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## **EPISIS Strategy for European Service Innovation policy**

*The EPISIS – European policies and instruments to support service innovation* – project promoted the development of service innovation at policy, strategy and operational levels through transnational cooperation between policymakers and innovation agencies. The duration of the project was three years, from September 2009 to August 2012. The EPISIS project was coordinated by Tekes, the Finnish Funding Agency for Innovation. EPISIS partners included Denmark, UK, Germany and Sweden. Also 5 additional countries were involved. EPISIS was funded by the European Commission.

[http://ec.europa.eu/enterprise/policies/innovation/files/proinno/episis-final-report\\_en.pdf](http://ec.europa.eu/enterprise/policies/innovation/files/proinno/episis-final-report_en.pdf)

The EPISIS project takes a broad approach to service innovation promotion, covering the framework conditions, skills and capabilities, as well as the evolving nature, of innovation activities.

The European Service Innovation Strategy is based on three key strategic thematic areas: (1) dynamic European markets; (2) multidisciplinary competencies, capabilities and knowledge co-creation; and, (3) leveraging the full potential of innovative service businesses.

- 1) Enforcing dynamic markets as a driver of the innovative service and solutions business in Europe – Dynamic markets function as a driver of service innovation. It is imperative to promote the free flow of services, to address the obstacles to the internal market for services and to fully implement already existing policies;
- 2) Investing in multidisciplinary competences, capabilities and knowledge co-creation – Europe's future economic growth and competitiveness require intangible investments. What makes service innovation competence distinctive is its multidisciplinary and intangible nature and the involvement of users;
- 3) Leveraging the full potential of innovative service and solutions business – Innovative service and solutions businesses have a huge potential to be an engine of innovation and growth in Europe. With a service business, companies in different sectors can be pioneers of new business models and new organizational forms and engage users, citizens and communities as resources in new types of innovation activities.

Horizon 2020 is the biggest EU Research and Innovation programme ever with nearly €80 (\$110) billion funding available over 7 years (2014 to 2020) – in addition to the private investment that this money will attract. By coupling research and innovation, Horizon 2020 aims to drive economic growth and create jobs with its emphasis on excellent science, industrial leadership and tackling societal challenges. Service innovation has an important role in tackling societal challenges.

The future of service seems to point towards a more holistic view of the business and government both. This means that we will see a shift from developing individual products and services towards providing solutions and experiences. This is reflected by an emphasis shift of equal magnitude as we move from product-dominant thinking to service-dominant logic. Thus, what is the “experienced” service as such, will affect the design, manufacturing process and financial outcome, all-in-all, the whole logic of business. This results in hardware and software being seen platforms and tools for competitive and innovative service business. Further, this results in viewing customers as partner instead of defining a customer as an object to be manipulated, citizen will have role in co-creation, problem solving and innovation with government. This will be possible through e-services, social media etc. Customer-centric thinking requires knowledge of the customer and his/her preferences, values and motivations, but also see customer and citizen in different roles like explorer, “ideator”, designer, diffuser.