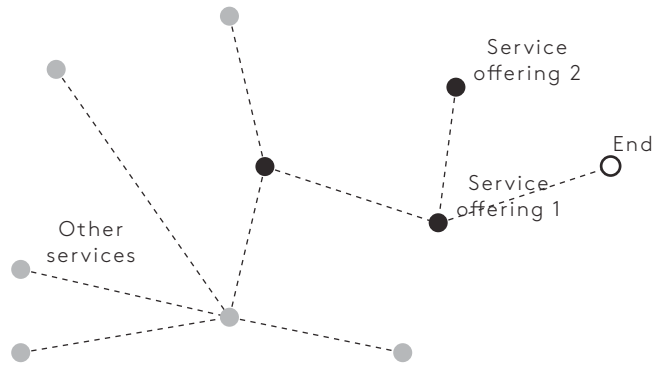


Fig 6. User Value Constellation. The diagram is rephrased by the author based on Patrício et al. (2011).

Service system architecture and navigation shows which service interfaces and back office actions are involved in each phase of the service. The left-hand side column represents the interfaces and back office actions, whereas the top-most row shows the different steps of the service.

	Step 1:	Step 2:	Step 3:	Step 4:	Step 5:	Step 6:
User	x		x		x	x
Interface 1	x		x			x
Interface 2			x			x
Interface 3	x		x		x	x
Interface 3	x		x		x	x
Backstage action 1		x		x		x
Backstage action 2	x	x	x	x	x	x

Fig 7. Service system architecture. Service system navigation points out user’s actions in the service system architecture. The diagram is rephrased by the author based on Patrício et al. (2011).

Patrício et al.¹ study the service encounter level with Service Experience Blueprint (SEB). SEB maps the service encounter step by step for multichannel service delivery. I will not describe this tool here as it is not within the scope of my thesis.

1 2011 p.4

Patrício et al.¹ suggest that MSD process requires four steps:

- 1. Understanding the user experience,
- 2. designing the service concept,
- 3. designing the service system and
- 4. designing the service encounter.

The service concept dictates the design of the subsequent levels of system, as it defines the firm’s positioning in respect to other service systems, and has to be supported by the service system and service encounters.²

2 Patrício et al. 2011

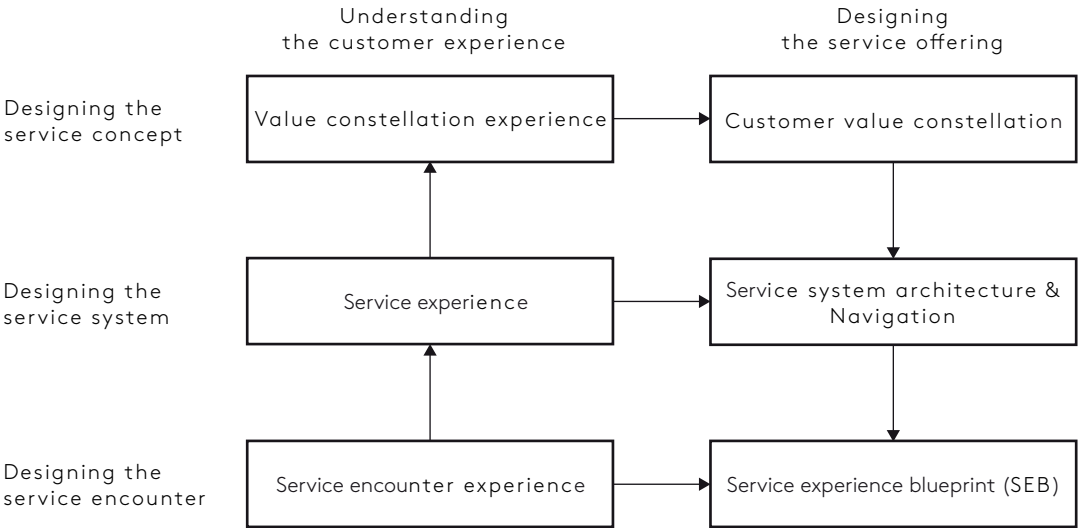


Fig 8. Multilevel service design model. The diagram is rephrased by the author based on Patrício et al. (2011).

Patrício et al.¹ emphasise that as the service design is an emerging field it borrows methods from other disciplines, such as systems thinking. For example Banathy's² steps for social systems design draws a parallel to MSD: Leave behind the existing system, then

1. Create an image of the desired system,
2. Design a system that, when implemented, will transform present into the desired state of being,
3. Create a model of the system, and lastly,
4. Implement it.

These steps resemble the MSD process as the image of the desired system (designing the service concept) dictates the implementation. This model suggests that the service concept shapes the environment, and not the other way around. Kim and Mauborgne³ refer to this as 'reconstructionist' strategy (as opposed to 'structuralist').

Patrício et al.⁴ describe a top down model. Social systems however are much more complicated than that. They are constantly negotiated. Hill suggests that (in his terms) also the meta can unlock the matter and vice versa.⁵ Or (in our terms) the changes on the service concept level have direct influence on the service system and service encounter level, but changes on latter may also inflict changes on the service concept level. Small changes on the micro-level can have significant consequences on the macro-level like

*a delicate servo-mechanism guiding a much larger machine.*⁶

Hill⁷ refers to Restaurant Day and Camionette - Café et Crêpes. Restaurant Day started as an outburst against the bureaucracy related to setting up a café, a bar or a restaurant. There is nothing exactly illegal about it (the organisers found the right loopholes) even though it first

attracted lots of negative reactions. As it has received even international recognition even the the City Council has been compelled to show it a green light. Its positive effect on the cityscape has also initiated legislative proposals in the Parliament (none of which have actually passed yet).

Camionette - Café et Crêpes was a crêperie on wheels, whose permit was initially turned down by the Helsinki City Council. This attracted thousands of supporters for the entrepreneur in social media and consequently bad publicity for the city, and the City Council was compelled to grant the permit.

Even more recently, the Finnish punk band Pertti Kurikan Nimipäivät (PNK) qualified to the Eurovision Song Contest 2015. The band is exceptional in that it is formed by adults with developmental disabilities. Finland has postponed the ratification of the UN Convention on the Rights of Persons with Disabilities since 2007. In the face of public concern, the Parliament has now approved the pact and will ratify it by the autumn 2015.

These examples show that changes in the system do not need to be top-down, and that ‘meta’ can be triggered in the ‘matter’. I doubt that neither of the projects created an image of the desired system, rather they intend solve a personal problem or to change the system into a vaguely ‘better’ one.

Another way of looking at the MSD model is through Goal-Directed Design model. Cooper et al.¹ refer to Donald Norman’s idea that design should address three different levels of user’s cognitive and emotional processing: visceral, behavioral and reflective. Cooper et al.² suggest different user goals on each level:

1. Experience goals express how the user wants to feel when using the service: feel smart, in control or relaxed, have fun etc.
2. End goals express user’s motivation to use the service in general.

1 2007 pp. 89–91

2 2007 pp. 92–97

- The service system architecture is tuned to deliver this goal.
3. Life goals are user's reason to use the service. Cooper et al.¹ 1 2007 p.94 suggest that life goals usually go beyond service design itself, but should be considered in 'high-level system capabilities, [service] concepts and [...] strategy'.

MSD already suggests that the service concept is a mean to an end – the 'life goal'. What MSD fails to mention is that each 'experience' is directed towards a distinctive goal from Goal-Directed Design model: Service experience towards 'End goal' and Service encounter experience towards 'Experience goal'. Goal-Directed Design model allows us to construct each level of MSD from goal backwards (Fig 9.).

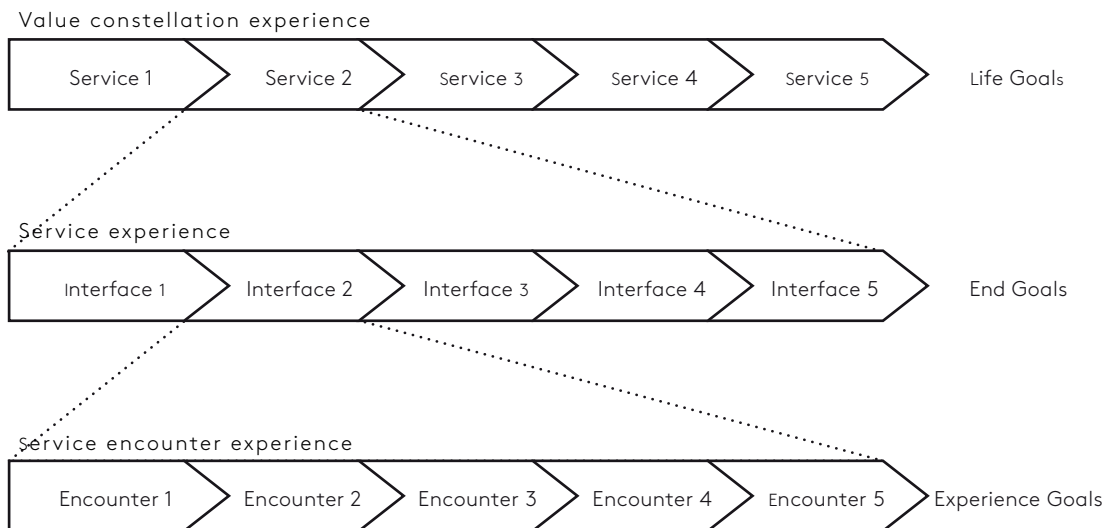


Fig 9. MSD rephrased after Goal-Directed Design model.

3 Plan

In this thesis I will study

How and to what extent can Multilevel Service Design model be adapted to Kela service development?

1 2014c

Kela¹ picks out ‘frequent users that use face to face services at least 12 times, or phone service 120 minutes in a year. These users do not necessarily have anything in common, save the rate they use Kela services. Some cases are so complex that the user needs personal help. Some cases however are simple, but the user feels the service too complicated, or the user has another reason to use the service e.g. social interaction.

Kela is a bundle of different services. As MSD allows me to study only one service at a time, I will focus on the payment of unemployment security. The unemployed constitute the majority of the ‘frequent customers’ (reference) and therefore a critical group. First, I was advised to focus on the long term unemployed, but due to the practical issues (which I will cover later in chapter xx) the focus of the study shifted on the lately unemployed, and the very beginning of the unemployment.

2 2011

I will follow the MSD logic described by Patrício et al.²:

1. Study the customer experience,
2. design the service concept,
3. design the service system and
4. design the service encounter.

I will focus on the two top most scales of the service, that is, ‘service system’ and ‘service concept’. I will touch on the ‘service encounter’ level only inasmuch it is necessary to solve problems in the ‘service system’ level. I will frame the design problem this way due to 1) the limited

project resources, 2) practicality issues (discussed later in chapter 4), and 3) novelty of the focus in Kela research. Last, I will represent scenarios and explain how they reflect on the customer experience.

There are two stories running parallel: 1) There is the framework (MSD), whose applicability in a given context I study by using it in 2) an given project. Consequently, there are two outcomes: 1) The assessment of the framework, that is, the answer to the research question above, and 2) the outcome of the given project, which will be covered in the following chapter 'Process, methods and outcomes'. First, I will briefly describe the project and as a result create scenarios for the future services. And second, I will answer the actual research question by reflecting the framework on the project in the fifth chapter 'Reflections'.

As the project unfolds I will face different challenges: 1) challenges due to project management, 2) challenges due to the nature of Kela or the public sector at large, and 3) the challenges due to incompatibility of MSD in Kela context. I will discuss the first two kinds as they appear in the process, whereas the last kind constitute the fifth chapter 'Reflections'.

4. Methods, process and outcomes

I will follow the MSD process described above. I will construct the user value constellation and service system architecture. As I mentioned earlier I will focus on these two levels and will not construct the service encounter blueprint. I will however point out findings from that level where I find it necessary in order to understand the whole.

As the name suggest MSD is a service design model. I thus use user-centric research methods and co-create the scenarios together with the user.

I will not give a full account on the methods I used for purely practical reasons, but I will shortly describe the interviews and the workshops and point out the most relevant insights and ideas. I try to choose and present these so that the process is cohesive and leads logically to the scenarios at the end of this chapter.

4.1 Expert interviews

I mapped out the service system architecture through open discussions and semi-structured interviews with Kela experts. Altogether I interviewed two Kela experts and two researchers. I also interviewed three TE Services experts in order to understand the interface between Kela and TE Services.

	Step 3: Applica- tion	Step 4: Handling	Step 5: Enclosure delivery	Step 6: Handling 2	Step 7: Decision	Step 8: Discontin- uation
User	x		x		x	x
Kela office	x		x			x
Kela phone service			x			x
Kela postal service	x		x		x	x
Kela eService	x		x		x	x
Kela backstage		x		x		x
Kela sys- tem	x	x	x	x	x	x

Table 1. Matrix representing Kela's service system. The left-hand side column represents the interfaces and back office actions. The uppermost row represents the different steps the user takes. The user can apply the benefits face-to-face, by getting a form from the office or printing it out in the eService, or filling the form directly in the eService. The application is handled either automatically or by Kela expert in the backstage of the service. Additional information can be delivered through all interfaces. The decision is always delivered to the user by mail and through the eService. The benefit can be discontinued by the user through all interfaces, or initiated by the backstage system.

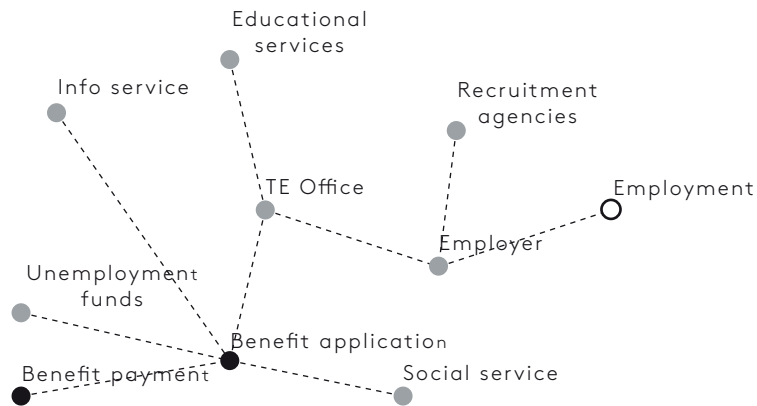


Fig 10. Kela user value constellation was based on the interviews but was revised throughout the project. As mentioned earlier the unemployment benefit aims at bringing the unemployed back to the workforce. That is, the life goal of the service is ‘employment’. Fig x shows that Kela services (marked with black dots) are peripheral to the life goal. They do not have direct relationship to it. In fact, the eligibility to Kela services is a result of not reaching the life goal, rather than that the service would directly contribute to reaching it.

4.2 Expert workshop

I wanted to narrow down the ‘right question’ for the project with the services involved. Because of this I had to organise it early in the project. I send the invitations to the participants without really knowing 1) who I should invite and 2) what the workshop would be all about. The first workshop was also a ‘testing ground’ 1) to see how service design tools were received, 2) to meet experts and 3) to commit them to the project.

Finally altogether 10 experts could clear time in their calendars

for the workshop: two Kela Head of Benefits, four Kela experts from Benefits, one from Research, a Kela customer service advisor, and a representative from TE Services and Helsingin Työttömät (HeTy)* each.

The workshop was divided into two parts: 1) sensitizing and levelling, and 2) the problem definition. The morning session helped people to share their own experiences and views, and level with each other. The afternoon session was structured to narrow down the problem at hand – to ask the right question.

Task 1

A sensitizing task¹ helped the participants to relax and set to right mood. The participants were asked to draw Kela 1) right now and 2) in five years, and 3) introduce themselves and their drawings to others. The drawings helped the participants to express their thoughts, rather than only introducing their name and background.

1 Sanders 2006

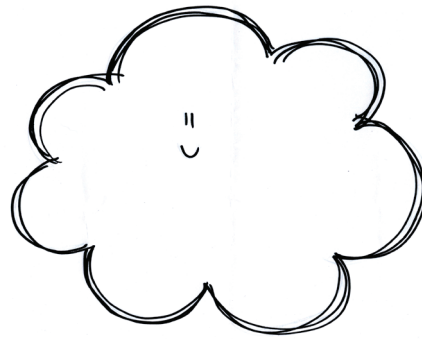
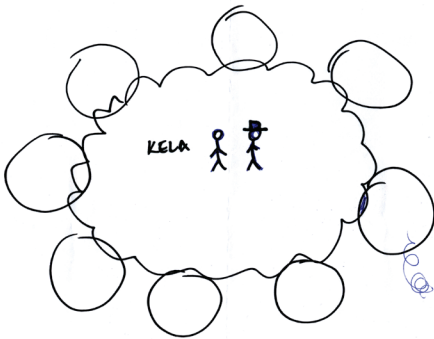


Fig 11 and 12. One participant saw Kela's functions separated from each other and wished to see more unified Kela in the future.

* HeTy, Helsinki Unemployed, is a non-governmental organisation that organises education, jobs and free-time activities for the unemployed.

Task 2

The morning session continued by writing down the problems the unemployed faced in lives in general and in the services offered for them. The problems were then categorised and the categories named. (Table 2.)

Task 3

The afternoon session was divided into three steps:

1. A challenge statement,
2. ideal state of solving the challenge, or what would happen in a perfect world, and
3. definition of the right problem.

Each step was supported with a fill-in-the-blanks sentences.

1. We must ... so that ...
2. Wouldn't it be nice if ...?
3. How might we ...?

The challenge statement was based on the morning discussion:

We must be more user-centric so that the user gets what she needs.

Based on the challenge statement the group suggested what would happen in a perfect world, and consequently turned these into problem statements.¹

1 Adapted from Prather
2010

Jungle of benefits and services	Channels	Information transfer
<p>Which benefits am I eligible for? (Jungle of benefits)</p> <p>Which service is responsible for unemployment security? (Jungle of service providers)</p> <p>Where to find information?</p>	<p>Which channel to use? Which is the most reliable channel? Which is the fastest channel?</p> <p>Unnecessary statement requests from Kela to TE Services</p> <p>Redirection from Kela to TE Services (no walk-in service)</p> <p>Accessibility</p>	<p>Why doesn't the service provider already have my information?</p> <p>Different service providers have different practices and rights</p> <p>User has to give same information to a number of services</p>
Handling	Information transfer	Legislation
<p>Handling times too long</p> <p>User doesn't know the paydate</p>	<p>Too digital</p> <p>Inability to use computer</p> <p>eForms hard to understand</p> <p>eService is missing some forms</p>	<p>Legislation is complicated</p> <p>Legislation changes every year</p> <p>Benefits and their combinations hard to understand</p> <p>User doesn't want to accept incidental work because it affects benefits</p>

Table 2. The problems categorised in the morning session.

We must... so that...	Wouldn't it be nice if...?	How might we...?
We must be more user-centric so that the user gets what she needs.	Legislation was more flexible	Influence decision makers
	The user trusted in Kela	Be more available Decrease benefit underuse
	There was only one system	Link together services Increase collective training
	Everyone worked towards the same goal	Co-operate with TE Services and Social services Get the user to understand her own responsibility
	The user did not need to apply benefits	Turn eService into true service channel
	Good ideas were implemented faster	Change Kela mindset

Table 3. The most discussed results of the afternoon session.

Finally the ‘right problem’ was voted, and refined into a problem statement for the project:

How might we enhance collaboration between TE Services and Kela so that the user gets service that meets her true needs?

The discussion around the exercises was equally important¹. The discussion brought up a significant notion: The Kela customer service advisors do not know that TE Services do not have a walk-in service. (TE Services offer services by appointment only. In case of walk-in TE Services' eService advisors help the user to register as an unemployed jobseeker online and make an appointment for another time.)

1 Vaajakallio 2012

This implies the following:

- If the user unknowingly first goes to Kela office, she is either redirected to TE Services' eService or TE Services, from where she is either redirected back home to do the registration there or encouraged to do it with the help of eService advisors. In any case she needs to do an appointment for later.
- This presupposes that the user does not know that she must first register as an unemployed jobseeker at TE Services' services. This means that there is not enough information of the overall process or the information is hard to understand.
- The abovementioned conditions suggest that there is not enough communication and collaboration between the two services.

As I interviewed TE Services experts, I learnt that they have initiated a project to enhance TE Services' user experience. The project aims at more extensive and easy to understand services, including e.g. ease of reading of the documents. Kela has carried out an extensive project (HAKU) on simplification of the language and the documents during the years 2011–2013. TE Services aim at similar results. Both service providers however fail to see this as an opportunity to establish a common language between the two service providers.

According to Kela experts there is some collaboration between Kela and TE Services. The collaboration has normally been regional and led to innovations that build on local geopolitical and socio-economical factors, municipal politics and even political characters (and their personal motivation). These forms of collaboration can rarely be scaled. The organisational changes (move from local governance to central) aiming at unification and the equality of the service have decreased local authority. Regional collaboration is discouraged and consequently possible collaborations are left unreported. The national collaboration between the two on the other hand is coordinated only on the side of other responsibilities.

4.3 User interviews

If I had wanted to use Kela's database to find people to participate in the project, I would have had to present the plan to Kela's Ethics Committee and prepare myself for a delay. Trying to avoid that I went directly where the users were – TE Services and HeTy. This resulted in 10 contacts. TE Services directly promoted the project by face to face recruitment and by posting on Facebook wall and Twitter. Kela posted an article on their web page and shared it in Twitter. This resulted in 14 contacts. From these 24 users I interviewed 11.

I carried out the interviews as semi-structured interviews that focused on four topics: 1) How does the user use the service? 2) Why does she choose a specific service channel? 3) What is user's attitude towards the service and why? 4) What are user's main concerns about the service? and 5) Service development ideas. Shadowing the user in Kela service without her knowing it is impossible due to the privacy issues. I could however 'shadow' two users with their consent.

User 1:

User 1 (U1) registers as a job seeker in TE Services' eService, and expected that the registration would initiate the benefit application process. After registration as a job seeker TE Services' eService does not redirect the user to Kela's eService or even instruct to apply for the unemployment benefits from Kela or the unemployment fund separately. As she was not paid the benefits, nor instructed to apply them separately, she studies the process and eventually submits the application in Kela eService. Fig 13 shows a discontinuity between Kela's and TE Services' processes (Steps 1–2). The system triggers a manual handling process. Kela expert asks for enclosures which she delivers. Simultaneously the system receives Labour policy statement initiated by the registration as a job seeker from TE Services' eService. This results in decision to pay the benefits which is delivered by post and communicated in eService. In the end U1 receives the decision but again does not know what to do next or until when the decision is valid.

The interviews raised two issues: uncertainty and mistrust. First, the users do not know what they are required to do when they become unemployed, once they register as unemployed job seekers or what is required from them and when.

U1: 'I registered as an unemployed job seeker online [...] I waited for the benefits over a month [...] No-one had instructed me to apply for the benefits from Kela.'

This is a service experience level finding. The problem results from discontinuity from an interface to another.

	Step 1: Registra- tion	Step 2: Informa- tion	Step 3: Applica- tion	Step 4: Handling	Step 5: Enclosure delivery	Step 6: Handling 2	Step 7: Decision
User	Signs in	Browses	Signs in		Delivers enclosures		Receives decision
Kela office							
Kela phone service							
Kela postal service				Asks for missing in- formation			Delivers decision
Kela eService		Presents options	Asks and identifies information				Delivers decision
Kela backstage				Handles application	Receives enclosures	Handles application	Issues payment
Kela system			Registrates application	Triggers manual handling		Registrates application	Registrates decision
TE Services							
TE Services phone service							
TE Services postal service							
TE Services eService	Asks information						
TE Services backstage							
TE Services system	Registrates application			Provides la- bour policy statement			

- Fig 13. U1's service system navigation. The diagram integrates Kela's and TE Services' service system navigations and expresses users actions and shows the order of actions with arrows. The actions framed with dotted lines are invisible to the user.

The existing instructions are unclear and Kela and TE Services act inconsistently.

U1: 'I got a letter from TE Services saying that I must attend [employment promoting service], or they'll cancel my benefits. What benefits? I still haven't received even the benefit decision!'

U2: 'These two shops, they compete with each other. I don't understand why Kela says no to the application when TE Services say yes, and the other way around.'

It seems that TE Services' and Kela's responsibilities are unevenly distributed. In terms of MSD and user value constellation the services overlap.

Second, the users were afraid that the application would somehow be misplaced or get lost in the process. E.g. User U3 files the copies of applications and the Kela correspondence in 'the red folder' in order to keep up to the handling process. In terms of MSD there is a clear gap in the service network: none of the services provide an accessible archive service for correspondence.

4.4 User workshops

I held two user workshops, the first for three (Group 1, Users 1–3) and the second for five users (Group 2, Users 4–8). The objective of the workshops was to collect ideas of future Kela services. I prepared two exercises: 1) service analogies and 2) a card game.

First, the participants discussed existing services e.g. ATM, web banking, fast food joints, restaurants, online shopping and automated cashier. The services were put on interest–trust two-dimensional axis (Fig 14.). The participants explained themselves, and whether Kela should learn from the service and what. They cut pieces off the ones Kela should learn from and taped them together to represent the future Kela (see Fig 15).



Fig 14. Services on interesting–boring trustworthy–unsafe two-dimensional axis.

Fig 15. The workshop participants hoped that future Kela offers personal service like personal trainer, standardised and easy to approach service like R-kioski, easy to understand eService like banks, easy-to-use self services like S-Market and co-produced services like Restaurant Day.

The image of Restaurant Day made the participants consider if the users could co-produce the services. U1 suggested that the users could share their experiences and instruct each others. Image of the menu of a Chinese restaurant on the other hand made people feel insecure: 'You don't really know what you're gonna get, if there's no picture.' (U4) This leads into a discussion about Kela services:

U1: 'It would be nice to understand why the decisions are like that.'

U3: 'What's the reasoning behind it?'

U2: '... if someone's just having a bad day.'

U1: '... yeah, transparency.'

And a few minutes later:

U3: 'Could there be stories... like cases that would be explained in detail?'

For the next phase I prepared cards that represented problems the unemployed face in TE Services or Kela's services. The participants answered to questions on the card 1) How do you react?, 2) How do you feel? and 3) What would happen in a perfect world? (Wouldn't it be nice if...?). From the last question we continued to define the 'right questions' (How might we...?). Lastly we brainstormed service ideas to them.

The users pointed out that the uncertainty of the stage of the handling (from application to decision), and the organisation responsible for it (Kela or TE Services) cause frustration. First, the user does not know the exact pay date (when the benefit is paid and appears on the account). If the users run out of money by the end of the month (or the benefit period) they become fully dependent on the next pay date. If Kela does not give the exact pay date, it deprives the little control the user still has over her own life.

U4: 'I wouldn't take [incidental job] because it would mess up my system... I don't know when I would get the money... not in time at least... I couldn't pay my rent... it's not worth it.'

Second, the user does not know if the application itself is correctly filled, and all the necessary supplements are attached. They are afraid that the application boomerangs on them and they need to do everything again, and as a result the pay date is put off. Users minimise the risk and use services that give immediate responses to user's questions, that is, face to face or phone service.

U2: 'Why couldn't I know what's going on with my application? Postal services work like that, right? I remember we could trace the spare parts in Frankfurt airport, and we could tell why they were still there..You just had the code..That way I could tell there's nothing wrong with my application..that it's being handled.'

The user can, in fact, see the state of the handling in Kela eService to the accuracy of 'waiting for attachments' – 'in process' – 'processed' – 'paid'. This progression however is uninformative when it comes to unemployment security as it involves also TE Services' processes. Furthermore, the user sees the state of the handling only by accessing eService which requires strong authentication.

The results of the exercise are summarised on the following page in the Table 4.

Wouldn't it be nice if...?	How might we...?	Idea
The user knew what to do	Help the user to understand the process	Step-by-step instructions
		Clear instructions from the customer service
		Facebook timeline
		Web page that collects all information that the unemployed needs (unemployed.fi)
The user knew the stage of the handling	Help the user to follow the handling	Track-trace (cf. delivery services)
		A change in the stage of the handling generates a SMS
		Facebook timeline
The user trusted Kela	Help the user to understand what leads to the decision	Illustrated scenarios

Table 4. The train of thought behind each idea developed in the user workshop.

4.5 Personas

- 1 Cooper et al. 2007 p.75–88
- 2 Sanders 2006
- 3 Glushko & Tabas 2009

Personas are fictional people who base on research¹ or user archetypes² that are used to represent real users. Use of personas bring the designers into an agreement who the user of the service really is³.

*To create a product that must satisfy a diverse audience of users, logic might tell you to make its functionality as broad as possible to accommodate the most people. This logic however, is flawed. The best way to successfully accommodate a variety of users is to design for specific types of individuals with specific needs.*⁴

- 4 Cooper et al. 2007 p.77

Different users' requirements most probably interfere with each other. This became clear already in the user workshops. The participants themselves noticed how differently they use different channels for different needs.

I constructed three different personas (see Appendices) based on the interviews and the user workshops. The personas were a medium to communicate the user insights in the last expert ideaworkshop.

4.6 Expert ideaworkshop

For this workshop I rounded up again 10 participants: Kela Head of Department, two Kela Head of Benefits, one Kela expert from Benefits, a Kela customer service advisor, two representatives from TE Services and the former Director-General of the Finnish Tax Administration, and a representative from Vamos Espoo and Helsinki Unemployed each. I hand picked these participants to represent different scales of the service system. In order to manage ten people I recruited another facilitator to help me.

At this point I noticed that the problems that we identified in the interviews and the service ideas that we developed in the workshops were not novel. Some of the service ideas were already under development. The issue therefore was not that Kela turned a blind eye to the problems, but that the changes took place too slowly. I therefore changed the goal of the last workshop and instead of creating more ideas we focused on planning how to quick-prototype these ideas.

I divided the workshop into four phases: 1) sensitizing, 2) levelling (discussion on the personas), 3) ideation and 4) quick-prototype plan and presentation:

1. I divided the participants into two groups taking into consideration their capabilities and aiming to diverse teams. The sensitizing task was the Marshmallow Challenge¹. It helped the participants to forget the practices of the normal work day, collaborate and consider experimenting. This connected to the final quick-prototype planning phase.

1 Wujec 2010



Fig 16. Marshmallow contest.

2. I had sent the personas to the participants in advance for homework. In the two groups the participants introduced the personas two each other and discussed freely about their problems.
3. From the discussion the participants moved to ideation phase. I used task cards to structure the ideation and help the participants to move between different scales¹:
 - What would you do next month?
 - What would you do in a year?
 - What would you do in five years?
 - What would you do if you didn't have a budget?
 - What would you do if you had 1000€ budget?
 - What would you do if you had 100 000€ budget?
 - What could you do alone?
 - What would you do together with TE Services?
 - What could the users do themselves?
4. After the ideation the participants voted the best ideas and made a plan how to quick-prototype the idea.

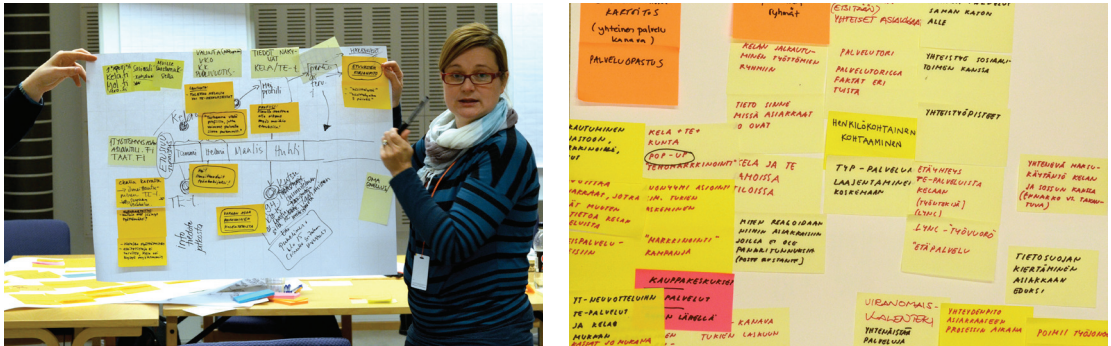


Fig 17. The group A developed an information system, whose interface follows the logic of Facebook timeline. The timeline shows users history (past and valid applications) and the future deadlines (user's, Kela's and other stakeholders'). Enclosures are managed like photos and can be moved or tagged to different applications. The system is a management tool for Kela and other stakeholders. Other stakeholders post the statements to the timeline, and signal Kela experts to make the decision accordingly, e.g. TE Services post labour policy statement to the timeline, which gives a signal to the expert, who then makes the decision accordingly and informs the user. The service uses user's existing capabilities and empowers her. The service is transparent and all user's documents are available for both the expert and the user (eliminates the possibility of 'losing' or mis-filing documents and the resulting conflicts). The group considered carefully how the project should be implemented and possibly connected to other similar projects such as Apotti (future patient information system in the capital area) or National data exchange layer (ICT solution to exchange data between private and public service providers).

Fig 18. The service users and the people with experience from the user interface agreed that the one stop services result in best possible service experience. Consequently the group B developed a plan to quick-prototype one stop shop.

4.7 Problems in user participation

Initially I intended to focus on the long term unemployed. To avoid the scrutiny of Kela Ethics Committee I had to make the participation fully voluntary. This meant that I could not approach the users according to the stage of their unemployment. The channels that I chose to reach users obviously favored the newly unemployed, and the focus consequently shifted from the long term unemployed to the newly unemployed.

The definition of ‘newly unemployed’ here is flexible and influenced furthermore the framing of the project. I needed constantly reframe the project due to the time span and continuous development of the service. The services span over a long time. The time from unemployment registration (TE Services) to the benefit decision (Kela) may take altogether two months. After the decision the user submits only Unemployment status report every four weeks (if no exceptions). This phase of the service lasts indefinitely. This means that within four months of the research I could not reach users that would share exactly the same phase of the service. This leads to the next problem.

The services develop continuously. Kela drives proactively improvements to the social security legislation. This causes changes both in the processes and the decisions themselves. This means that the customer experience of the application process from the last year is already ‘out-dated’. Not to speak about the long term unemployed who have applied for the benefit two or more years ago. This means that I could not describe one full service experience, but gather bits and pieces from several people’s experiences. These problems however offer also the possibility to study the whole lifespan of the service within these four months.

4.8 Scenarios

The workshops resulted in a number of ideas, some of them, however, less relevant than the others, as the ideation got easily sidetracked. I will present here the ideas that directly answer to the original problem definition:

How can we enhance collaboration between TE Services and Kela in order to offer better services for the unemployed?

The scenarios address indirectly all the issues raised in the above described process, but directly what User 2 put into words: ‘These two shops, they compete with each other.’

a. One service

Kela and TE Services work seamlessly to deliver best possible user experience. The user does not (need to) know where TE Services end and Kela starts. The user sees TE Services and Kela as one and the same service, that is, the user’s mental model¹ is of a one service. Kela has put a lot of effort in breaking away from TE Services (partly to make the service more transparent to the user, partly to dissociate with the negative publicity of TE Services). The closer the service is to user’s mental model the easier it is to understand². Instead of breaking away, Kela and TE Services should put effort in offering a service that the user expects. This is reached by the following measures.

1 Cooper et al. 2007 p. 41

2 Cooper et al. 2007 p 43

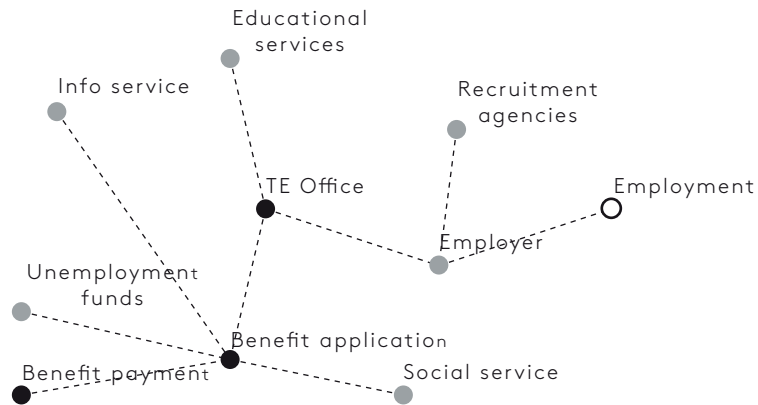


Fig 19. The service offering changes as Kela collaborates with TE Services.

b. eService

TE Services', Kela's and unemployment funds' eServices are integrated. The user registers as a job seeker and applies the unemployment benefits by filling one form only. Kela gets the information directly from TE Services. Kela contacts the user only if it needs enclosures in the handling.

Fig 20. U1's service architecture navigation in relation to the scenario. There were two separate processes in the original service architecture navigation (Fig 13.): registration as a job seeker and benefit application. Here the user starts only one process, which results in the payment of the benefit. Kela uses information collected by TE Services, instead of collecting it again. After registering as a job seeker the user only responds to Kela's contacts (enclosure delivery).

	Step 1: Registration	Step 2: Application	Step 3: Handling	Step 4: Enclosure delivery	Step 5: Handling 2	Step 6: Decision
User	Signs in			Delivers enclosures		Receives decision
Kela office						
Kela phone service						
Kela postal service			Asks for missing in- formation			Delivers decision
Kela eService						Delivers decision
Kela backstage			Handles application	Receives enclosures	Handles application	Issues payment
Kela system		Registers application	Triggers manual handling		Registers application	Registers decision
TE Services						
TE Services phone service						
TE Services postal service						
TE Services eService	Asks information					
TE Services backstage						
TE Services system	Registers application		Provides la- bour policy statement			

While this scenario may take time to implement, my humble suggestion is to start from small improvements: 1) instructing users to apply the unemployment benefits from Kela eService (or unemployment fund) by telling the user to do so after registering as a job seeker in TE Services' eService, and 2) automatically sending a reminder to do so to the user ten days after the registration (waiting period).

c. *Proactive user recognition*

Teams of Kela's and TE Services' customer service do an early intervention and go where the future users are: organisations in transition – schools and companies under employer-employee negotiations. The companies are reached through TE Services as they are responsible to inform TE Services of upcoming negotiations. This intervention decreases unnecessary visits at the office and directs users to eServices. (As I introduced the scenarios I learned that this particular service was under preparation and going to be piloted soon.)

	Step 1: Proactive user...	Step2: Applica- tion	Step 3: Handling	Step 4: Enclosure delivery
User	x	x		x
<i>Field</i>	x			
Kela office		x		x
Kela phone service				x
Kela postal service		x		x
Kela eService		x		x
Kela backstage		x	x	x
Kela system		x	x	x

Fig 20. New service system architecture. Step 1 represents proactive user recognition. This requires also a new interface: 'Field'.

d. *Expert exchange programme*

Kela expert or customer service advisor takes residence in TE Services and supports TE Services customer service or instructs users in using eService. The advisors are rotated in exchange and consequently the understanding of TE Services' practices is passed on to the rest of the advisors and the organisation (in daily interaction and formal education of new customer service advisors).

Benefits of Expert exchange program (whether its in instructing in using eService or clearing up complicated life situations) can be quick-prototyped. TE Services have recently renewed its work space into an open office, which makes residency possible. Kela customer service advisor takes residency in TE Services as nearly all users of TE Services are also Kela's users, but not the other way around. There should be no barriers (other than mental) for quick-prototyping and iteration.

The rest of the scenarios are concerned with the service prerequisites. They cannot be pinpointed in MSD model, but take place in the backstage of the service.

e. *Collaborative team*

Kela and TE Services set up a team to coordinate projects that have influence on the other organisation processes e.g service logic (accessibility), language (unified terminology), eService (movement between the two services). The team is a divided resource and functions in Kela–TE Services interface.

f. *Local collaboration*

Kela encourages insurance districts (local administrative

units) to use local opportunities to deliver the best possible user experience by 1) supporting mindset openly, 2) championing good examples and 3) budgeting for experiments. The local innovations are living-labs, and their scalability nationwide is evaluated. This however should not be a prerequisite for an experiment.

Kela's service promise is to offer services equally to everyone.¹ This has led to unification of Kela processes and turning down any experimental processes that cannot be utilized elsewhere. Consequently the local authorities are not budgeted to experiment. And the ones that experiment see the best not to share the results, be them successful or not. It seem that Kela has become a platform for systemic change with no room to innovate.

1 Kela 2012

In contrast to Kela's current policy Ezio Manzini² suggests that complexity cannot be managed centrally and that the complex systems should be distributed (distributed complexity). The local systems with the problems must have mandate to solve them locally and thus manage the local complexity.

2 2014

I acknowledge, that a probable scenario, that I do not mention here, is that in the future all social security payments and processes related to them are centralised. There is already a clear intent towards it. The administration of Social assistance transfers to Kela starting in 2017. Another probable scenario is that Kela follows users' needs real time from the national income register and offers benefits proactively. The national income register is scheduled to 2019. Papanek³ says that 'design is about the here and now'. I created these scenarios knowingly to bridge 'now' and 'then'. They sketch out services for the people right now but take a step towards the desired system.

3 1986 p.21

5 Reflection

I faced a number of challenges while doing the project, some of which are project management issues which I covered already in the previous chapter, some of which are related to Kela services or public sector in general, and some of which I find are shortcomings of the framework itself. I will discuss the challenges that influenced either the framing or the outcome of the project, rather than the challenges of the public sector in general.

5.1 Societal value

Public sector services (and especially Kela services) differ significantly from private sector services. Private sector services are economically profitable. To put it simply, the service provider creates additional value to the user, who pays for it one way or the other. Public sector on the other hand provides services that are not necessarily economically profitable. Kela is an extreme case – it hands out money. Public services create societal value instead. Let us imagine that the society invests money on people believing that one day the investment pays off and the people create value to the society e.g. get a job, have babies or join the army. The value creation mechanism is different by definition, if not exactly inverse. This causes the next problem.

Digitalisation and automation of services free resources to more personalised services.¹ Also Kela tries to shift the simplest cases from the face to face service to eService, and automate the handling of the routine cases. This frees up resources for the complicated face to face services and the handling of the complex cases.

Many of the users that want face to face service do not need it. Instead, visiting Kela has become a social activity. It could well be the only human contact in a person's day, especially for the elderly. This

1 Jorgenson & Timmer
2011

of course is not the primary function of Kela. That is, in terms of Goal-Directed Design, some users have two end goals for the service, primary and ‘incidental’. Both goals however create societal value.

The shift from face to face services to eService inevitably decreases the social function. Papanek¹ argues that design interventions should be “modest, minimal and sensitive”. Following Papanek’s idea the design of the service should not decrease its social function, but to enhance it, without taking up any resources from the primary function of Kela. Also Cooper et al.² suggests that services are designed to meet end goals and not other way around. Could the future Kela be a public living room where people could meet and have coffee and thus co-produce the social function of the service, and take the burden off the primary function?

1 1986 p.11

2 2014

5.2 Interdependency

MSD model addresses complexity of the service as a sum of the service network and the multichannel nature of the service. The service concept level focuses on the service network, whereas the service system and service encounter levels on multichannel experience. There is no clear continuum between the service concept and the service system.

Kela services are interdependent on other services e.g. TE Services (labour policy statement), the employer (certificate for determination of employment condition), unemployment funds (Earnings-related daily allowance), educational institutions (certificate of attendance) and health care services (doctor’s certificate). Furthermore, some Kela benefits are mutually exclusive and some are means-tested e.g. Labour market subsidy is means-tested, whereas basic unemployment allowance is not, but still it is not influenced by Child benefit, Child support, General housing allowance Disability allowance or Social assistance.

1 2012 p.17 It is not enough to understand the service system architecture of Kela services, but to superimpose a number of other architectures on it. Even the simplest case studied here requires detailed superimposition of TE Services' and Kela's service system architectures. MSD model recognises that the service concept depends on the other services in the user value constellation, but fails to recognise that service system architecture and navigation cannot be designed in isolation either. I will extent Sampson's¹ take on service blueprints to all MSD: it helps to understand multichannel services but is less helpful to illustrate interdependent processes.

5.3 Loose temporal dependency

2 1996 MSD looks the service only from the user point of view and is mainly concerned on how the user experiences the service. This inevitably leads to focus on the functions that are directly in interaction with the user. Edvardsson and Olsson² suggest that oversight in the back office reflects as bad user experience. MSD does recognise the immediate backstage actions e.g. back office and information system. It does not recognise however supporting services that have loose temporal dependency, that is, if the function does not fit in the time span of the service experience, e.g. training the customer service advisors.

5.4 Indefinite user groups

3 2011 Patrício et al.³ emphasise that MSD is a method to solve challenges such
4 Glushko & Tabas 2009 as trade-offs between efficiency and personalization⁴, online and offline,
5 Patrício et al. 2011 and resource allocation and coordination between channels⁵. Junginger⁶
6 2015 points out however that the public sector services cannot target their services to different user groups.

As mentioned earlier, every Finnish resident is a potential Kela service user. Consequently Kela's service promise is to cater equally for everyone¹, not depending on the location (whether the user lives in a city or countryside), computer skills (whether the user can or cannot use computer), or systems (whether the user has an internet connection or even mobile phone coverage) or gadgets available (whether the user has a landline, mobile or smartphone). This means, that unlike private sector services, Kela cannot simply push the users to the channels it finds most effective and least resource intensive. The user should be redirected with right incentives instead.

1 Kela 2012

5.5 Legislation

User B feels that Kela and TE Services were competing against each other, because positive labour policy statement does not necessarily result in positive decision. Obvious service concept level step would be to expand Kela's service concept to cover the delivery of the labour policy statement. That is, Kela's and TE Services' service concepts and user value constellation should be redesigned. The function of each organisation (e.g. TE Services: employment promoting measures and labour policy statement; Kela: settling the benefits) and content of each service (nature of the measures, conditions of the labour policy statement and amount of the benefits) is however strongly legislated. The changes in the user value constellation generally require legislative changes.

Patrício et al do not suggest any ways to change user value constellations that are 'fixed' by legislation. That is, MSD fails to model strongly legislated services. Joore and Brezet² suggest very similar Multi-level Design Model and an additional fourth level to the model: 'Societal system'. The fourth level does not fully take shape in this context intuitively and requires further examination. I will however touch upon the idea in the next paragraph.

2 2014

5.6 Ascent to the ‘fourth’ level

Kela’s service concept is to provide means (money) to use other services. The user then individually chooses the services with which to co-create value. This means that user’s life goal and therefore the whole user value constellation is personal. Depending on user’s life situation, health, family etc. the goal and therefore the whole user value constellation differs from ‘feeling of meaningfulness’ to ‘life sustenance’.

This is of course in stark contrast with the purpose of unemployment security – to support the user during the period of unemployment and job search (other benefits answer to other needs and objectives). That is the system tries to preset the goal to be employment. According to the service dominant logic this is however impossible, as the value is eventually co-produced with the user¹. The difference between the preset and the user-set goal cause the user dissatisfaction.

Let us forget service dominant logic for a moment, and imagine that the goal was actually preset as ‘employment’. According to neoclassical macroeconomics² full employment is considered impossibility. Instead theoretical full employment e.g. in Finland is 7% unemployment.³ Under these conditions it seems unreasonable to ask the user to strive for ‘employment’, which for the most is out of reach. It sounds like the game musical chairs: there is one seat too few in the game from the very beginning.

We need to scale up to the fourth level of MSD (Societal system). This goal-setting results from social politics that drive for economical growth.⁴ More recent research⁵ suggest that social politics should drive for well-being instead. In this kind of society the life goal could be feeling of meaningfulness if it resulted in wellbeing (Fig 21). This implies that resolving the source of user dissatisfaction may require that the drivers of the society are reconsidered completely.

1 Vargo & Lusch 2004

2 Staiger et al. 1997

3 Lehmus et al. 2011

4 Aaltio 2013

5 Aaltio 2013 and
Hämäläinen &
Michaelson (Eds.)
2014

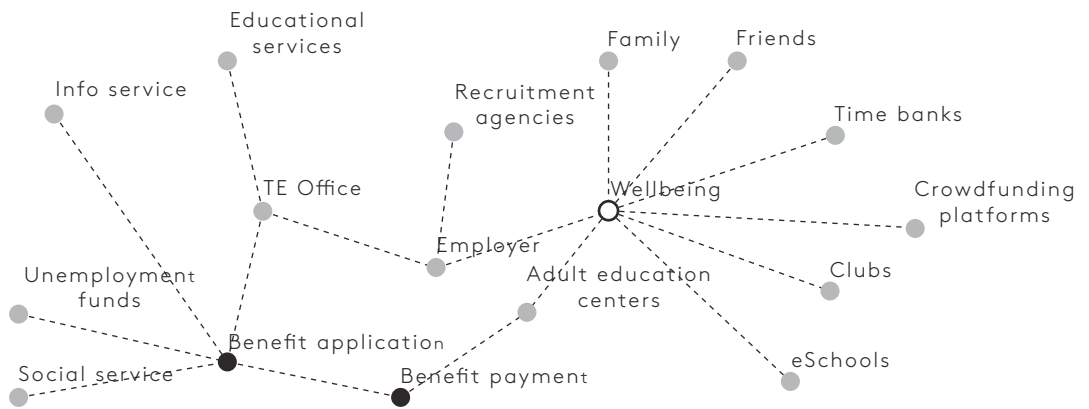


Fig 21. Now Kela services (marked with black dots) are peripheral to the life goal. They do not have direct relationship to it. If the life goal of the user value constellation is swapped, also the constituents of the constellation change dramatically. Consequently Kela services move from periphery closer to the life goal.

6. Conclusions

The value of MSD is in that it brings systems thinking into a service design framework.

MSD presents the new concept of value constellation experience, recognizing that experiences may be formed through interactions with multiple services from multiple organizations that go beyond the firm's offerings.¹

1 Patrício et al. 2011

This is achieved on the service concept level, but it does not extend the same logic to the other levels. That is, MSD does not address complex services that are shared by a number of service providers. I am not saying that the suggested tools could not be used for such services, they just become hard to read. For this reason the process should be broken into even smaller stages or other frameworks could be considered instead of service system architecture.

Similarly MSD does not take into consideration strongly legislated service systems, such as social security system. Strong legislation 'fixes' the user value constellation. Consequently MSD process can easily miss the root cause of the problem. MSD does not suggest means to influence these systems. The model requires a 'fourth' societal level to unlock the 'fixed' user goals.

I believe that MSD is valuable in situations where the service provider can push the users in chosen service channels, and thereby gain savings and competitive advantage. The public services however cannot do that. Kela can direct users to different channels by incentives, but still needs to support the other channels as well.

I uphold that MSD is not directly applicable to Kela service development. I believe however that the key idea to look at the service at different levels has a great value even in Kela services. The framework

helps to understand how strategic decisions are implemented on different levels and how service encounter reflects back on the strategy. It is what Thackara calls a macroscope.

Patrício et al.¹ point out that service systems are configurations of people, technologies, and other resources that interact with other service systems. Each system puts more weight on one than the other. Similarly each service design process focuses on different characteristics. The design process itself will show the characteristics of each service and determine which frameworks or tools are most suitable.

Afterword

After working on the thesis for half a year, interviewing a number of Kela and TE Services experts and customer service advisors and eleven service users, facilitating four workshops, working through a number of papers and writing 99% of my thesis, my read of the framework has changed.

After reflecting systems thinking theories on MSD, I believe that Patrício et al. expect me to work in a clinical environment. That I could isolate the service system from other systems, actually shut down the government for ten years, set the service concept and then design service system architecture and service encounter experience. MSD is of course only a 'model', and it can't expect it to work one to one with real life systems.

What I didn't understand is that Patrício et al. expect me to work from top down. Create an image of the system first, and then try find a way to create that system. What I have done now, is that, I have identified problems with the existing system, created solutions for these problems (service system level), identified what kind of requirements and opportunities these problems bring about, met these requirements and used these opportunities (service concept level) and then improved the solutions (again the service system level). I have followed Hill's version of the idea and zoomed back and forth between meta and matter, rather than stuck strictly to MSD.

1 1996 p.19

Banathy¹ distinguishes design from 'problem solving' in that design is solution oriented whereas problem solving focuses on the problem. He sees problem solving as a reductionist discipline, as opposed to design that is expansionist. That is, design has potential to generate radical ideas, whereas problem solving is a practice that results in incremental ones. When looking back my main concern has been in making sense of Kela services by identifying problems and trying to find solutions to them. Furthermore, I have looked at the service system through the framework

of MSD. However, now when I have completed this learning journey the alternative approach would be a solution oriented one.

As I have followed the user insights I have resulted only in incremental suggestions. I didn't expect to tear down the existing social fabric as a result of my thesis. But the results of the project make me ask 'To what extent should the users be participate in the design of the services they use?' 'Can user participation result in systemic innovations?' and as I decided to focus on the two top most levels of MSD 'Should I have participated the users in the first place?' and 'Should I have participated people from the service network only?'. And this leads me back to the first question again.

I'm equally unsure if I really tackled the right 'right question'. In the course of the project I became convinced that Kela's biggest challenge (or that of public sector at large) is not asking the right question, or even answering it, but delivering. Already the first workshop (Table 3) asked that 'wouldn't it be nice if good ideas were implemented faster?'. That's the 'right question' right there. It's not so bad if we're asking the wrong question, as long as we'll try things out quickly so that we can move on trying out the next one, be it right or wrong. We'll find the right question eventually.

I started writing the 'Afterword' already in the beginning of the project, right after the first workshop. It didn't quite go as I expected, and got me question whether I knew what I was doing. Design is a dialogical practice and working in Kela was just the opposite. Going somewhere where no-one has gone before is scary business if there's no-one to share one's doubts with. That's why I'd suggest to anyone planning on such a venture, not to depart on it alone.

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All images by the author, except

Fig 3:

Eames, C., & Eames, R. (1977). *Powers of ten*. IBM. United States. Available at <<https://www.youtube.com/watch?v=0fKBhvDjuy0>>. [8.10.14]

and

Fig 4:

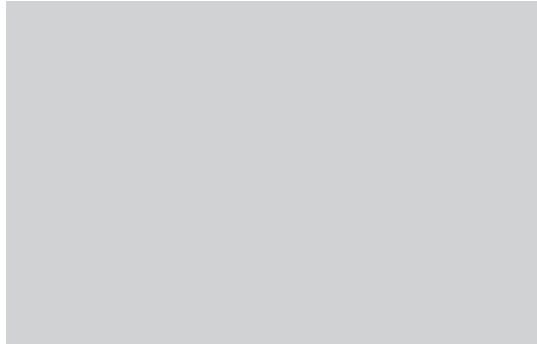
Kela. (2015) Available at <www.kela.fi/tietoa-kelasta> [8.10.14],

Kela. (2015). Available at <news.cision.com/fi/kela/i/kela-kamppi,c1283408> [8.10.14]

Google Maps. (2011). Frderikinkatu. Street view. Available at <www.google.com/maps/@60.16883,24.93063,3a,75y,252.77h,83.68t/data=!3m4!1e1!3m2!1sNZmX-UYpQ7nlAkmksiEMQg!2e0>

Appendices

1 Profiles



Emppu (56, random worker) lives alone in Myyrmäki. She went to elementary school only, and has since worked in a school kitchen, in a supermarket and a bakery. Now she's been unemployed for two years. During that time she did a work trial in a bakery. She enjoys basic unemployment benefit and general housing allowance. After these two she's still eligible for social assistance.

Does and tells

Emppu helps out every now and then in a café nearby: she brews the coffee and bakes something small. She spends as much time as possible with her granddaughter. When her own daughter is at work they go together to feed the ducks in the pond nearby.

Thinks and feels

She does not trust in TE Services. Her friend worked on a pay subsidy, but the employee treated her unfair. She had to work more ours than was written in the contract. When she quit, TE Services rewarded her with three months of waiting time.

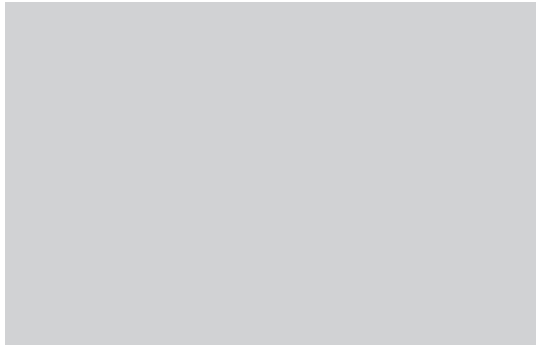
Emppu likes to help her daughter and spend time together with her granddaughter. It would be nice to do something else than just to feed the ducks. Maybe even go to Linnanmäki amusement park. But she needs a job first. And it would be about time already. She likes to work and meet new people.

Emppu would be compensated for her efforts at the café, but she doesn't take anything in return. She's afraid that her benefits would be canceled or delayed if she reported incidental work. Then she couldn't manage until the next pay day. It's enough that she can have coffee and juice with her granddaughter there every now and then. Someone told that 'if I'll get more than 300 euros a month, I'll lose all my benefits'.

Emppu trusts blindly what other people tell her, and does not look for information herself. When she does she's put down by complicated instructions and multiple options.

Emppu doesn't have a computer, so she always goes to the office. Unemployment status registration she fills in self-service. If she has to fill something else that 'unemployed' she needs someone else's help.

New applications she always handles with the customer service, in order 'to get it right the first time'.



Jenni (28, designer) lives together with her boyfriend in Oulunkylä. She enjoys Labour market subsidy, but is not eligible for General housing allowance. Jenni did an internship for Fiskars. Most of the interns were recruited, but Jenni wasn't. Now she's been unemployed for half a year. She does her personal projects and sees her friends. Through her friend she even had a small job. She doesn't think that TE Services would be of any help. 'In this industry you just have to have good connections.'

Does and tells

Jenni registered as a job seeker in TE Services' eService. She received a letter from TE Services that instructed her to go to employer fair. The employers there told her to apply jobs through their web pages. After this she received a letter saying that her status was valid until next February. But she doesn't know if she still has to do something to more. She doesn't want to ask too much, cause she doesn't want to go to any courses. She rather works on her own stuff. 'I don't know if I have to do something or go somewhere in order to get the subsidy. Now I think it's valid until next February. But I don't know what I have to do then?'

Jenni uses her smartphone to access social media such as Facebook and Instagram. Sometimes she even shops in web stores using her smartphone.

Thinks and feels

Jenni feels frustrated. She wants a job already. She would like to talk to someone, but no-one seems to understand. Her boyfriend doesn't really understand. He's a student still. She finds herself bitter towards the friends that have been lucky enough to get a job.

Cause Jenni registered in eService, no-one has told her to do anything. She doesn't know what she has to do and when.

Jenni looks actively for information and uses only Kela's eService. She can use it without any help. Though sometimes she wonders if everything was filled correctly, cause there's no-one to confirm it, no-one to say 'yes, this is fine'. Enclosures make her feel doubtful: what are needed and what are they exactly? Normally if she faces problems she can't find answers in eService, she tries to solve it quickly and calls Kela.



Martti (54, construction site worker) lives alone in Tikkurila. He has been unemployed over a year now. After that he's been working for a week or two. He enjoys Basic unemployment subsidy, General housing allowance and Social assistance. He goes to long walks during daytime. Sometimes if he meets a friend they might go to *R-kioski* or *Marian kahvila* and have a coffee and a bun. There he might take a look of *Iltasanomat* or *Iltalehti*. In a bus or a metro he browses through *Metro* magazine. He rarely goes to Helsinki centre. 'There's nothing to me, really.'

Does and tells

Martti uses self service like S-market without assistance. Kela's and TE Services' eServices however feel tricky. Phone is for talking only. 'I don't want to be enslaved by a smartphone.'

Thinks and feels

'They say that there are jobs and that you just have to be active'. He's been to interviews, but that's it. No-one comes back to him.

Martti has heard and seen a thousand times that if the benefit application is not exactly as it should be, it boomerangs on him. He's afraid that he misses something in the phone service or forgets to tick a box in the eService, and therefore extends the handling time. That's why

he returns the applications to the desk without an exception.

Martti doesn't understand why he always has fill the same information in the forms and tick the same boxes. 'Why couldn't I just fill them if something changes?' 'And why do I always need to bring the enclosures? Don't they already have them on the computer?'

Martti is short-tempered and insecure. He has had bad experiences about Kela's services. If something goes wrong he might just walk away.

Martti wants to handle everything face-to-face. He would like to have someone who would always handle his case, someone who would know him and to whom he didn't need to explain everything always anew.

He doesn't look for information himself. If something disturbs him, he goes straight to Kela's office to ask it. When Martti returns the application he always remembers to ask: 'Is everything as it should be?'

Thanks to:

Everyone at Kela, especially Riikka Alho, Mia Helle and Anne Neimala; Mirjami Laitinen; TE Services for their help; everyone who participated in the expert workshops from TE Services, HeTy and Vamos Espoo; Ilari Laitinen; everyone who agreed to be interviewed, and those who after that were still willing to participate in the user workshops, especially Helena, Moona, Ulla, Minna, Aleks, Marko, Mond, and Ykä; and all of you whom contacted me but for some reason I couldn't interview.

I wish you all a *meaningful* life.

