Part V
Management Issues in Service Innovation

Illuminating the Service Provider's Strategic Mandate on Realizing Apt Quality and Value Through Service Innovation

The pursuit and achievement of success in service innovation, constitutes a critical strategic imperative for many organizations. Yet, service providers typically encounter a myriad of issues and challenges when attempting to develop and deploy new strategies, means and offerings.

Highlight *Tepavac (2010), in a League of American Orchestras' sponsored study that profiled the innovations of five American orchestras, prescriptively identified and advocated that institutions build a "house of innovation" founded upon leadership, vision, artistic excellence, an open artistic model, prolific partnerships and effective integration.*

Leveraging empirical findings obtained through field-based examination of the innovative initiatives of North American symphony orchestras, we highlight critical service firm operations strategy and operational system-related principles that providers must collectively manage in an orchestrated manner in order to strategically benefit from their systematic services and servicing innovation efforts.

Co-creative Practices in Service Innovation

Designing is about exploring future alternatives and articulating solutions in a concrete way. Collaborative designing in turn means to do this together with others. In such explorations, identifying the problem and finding the solution often go hand in hand by making sense of the current systems, experiences, solutions and practices and at the same time seeking insights for future ideas.

Highlight *In Italy, Politecnico di Milano service researchers have initiated and been strongly involved with creating strategic plans in a project called Feeding Milan—Energies for change. The project focuses on designing system of services and infrastructures and transforming the food chains and consumption into more sustainable ones by engaging regional food producers and citizens.*

Managing Online User Co-creation in Service Innovation

In many economic sectors the users of existing products are the largest source of innovation, particularly so in the service industries. Users as an important source for innovations combined with the advent of web 2.0 have increased interest in online innovation tools.

Highlight *Innovation World (IW) was the web innovation site for a major Nordic telecom operator. IW was an initiative from the central R&D-unit aiming to get closer to users and customers and to accelerate innovation in mobile services. The IW site had three user forums. The first forum was for user ideas, comments and dialogues. The second forum was the prototype testing forum and the third forum was for independent developers, or lead users, of software where software developers could get information and support about Application Programming Interfaces (APIs) and other relevant information and support material.*

Practices for Involving Organizational Customers in Service Innovation

This study aims to increase understanding of the practices of service co-innovation with customers and users. There is a focus on service innovation in the business to business (B2B) context, whereas previous literature has mainly analyzed individual users or communities of devoted users. *Why do companies involve organizational customers in service innovation, and how do they utilize different practices in achieving these goals?*.

Highlight *Case companies were interviewed about their Open Innovation practices, emphasizing customer collaboration. Material from research meetings and publicly available information were also studied. Initial analysis was conducted by looking for things that could be seen as a practice or an aim, a positive or negative outcome of open or closed innovation or customer involvement. A number of interesting conclusions emerged from the case studies.*