Action programme for demand and user-driven innovation policy

Ministry of Employment and the Economy
Innovation department
(www.TEM.fi/INNO)
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What is demand and user-driven innovation aiming at?

Demand-driven innovation policy

- Bolsters demand for innovations
- Enhances ability to adopt innovative solutions
- Improves capability to interpret market needs and potential for demand

- Awareness and knowledge development   • Demanding and innovation friendly regulation
- Standardisation supporting innovativeness   • Regulation as a stimulus for competition
- Bolstering innovations through public procurement

Demand, competition and innovation friendly culture as drivers of innovation

User-driven innovation activities

- Awareness and knowledge development
- Design as an enabler for user-driven innovations

- More systematic engagement of users in innovation activity
- Utilisation of advanced methods in identification and analysis of user needs and trends
- Focusing innovation policy and its tools on user-driven innovation

User-driven innovation policy

Innovation friendly markets

Societal challenges
are generally global

Photo: © Tekes, Markus Sommers

How to turn challenges into business?

Photo © Tekes, Matias Uusikylä
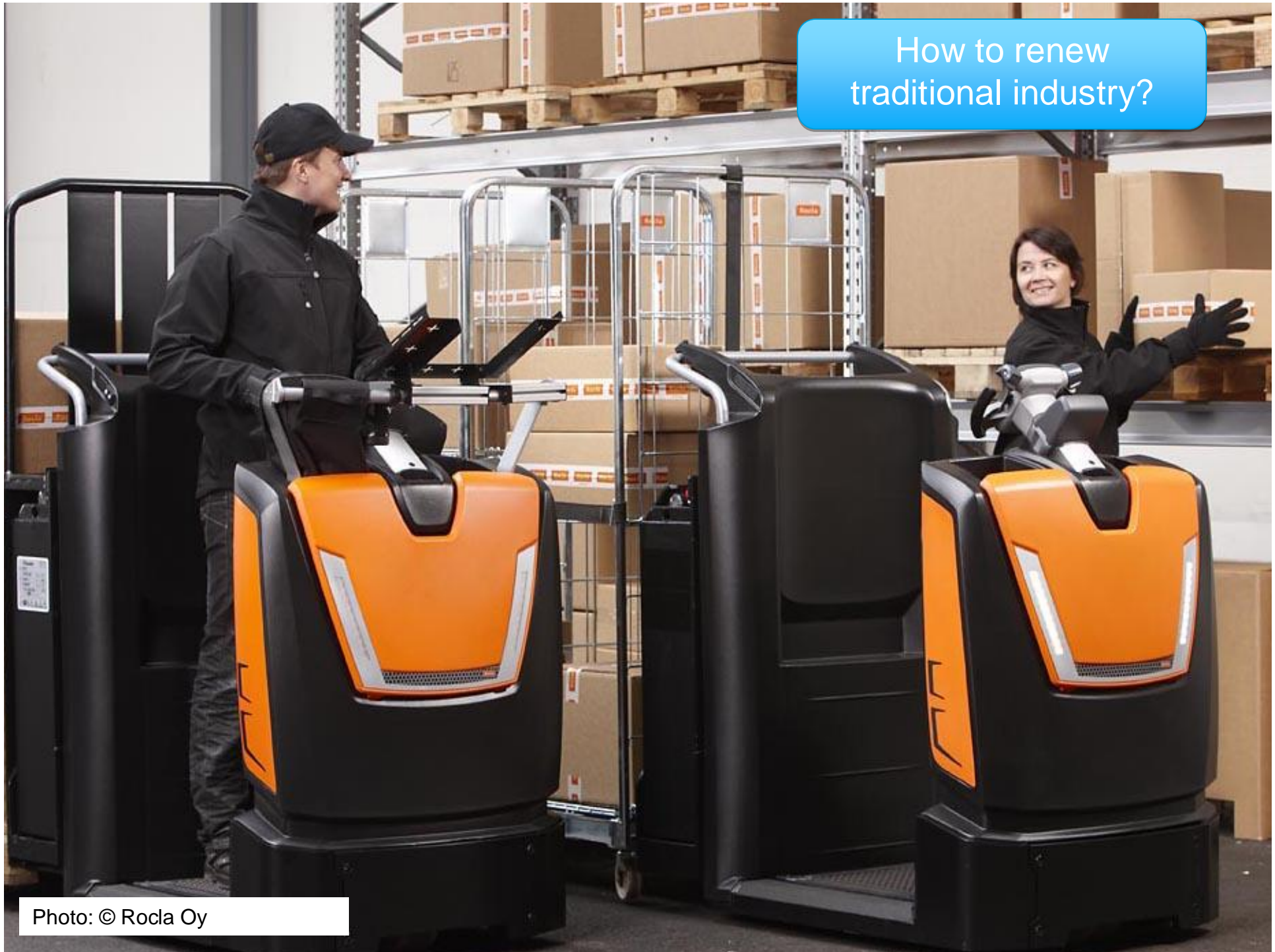
How to renew traditional industry?

Photo: © Rocla Oy

PASSION

SUUNTO CORE EXTREME EDITION RED

328°

TIME   ALTI & BARO   COMPASS

NW

SUUNTO

How to engage the most active
users in product development?

Photo: © Suunto Oy

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How to integrate every day situations into product development?

How to enable co-creation
with users?

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Action programme for demand and user-driven innovation policy

Action programme – what and why   (1/2)

- Background: national innovation strategy and innovation policy review of the Council of State

- The themes in the action programme are based on the analysis of demand and user-driven innovation policy prepared by MEE in spring 2009 (part 1)

- The question now is how to turn the policy content into action (part 2)

- Action points have been prepared jointly with a wide stakeholder group during autumn 2009

- The objective is not to make an all-embracing list of possible actions, but to launch measures that
    - speed up already emerged demand and user-driven innovation activity
    - are concrete but at the same time broad
    - have been prepared in cooperation with stakeholders
      (to increase the credibility and impact of the policy measures)
    - put demand and user-driven innovation widely into action – in business and in society

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Key areas of the action programme

1. Competitiveness by strengthening knowledge-base and awareness of demand and user-driven innovation

2. Innovations by bolstering demand

3. Renewal of the public sector as a source and target of pioneering actions

4. Incentives for enhancing grass root level initiatives

5. More impact from increased usage of user-driven methods

6. Networks enhancing diffusion of innovations

7. Evaluating the impact of the action programme

1. Competitiveness by strengthening knowledge-base and awareness of demand and user-driven innovation
(1/2)

1. **Strengthening competence in demand and user-driven innovation activity**

    - The perspectives of demand and user-driven innovation activity will be introduced across the whole research system, skills and needs of demand-driven innovation will be evaluated

    - Tekes' criteria for funding and operating models will be mainstreamed to support demand and user-driven innovation

    - The status of National Consumer Research Center in demand and user-driven innovation research will be strengthened

    - A developer forum for demand and user-driven innovation will be established

1. Competitiveness by strengthening knowledge-base and awareness of demand and user-driven innovation
(2/2)

2. **Directing innovation activity toward solutions to societal challenges**

   − Demand driven business opportunities emerging from societal challenges will be given more emphasis in Tekes programmes

   − A national BoP (Base of the Pyramid) –operating model will be established in order to utilise the demand potential of impecunious market

3. **Increasing awareness of demand and user-driven innovation**

   − A new website (Udi.fi) will be established for spreading awareness of user-driven innovation and for networking actors in the field

   − Inno-Suomi Award 2010 to highlight user-driven innovation

1. **Promoting innovation friendly regulation**

   – Study into the impact of regulation on innovations

   – The assessment of the impact of regulation on the innovativeness of selected regulation bounded sectors (e.g. environmental sector)

   – Development of guidelines for taking innovation perspective into account in regulation, assessment of the possibility to develop practical tools for impact evaluation

2. **Standardisation to support innovativeness more effectively**

   – Development of standardisation system to support innovation activity more effectively

   – The role of standardisation to be strengthened in Tekes activities

   – Increasing awareness of the benefits of standardisation

2. Innovations by bolstering demand 2(2)

3. Promotion of lead-market development

– Preparation of an action model (identification, selection, management) for national development of lead markets

– Networking national players engaged in the Lead Market Initiative of the European Union

4. Development of funding models for promoting take-up of investment-intensive innovations

– Development of funding models for promoting demonstration and reference establishments

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3. Renewal of the public sector as a source and target of pioneering actions   1(2)

1. **Partnership and user-driven activity in public services**

- Establish a group of innovative forerunner cities targeting to renew public services through innovations by focusing especially on public – private partnership, user-driven activity and procurement of innovations

- Assess the possibilities to set up a test-bed platform to boost innovations in social and health services

- Improve caregivers' and patient groups' opportunities to work as user communities and to bring the user perspective to the production of care services

2. **Public procurement as a driver for innovations**

   - Development of procurement on public sector to drive innovations

   - Implementation of Government's procurement strategy aiming to promote innovations

   - Strengthening the role of the organisations that develop public procurement (Hansel, Motiva, HAUS) in order to increase knowledge in public procurement of innovations

   - Development of incentive models and risk management methods for procurement of innovations

4. Incentives for enhancing grass root level initiatives
1(2)

1. **User-innovations by opening of public sector information**
   - Influencing the development of legislation (especially Act on Criteria for Charges Payable to the State), availability and improvement of information and conditions for usage (working groups in MTC, MF and ME)
   - Assessing together with stakeholders the need to set up a national contact point for speeding up the opening of public sector information, distribution of information and networking of players
   - Piloting user-innovations in *Helsinki Region Infoshare* –project and spreading good practices and operating models more widely in Finland

# 4. Incentives for enhancing grass root level initiatives
2(2)

2. **Empowering citizens by wider implementation of service vouchers**

 – Assess the possibility to set up a nationwide interactive electronic service portal to help citizens choose social and health services to better meet their needs (in particular the utilisation of service vouchers)

5. More impact from increased usage of user-driven methods 1(2)

1. **Enhancing Design-thinking**
   - Formulating common development guidelines and assessing the need to strengthen and centralise national task to promote design (e.g. UK Design Council)
   - Piloting service design projects as part of World Design Capital –plan and raising awareness about opportunities of service design in renewing public services
   - Activating utilisation of design in small and medium sized enterprises with the help of developer organisations and networks, renewing public services for businesses supporting utilisation of design (e.g. DesignStart)

5. More impact from increased usage of user-driven methods 2(2)

2. **Strengthening utilisation of user-driven innovation platforms**
   - Setting up a national Living Labs –network and mechanism to lead it. The objective is to develop the network and methodology and opportunities for businesses to utilise it, linking the network with EU network

3. **Infrastructure to support user-driven innovation activity**
   - Promoting user-driven innovation activity and development of ICT infrastructure as an enabler in information society policy. The central issues among others are effectiveness and openness of information networks (standards and interfaces) as well as the regulatory environment

6. Networks enhancing diffusion of innovations

1. **Effective utilisation of innovation and knowledge networks on local level**

   - Strengthening the Centers of Excellence knowledge clusters (OSKE) and Innovation and knowledge –networks role in the diffusion of demand and user-driven innovations
   - Strengthening ELY-centers as local sources of information, knowledge and practices of demand and user-driven innovation activity

2. **Implementing city-innovations**

   - Development of products, services and operating models based on research, development and wide adoption of innovations especially in energy efficiency, transportation, service delivery and citizens' everyday life and interaction (two-year pilot project)

7. Evaluating the impact of the action programme

1. **Indicators to evaluate impact of action points**
   - Preparation of indicators for monitoring impact of action points and for self-evaluation of the programme

2. **Impact evaluation of demand and user-driven innovation policy action programme**
   - External evaluation of the impact of action points in 2013

3. **Development of indicators for broad-based innovation activity**
   - Indicators for demand and user-driven innovation activity as part of this development work

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7. Thanks to our partners!

Aalto University

Design Forum Finland

ELY Centers

Finpro

Forum Virium Helsinki

Hansel Oy

HAUS Development Center Oy

Foundation for Finnish Inventions

Cohesion and Competitiveness Programme KOKO

National Consumer Research Center

Motiva Oy

Centers of Excellence OSKE

Board of Patents and Registrations

Finland's Slot Machine Association RAY

Sitra – Finnish Fund for Research and Innovations

Finnish Standards Association SFS

Tekes

Statistics Finland

TIVIT Oy

Research and Innovation Council

VTT

Federation of Finnish Industries and Employers

Association of Finnish Local and Regional Authorities

Caregivers' and Patients' Association

Uusimaa Regional Council

Ministry of Transport and Communication

Ministry of Justice

Ministry of Education

Ministry for Foreign Affairs

Ministry of Finance

Ministry of Environment

Espoo

Helsinki

Jyväskylä

Kuopio

'KUUMA'-municipalities

Mikkeli

Neloset – 'the four' -municipalities

Pori

Sievi

Tampere

Vantaa