„Digital and Sustainable Service Innovation for the Cultural and Creative Sectors“

Strategic partnership – Adult Education

Project Number: 2020-1-FI01-KA227-ADU-092663

ServiceDigiCulture

IO1: Competency Framework

Training needs report

Co-funded by the Erasmus+ Programme of the European Union

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Executive summary

The project „Digital and Sustainable Service Innovation for the Cultural and Creative Sectors" is a European Union co-funded project of the Erasmus+ Programme. ServiceDigiCulture aims to provide an online toolkit and training for people working and aiming to work in the cultural and creative sectors in the EU. The project strives to help them rethink, redesign and innovate their services and products to adapt to changes in society and also current and future societal crises and challenges, such as the COVID-19 pandemic, while creating sustainable foundations for the future operation of the sector.

The Training needs report is based on the results of desk research conducted between July and September 2021 in Finland, Bulgaria, the UK and Poland. It also draws on the responses received from two types of surveys that took place in the partner countries in the period October – December 2021 and from two types of in-depth interviews conducted in the above-mentioned countries in the period November 2021 – January 2022. The first survey and the first group of in-depth interviews were conducted with unemployed, employed, self-employed, and micro and small organisations in the cultural and creative sectors. The target group for the second survey and in-depth interviews consisted of experts in service innovation, design & cultural and creative sectors development. The two surveys took place online and contained both qualitative and quantitative questions. The approach to the conduction of in-depth interviews depended on the specific situation of the partner countries and allowed for flexibility. Part of the interviews were held face to face while others were conducted online due to pandemic restrictions and concerns.

The desk research aimed to identify the existing solutions on challenges of the cultural and creative sectors' enterprises especially on services and products, and on service innovation and design. Classic desk research was applied using mainly qualitative research. Data was collected from each partner country and at European level. Various service design solutions were also analysed at international level.

The aim of the surveys was to identify the following:

- innovation and productization/servitisation aspects in organisations of cultural and creative sectors;
- perceptions of service innovation, productisation and servitisation;
- the existing forms and processes of service delivery;
- who is involved in the process, from which sector and how;
- enabling and hindering aspects;
- perceptions of service design
- preferred training options.

The aim of the in-depth interviews was to elicit more profound insights on the above mentioned areas and add qualitative aspects to the conducted surveys.

Key findings:

Desk research reveals that organisations and individuals working in the cultural and creative sectors in Finland, Poland, the UK and Bulgaria are faced with challenges related to insufficient finances, skills shortages, as well as access and proper use of technologies. These have been further intensified because of the COVID-19 pandemic that resulted in loss of clients, jobs and income.

Both the survey and the in-depth interviews show that people working in the cultural and creative sectors are not very familiar with the concepts of service design and service innovation. The surveys also showed that people associate the concept of service design with “customers/clients/users” (and related collocations such as customers’ needs, customers experience, user experience, customer-oriented, etc.), “service”, “quality” and “improvement”. These findings are further backed by the in-depth interviews. Most people share that they do not know the concept of service design or if they do, they do not know how to apply it in their work. Still, some of the interviewees seem to unconsciously apply some of the methods of service design in their work without recognising the concept and without linking their work with service design methods. These results are very similar to the perception of *service innovation*. A greater part of the respondents (55%) have not used service innovation in their work. The in-depth interviews show that creative businesses in Finland are much more aware of service innovation as compared to the other three countries. For most participants from the UK, Poland and Bulgaria the concept is not familiar. Moreover, people find it hard to relate it to the creative sectors and cannot see how they could apply service innovation in their businesses.

When asked about innovation, participants in the in-depth interviews shared aspects that they consider enabling and other aspects that they perceive as hindering innovation. Finances and time seem to be the two most important factors when it comes to innovation. It is interesting to see that crises can be perceived both as enabling and hindering innovation. And while in the first case crises are perceived as challenges that may inspire innovation, in the second case crises are associated with sudden changes that require the use of coping mechanisms that may hinder innovation. This is linked to an observation made by the experts on several occasions that companies working in the cultural and creative sectors need to learn to adapt to changes and that they would benefit from developing their change management skills.

When it comes to digitalisation the surveys suggest that participants have digitalised some aspects of their business in terms of marketing, services and products. Fewer respondents have digitalised their sales. Only few declare not to apply digitalisation in their work. The issue of digitalisation was further explored during the in-depth interviews. Although some of the interviews show that businesses from the cultural and creative sectors used digital solutions even before the pandemic, for the most part of the interviewees it was exactly COVID-19 that triggered them to employ digital tools. Digitalisation in this aspect is recognised as a possibility to adapt the activity during restrictions. In general, it seems that artists do see advantages in digitalisation although some of them still stress their preferences for face-to-face contact.

The experts in the interviews refer to the need of the businesses in the cultural and creative sectors to understand the concepts of service design and service innovation in order to see their benefits and applicability. Lack of time is considered a common challenge since it is necessary to invest time and effort in learning new things before actually applying them. This challenge could be linked to identified gaps in business competences such as planning, strategic thinking, time management and building effective relationships. The ability to change and adapt to new situations is another important challenge that was pointed out. The opportunities for the sector as outlined from the interviews with experts can be summarised in the following: service design and service innovation can make the businesses grow, be more successful and competitive; they can improve the relationship with the client by bringing better understanding of customers’ needs; they could help build skills and tools for

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change management; they could broaden the perspective thus opening the mindset for building networks and cooperation with other artists from the sector.

The analysis of the desk research, surveys and in-depth interviews in Finland, Poland, the UK and Bulgaria allows for drawing some conclusions on the training needs of the businesses from the cultural and creative sectors that will serve as a basis for developing a competency framework.

1. Desk research shows that businesses from the cultural and creative sectors experience similar challenges: insufficient financing, skills shortage and struggles with the aftermath of COVID-19 manifested in the need for quick digitalisation and adaptation of products and services.

2. The delivery of products and services in the cultural and creative businesses follows a traditional path and innovations are rarely introduced.

3. When it comes to the perception of service design and service innovation, desk research has shown that people from the cultural and creative sectors are not very familiar with the terminology and even if they have heard of the concepts, they do not see how these can be applied to their businesses.

4. The surveys and interviews also reveal that businesses from the cultural and creative sectors lack knowledge and understanding of service design and service innovation. Hence, they could not apply these methods in their work. Most of them are aware of this.

5. Freelancers and sole traders function differently from people employed in micro, small or medium enterprises. While freelancers run the whole business on their own and are often the only ones involved in product/service delivery, artists working in companies rely on the involvement of other team members in the whole process. Freelancers are their own decision makers while people employed in companies are not authorised to take business decisions. It is their managers who do so.

6. Customers are important for the cultural and creative sectors. They are recognised as the driving force behind product/service renewal and innovation. At the same time the sector admits to the need to expand their knowledge and understanding of their customers. Skills for reaching out and interacting with clients are pointed out as an area of further development and improvement.

7. When it comes to innovation, businesses from the cultural and creative sectors rely on spare time, finances, technologies and interaction with customers as factors that enable them to innovate. Lack of funds, lack of time, mental barriers (such as fear of the unknown and overwhelming pressure) and sudden changes, on the other hand, hinder them from innovation.

8. Those working in the cultural and creative sectors are familiar with digitalisation. Some have digitalised certain aspects of their businesses even before the COVID 19 pandemic. For most of them, however, it was the pandemic that forced them to turn to digitalisation as a mechanism to adapt to the crisis. Although they recognise digitalisation as important, the persons from the sector admit they see a gap in their digital skills.

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9. People working in the cultural and creative sectors admit to lack business skills. They are usually indulged in the creative process and ignore the business side of it.

10. Marketing skills and social media skills are recognised as areas for improvement by the people working in the cultural and creative sectors.

11. Experts do not think that businesses from the cultural and creative sectors are familiar with the concepts of service design and service innovation.

12. Experts point out that businesses from the cultural and creative sectors need to work on their business skills, incl. entrepreneurship; project & financial management; marketing & branding; strategic planning and analysis. They need to learn to put customers at the centre through market research, empathy, listening and communication. They need to be open-minded.

13. Experts believe that service design and service innovation may lead the cultural and creative sectors to business development, change of perspective and improvement of customer relations.

14. According to the experts the sector can be open to digitalisation but lacks the knowledge, skills and resources to apply the proper tools.

15. Experts stress the importance of changing the mindset of the sector in terms of their resistance to change and insisting on doing things a certain way.

16. Training offered to the businesses from the cultural and creative sectors need to be practical, applicable to the respective business, offering opportunities for networking & sharing experience with both trainer and other participants.

Tiivistelmä

Digital and Sustainable Service Innovation for the Cultural and Creative Sectors -projektin tavoitteena on kehittää digitaalinen palvelujen innovoinnin ja palvelumuotoilun työkalupakki ja valmennus eurooppalaisille kulttuurialoilla ja luovilla aloilla työskenteleville ja alan työn etsijöille. Työkalupakki ja valmennus pyrkivät auttamaan alan toimijoita kehittämään, innovoimaan ja uudistamaan palveluitaan sekä vastaamaan paremmin ja kestävämmin tämän hetkisiin ja tuleviin yhteiskunnan muutoksiin, haasteisiin ja erityistilanteisiin, kuten koronaviruspandemia. Projekti on EU:n Erasmus+ -ohjelman tukema hanke.

Tämä raportti kulttuurin ja luovien alojen valmennustarpeista perustuu Bulgariassa, Puolassa, Suomessa ja Yhdistyneessä kuningaskunnassa kesä-syyskuussa 2021 tehtyyn kirjoituspöytätutkimukseen, loka-joulukuussa 2021 tehtyihin kyselyihin sekä marraskuussa 2021 – tammikuussa 2022 tehtyihin haastatteluihin. Kyselyt ja haastattelut tehtiin kahdelle eri kohderyhmälle, joista ensimmäinen oli kulttuurin ja luovien alojen pien- ja mikroyritykset, itsenäiset ammatinharjoittajat, työntekijät sekä työn etsijät EU:ssa. Toinen ryhmä koostui kulttuurin ja luovien alojen toimijoista, promoottoreista ja kehittäjistä, kuten kunnista, organisaatioista ja yhdistyksistä, palvelumuotoilun ja muotoilun ammattilaisista, yritysorganisaatioista ja yrityskehittäjistä. Virtuaalisesti tehdyt kyselyt sisälsivät sekä laadullisia että määrällisiä kysymyksiä. Haastattelut tehtiin joko virtuaalisesti tai henkilökohtaisesti riippuen muun muassa koronaviruspandemian rajoituksista.

Kirjoituspöytätutkimuksen tavoitteena oli tarkastella kulttuurin ja luovien alojen haasteita erityisesti tuotteiden ja palvelujen osalta, sekä olemassa olevia palveluja ja tuotteita kuten myös palveluinnovointia ja palvelumuotoilua koskevia ratkaisuja. Tutkimus oli pääasiassa laadullinen. Tietoa kerättiin jokaisesta partnerimaasta sekä Euroopasta. Tutkimuksessa myös tarkasteltiin ja analysoitiin erilaisia palvelumuotoilun kansainvälisesti käytettäviä prosessimalleja.
Tutkimusvaiheen kyselyjen tavoitteena oli kartoittaa kulttuurialojen ja luovien alojen innovointi- ja tuotteistamis-/palvelullistamistoimia sekä -näkemyksiä; käsityksiä palveluinnovoinnista, palvelumuotoilusta, tuotteistamisesta ja palvelullistamisesta; kartoittaa olemassa olevia palveluja ja niiden tuottamista; palvelujen tuottamiseen osallistuvia tahoja (kuka, miltä alalta ja miten); palvelujen toteuttamista, kehittämistä ja innovointia edistäviä ja hankaloittavia tekijöitä, sekä mieluisimpia valmennusvaihtoehtoja. Haastattelut syvensivät kyselyjen kautta saatua tietoa.

Keskeiset löydökset:
Kirjoituspöytätutkimuksesta selvisi, että sekä bulgarialaisten, puolalaisten, suomalaisten ja brittiläisten kulttuurin ja luovien alojen organisaatioiden ja työntekijöiden haasteet liittyvät pääasiassa riittämättömään rahoitukseen, taitoihin sekä saatavilla olevaan teknologiaan ja sen oikeanlaiseen käyttöön. Tämä on edelleen korostunut koronaviruspandemian aikana, jonka aikana ala on kärsinyt asiakkaiden, työpaikkojen ja tulojen menetyksestä.
Sekä kyselyissä että haastatteluissa selvisi, että palvelumuotoilu ja palveluiden innovointi ovat melko vieraita kulttuurialoilla ja luovilla aloilla työskenteleville. Palvelumuotoilu liitettiin useimmiten asiakkaisiin ja käyttäjiin (ja niihin kytkeytyviin teemoihin kuten asiakkaiden tarpeet ja kokemukset, käyttäjäkokemukset, asiakaslähtöisyys, jne.), palveluun, laatuun ja toimien parantamiseen. Suurin osa

vastaajista ei tiennyt mitä palvelumuotoilu on tai mikäli he tiesivät mitä palvelumuotoilu on, he eivät tietäneet kuinka käyttää sitä työssään. Tästä huolimatta osa vastaajista vaikutti tiedostamattaan käyttävän työssään joitain palvelumuotoilun menetelmiä. *Palvelujen innovointia* koskevat vastaukset olivat hyvin samankaltaisia. Suurin osa vastaajista (55%) ei ollut kokenut innovoineensa palveluja työssään. Haastatteluista paljastui, että palvelujen innovointi on huomattavasti tutumpaa suomalaisille kuin bulgarialaisille, puolalaisille ja brittiläisille kulttuurin ja luovien alojen ammattilaisille, joista useimmille palvelujen innovointi oli vieras konsepti. Lisäksi vastaajat kokivat vaikeaksi liittää palvelujen innovointi kulttuurialoille ja luoville aloille, sekä nähdä miten käyttää sitä päivittäisessä työssään.

Haastatteluihin vastaavat henkilöt tunnistivat joukon innovointia edistäviä ja sitä hankaloittavia tekijöitä, joista talouteen ja aikaan liittyvät tekijät näyttäytyivät tärkeimpinä. Yhteiskunnan poikkeukselliset haasteet nähtiin toisaalta innovointia edistävinä, mutta toisaalta sitä hankaloittavina, koska niiden aikana käytettävät selviytymiskeinot saattoivat hankaloittaa ja hidastaa innovointia. Kulttuurin ja luovien alojen asiantuntijat mainitsivatkin useasti, että alojen työntekijöiden tulisi sopeutua muutoksiin sekä heidän olisi hyödyllistä oppia muutoksen hallinnan taitoja.

Kyselyiden mukaan osa vastaajista oli digitalisoinut joitain liiketoimintansa toimintoja, kuten markkinointia, palveluja ja tuotteita. Vastaajien vähemmistö oli digitalisoinut myyntiään. Vain muutama vastaajista ei käyttänyt digitalisaatiota työssään lainkaan. Digitalisaation käyttöä kartoitettiin syvemmin haastatteluissa. Haastatteluista selvisi, että osa kulttuurialojen ja luovien alojen toimijoista oli käyttänyt digitalisaatiota ennen pandemian alkamista, mutta suuremmalle osalle sen käyttöön ottamisen laukaisi koronaviruspandemia. Digitalisaatio nähtiin mahdollisuutena mukauttaa toimintaa rajoitusten aikana. Vaikuttaakin siltä, että digitalisaation nähdään tuovan tiettyjä etuja, vaikkakin osalle kasvokkain tapahtuvat kohtaamiset ovat mielekkäämpiä.

Haastateltavat asiantuntijat toivat esiin kulttuurialojen ja luovien alojen yritysten tarpeen ymmärtää mitä palvelumuotoilu ja palveluinnovointi ovat kyetäkseen hyödyntämään niitä. Tärkeäksi haasteeksi koettiin ajanpuute, sillä uusien käyttöön otettavien asioiden oppimiseen tarvitaan aikaan. Tämä saattaa linkittyä myös yleisiin liiketoimintakompetensseissa havaittuihin haasteisiin, kuten suunnittelu, strateginen ajattelu, ajanhallinta sekä kontaktien luominen. Toisena tärkeänä haasteena nimettiin kyky sopeutua uusiin tilanteisiin. Asiantuntijoiden haastatteluissa mainitsemia kulttuurin ja luovien alojen mahdollisuuksia olivat palvelumuotoilu ja palveluinnovointi, koska ne voivat auttaa yrityksiä kasvamaan, menestymään ja olemaan kilpailukykyisempiä, parantamaan suhdetta asiakkaisiin luomalla ymmärrystä asiakkaiden tarpeista; kehittämään muutoksenhallinnan taitoja, luoda laajempaa perspektiiviä eli avata ajattelumaailmaa, sekä auttaa luomaan kontakteja ja yhteistyötä alan muiden toimijoiden kanssa.

Bulgariassa, Puolassa, Suomessa ja Yhdistyneessä kuningaskunnassa tehdyistä kirjoituspöytätutkimuksista, haastatteluista ja kyselyistä voidaan nostaa esiin seuraavat olennaisimmat seikat suuntaamaan kulttuurialojen ja luovien alojen valmennustarpeiden määrittelyä:

1. Kirjoituspöytätutkimuksen mukaan kulttuurin ja luovien alojen yritykset kohtaavat samankaltaisia haasteita: riittämätön rahoitus ja taidot, sekä koronaviruspandemian negatiivisten vaikutusten kanssa

kamppaileminen, mikä ilmenee tarpeena digitalisoitua sekä mukauttaa tuotteita ja palveluita nopeasti.

2. Tuotteiden ja palvelujen tuottaminen pohjautuu kulttuurialoilla ja luovilla aloilla melko perinteisiin menetelmiin ja innovointia käytetään harvoin.

3. Kirjoituspöytätutkimuksen mukaan palvelumuotoilun ja palveluinnovoinnin terminologia on melko vierasta kulttuuri ja luoville aloille, ja usein, mikäli nuo käsitteet ovat jollakin tuttuja, ne koetaan soveltumattomiksi omalle alalle.

4. Haastattelut ja kyselyt paljastavat, että kulttuurin ja luovien alojen yritysten **vähäinen palvelumuotoilun ja palveluinnovoinnin tuntemisen taso** rajoittaa heidän mahdollisuuksiaan käyttää kyseisiä menetelmiä työssään.

5. **Freelancerit ja yksityisyrittäjät toimivat eri tavoin kuin mikro- tai pk-yrityksessä työskentelevät.** Ensimmäinen ryhmä useimmiten pyörittää liiketoimintaansa yksin samoin kuin he ovat myös yksin vastuussa tuotteiden ja palvelujen kehittämisestä, kun taas yrityksissä työskentelevät voivat tukeutua tässä muihin tiimin jäseniin. Ensimmäisen ryhmän edustajat tekevät päätöksiä yksin, kun taas johto tekee liiketoimintaa koskevat päätökset yrityksessä työskentelevien puolesta.

6. **Asiakkaat ovat tärkeitä** kulttuurialojen ja luovien alojen toimijoille. Ne tunnistetaan tuote- ja palvelukehityksen uudistamisen ja innovoinnin liikkeelle panevana voimana. Samanaikaisesti alan toimijoiden tulee kuitenkin lisätä ymmärrystään asiakkaista ja heidän tuleekin kehittää asiakkaiden tavoittamiseen ja vuorovaikutukseen liittyviä taitojaan.

7. Kulttuurialojen ja luovien alojen yritykset luottavat **innovoinnissa** vapaa-ajan, rahoituksen, teknologian sekä asiakkaiden kanssa käydyn vuorovaikutuksen apuun. Rahan puute, ajanpuute, henkiset esteet (kuten tuntemattoman pelko ja paine) sekä yllättävät äkkinäiset muutokset puolestaan hankaloittavat innovointia.

8. **Digitalisaatio on tuttua** kulttuurialoilla ja luovilla aloilla työskenteleville. Jotkut ovat digitalisoineet liiketoimintansa osa-alueita jo ennen koronaviruspandemiaa. Pandemia on kuitenkin pakottanut suurimman osan kääntymään digitalisaation puoleen kriisistä selviytyäkseen. Vaikka digitalisaatio koetaan tärkeäksi, **tulee digitaalisia taitoja silti kehittää**.

9. Kulttuurialoilla ja luovilla aloilla työskentelevät **kokevat tarvitsevansa liiketoimintataitoja**, vaikkakin niiden kehittäminen jää usein luovan toiminnan varjoon.

10. **Markkinointitaidot** ja **sosiaalisen median taidot** koettiin myös tärkeiksi kehittämiskohteiksi.

11. Asiantuntijoiden mielestä kulttuurin ja luovien alojen yritykset eivät tunne palvelumuotoilun ja palvelujen innovoinnin käsitteitä.

12. Asiantutijat nostavat esiin, että kulttuurialojen ja luovien alojen yritysten tulee **kehittää liiketoimintaosaamistaan**, käsittäen mm. yrittäjyyden, taloushallinnan, **markkinoinnin** ja brandin kehittämisen, strategisen suunnittelun ja analysoinnin. Heidän tulee **oppia asettamaan asiakas**

toiminnan keskipisteeseen markkinointitutkimuksen, empatian, kuuntelemisen ja kommunikoinnin avulla. **Yritysten tulee olla mieleltään avoimia ja avarakatseisia**.

13. Asiantuntijat uskovat, että palvelumuotoilu ja palveluinnovointi voivat edistää kulttuurialojen ja luovien alojen yritysten **liiketoiminnan kehittämistä, näkökulman muuttamista sekä avartamista, ja suhteiden parantamista asiakkaisiin.**

14. Asiantuntijoiden mukaan kulttuurialojen ja luovien alojen yritykset voivat olla **avoimia digitalisaatiolle, mutta heiltä puuttuu taitoja, tietoa ja resursseja käyttää digitaalisia työkaluja.**

15. Asiantuntijat korostavat kulttuurin ja luovien alojen yritysten **ajattelutavan muuttamisen** tärkeyttä kohti muutosvalmiimpaa ajattelutapaa sekä murtautua ulos ajattelumallista, jossa asiat tehdään aina tietyllä tavalla.

16. Kulttuurin ja luovien alojen yrityksille suunnatun valmennuksen tulisi olla **käytännöllistä, kyseisille aloille sovellettavaa, tarjota mahdollisuuksia verkostoitumiseen ja kokemusten jakamiseen osallistujien ja valmentajen kesken**.

Streszczenie

Projekt "„ServiceDigiCulture - Cyfrowe i zrównoważone innowacje w usługach sektora kultury i sektora kreatywnego” jest projektem współfinansowanym przez Unię Europejską w ramach programu Erasmus+. Ma on na celu opracowanie internetowego zestawu narzędzi i szkolenia, które pomogą osobom pracującym lub zamierzającym pracować w sektorze kultury i sektorach kreatywnych w UE w przemyśleniu, przeprojektowaniu i wprowadzeniu innowacji do usług i produktów oferowanych przez ich sektory, aby dostosować je do zmieniającego się społeczeństwa, a także do obecnych i przyszłych kryzysów i wyzwań społecznych, takich jak COVID-19, tworząc zrównoważone podstawy dla przyszłego funkcjonowania sektora.

Raport dotyczący potrzeb szkoleniowych opiera się na wynikach badania źródeł wtórnych, przeprowadzonego w okresie od lipca do września 2021 r. w Finlandii, Bułgarii, Wielkiej Brytanii i Polsce. Opiera się on również na odpowiedziach uzyskanych z dwóch rodzajów ankiet, które przeprowadzono w krajach partnerskich w okresie październik - grudzień 2021 r. oraz z dwóch rodzajów wywiadów pogłębionych przeprowadzonych w wyżej wymienionych krajach w okresie listopad 2021 - styczeń 2022. Pierwsze badanie i pierwsza grupa wywiadów pogłębionych zostały przeprowadzone z osobami bezrobotnymi, zatrudnionymi, samozatrudnionymi oraz z mikro- i małymi organizacjami działającymi w sektorze kultury i sektorze kreatywnym. Grupę docelową drugiego badania i wywiadów pogłębionych stanowili eksperci w dziedzinie innowacji w usługach, projektowania oraz rozwoju sektora kultury i sektorów kreatywnych. Obie ankiety zostały przeprowadzone online i zawierały pytania zarówno jakościowe, jak i ilościowe. Podejście do przeprowadzania wywiadów pogłębionych zależało od konkretnej sytuacji w krajach partnerskich i pozwalało na elastyczność. Część wywiadów przeprowadzono w cztery oczy, a część w Internecie ze względu na ograniczenia i obawy związane z pandemią COVID-19.

Celem badania było zidentyfikowanie istniejących rozwiązań dotyczących wyzwań stojących przed przedsiębiorstwami sektora kultury i sektora kreatywnego, zwłaszcza w zakresie usług i produktów oraz innowacji w usługach i wzornictwie. Klasyczna analiza źródeł wtórnych została przeprowadzona z wykorzystaniem głównie badań jakościowych. Dane zostały zebrane z każdego kraju partnerskiego oraz na poziomie europejskim. Przeanalizowano także różne rozwiązania w zakresie projektowania usług na poziomie międzynarodowym.
Celem badań było określenie następujących aspektów: innowacyjność i produktywizacja/serwicyzacja w organizacjach sektora kultury i sektora kreatywnego oraz w ogóle postrzeganie innowacyjności, produktywizacji i zwiększenia proporcji usług w ofercie; istniejące formy i procesy świadczenia usług oraz preferowane opcje szkoleniowe, kto jest zaangażowany w ten proces, z jakiego sektora i w jaki sposób; aspekty sprzyjające i utrudniające; postrzeganie projektowania usług.
Celem wywiadów pogłębionych było uzyskanie bardziej dogłębnych spostrzeżeń na temat wyżej wymienionych obszarów oraz uzupełnienie przeprowadzonych badań o aspekty jakościowe.

Najważniejsze ustalenia:
Z badań terenowych wynika, że organizacje i osoby działające w sektorze kultury i sektorze kreatywnym w Finlandii, Polsce, Wielkiej Brytanii i Bułgarii stoją przed wyzwaniami związanymi z niewystarczającymi środkami finansowymi, brakiem umiejętności oraz dostępem do technologii i ich

właściwym wykorzystaniem. Problemy te nasiliły się jeszcze bardziej z powodu pandemii wirusa COVID-19, która spowodowała utratę klientów, miejsc pracy i dochodów.
Zarówno badania ankietowe, jak i przeprowadzone wywiady pogłębione pokazują, że osoby pracujące w sektorze kultury i sektorze kreatywnym nie znają zbyt dobrze pojęć projektowanie usług i innowacje w usługach.. Badania wykazały również, że ludzie kojarzą pojęcie projektowania usług z "klientami/użytkownikami" (i związanymi z nimi kolokacjami, takimi jak potrzeby klientów, doświadczenia klientów, doświadczenia użytkowników, zorientowanie na klienta itp.), "usługą", "jakością" i "doskonaleniem". Ustalenia te znajdują dodatkowe potwierdzenie w wywiadach pogłębionych. Większość osób przyznaje, że nie zna koncepcji projektowania usług, a jeśli zna, to nie wie, jak ją zastosować w swojej pracy. Mimo to niektórzy rozmówcy wydają się nieświadomie stosować niektóre metody projektowania usług w swojej pracy, nie znając koncepcji i nie łącząc swojej pracy z metodami projektowania usług. Wyniki te są bardzo podobne do postrzegania *innowacji w usługach*. Większa część respondentów (55%) nie stosowała innowacji usługowych w swojej pracy. Z wywiadów pogłębionych wynika, że kreatywne przedsiębiorstwa w Finlandii są znacznie bardziej świadome innowacji w zakresie usług w porównaniu z pozostałymi trzema krajami. Dla większości badanych z Wielkiej Brytanii, Polski i Bułgarii pojęcie to nie jest znane. Co więcej, ludziom trudno jest odnieść ją do sektorów kreatywnych i nie potrafią dostrzec, jak mogliby zastosować innowacje w zakresie usług w swoich firmach.

Uczestnicy wywiadów pogłębionych, zapytani o innowacje, wymienili aspekty, które uważają za sprzyjające, oraz takie, które postrzegają jako utrudniające wprowadzanie innowacji. Finanse i czas wydają się być dwoma najważniejszymi czynnikami jeśli chodzi o innowacje. Interesujące jest to, że kryzysy mogą być postrzegane zarówno jako czynniki sprzyjające, jak i utrudniające innowacje. O ile w pierwszym przypadku kryzysy postrzegane są jako wyzwania, które mogą inspirować do innowacji, o tyle w drugim przypadku kojarzone są z nagłymi zmianami, które wymagają zastosowania mechanizmów radzenia sobie z nimi, co może utrudniać innowacje. Wiąże się to z kilkakrotnie poczynioną przez ekspertów obserwacją, że firmy działające w sektorze kultury i sektorze kreatywnym muszą nauczyć się przystosowywać do zmian i że korzystne byłoby dla nich rozwijanie umiejętności zarządzania zmianą.

Jeśli chodzi o cyfryzację, badania sugerują, że uczestnicy zdigitalizowali niektóre aspekty swojej działalności w zakresie marketingu, usług i produktów. Mniej respondentów zdigitalizowało swoją sprzedaż. Tylko nieliczni deklarują, że nie stosują cyfryzacji w swojej pracy. Kwestia cyfryzacji została dokładniej zbadana podczas wywiadów pogłębionych. Choć z niektórych wywiadów wynika, że firmy z sektora kultury i sektora kreatywnego korzystały z rozwiązań cyfrowych jeszcze przed pandemią, dla większości respondentów to właśnie COVID-19 był impulsem do ich zastosowania. Digitalizacja w tym aspekcie jest postrzegana jako możliwość dostosowania działalności w czasie ograniczeń. Ogólnie rzecz biorąc, wydaje się, że artyści dostrzegają zalety digitalizacji, choć niektórzy z nich nadal podkreślają swoje przywiązanie do kontaktu bezpośredniego.

Eksperci w wywiadach wskazują na potrzebę zrozumienia przez przedsiębiorstwa z sektora kultury i sektora kreatywnego koncepcji projektowania usług i innowacji w usługach, w celu dostrzeżenia korzyści i możliwości ich zastosowania. Brak czasu jest uważany za powszechne wyzwanie, ponieważ uczenie się nowych rzeczy wymaga nakładu czasu i wysiłków przed ich faktycznym zastosowaniem. Wyzwanie to może być związane ze stwierdzonymi brakami w kompetencjach biznesowych, takich jak planowanie, myślenie strategiczne, zarządzanie czasem i budowanie efektywnych relacji. Innym ważnym wyzwaniem, na które zwrócono uwagę, jest zdolność do zmian i adaptacji do nowych sytuacji. Szanse dla sektora, jakie wynikają z wywiadów z ekspertami, można podsumować następująco: projektowanie usług i innowacje w ich zakresie mogą przyczynić się do rozwoju firm, zwiększenia ich sukcesu i konkurencyjności; mogą poprawić relacje z klientem, przynosząc lepsze zrozumienie jego potrzeb; mogą pomóc w budowaniu umiejętności i narzędzi zarządzania zmianą; mogą poszerzyć perspektywę, otwierając tym samym drogę do budowania sieci kontaktów i współpracy z innymi twórcami z sektora.

Analiza wyników badań źródeł wtórnych, ankiet i wywiadów pogłębionych przeprowadzonych w Finlandii, Polsce, Wielkiej Brytanii i Bułgarii pozwala na wyciągnięcie pewnych wniosków na temat potrzeb szkoleniowych przedsiębiorstw z sektora kultury i sektora kreatywnego, które posłużą jako podstawa do opracowania ram kompetencji.

1. Analiza dokumentacji pokazuje, że przedsiębiorstwa z sektora kultury i sektora kreatywnego doświadczają podobnych wyzwań: niewystarczającego finansowania, braku umiejętności oraz zmagania się z następstwami COVID-19 przejawiającymi się w potrzebie szybkiej digitalizacji i dostosowania produktów i usług.

2. Dostarczanie produktów i usług w sektorze kultury i sektorze kreatywnym odbywa się w sposób tradycyjny, a innowacje są rzadko wprowadzane.

3. Jeśli chodzi o postrzeganie projektowania usług i innowacji w usługach, badania wykazały, że osoby z sektora kultury i sektora kreatywnego nie znają zbyt dobrze terminologii, a nawet jeśli słyszały o tych koncepcjach, nie dostrzegają, jak można je zastosować w ich firmach.

4. Z ankiet i wywiadów wynika także, że przedsiębiorstwom z sektora kultury i sektora kreatywnego brakuje wiedzy i zrozumienia w zakresie projektowania usług i innowacji w usługach. Z tego powodu nie mogą stosować tych metod w swojej pracy. Większość z nich zdaje sobie z tego sprawę.

5. Freelancerzy i osoby prowadzące jednoosobową działalność gospodarczą funkcjonują inaczej niż osoby zatrudnione w mikro-, małych lub średnich przedsiębiorstwach. Podczas, gdy freelancerzy prowadzą całą działalność samodzielnie i często są jedynymi osobami zaangażowanymi w dostarczanie produktów/usług, artyści pracujący w firmach polegają na zaangażowaniu innych członków zespołu w cały proces. Freelancerzy są samodzielnymi decydentami, podczas gdy osoby zatrudnione w firmach nie są uprawnione do podejmowania decyzji biznesowych. Robią to ich menedżerowie.

6. Klienci mają duże znaczenie dla sektora kultury i sektora kreatywnego. Uznaje się ich za siłę napędową odnowy i innowacji produktów/usług. Jednocześnie przedstawiciele sektora przyznają, że istnieje potrzeba poszerzania wiedzy o klientach i ich zrozumienia. Umiejętności docierania do klientów i nawiązywania z nimi kontaktów są wskazywane jako obszar wymagający dalszego rozwoju i doskonalenia.

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7. Jeśli chodzi o innowacje, przedsiębiorstwa z sektora kultury i sektora kreatywnego polegają na wolnym czasie, finansach, technologiach i interakcji z klientami jako czynnikach, które umożliwiają im ich wprowadzanie. Z drugiej strony brak funduszy, brak czasu, bariery psychiczne (takie jak strach przed nieznanym i przytłaczająca presja) oraz nagłe zmiany utrudniają im wprowadzanie innowacji.

8. Osoby pracujące w sektorze kultury i sektorze kreatywnym są zaznajomione z digitalizacją. Niektórzy zdigitalizowali pewne aspekty swojej działalności jeszcze przed pandemią COVID 19 . Jednak większość z nich to właśnie pandemia zmusiła do zwrócenia się w stronę cyfryzacji jako mechanizmu adaptacji do kryzysu. Osoby z tego sektora, choć uznają cyfryzację za ważną, przyznają, że widzą lukę w swoich umiejętnościach cyfrowych.

9. Osoby pracujące w sektorze kultury i sektorze kreatywnym przyznają, że brakuje im umiejętności biznesowych. Zazwyczaj są pochłonięci procesem twórczym i ignorują jego stronę biznesową.

10. Osoby pracujące w sektorze kultury i sektorze kreatywnym uznają umiejętności marketingowe i umiejętności korzystania z mediów społecznościowych za obszary wymagające poprawy.

11. Eksperci uważają, że przedsiębiorstwa z sektora kultury i sektora kreatywnego nie znają koncepcji projektowania usług i innowacji w usługach.

12. Eksperci podkreślają, że przedsiębiorstwa z sektora kultury i sektora kreatywnego muszą pracować nad swoimi umiejętnościami biznesowymi, w tym nad przedsiębiorczością, zarządzaniem projektami i finansami, marketingiem i budowaniem świadomości marki oraz planowaniem i analizą strategiczną. Muszą nauczyć się stawiać klientów w centrum uwagi dzięki badaniom rynku, empatii, słuchaniu i komunikacji. Muszą mieć otwarte umysły.

13. Eksperci uważają, że projektowanie usług i innowacje w ich zakresie mogą prowadzić sektor kultury i sektor kreatywny do rozwoju biznesu, zmiany perspektywy i poprawy relacji z klientami.

14. Zdaniem ekspertów sektor ten może być otwarty na cyfryzację, ale brakuje mu wiedzy, umiejętności i zasobów do zastosowania odpowiednich narzędzi.

15. Eksperci podkreślają, jak ważna jest zmiana mentalności pracowników sektora, którzy są oporni na zmiany i nalegają na wykonywanie czynności w określony sposób.

16. Szkolenia oferowane przedsiębiorstwom z sektora kultury i sektora kreatywnego muszą być praktyczne, mieć zastosowanie w danej branży, oferować możliwość nawiązywania kontaktów i wymiany doświadczeń zarówno z prowadzącym, jak i z innymi uczestnikami.

Резюме

Проект "Дигитални и устойчиви иновации за услуги в културните и творчески сектори" е съфинансиран от Европейския съюз проект по програма "Еразъм+". ServiceDigiCulture има за цел да предостави онлайн набор от инструменти и обучение за хора, които работят и се стремят да работят в културните и творческите сектори в ЕС. Проектът се стреми да им помогне да преосмислят, преработят и обновят своите услуги и продукти, за да се адаптират към променящото се общество, а също и към настоящите и бъдещите обществени кризи и предизвикателства, като например COVID-19, и да създадат устойчиви основи за бъдещото функциониране на сектора.

Докладът за потребностите от обучение се основава на резултатите от проучване, проведено в периода юли-септември 2021 г. във Финландия, България, Обединеното кралство и Полша. Той е базиран и на отговорите, получени от два вида анкети, проведени в държавите партньори в периода октомври - декември 2021 г., и от два вида дълбочинни интервюта, проведени в горепосочените държави в периода ноември 2021 г. - януари 2022 г. Първата анкета и първата група дълбочинни интервюта бяха проведени с безработни, заети, самонаети лица и микро- и малки организации в културния и творческия сектор. Целевата група за втората анкета и дълбочинните интервюта бяха експерти в областта на иновациите в услугите, дизайна и развитието на културните и творческите сектори. Двете анкети бяха проведени онлайн и съдържаха както качествени, така и количествени въпроси. Подходът към провеждането на дълбочинните интервюта зависеше от конкретната ситуация в страните партньори и позволяваше гъвкавост. Част от интервютата бяха проведени лице в лице, докато други бяха проведени онлайн поради ограниченията и опасенията, свързани с пандемията.

Целта на документалното проучване бе да се идентифицират съществуващите решения на предизвикателствата пред предприятията от културния и творческия сектор, особено по отношение на услугите и продуктите, както и на иновациите в услугите и дизайна. Данните бяха събрани от всяка страна партньор и на европейско равнище. Различни решения за дизайн на услуги бяха анализирани и на международно ниво.
Целта на анкетите беше да се установи следното: аспекти на иновациите и създаването на продукти/услуги в организациите от културния и творческия сектор и като цяло; възприемане на иновациите в услугите; съществуващите форми и процеси на предоставяне на услуги и предпочитаните възможности за обучение, кой участва в процеса, от кой сектор и по какъв начин; благоприятни и възпрепятстващи аспекти; възприемане на дизайна на услугите и предпочитани възможности за обучение.
Целта на дълбочинните интервюта беше да се извлече по-задълбочен поглед върху гореспоменатите области и да се добавят качествени аспекти към проведените анкети.

Основни констатации:
Проучването показва, че организациите и хората, работещи в културния и творческия сектор във Финландия, Полша, Обединеното кралство и България, са изправени пред предизвикателства, свързани с недостиг на финансови средства, липса на умения, както и с достъпа до технологии

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и тяхното правилно използване. Тези проблеми са се засилили допълнително поради пандемията от COVID-19, която доведе до загуба на клиенти, работни места и приходи.
Както анкетата, така и проведените дълбочинни интервюта показват, че лицата, работещи в културния и творческия сектор, не са добре запознати с понятията „дизайн на услугите“ и „иновация на услугите“. Анкетите също така показват, че хората свързват понятието дизайн на услугите с "клиенти/ползватели/потребители" (и свързаните с него словосъчетания като "нужди на клиентите", "опит на клиентите", "опит на потребителите", "ориентиран към клиентите" и т.н.), "услуга", "качество" и "подобрение". Тези констатации се подкрепят и от дълбочинните интервюта. Повечето лица споделят, че не са запознати с понятието за дизайн на услуги или ако са чували за него, не знаят как да го приложат в работата си. Все пак някои от интервюираните изглежда несъзнателно прилагат някои от методите на дизайна на услуги в работата си, без да разпознават концепцията и без да свързват работата си с методите на дизайна на услуги. Тези резултати са много сходни с възприемането на *иновация на услугите*. По-голяма част от анкетираните (55%) не са използвали иновация на услугите в работата си. Дълбочинните интервюта показват, че творческите предприятия във Финландия са много по-наясно с иновациите на услугите в сравнение с другите 3 държави. За повечето участници от Обединеното кралство, Полша и България понятието не е познато. Нещо повече, хората трудно го свързват с творческите сектори и не могат да видят как биха могли да приложат принципите на иновации на услугите в своите предприятия.

Когато бяха запитани за иновациите като цяло, участниците в дълбочинните интервюта споделиха аспекти, които смятат за благоприятни, и други аспекти, които според тях възпрепятстват въвеждането на иновации. Финансите и времето изглежда са двата най-важни фактора, когато става въпрос за иновации. Интересно е да се види, че кризите могат да се възприемат както като благоприятстващи, така и като възпрепятстващи въвеждането на иновации. И докато в първия случай кризите се възприемат като предизвикателства, които могат да вдъхновят за иновации, то във втория случай кризите се свързват с внезапни промени, които изискват използването на механизми за справяне, които могат да попречат на иновациите. Това е свързано със забележката, направена от експертите в няколко случая, че компаниите, работещи в културния и творческия сектор, трябва да се научат да се адаптират към промените и че биха имали полза от развиването на уменията си за управление на промените.

Що се отнася до дигитализацията, проучванията показват, че участниците са дигитализирали някои аспекти на бизнеса си по отношение на маркетинга, услугите и продуктите. По-малко респонденти са дигитализирали продажбите си. Само малцина декларират, че не прилагат дигитализация в работата си. Въпросът за дигитализацията беше допълнително проучен по време на дълбочинните интервюта. Въпреки че някои от интервютата показват, че предприятията от културния и творческия сектор са използвали дигитални решения още преди пандемията, за по-голямата част от интервюираните именно COVID-19 ги е подтикнал да използват дигитални инструменти. Дигитализацията в този аспект се разпознава като възможност за адаптиране на дейността по време на ограниченията. Като цяло изглежда, че творците разпознават предимствата на дигитализацията, въпреки че някои от тях все още подчертават предпочитанията си към личния контакт.

Експертите, участвали в интервютата, посочват необходимостта предприятията от културния и творческия сектор да разберат концепциите за дизайн на услуги и иновация на услугите, за да разберат ползите и приложимостта им. Липсата на време се счита за често срещано предизвикателство, тъй като е необходимо да се инвестират време и усилия в изучаването на нови неща, преди те да бъдат реално приложени. Това предизвикателство може да бъде свързано с установените пропуски в бизнес компетенциите, като планиране, стратегическо мислене, управление на времето и изграждане на ефективни взаимоотношения. Способността за промяна и адаптиране към нови ситуации е друго важно предизвикателство, което беше посочено. Възможностите за сектора, очертани от интервютата с експертите, могат да бъдат обобщени по следния начин: дизайнът на услуги и иновация на услугите могат да накарат бизнеса да расте, да бъде по-успешен и конкурентоспособен; те могат да подобрят отношенията с клиента, като внесат по-добро разбиране на нуждите на клиентите; те могат да помогнат за изграждането на умения и инструменти за управление на промените; те могат да разширят перспективата, като по този начин отворят нагласата за изграждане на мрежи и сътрудничество с други творци от сектора.

Анализът на проведените проучвания, анкети и дълбочинни интервюта във Финландия, Полша, Обединеното кралство и България позволява да се направят някои изводи относно нуждите от обучение на предприятията от културния и творческия сектор, които ще послужат като основа за разработването на рамка за компетентност.

1. Проучването показва, че предприятията от културния и творческия сектор изпитват сходни предизвикателства: недостатъчно финансиране, недостиг на умения и борба с последиците от COVID-19, изразяващи се в необходимостта от бърза дигитализация и адаптиране на продуктите и услугите.

2. Предоставянето на продукти и услуги в културния и творческия бизнес следва традиционен път и рядко се въвеждат иновации.

3. Що се отнася до възприемането на дизайна на услуги и иновация на услугите, проучванията показват, че хората от културния и творческия сектор не са много запознати с терминологията и дори да са чували за тези концепции, не виждат как те могат да бъдат приложени в техния бизнес.

4. Проучванията и интервютата разкриват също, че предприятията от културния и творческия сектор нямат достатъчно познания и разбиране за дизайна на услугите и иновациите в тях. Поради това те не могат да прилагат тези методи в работата си. Повечето от тях са наясно с това.

5. Самонаетите лица и едноличните търговци функционират по различен начин от лицата, наети в микро-, малки или средни предприятия. Докато лицата на свободна практика управляват целия бизнес самостоятелно и често са единствените, които участват в доставката на продукта/услугата, творците, работещи в предприятия, разчитат на участието на други членове на екипа в целия процес. Лицата на свободна практика сами вземат решенията си, докато хората, наети в предприятия, не са упълномощени да вземат бизнес решения. Това правят техните мениджъри.

6. Клиентите са важни за културния и творческия сектор. Те са признати като движеща сила за обновяването на продуктите/услугите и иновациите. В същото време секторът признава необходимостта от разширяване на познанията и разбирането на клиентите си. Уменията за достигане до клиентите и взаимодействие с тях се посочват като област на по-нататъшно развитие и усъвършенстване.

7. Що се отнася до иновациите, предприятията от културния и творческия сектор разчитат на свободното време, финансите, технологиите и взаимодействието с клиентите като фактори, които им позволяват да въвеждат иновации. От друга страна, липсата на средства, липсата на време, психическите бариери (като страх от неизвестното и непреодолим натиск) и внезапните промени им пречат да въвеждат иновации.

8. Работещите в културния и творческия сектор са запознати с дигитализацията. Някои от тях са дигитализирали определени аспекти на бизнеса си още преди пандемията от COVID 19. За повечето от тях обаче именно пандемията ги е принудила да се обърнат към дигитализацията като механизъм за адаптиране към кризата. Въпреки че признават дигитализацията за важна, лицата от сектора признават, че виждат пропуски в дигиталните си умения.

9. Хората, работещи в културния и творческия сектор, признават, че им липсват бизнес умения. Обикновено те са отдадени на творческия процес и пренебрегват бизнес аспектите му.

10. Маркетинговите умения и уменията в областта на социалните медии са признати от работещите в културния и творческия сектор като области, в които има нужда от подобрение.

11. Експертите не смятат, че предприятията от културния и творческия сектор са запознати с концепциите за дизайн на услуги и иновации в областта на услугите.

12. Експертите изтъкват, че предприятията от културния и творческия сектор трябва да работят върху бизнес уменията си, в т.ч. предприемачество; управление на проекти и финанси; маркетинг и брандинг; стратегическо планиране и анализ. Те трябва да се научат да поставят клиентите в центъра на вниманието чрез проучване на пазара, съпричастност, слушане и комуникация. Те трябва да бъдат непредубедени.

13. Експертите смятат, че дизайнът на услуги и иновациите в услугите могат да доведат културните и творческите сектори до развитие на бизнеса, промяна на перспективата и подобряване на отношенията с клиентите.

14. Според експертите секторът може да бъде отворен към дигитализация, но му липсват знания, умения и ресурси, за да прилага подходящите инструменти.

15. Експертите подчертават значението на промяната на мисленето на сектора по отношение на неговата съпротива срещу промените и настояването да се правят нещата по определен начин.

16. Обученията, предлагани на предприятията от културния и творческия сектор, трябва да бъдат практически, приложими за съответния бизнес, да предлагат възможности за работа в мрежа и споделяне на опит както с обучителя, така и с останалите участници.

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Background information

The hereby report has been elaborated within the project 2020-1-FI01-KA227-ADU-092663 „Digital and Sustainable Service Innovation for the Cultural and Creative Sectors". It is part of Intellectual Output 1 Competency Framework, Activity 4 Training needs report.

The Training needs report is based on the results of a desk research conducted between July and September 2021 in Finland, Bulgaria, the UK and Poland. It also draws on the responses received from two types of surveys that took place in the partner countries in the period October – December 2021 and from two types of in-depth interviews conducted in the above-mentioned countries in the period November 2021 – January 2022. The first survey and the first group of in-depth interviews were conducted with unemployed, employed, self-employed and micro and small organisations in the cultural and creative sectors (hereinafter referred to as Target group 1). The target group for the second survey and in-depth interviews consisted of experts in service innovation, design & cultural and creative sectors development (hereinafter referred to as Target group 2). The two surveys took place online and contained both qualitative and quantitative questions. The approach to the conduction of in-depth interviews depended on the specific situation of the partner countries and allowed for flexibility. Part of the interviews were held face to face while others were conducted online due to pandemic restrictions and concerns.

The desk research aimed to identify the existing solutions on challenges of cultural and creative sectors' enterprises especially on services and products, and on service innovation and design. Classic desk research was applied using mainly qualitative research. Data was collected from each partner country and at European level. Various service design solutions were also analysed at international level.

The aim of the surveys was to identify the following:

- innovation and productisation/servitisation aspects in organisations of cultural and creative sectors and in general;
- perceptions of service innovation, productisation and servitisation;
- the existing forms and processes of service delivery;
- who is involved in the process, from which sector and how;
- enabling and hindering aspects;
- perceptions of service design;
- preferred training options.

The aim of the in-depth interviews was to elicit more profound insights on the above mentioned areas and add qualitative aspects to the conducted surveys.

The table below shows data on the number of responses received in each country:

	Finland	Bulgaria	UK	Poland	TOTAL
Survey Target group 1	19	21	15	16	**71**
Survey Target group 2	14	10	12	10	**46**

In-depth interviews Target group 1	7	6	6	6	**25**
In-depth interviews Target group 2	5	6	5	5	**21**

The analysis that follows presents the findings from the desk research as well as with the activities undertaken with each target group while the conclusion steps on the main findings from all activities.

Desk research findings

The table that follows presents an overview of the main findings from the desk research conducted in the period July – September 2021 in Finland, Bulgaria, the UK and Poland. Part of the research focused on national specifics regarding the following areas:

1. General challenges faced by cultural and creative sectors
2. Challenges caused by the COVID-19 pandemic
3. Challenges in services and products
4. Challenges related to service design and service innovation
5. Perceptions and use of service innovation and service design
6. Forms of service and product development

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	FINLAND	UK	POLAND	BULGARIA
General challenges faced by cultural and creative sectors	High unemployment and underemployment combined with the difficulty to find and secure a job, hence need of self-employment. Lower financial investment and lack of sustainability in development. Working weakens position and causes lack of resources. Lack of customer-orientation in products. High VAT (24%) and low threshold having to pay it (10 5000 eur sales/year) has often been criticised by entrepreneurs on CCS sectors. Lack of marketing skills, strategy, coordination, cultural exports skills and promotion which highly manifest at individual level of CCS operators.	Underfunding: insufficient investment or funding in the cultural and creative sectors due to economic and political preferences and the prioritisation of STEM. Skills shortage in arts: given the views within the UK surrounding the uncertainty of employment and businesses within this sector, skills which align with these fields are often not encouraged at a younger stage, leading to skills shortages within generations. Innovation: creative innovations become less likely to occur. With insufficient public funding and private investments, where R&D could take place, the cultural and creative sectors in the UK could experience outdated service designs and methodologies which may not	Promoting diversity and tolerance: Poland took 41st place among 82 countries in terms of the development of creative industries. Shortages of financial resources: relatively weak purchasing power of Polish society; limited access to capital; gaining independence of NGOs from public money; low subsidies for public institutions. Access to Internet and technologies. Elimination of legal and organisational barriers. Lack of cooperation between industries and within industries. Change the way culture is perceived. Human resources - keep the artists in local communities.	Lack of renovation of the sites, deteriorated buildings and technical base. Insufficient and inefficient form of financing and excessive commitment to budget and insufficient project development skills. Regulations are too many, too complex and oftentimes too contradictory, even mutually exclusive. There is lack of real commitment - municipal services have a different agenda, in which the creative industries are not present. There is neither clear cultural policy nor instruments that would ensure the sustainable development of the sector.

	FINLAND	UK	POLAND	BULGARIA
		be applicable in the current economic climate or labour market.	Rethinking infrastructural investments in culture.	Insufficient advertising and marketing further obstacle the development of cultural and creative sectors in rural areas. Skills shortage.
Challenges caused by the COVID-19 pandemic	COVID-19 pandemic has strongly impacted CCS sectors in Finland causing lack of income, losing work, having to change profession and difficulty to work under the pandemic. Loss of sectoral income: Endangering activity. Loss of jobs: losing jobs and income, but also difficulty of unemployed and recent graduates to enter and re-enter to the sector. Losing professionals and skills and changing sectors. Lowered salaries. Loss of customers.	Lockdowns and social distance regulations caused revenue losses for museums, galleries, and exhibitions. Covid-19 has shown the extent of dependence that art venues experience in terms of funding and finance. Industries like nightclubs, stand up/concert venues and music theatres saw a huge decrease in revenue due to closing for Covid-19, leaving uncertainty across the sector. The lack of funding for some artists could create 'social division' in the cultural and creative sectors where some	The COVID-19 pandemic disrupted suddenly a complex system of creating and participating in culture. This has changed the situation of both people working in the cultural and related sectors, as well as recipients of various forms of cultural activity, in particular the performing arts. The business revenues of many public institutions fell by 50-90 percent. The crisis has confirmed the interdependence of various sectors.	The COVID-19 pandemic in Bulgaria has had a devastating economic impact on the cultural and creative sectors. Particularly when it comes to activities based on venues, visits and performing arts and 'heritage' sectors, such as live music performances, theatres, circus, festivals, cinema, museums and heritage sites. Creators and producers during the COVID-19 pandemic were not able to sell their products or find buyers. Cancellations of fairs and festivals had a negative impact on local economies, especially on the local hospitality and tourism sector.

	FINLAND	UK	POLAND	BULGARIA
	The long-term impact, that could be feared, is a permanent loss of CCS professionals, skills, learning (as e.g. young people head to study in other more secure sectors) and cultural activity in general and therefore of cultural heritage.	cultural organisations could continue to operate. The impact of Covid-19 displayed a new funding challenge for the government in funding and resource allocations.		The increased demand for digital culture caused a new problem for artists and producers – they need to acquire a new tech-based skillset, as well as access to high quality technology to showcase their art/products online. For some artists moving from stage to digital space is equivalent to creating a new type of cultural content.
Challenges in services and products	A lack of funding for product development in the CCS sector as most investments are addressed towards industrial fields. There is distance between CCS people and services supporting product and service development and possibility to share tools and premises. Investment in tools and equipment is expensive.	Due to restrictions, delivering services became difficult as the only distribution channel was on the internet. Many artists and musicians had to seek methods in providing services digitally. Rapid digitalisation since Covid-19 has caused significant challenges in terms of producing art goods (due to lockdowns).	**Delivering products** Establishing networks, associations or consortia will be crucial for strong representation and teamwork. Specialised agencies developing individual fields of art and informal cooperatives will play an increasingly important role.	Access to new markets is complex and burdensome. Bulgarian companies lack internationalisation, which further limits the revelation of new markets and new customers. The path to the final customers is too elongated and slow. Producers and service providers of the cultural and creative sectors difficulty identify new

	FINLAND	UK	POLAND	BULGARIA
	Lack of time to work on everything especially when one is a sole entrepreneur. They hardly have time to run their business, let alone cover all activities from product development to marketing, and learn new things. Lack of contacts and networks which could help in business and marketing. Challenges in finding customers. Pricing of own products and services in a way to gain required income. Productization in general and understanding how service is part of the productization and brand package. Low investment in services. Many focus on their products only instead of services. Many craft people prefer to do things that they like instead of what people would buy.	The restrictions motivated the cultural and creative sectors to adapt and digitalise, such as turning into digital artists, musicians and designers. Service design, marketing, and business development played significant roles during the process of digitalisation.	Producing large number of titles (games, books etc) that may be released more frequently, or selling also many older titles Introducing "pre-orders" to be released in the future. Activities based on projects - works based on projects, due to the high level of uncertainty, instability and complexity as well as the temporary nature often require many direct contacts between specialists from different industries; Allowing to experiment, innovate Providing easier access and the right skill set Introducing new technologies in terms of product development	distribution channels because they are rarely updated about the global demand for creative products. Delivering services and developing products in Bulgaria requires more comprehensively developed marketing strategies and business models. Realisation, production and marketing of new products is also difficult. There is limited advertisement and promotion of the cultural and creative products of smaller content creators, in particular, and of rural areas. There is an ostensible lack of renovation of cultural sites and creative workspaces. Some of the buildings are in deteriorating conditions.

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	FINLAND	UK	POLAND	BULGARIA
	Lack of seeing opportunities to see beyond the habitual ideas (in both) and thinking of additional services. Digitalisation in older generations is weaker. Foresight of what may influence one's own activity and adapt actions accordingly. Value creation Internationalisation		**Delivering services** Institutions of a new type must emerge: volatile, flexible and solidarity. Introducing new technologies in communication with audience and customers, activation of new communication channels The growing role of common and neighbourly spaces, such as parks and squares. Paradoxically, the crisis is conducive to the deglomeration of culture and its increasing role at the micro-community level. Reformulation of the type of activity to "going out into the field". Cooperation in delivering services. It is important to awaken cooperation, optimism, the will to cooperate, and social trust - values important for the	With regard to the digitalization of services and products, one of the main challenges constitutes the lack of specialised technical skills and knowledge. Financial hindrances to delivering services and developing products involve inefficient distribution of resources and limited or no access to quality business consulting.

	FINLAND	UK	POLAND	BULGARIA
			entire society in the period of recovery from the recession. Investing in daily active cultural participation of citizens.	
Challenges related to service design and service innovation	**SERVICE DESIGN** There are courses and workshops on the topic, but entrepreneurs rarely have time to continue implementing them. Terminology and the way to approach things may be distant. All is made too complicated without points of reference to own business (empathy is not applied enough). After a project of a course, people are left alone. Often a facilitator is needed. Service design training is often bulky and not addressed to people who work alone.	**SERVICE DESIGN** Many sole traders and small businesses in the UK have businesses partially funded by part time work which can mean time is limited and funds are limited in terms of investment. The ability to think creatively and play around with potential ideas might also be lacking in some- the ability to helicopter up and see a wider picture how the business could develop and specific developments to monetise offshoot ideas. **PRODUCT DESIGN** Inherent creativity, generating options, playful	**SERVICE DESIGN** Lack of cooperation in the organisation and with other institutions. The misconception of "knowing better" as the service provider. Financial shortages. Lack of benchmarking mechanisms, at least in the cultural sector. Lack of quality assessment tools implemented on the wider scale. Implementation phase.	There is no national strategy for financing innovation activity in the cultural and creative sectors. There is a lack of national and regional cultural policy to allow the strategic development of projects in the long run, in line with the local context of entrepreneurship and global competition for consumer interest. Innovative projects and partnerships are risky due to the limited state support. The introduction of innovations in the cultural and creative sectors remains underdeveloped.

	FINLAND	UK	POLAND	BULGARIA
	If not online, people living outside limited centres do not have access to training and workshop/ development offers on service design. There is little evidence that service design is really used and although people who are in touch with design already may use it at some level, there are plenty of CCS sectors which find it distant. **PRODUCT DEVELOPMENT** There is a lack of funding, resources and peers for product development. Products and services may not always be very user-oriented. Lack of ability to see outside the box and invent new products and services. Slow reaction on changes and aiming to stay with what are 'high level' issues. **SERVICE INNOVATION**	experimentation, technical expertise, feeling stuck with ways of delivering the business and lack of agility or innovation to take ideas online, use different methods also a lack of resources to invest in delivery channels, training and development and to invest in relevant kit. Reluctance to cooperate with others because of sensitivities around intellectual property, security of ideas, competition, competitive advantage.	**PRODUCT DESIGN** Lack of money. High employment costs. Low quality of academic staff and research potential of universities. Access to data – small amounts of open data provided by public organisations. Uncertainty of the market, law and tax regulations. Complicated procedures of applying for innovation funds. Shortages in transfer of innovation. Lack of connections with technology providers and research providers.	There is a need to address the digital skills shortages within the innovation of the cultural and creative sectors. Another challenge to service innovation in the cultural and creative sectors with regard to digitalisation includes challenges related to a potential mismatch between the customers' technical abilities and the technical requirements necessary to use digitised products.

ServiceDigiCulture

	FINLAND	UK	POLAND	BULGARIA
	Service innovation is something new in the sector as is all servitisation and also service design. People in the cultural and creative sectors (except designers) are already suspicious towards developers.			
Perceptions and use of service innovation and service design	Service design seems to be more discussed and actual in Finland recently when it comes to the cultural and creative sectors. The question is also how small CCS companies are able to adapt it, whether the training content is adapted to them and to the diversity of the cultural and creative sector. Often Design Thinking and service design methods include co-creational methods. How are these adapted to sole entrepreneurs?	The perceptions from the artists, cultural and creative members could be that they are not trained in service design since it is not a compulsory subject or course to take up in British education. The limited exposure to the fundamentals of service innovation and service design in education suggests that they may allocate service innovation and service design to those with high levels of business acumen and understanding of innovation and entrepreneurship. In the eyes of entrepreneurs and/or owners in the cultural	In Poland the methodology of Design Thinking has been introduced in the cultural sector some time ago. It was perceived by cultural institutions as the next novelty, rather than a working method to be introduced in their everyday functioning. That is why it did not gain wide implementation in the sector. Service design is also known as a term. Many practitioners appreciate contact with the public and customers and see spontaneous conversations as a starting point of socio-cultural projects, but	A new perception of service innovation has emerged with regard to digitalisation. More and more, previously purely physical products are becoming hybrid or digitised. Digitised products are seen as a new means of artistic expression. Cultural contents are believed to play a pivotal role in the diffusion of the information.

	FINLAND	UK	POLAND	BULGARIA
		and creative sectors, they may know the theoretical and practical aspects of service innovation and design. However, this generalisation may not be applicable for everyone in the sectors since some may not know about the theoretical side of service innovation and service design at all.	they do not apply the holistic and systematic approach. It is rather the individual initiative of education division or marketing unit rather than conscious choice of the organisation's management.	
Forms of service and product development	**1. Handicraft and independent sole designers with own products** Both craftspeople and designers with their own products need external networks to sell their products. Craftspeople rarely plan their services in detail. They may offer their product to be sold by external bodies, or sell their own products online or in a shop. More options to service delivery are available in shops where the craft	Forms of services include business, financial, culture (music/art museum), design (value creation), C2C (Customer to Customer), PaaS (Product as a Service) and many more. Each of the services mentioned above tends to require different skills for specialisation. In this case, cultural experience services may need business and/or financial services to productise/servitise the artwork and performances into PaaS. Design services can also get	The public cultural institutions, like museums, theatres, libraries, cultural centres, opera houses seem to create their service offer based on three aspects: individual preferences of artistic director, availability of staff, expectations from key stakeholders. The offer is based on the early budget which affects the number of exhibitions, performances, their complexity and construction.	The process of product development takes place on several stages with the involvement of different actors. There are six fundamental instruments that are indispensable for the product development in the cultural and creative sectors: Finance: Access to finance can help creative enterprises create products and grow. Most often in

	FINLAND	UK	POLAND	BULGARIA
	person's own personality influences the service. Designers with their own products: Selling channels are the same. Designers have more potential to say how their products are displayed and what kind of service is related to those. They are also more prone to apply service design automatically in their service delivery as people/user orientation is at the core of designers' work. **2. Performance: theatre, music, opera, dance** Products are developed alone or in collaboration with others. Often, e.g. in music and theatre, existing works are used. Pieces are usually practised together for performance. The outcomes/products are delivered to the live public but also through recordings which may be online, CDs etc., on TV, etc.	involved by developing efficient and productive methods in delivering PaaS. **Product development steps** Idea generation: Entrepreneur (and the team) Idea evaluation: Entrepreneur and the team Concept definition: Entrepreneur, product designers Strategic analysis: Analysts, service designers Product development and testing: Product and service designers Market testing: Product & service designers, manufacturer (artists, performers, musicians who produce the work)	Innovations are rarely introduced, if they occur, they are sometimes mechanical transfer of patterns from regions with a much higher level of innovation. Sole traders and micro enterprises are sometimes grouped within cultural incubators that are run by public bodies. Those micro creative entities obtain a wide range of support from the incubator: room, access to internet and IT infrastructure, workshops and coaching practices. There is also a global trend in product development. Fragmentation of production processes combined with globalisation processes has changed the structure of value chains of industrial activity. In shaping the value of products, the share of pre-production and post-production stages increased	the form of business consultation or direct funding. Content creators: Trained staff with appropriate skills and capacity are essential for the product development in the cultural and creative sectors. Infrastructure: it is significant to provide an adequate environment, where creative enterprises can operate - creative workspaces, etc. Knowhow: Access to new ideas is at the heart of a comparative advantage for the creative industries, so it is a constant exchange of ideas with universities, research centres and other sources of knowledge. Market: Creation of a network of markets at regional and national level.

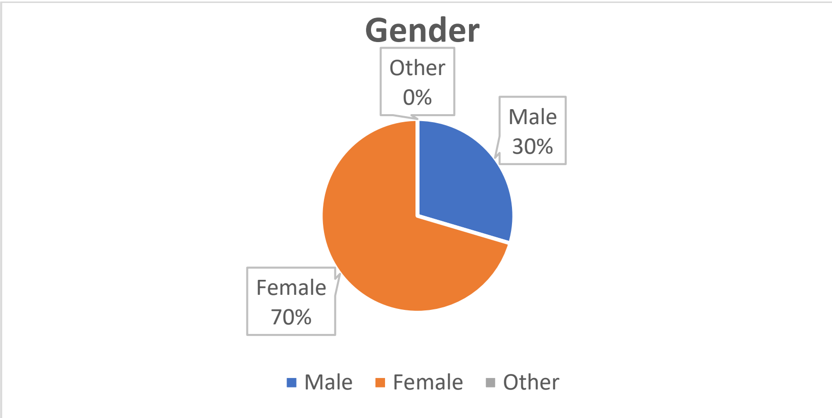
	FINLAND	UK	POLAND	BULGARIA
	Mainly these are performances inviting an audience. Services linked to these are rather traditional, performances, with media and social media involved in marketing.	Commercialisation: Marketing Product launch: The team	significantly at the expense of the basic production stage.	Advertisement: Promotion of the product is a crucial part of the development process.

Survey 1 Unemployed, employed, self-employed and micro and small organisations in the cultural and creative sectors

Section I. General information

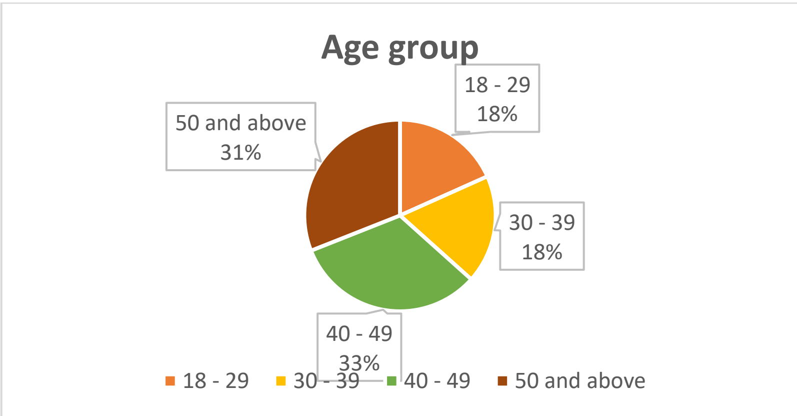
The questions under this section focus on retrieving data about the gender, age, country of residence, cultural and creative sectors respondents belong to and whether there are services or products that appeal to multiple sectors.
The tables below illustrate the responses received.

1.1 Gender:



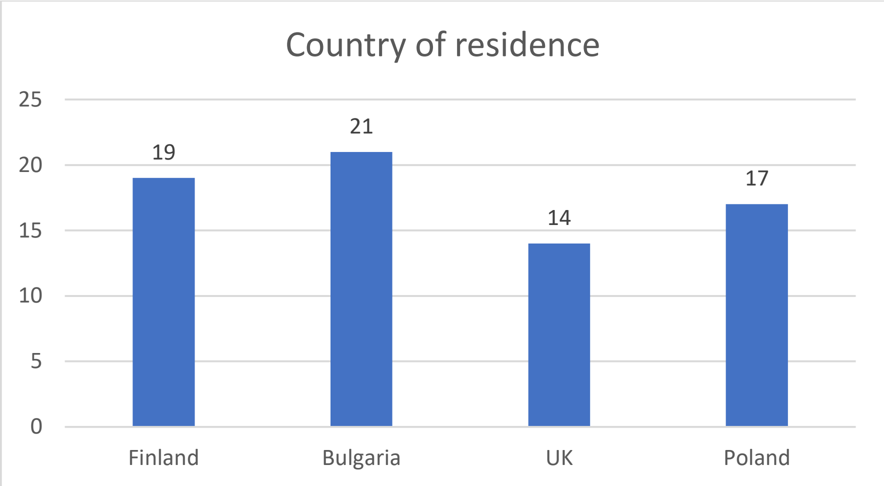
As evident from this table, women were more willing to respond to the survey. Female respondents provided 70% of the answers received in all countries.

1.2 Age group:



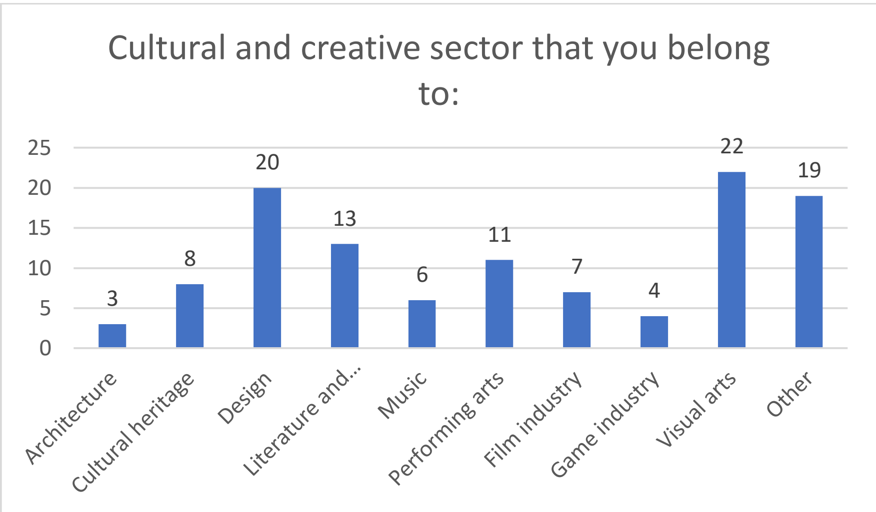
The predominant part of the respondents (33% or 23 people) falls into the age group 40-49 years old. 31% are 50 and above. The other two age groups are equally represented by 18% of all respondents.

1.3 Country of residence:



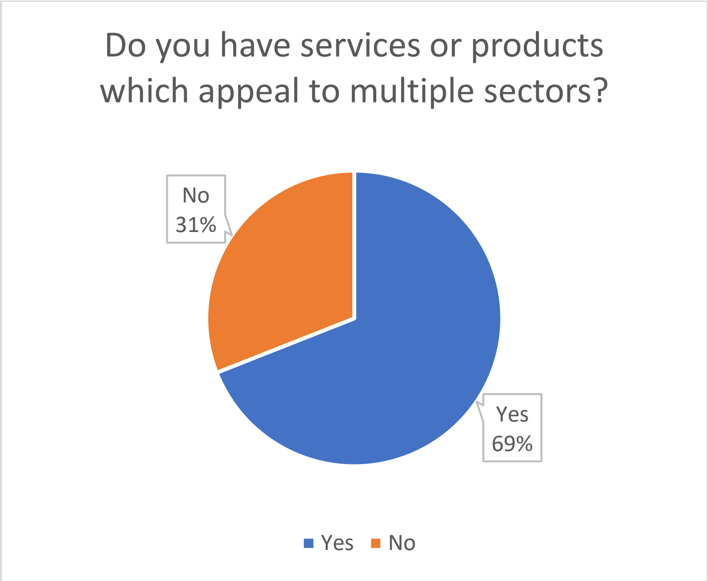
Most respondents are from Bulgaria (21) and Finland (19). One of the respondents in the UK declared Poland as their country of residence which increased by one the total number of responses from people living in Poland to a total of 17.

1.4 Cultural and creative sector that you belong to:



The question allowed more than one answer. For this reason, the total number of answers is higher than the total number of respondents. The sectors that are the most represented in the survey are "visual arts" (22) and "design" (20) while there are only a few people working in "architecture" (3), "game industry" (4) and "music" (6). Nineteen people responded that they also belong to other sectors. These include: community outreach coordination; news media; craftsmanship; contemporary art; all of the above and cultural administration; business development; marketing; science; front and back end development; multidisciplinary fileds; adult education; textile; IT and programming; needlework; technical design. The received answers suggest very good representation of the cultural and creative sectors.

1.5 Do you have services or products which appeal to multiple sectors?



The predominant number of respondents (69%) say that their products appeal to multiple sectors while 31% respond negatively to the question.

Section II. Questions related to Service Design and Service Innovation

The questions under this section aimed to identify the level of knowledge and understanding of the concepts "service design" and "service innovation" among persons working in the cultural and creative sectors. The tables that follow illustrate the responses received to these questions.

Q1 I am currently:

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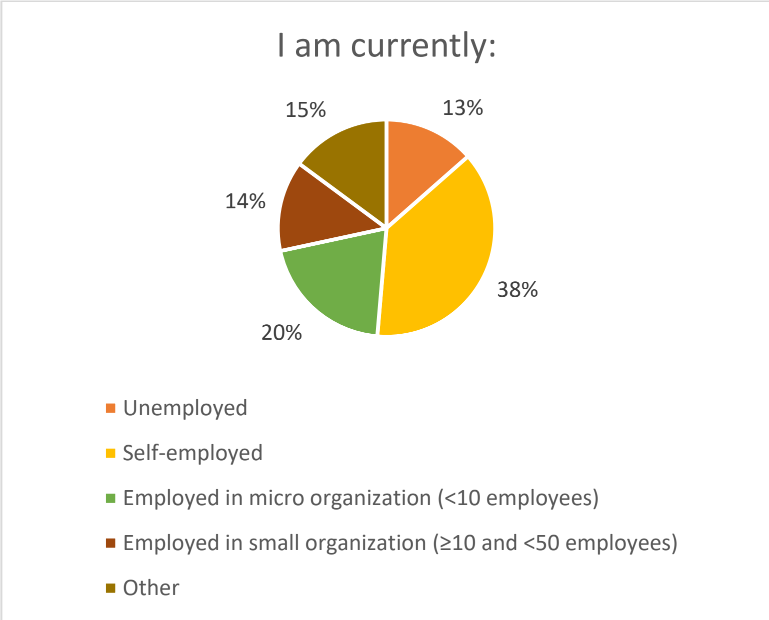
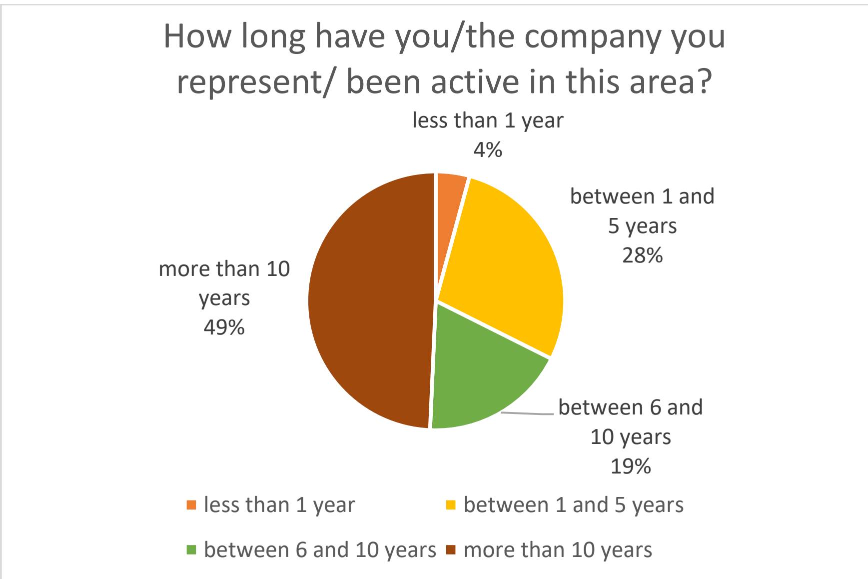


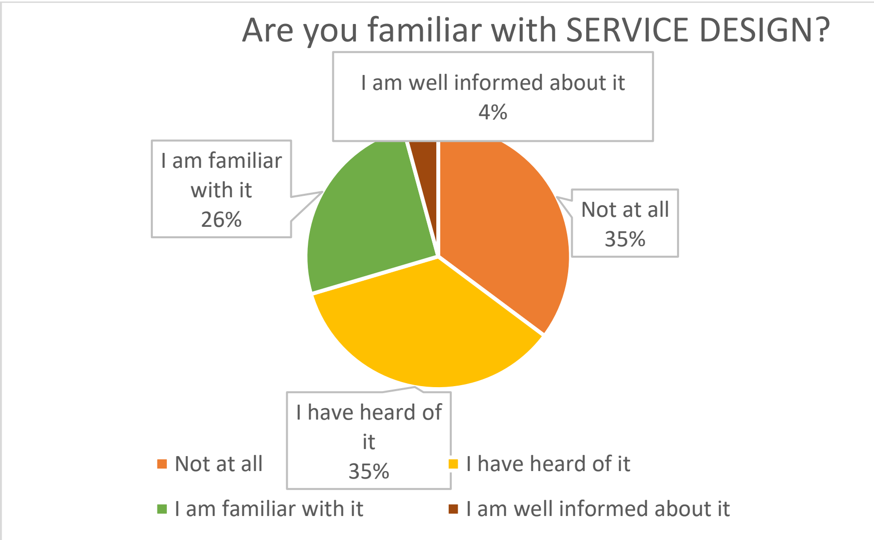
The predominant part of the respondents are self-employed persons (38%). The second largest group is the one of people employed in micro organisations (20%). A relatively small percentage of the respondents represent small organisations (14%) or are currently unemployed (13%). Fifteen percent opted for "other". These occupations include: visual artist in a city organisation or the public sector; part-time micro-entrepreneur, also active in association; manager; company owner; project-based work; PhD researcher; large organisation; student; pensioner.

Q2 How long have you/the organisation you represent/ been active in this area?



Forty nine percent of the respondents have extensive experience in their areas of work (i.e.more than 10 years). Another 28% of the respondents have between 1 and 5 years of experience. Only a small number of the respondents (4%) have less than 1 year of professional experience in the respective areas.

Q3 Are you familiar with SERVICE DESIGN?



People who are familiar with the concept are 25% of all respondents. Only 4% are confident in their knowledge of service design stating that they are well informed about it. 35% of all respondents are not at all familiar with the concept while 35% have vague knowledge of service design stating that they have heard about it. Based on the answers it can be concluded that the people working in the cultural and creative sectors are not very familiar with the concept of service design.

Q4 What do you think SERVICE DESIGN is? Please explain in your own words:

Below are the answers provided under this open question:

FINLAND

“I think it is when you change or adapt a service based on the context or on the specific group you're going to provide a certain service.”
“I think ‘Service Design’ are the activities of planning, arranging and organising a service to **improve** its **quality** before accessing **users**.”
“No idea. (x2)”
“A way to create and customise a service offering to deliver the best **quality** and optimal **customer experience**, with all it entails. This also means to take into account the larger context in which a service is produced, marketed, and consumed.”
“Service conceptualisation in such a form that the **customer** gets a correct and adequate picture of the product.”

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“Service that takes the **customer's needs** into account.”
“Service design is an important part of e.g., target group-based **customer service**.”
“Useful when looking at **customer experience**, processes, and other work development. In many cases, these are small things that you only come to think about when you consider the entire **customer experience** arc.”
“Necessary today.”
“**Customer-oriented** design of products and services.”
“Absolutely necessary for the development of products and services, creation of added value and increase of productivity.”
“Service is being developed in a new and **customer-oriented** way.”
“Assistance in the development of services.”
“Influencing **customer decision-making** by making it easier to understand a feature related to a product.”

POLAND

“Designing an individual strategy for an individual **user-customer** profile.”
“It is a process in which we think about the **consumer** and his needs in the long term, we start with his needs. We take into account the user experience of the services.”
“Satisfying the **user's needs.**”
“I don't know. (x5)”
“Services, just like products, can be designed to solve problems in the best way.”
“Creation of **user-oriented** services.”
“Adjusting services to the needs of **customers.**”
“Detailed design of the offer in response to **customer preferences** and needs.”

UK

“I use design approaches in non-commercial research, to create alternative research methods and as a way to communicate outputs.”
“The way I would define it in the terms of my practice is to seek co-creative ways of designing services. However they aren't "commercial" services, but methods, tools and approaches to be used by others."
“Based on your introduction it is about improving and developing your business.”
“Process of designing a service in most efficient ways”
“Innovation and growth.”
“Not sure.”
“Designing one's service in a more ergonomic way.”
“It's a way to **improve** the relationship/service provider and **client.**”
“Marketing and networking!”
“Combining design with current technology.”
“Websites, promotional media, overall impact design.”
“Don't know. Provide a service for designers???”
“Creating links.”

BULGARIA

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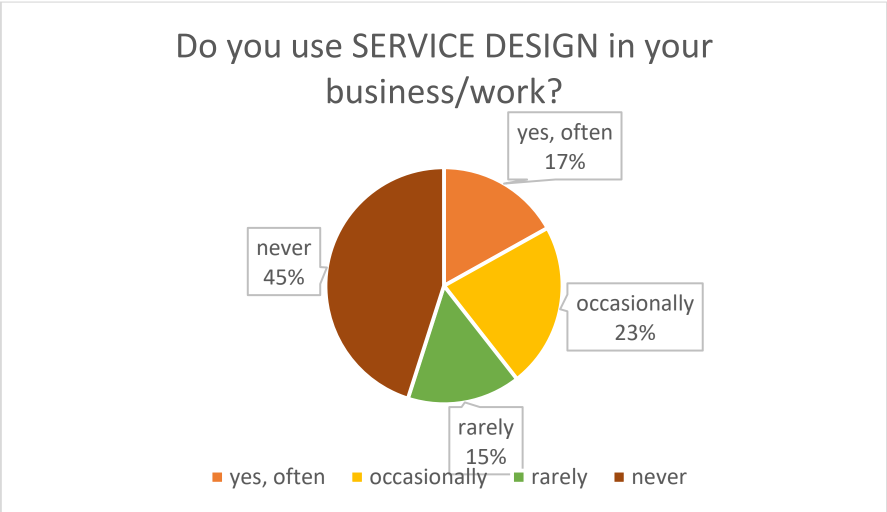
"Designing or **improving the quality** of services from a human point of view."
"Method for **improving the quality** of services."
"Different practices, methods and techniques for building the service."
"Forming the idea / concept, content and appearance of the services."
"Design and **improvement** of the **quality** of services."
"Creating a vision of the service that will attract the **client**, corresponding to his searches."
"The way the service is presented."
"Systematisation of the process of service delivery and its promotion."
"Service design is a method of designing or **improving the quality of services** from a human perspective."
"A method for designing or improving the **quality of services** from a human point of view, using empathy."
"**User experience** design – UX"
"The way a product / service is presented to the **customer**."

As evident from the delivered answers the key words emerging from the responses in all countries are "customers/clients/users" (and related collocations such as customers' needs, customers experience, user experience, customer-oriented, etc.), "service", "quality" and "improvement". A number of respondents were hesitant about the concept, replying with "not sure" and "I do not know/no idea" (8 answers in total). Taking into consideration that this open question was not obligatory we could assume that the persons who did not provide any response were also hesitant about the concept of service design.

Q5 Do you use SERVICE DESIGN in your business/work?



Almost half (45%) of the respondents report never having used service design in their business or work. On the other hand, the rest of the respondents share having used service design rarely (15%) or occasionally (23%). Only 17% of the participants in the survey report using service design often.

Q6 If you have used SERVICE DESIGN, please specify how

FINLAND

"I made products considering seasonal trends plus I priced them to be customer-friendly."
"It is written-in as part of all activities."
"Certain services have been developed with the help of service design."
"Troll merchandise was sold accompanied by a local traditional culture story (The rocky creation of Merenkurku/Kvarken by the Finn-giant)."
"Virtually every customer situation requires a different approach, so to open up the service options, we have designed alternative ways of doing things. We regularly update our operating models based on customer experience feedback we receive."

POLAND

"I observe people who are doing great in my industry and implement their strategy based on my individual needs."
"Designing items from recycled materials and conducting educational activities."
"By observing solutions in other institutions and observing our recipients."
"I did not use it."

UK

"Looking for new products that can appeal different audiences eg. Workshops for the public etc."
"Developing new services and responding to my clients' needs"
"Analysing my clients and their needs."
"Facebook promotion, flyers."

BULGARIA

"I ask my clients what they like and what they don't and next time I modify the service according to the feedback."
"Creating a platform for customising orders."
"It was probably unconscious."
"I work with a professional designer."
"In marketing, every service is largely user-friendly."
"Figma, Adobe XD, Photoshop"
"With proper visual support for the text."

Few people responded to this question. Again, the key words emerging from the answers are related to clients and responding to their needs.

Q7 Are you familiar with SERVICE INNOVATION?

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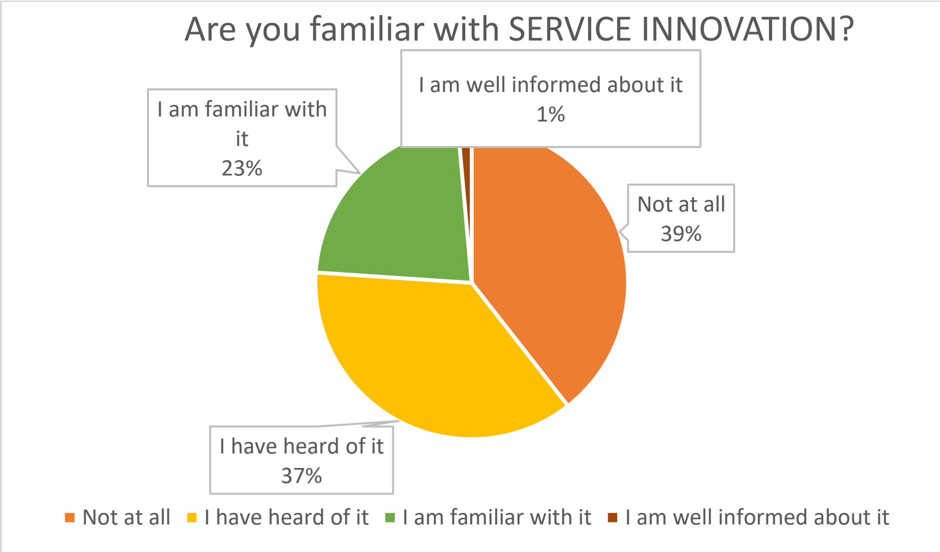
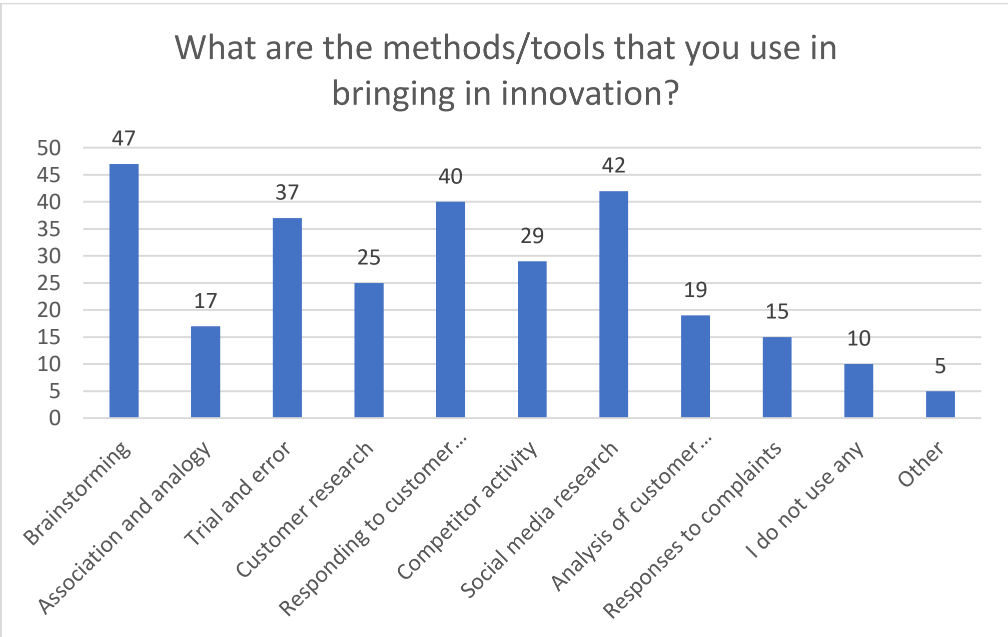


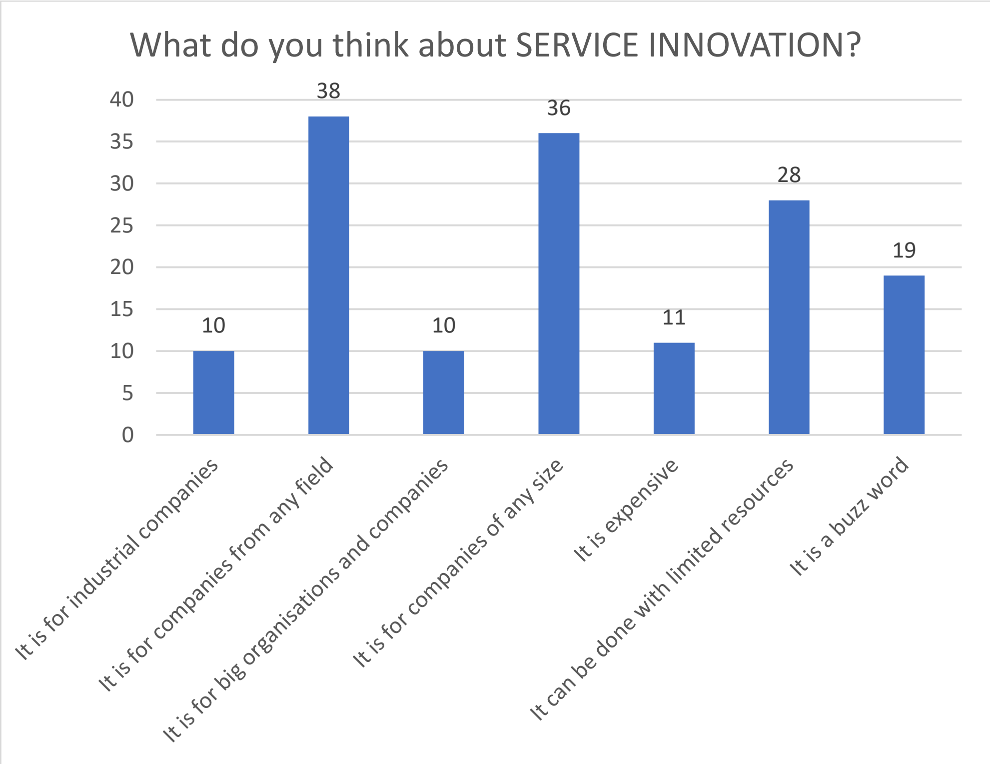
With regard to the information about service innovation, only 1% of the respondents declare to be well informed. Thirty nine percent state they have never heard it before, whereas 37% have heard of it, but are not very familiar. Twenty three percent of the participants in the survey are familiar with service design. If we compare these responses with the ones for the question "Are you familiar with SERVICE DESIGN", we will see that the results are quite similar. On the basis of these answers, we could assume that the level of understanding of the two concepts is very similar with "service design" being slightly more familiar to the audience.

Q8 What are the methods/tools that you use in bringing in innovation? (Tick as many as may apply)



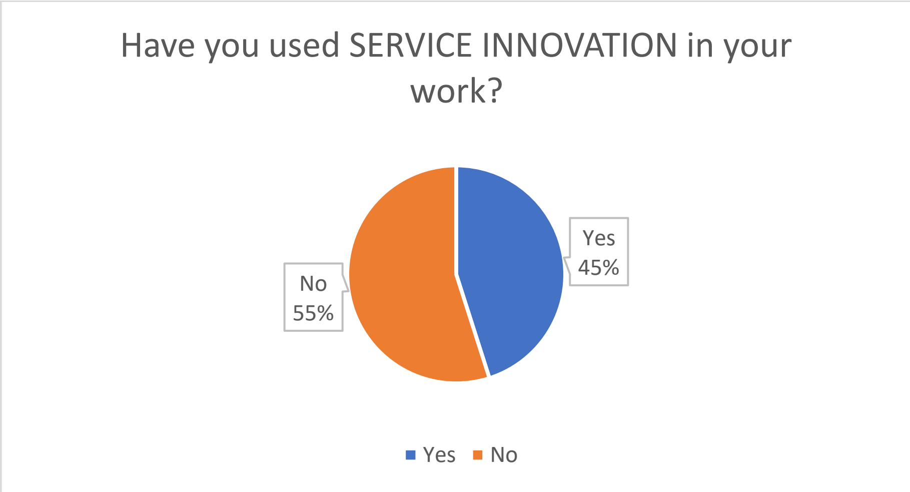
Some of the most common methods for bringing in innovation include brainstorming, trial and error, responding to customer feedback and social media research. The less famous are association and analogy, customer research, competitor activity and analysis of customer pathways. Responses to complaints or not using any tools are among the least used methods for introduction of innovation. Five respondents added other methods/tools they use for innovation: read recent books in English with updated info about the matter, the field, my work and new perspectives; collegial peer support; through discussions and encounters with people; experimenting visually; devising with actors and other creative practitioners.

Q9 What do you think about SERVICE INNOVATION?



Most of the respondents believe that service innovation is suitable for companies from any field and any size. A great number of respondents believe that service innovation can be done with limited resources. The belief that service innovation is for industrial companies and for big organisations is less common. Few respondents believe that it is expensive. Based on these responses we could assume that people working in the cultural and creative sectors see the potential of service innovation and its applicability across sectors and companies without requiring excessive spending.

Q10 Have you used SERVICE INNOVATION in your work?

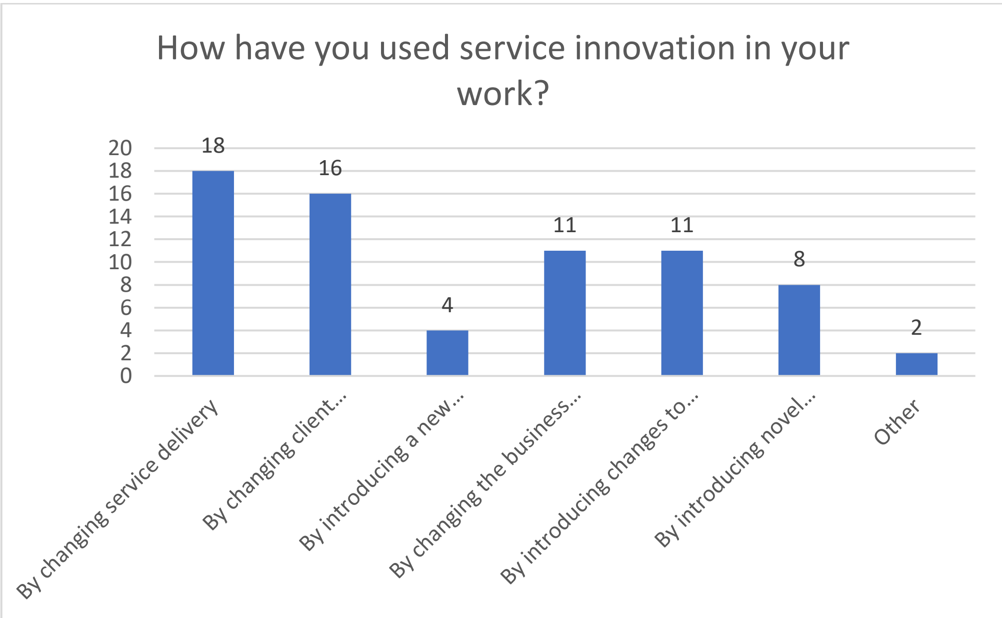


A greater part of the respondents (55%) have not used service innovation in their work.

Section III. Questions related to the use of Service Innovation

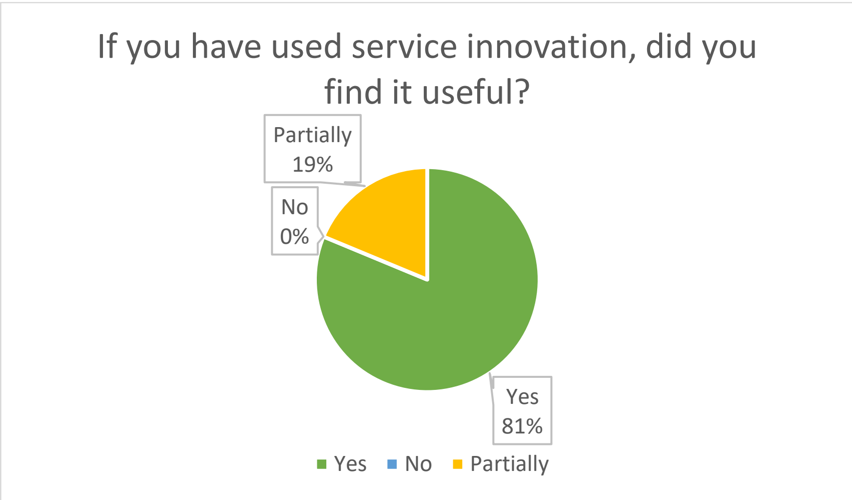
The set of questions included under this section were only asked to respondents who answered affirmatively to Question 10 of the survey. It aimed to explore the ways service innovation was used by the target group as well as the perception of respondents regarding the usefulness of the method.

Q11 How have you used SERVICE INNOVATION in your work? (Tick as many as may apply)



Service innovation was mostly used by changing service delivery (18 responses) and by changing client interaction (16 responses). Less common answers are by introducing a new distribution system and by introducing novel applications of technology. Two persons pointed out other ways of using service innovation such as by creating a new field of activity and by changing client interaction. The second one, however, is the same as one of the provided options for answering this question.

Q12 If you have used SERVICE INNOVATION did you find it useful?



Most of the participants in the survey (81%) found service innovation useful whereas only 19% found it partially useful. None of the respondents found service innovation ineffective.

Q13 If you have answered with "no" or "partially" on the previous question, please comment why

FINLAND

"Services should always be viewed from the customer's perspective at regular intervals and to assess whether there is anything to improve."
"I did not use it systematically, so I cannot say the benefits of the method, even though it was in the background of my thinking."
"Should be more patient with regard to results. The customer will not act as desired immediately."

POLAND

No responses.

UK:

No responses.

BULGARIA

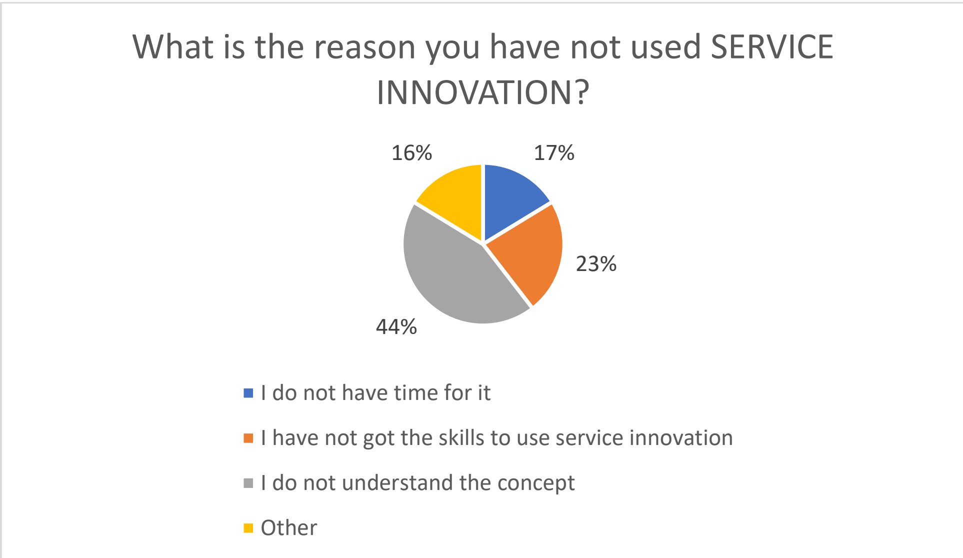
“Improving the services offered to the client.”

As evident from the responses of this non-obligatory open question, persons taking the survey either did not provide an answer or the answers provided did not outline any particular reasons for the partial usefulness of service innovation.

Section IV. Questions related to not using Service Innovation

The set of questions included under this section were only asked to respondents who answered negatively to Question 10 of the survey. It aimed to explore the reasons why the respondents have not yet used service innovation.

Q14 What is the reason you have not used SERVICE INNOVATION? (Tick as many as may apply)



Forty four percent of the participants, who have not used service innovation, report it to be too difficult to understand. Seventeen percent did not use it because they did not have the time to, whereas 23% believe they lack the skills to use it. Sixteen percent pointed out other reasons such as “I am such a small operator”; “There has been no need. Existing projects already keep us busy enough”; “I'm not sure if that's a thing in my field or work?”; “It's new terminology to me but happy to learn about it”; “I had no need”.

Section V. Questions related to skills

This section included two non-obligatory open questions that aimed to gain a better understanding of the perceptions of the target group when it comes to the skills necessary to apply service innovation and service design.

Q15 What skills do you think are necessary to use SERVICE INNOVATION?

FINLAND

“Preparation and experience in the field, willing to think outside the box, **creativity**, new ideas to implement.”
“**Research** and update.”
“Strategic planning.”
“**Creativity**, **problem-solving** and continuous improvement skills.”
“Mind-mapping, mathematical skills, process design etc.”
“No idea. (x2)”
“**Creative thinking**; problem-solving; risk tolerance.”
“**Creativity**, curiosity about the market and visions for the future.”
“Ideas are needed.”
“**Creativity**, customer-centred orientation, the ability to think differently.”
“**Openness**, empathy, creativity.”
“Combination skills.”
“Imagination, enthusiasm and courage.”
“**Creativity.**”
“An overall understanding of the sector, customers and needs.”
“**Creativity**, seeing opportunities outside the box, networks.”
“Customer experience, at a minimum, experiences of working with people. The **ability to think critically** but at the same time be **open to change**.”

POLAND

“Willingness to learn, **openness**, observation, attention to the needs of the client / market.”
“**Openness to changes**, readiness to leave the comfort zone.”
“**Creativity, openness to changes.**”
“**Openness.**”
“I don't know. (x5)”
“**Creativity**, management.”
“The ability to listen, observe and **be open.**”
“Various.”
“**Creativity.**”
“Inquisitiveness, **creative thinking.**”
“New media.”
“Knowledge.”

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UK

"Computing."
"Brainstorming."
"Participatory approach, ethics compliance, actually implementing the outcomes."
"Digital platforms - to sell products and **creative workshops.**"
"**Creativity**, perseverance, **research skills.**"
"Design, heavy research with right conclusions."
"Business knowledge, thinking outside the box, planning, resourcefulness."
"Computer skills."
"Identification & **Data Analysis.**"
"Think outside the box, search if you don't know the answer, ask for help when you need it."
"I'm not sure."
"**Creativity**, flexibility, customer service skills and current industry knowledge."
"Research, **creativity**."
"Making enough money or potential to make enough."
"Having a business model."

BULGARIA

"**Creativity.**"
"**Creative thinking**, determination, import factories, flexibility."
"It is necessary to know well the services and needs of the clients to whom they are directed or in other words **analytical thinking**, problem-solving skills and **creativity**, risk-taking."
"Innovation, entrepreneurship, organisation."
"Innovative thinking, environmental **analysis**, organisational skills and more **creative thinking.**"
"I have no idea what the term "service innovation" means."
"Communication / social; technological; self-reflective."
"Knowledge of marketing, empathy and **analytical thinking.**"
"Entrepreneurial thinking, good communication, competitive spirit, original thinking, finding niches in the services offered."
"I do not know."
"Be a person who is up to date with technology and technology."
"Innovative."
"Flexibility."
"**Creativity**, **strategic thinking.**"
"Entrepreneurship."
"Music and computer literacy."
"**Analytical mind** and lack of fear of innovation."
"**Analytical thinking**, knowledge of the sector whose services and / or products are included and absolutely obligatory, the target group to which they are directed."
"A model of thinking different from the conventional one."

The word that stands out most among the answers is "creativity/creative thinking" appearing 20 times. "Analytical thinking", "strategic thinking" and "openness" are the other three skills mostly mentioned by respondents. A number of people replied with "No idea/I do not know/I am not sure" (10 in total). Some people referred to skills related to technology or computers as necessary for service innovation.

Q16 What skills do you think are necessary to use SERVICE DESIGN?

FINLAND

"Preparation and experience in the field, innovation, an available team only for work in the matter."
"Listen and be patient."
"**Customer understanding, customer analysis.**"
"Strategic planning skills."
"**Customer mapping**, blueprint, visualisation."
"No idea. (x2)"
"**Customer behaviour**; analytics; **creativity**; open-mindedness."
"Knowledge of your own product and know-how for possibilities in its development arc."
"New skills to replace and utilise alongside old ones."
"One must also be prepared to face one's own shortcomings."
"Empathy, seeing opportunities, systematicity.**"**
"Content and **technical know-how.**"
""Sensitive ear" to the environment."
"Openness and willingness to experiment, courage."
"A grasp of what service design is."
"Organisational ability, financial and marketing skills, **IT skills**, social skills."
"The ability to tolerate constant change around the core activity. One must be able to maintain the logic and predictability of one's actions even if everything changes beyond the core message."

POLAND

"**Creativity**, **empathy**, knowledge of strategic thinking."
"Knowledge of application of such a solution."
"I don't know. (x5)"
"Universal skills."
"Various."
"Good knowledge of the **client's needs.**"
"Unconventional approach to life, stubbornness, lack of concern for critics."
"**Computer skills.**"
"Knowledge."

UK

"Being good at **technology and computers.**"

"Brainstorming."
"I would say the same as above? Participatory approach, ethics compliance, actually implementing the outcomes."
"Planning, knowledge of the market."
"Attention to detail, brainstorming service pathways."
"**Computer.**"
"**IT**, Enthusiasm, Adaptability."
"Listen to the **client** and their needs."
"I'm not sure."
"As above and design skills."
"**Creativity.**"
"Making enough money or potential to make enough."
"Planning."

BULGARIA

"Analytical, attention to detail, **creativity.**"
"Analytical thinking, problem-solving skills and **creativity.**"
"Innovation, awareness, communication."
"**Creativity** and analysis of **consumer needs** in order to create and deliver a more affordable service tidiness and good organisation."
"I have no idea what the term 'service design' means."
"**Empathy**; visual; games."
"Competence."
"**Creativity.**"
"**Creativity**, original thinking, **empathy**, curiosity. Skills to upgrade and deepen the **relationship with the client**."
"General knowledge."
"I do not know."
"**Creativity** and **technical competencies**."
"To be able to plan."
"Sense of aesthetics, knowledge of trends in society."
"Flexibility, foresight."
"I have no answer."
"I have no idea."
"No skills should be required, this is their goal."
"**Technical skills**, knowledge of **consumer behaviour**."

The key words emerging from these responses are "creativity" (mentioned 9 times), "customer/client/consumer" and related collocations (mentioned 8 times), "empathy" (mentioned 4 times) and technology/IT-related skills (mentioned 8 times). A number of persons (12 in total) respond that they do not know/have no idea/are not sure. Some of the respondents provided similar/identical answers to the above question or mention in their responses that the skill set needed is similar to the one necessary for service innovation.

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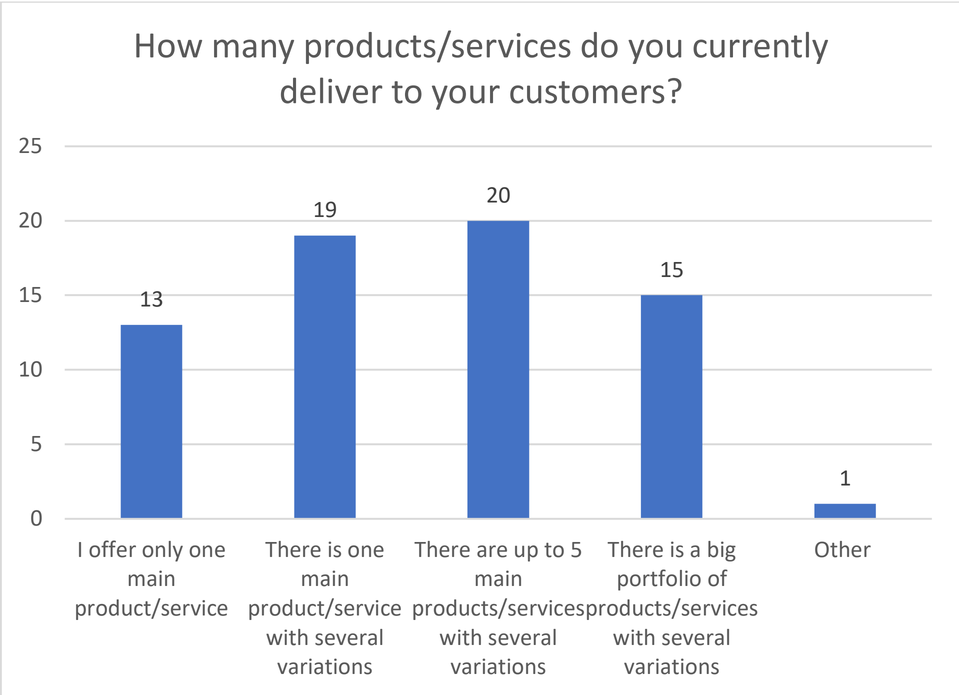
Section VI. Questions related to products/services and innovations (part 1)

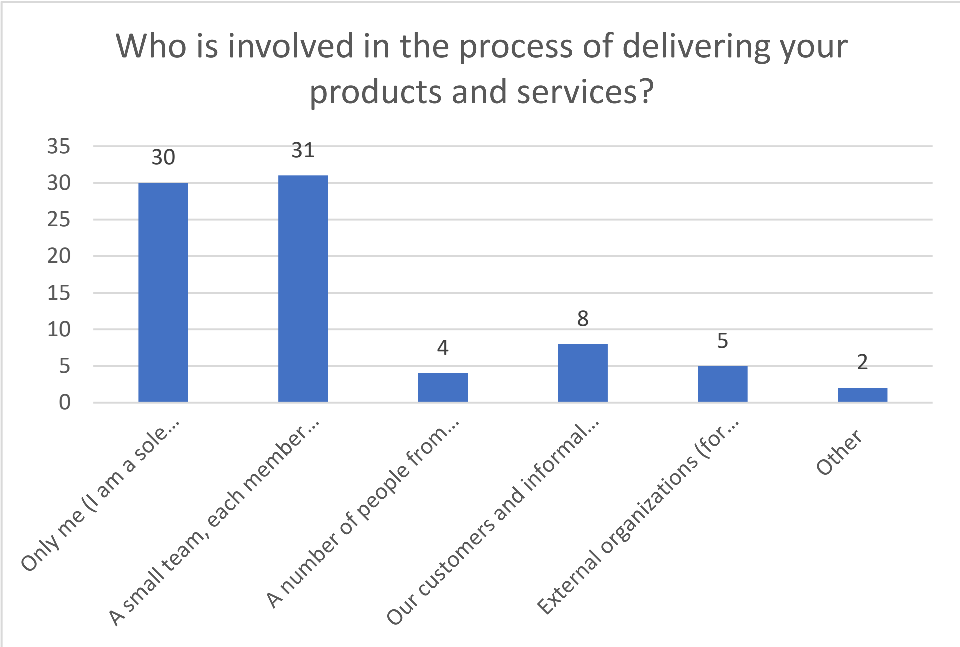
The set of questions included under this section aimed to retrieve more detailed information regarding the methods of product/service delivery and the involved parties in the process.

Q17 How many products/services do you currently deliver to your customers?



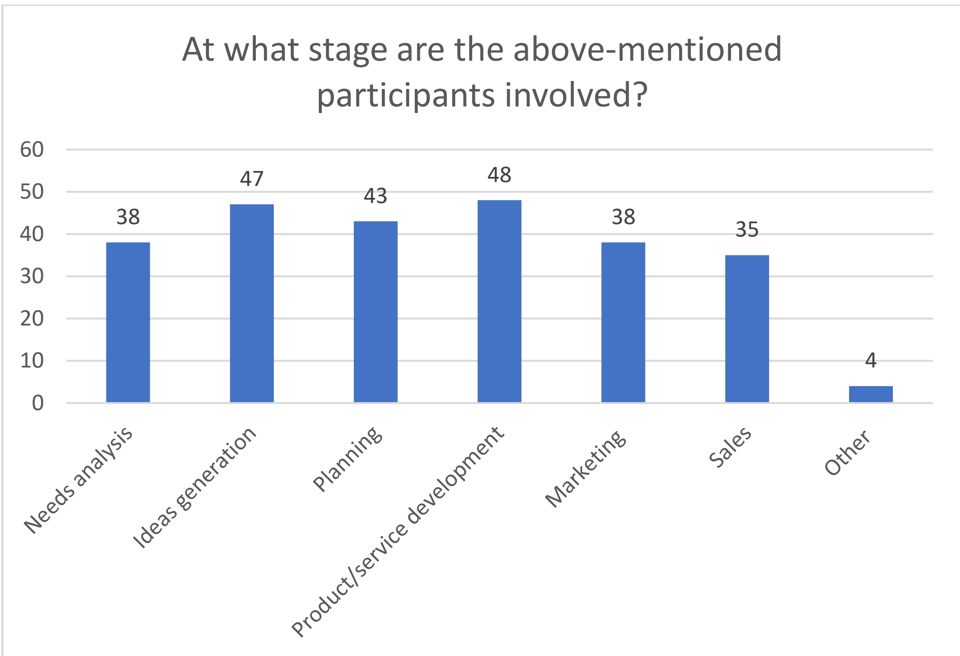
Most of the respondents currently deliver up to 5 main products with several variants or only one product with several variations. Fewer respondents have a big portfolio of products with variation. The least percentage of respondents offer only one main product. One person answered that they offer practice-based research, design approaches for academic research, and academic research.

Q18 Who is involved in the process of delivering your products and services? (Tick as many as may apply)



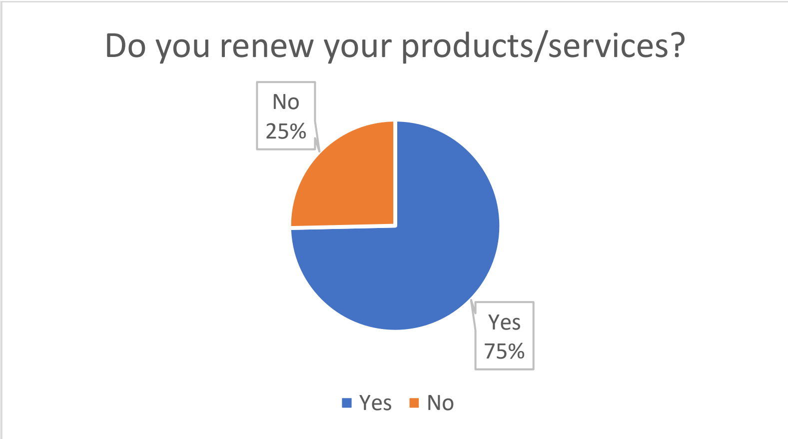
Most of the respondents involve only one person or a small team in the delivery of products and services. Other respondents tend to include customers, external organisations or other people. Two persons opted to respond with "other": one of them says that it varies and the other one says that the involved people are "My colleagues (academics) and myself as a designer researcher".

Q19 At what stage are the above-mentioned participants involved? (Tick as many as may apply)



For most of the respondents, the aforementioned participants are involved in product development, ideas generation and planning. Marketing and analysis are equally common for their involvement. Sales constitutes the least famous stage of involvement. Four persons responded with “other”: implementation of the process of product development; in the services themselves; no other participants; sewing/production.

Q20 Do you renew your products/services?

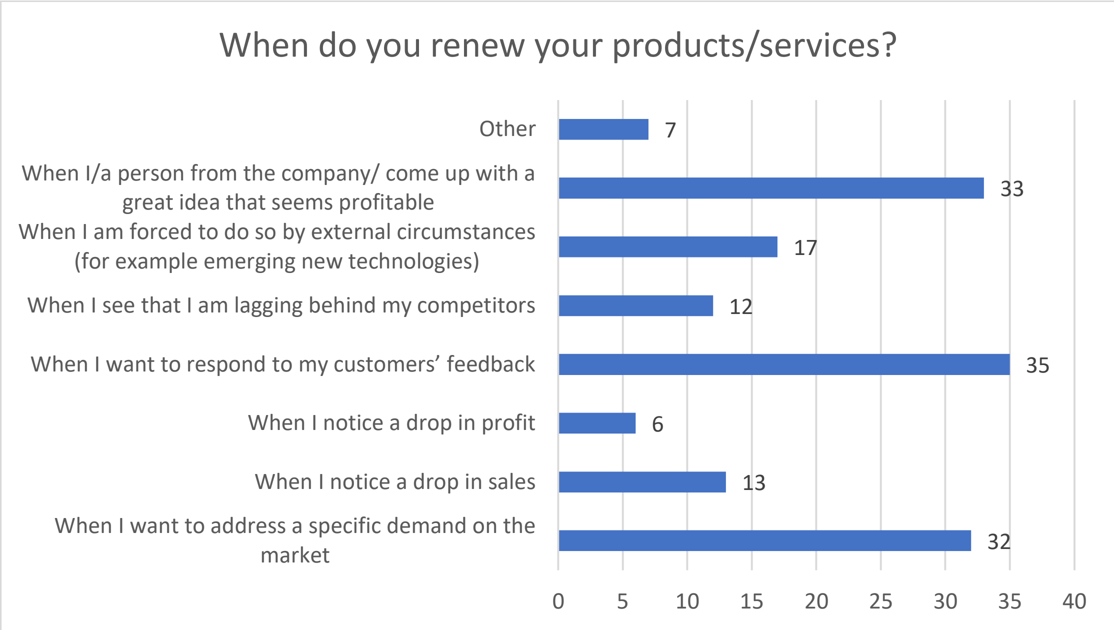


Greater part of the respondents (75%) renew their products compared to 25% who do not.

Section VII Questions on products/services renewal

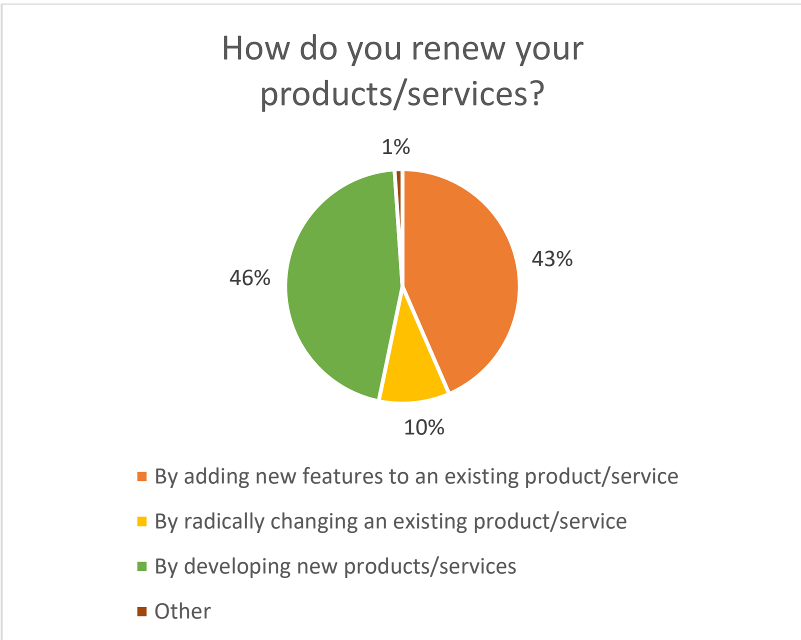
This set of questions was only applicable to the respondents who answered affirmatively to the previous question. The questions that follow aimed to gain a better understanding of the process of products/services renewal, the persons involved and the motivation behind it.

Q21 When do you renew your products/services? (Tick as many as may apply)



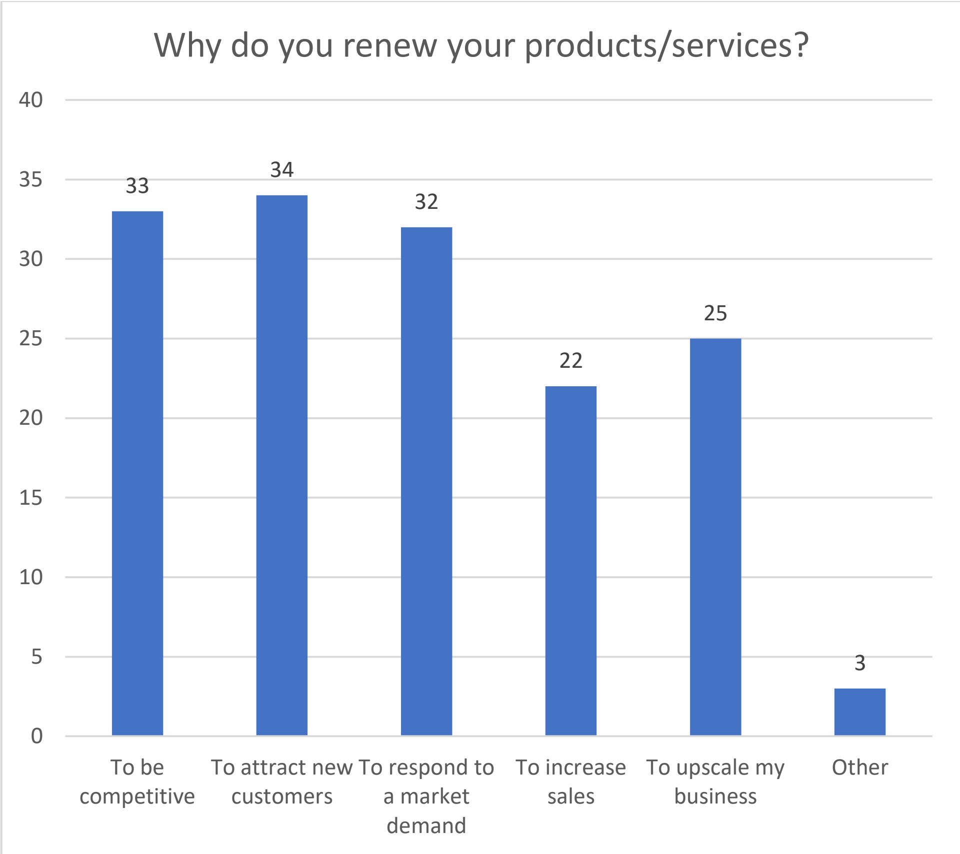
Some of the most common incentives for respondents to renew their products include responding to customer's feedback and when someone comes up with a good profitable idea. Addressing specific demand of the market and pressure from external circumstances are other common incentives. Drop in sales and profit or lagging behind competitors are the least common reasons for product renewal. Based on these answers it could be assumed that the main trigger for renewals of products/services is the desire to address customers' needs.

Q22 How do you renew your products/services? (Tick as many as may apply)



The majority of the respondents renew their services by developing new products (46%) or by adding new features to existing ones (43%). Only 10% of the participants radically change an existing product. One person answered that they do so by focusing on getting more experience in that area.

Q23 Why do you renew your products/services? (Tick as many as may apply)



Most of the respondents renew their product in order to be more attractive to customers (34 responses), to be competitive (33), and to respond to the market demand (32). Fewer participants imply product renewal to upscale business or to increase sales. Three respondents point out other reasons as their motivation to renew services and products such as bringing out new ideas, keep building on my practice and research, and exploring self-led routes.

Q24 With whom do you renew your products/services? (Tick as many as may apply)

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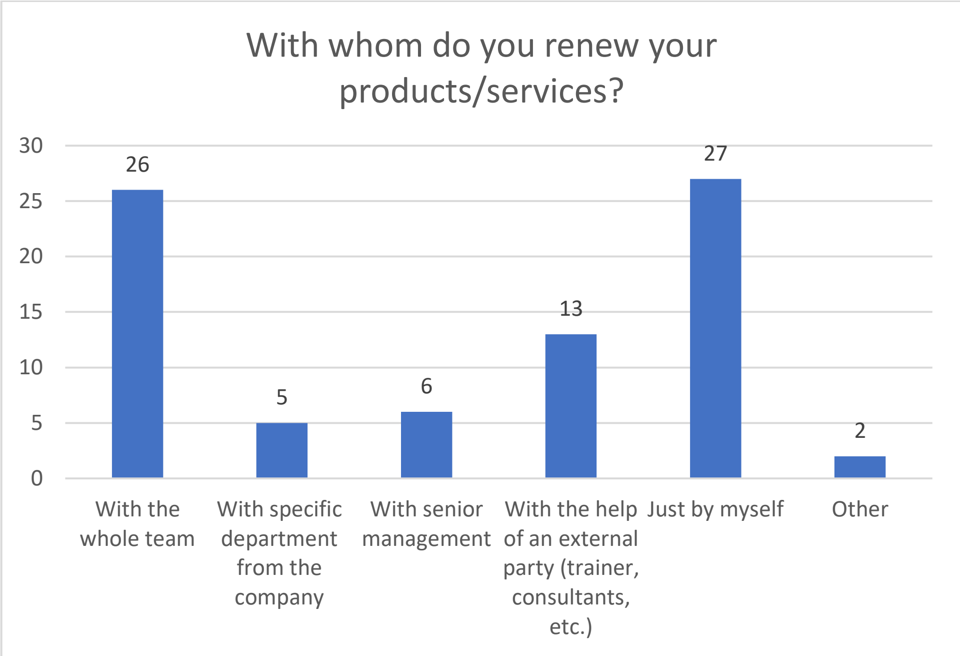

Most of the respondents renew their product either on their own (27) or with the whole team (26). Less use the help of an external party (13). Few respondents renew their products/services with senior management (6) or with a specific department of the company (5). Two persons do so with customers (e.g. theatre or event organiser) and with PhD supervisors, academic colleagues, of their PhD cohort.

Section VIII. Questions related to products/services and innovations (part 2)

The questions under this section aimed to elicit information concerning how well the persons working in the cultural and creative sectors know their customers and if these sectors have innovated in their businesses recently.

Q25 Have you updated your services and products due to COVID-19?

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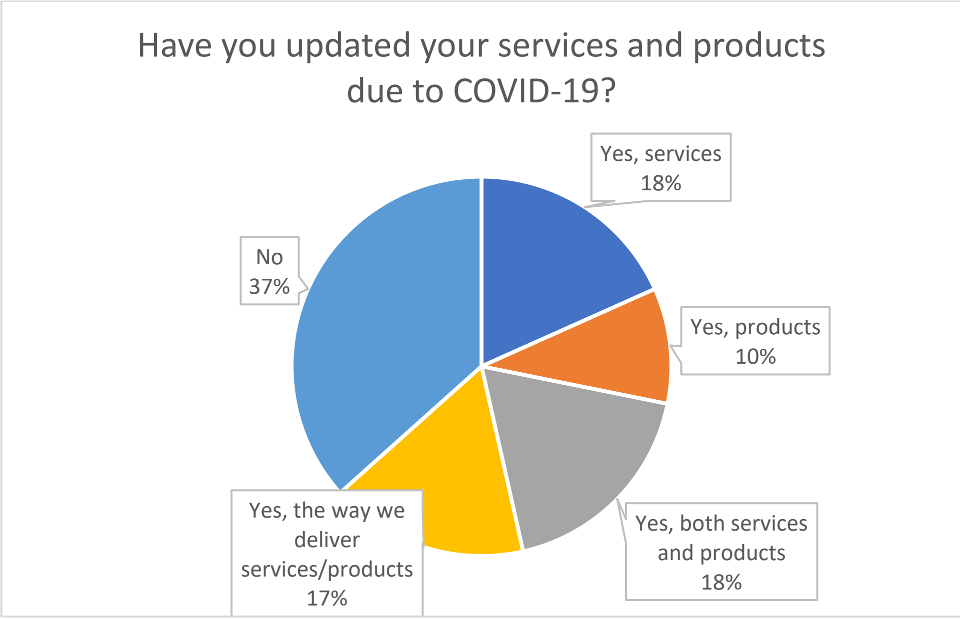
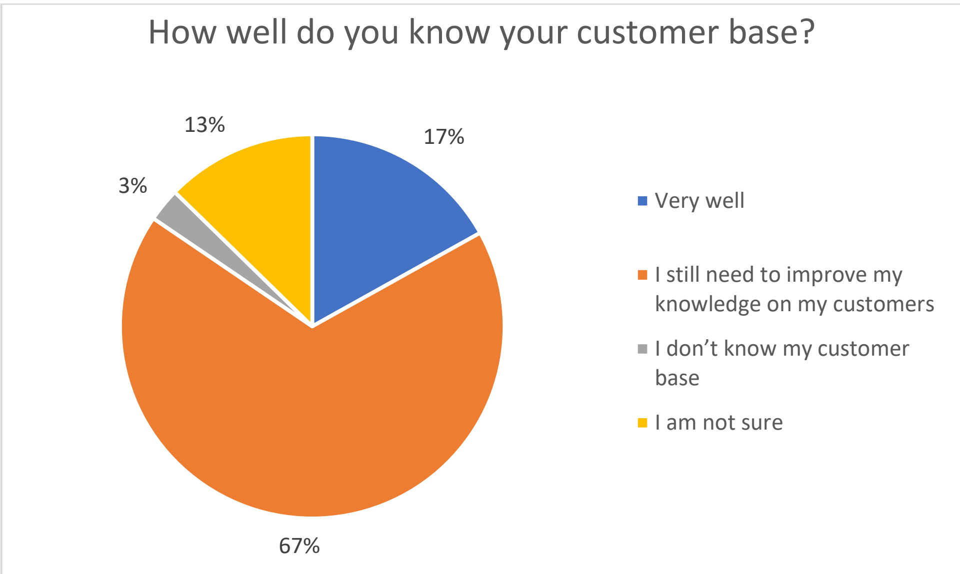


The majority of the respondents have updated their services and products due to COVID-19. From the participants who updated their services due to COVID-19, 17% have changed the way they deliver products and 18% have updated both services and products. Ten percent have updated only products, whereas 18% only services.

Q26 How well do you know your customers?



A significant majority (68%) of the respondents declare they still need to improve their knowledge of their customers, whereas only 17% believe that they know their customers very well. Thirteen percent are unsure and 3% admit to not knowing their customer base.

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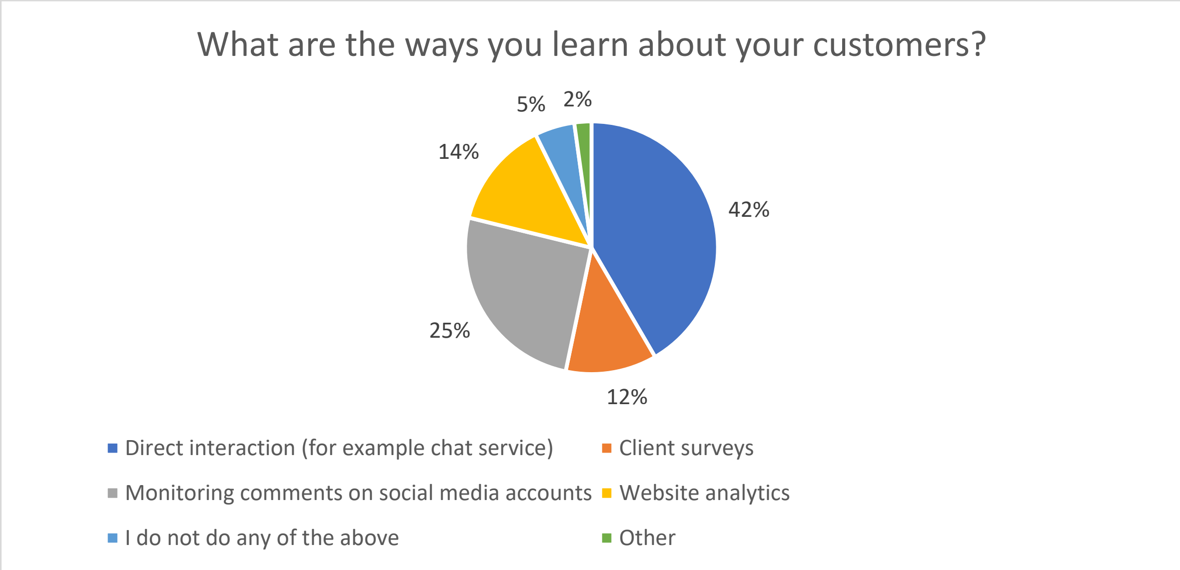
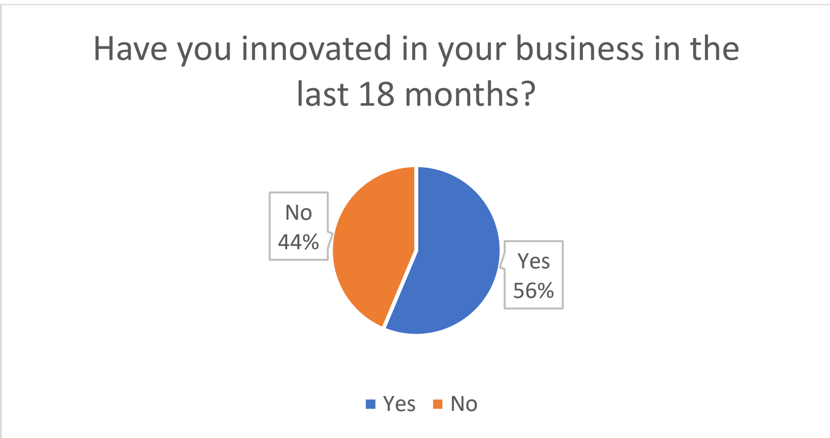
Q27 What are the ways you learn about your customers? (Tick as many as may apply)



Most of the respondents share that among the best ways to learn about their customers include direct interaction (42%) and monitoring comments on social media accounts (26%). Less popular are client surveys (12%) and website analytics (14%). Five percent say that they do not do any of the suggested options, while 2% point out other ways for learning about their customers such as “e-commerce customer feedback”, “I work with children and they help me improve my products that are intended for children”, and word of mouth.

Q28 Have you innovated in your business in the last 18 months?

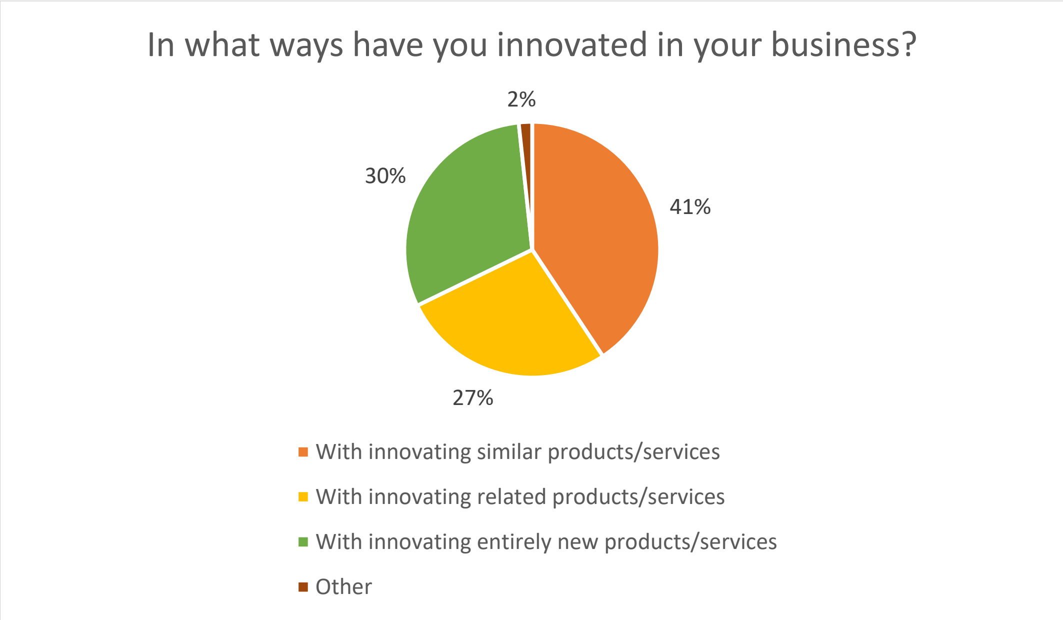


More than half of the respondents (56%) have innovated in their business in the last 18 months, while 44% say they have not done so.

Section IX Questions related to business innovation

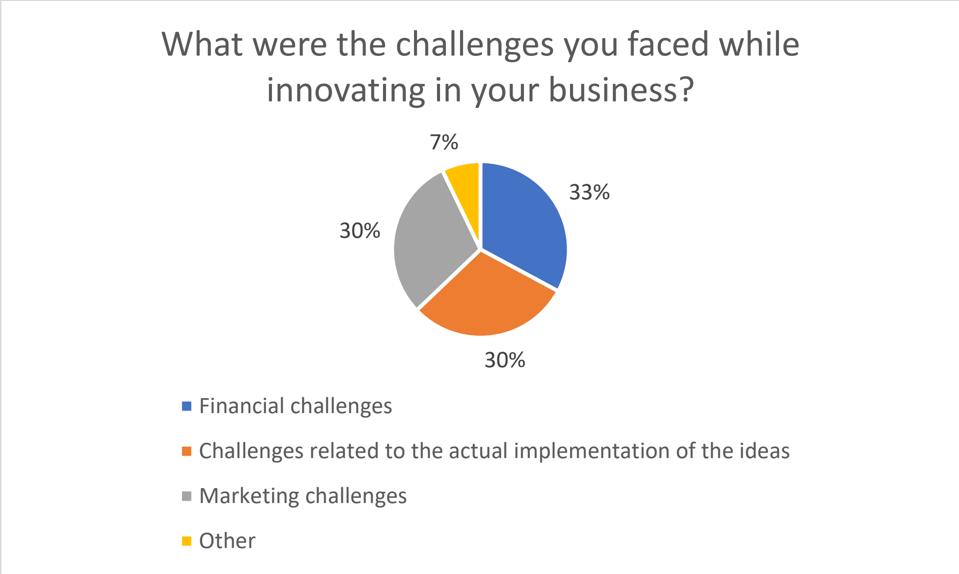
The set of questions included in this section were applicable only to this part of the respondents who answered “yes” on the previous question. They aimed to identify ways for innovating as well as the main challenges faced in the process of innovation.

Q28.1 In what ways have you innovated in your business? (Tick as many as may apply)



The majority of the respondents have innovated in their businesses by updating similar products/services (41%) or entirely new products/services (31%). Twenty seven percent have innovated in related products, while2% (1 person) said they innovated by introducing design methods in research projects that otherwise use 'formal' approaches.

Q28.2 What were the challenges you faced while innovating in your business? (Tick as many as may apply)



When innovating their businesses, the respondents were almost equally faced with financial (33%) and marketing (30%) challenges and difficulties related to the actual implementation of the ideas (30%). Seven percent also pointed out some other challenges such as (1) changing societal situations, ambiguity of situations, (2) finding jobs in the area, (3) time and resources constraints - doing things alone is expensive and provides limited expertise, or takes up more time in exchange, funding and cash flow, and (4) academic institutions and funding bodies not traditionally funding projects that have a designerly approach in fields outside of design, arts and humanities.

Section X Question related to lack of business innovation

This section was applicable only to those respondents who answered with "no" to Question 28. It contained only one question that aimed to identify the reasons for not innovating in the business.

Q28.3 What is the reason you have not innovated in your business? (Tick as many as may apply)

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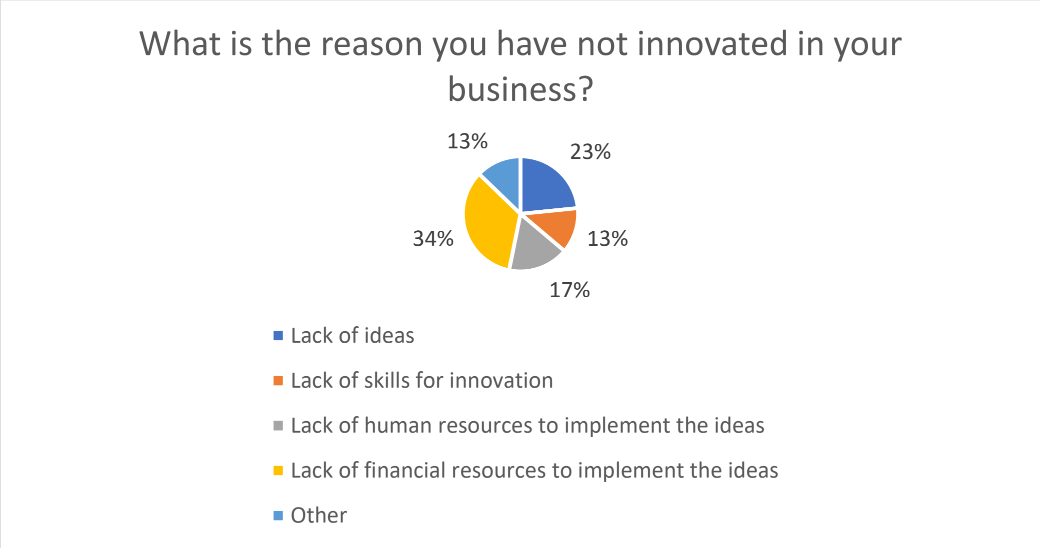
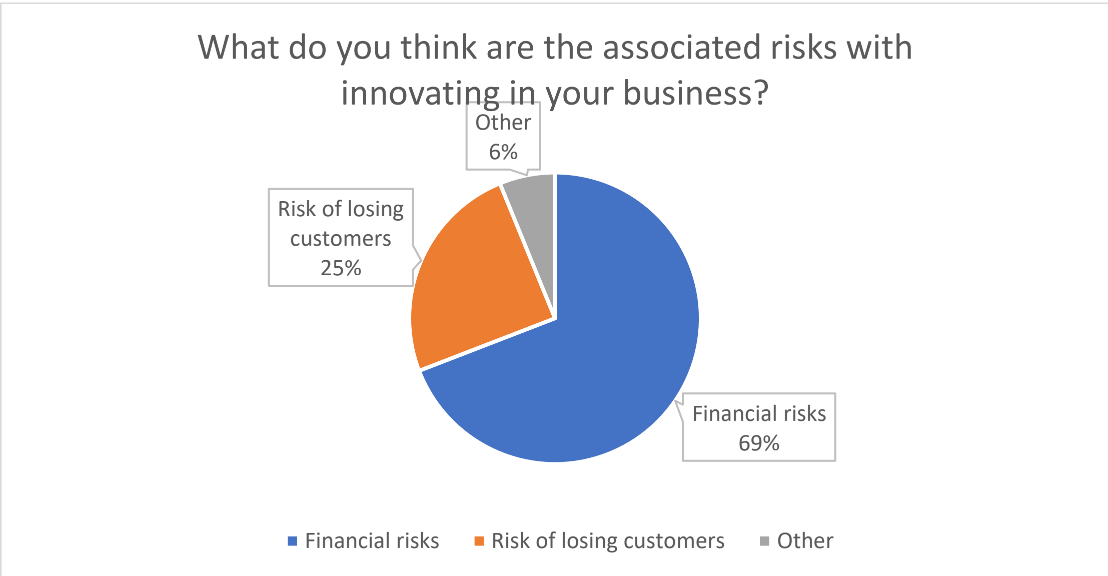


Most of the respondents have not innovated their business due to lack of financial resources (34%), lack of ideas (23%) or lack of human resources (17%). Thirteen percent of the participants report lack of skills for innovation and another 13% share other reasons for not innovating such as I innovating for better performance, innovating to meet customer needs, having no need for innovation, not being in role now, lack of requirement, and not being employed at the moment.

Section XI Questions related to products/services and innovations (part 3)

Q29 What do you think are the associated risks with innovating in your business? (Tick as many as may apply)



The majority of the participants believe that the biggest risk associated with business innovation is financial (69%), while 25% believe that there is a risk of losing customers. Six percent point out other risks:

- No risks. My business is so small.
- I don't think there are risks related to innovations.
- I think it's a good thing although it's a leap of faith and feels out of my comfort zone sometimes.
- Branding and reputation.
- I don't know.

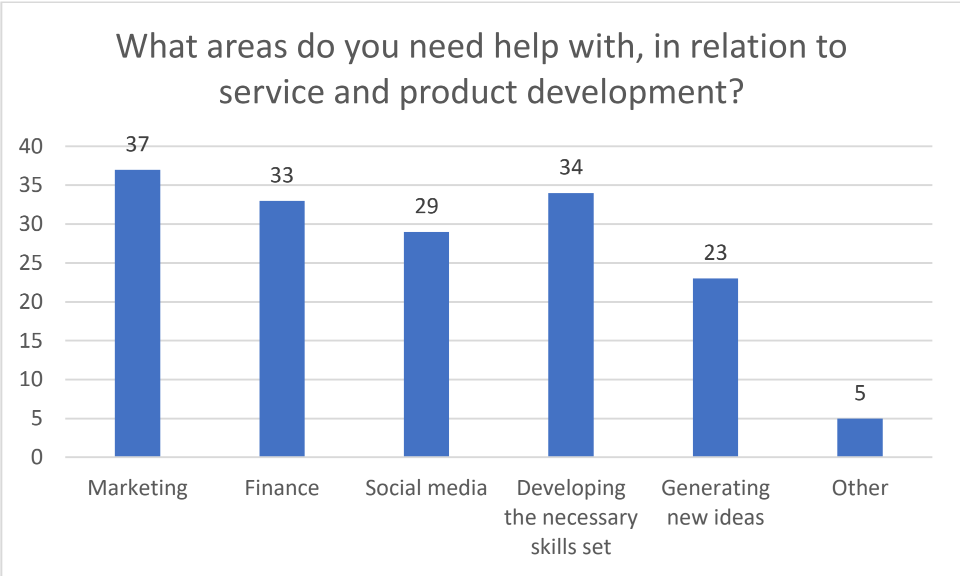
Q30 What are the current challenges your business has been facing? (Tick as many as may apply)

Currently, respondents report facing challenges connected to running the business in the context of the COVID-19 pandemic restrictions (27%) and equally financial challenges (28%). Twenty five percent of the participants believe that there are challenges related to expanding new customer bases and 17% state facing financial challenges. Three percent admit to other challenges:

- Finding time for business after other day jobs.
- Nothing.
- Keeping up with everything.
- Not having enough support or expertise with marketing, social media and websites.
- I don't know.

Q31 What areas do you need help with, in relation to service and product development? (Tick as many as may apply)

![ServiceDigiCulture]



Marketing is reported to be the area that participants need the most help with (37 responses) along with finance (33 responses) and development of the required skills set (34 responses). Social media (29 responses) and generation of ideas (23 responses) are the other two most common areas. Five people added to these areas with the following:

- Taking care of the staff and keeping the staff.
- Digital competences.
- Finding more jobs/events in the film industry.
- Developing interdisciplinary research project bids.

Q32 Are you aware of any skills/knowledge/practices that people from your sector or your competitors are using and you would like to adopt but you do not know how to do it?

FINLAND

"No, because I just moved to Finland and I'm learning how the field and the market is here."
"No. (x4)"
"Yes. (x2)"
"I am not sure."
"Not aware."
"Use of **social media."**
"**Homepages and e-commerce** - lacking and I am not able. I would like to know and do it myself if I could get a little traction. e.g., a course."
"I am aware."
"I am not able to answer the question."
"Inconsistent use of **social media.**"
"Measuring the well-being impact of culture."
"Live product demonstrations on **social media.**"

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“**Video recording and other technical skills.**”
“Somewhat.”

POLAND

“Training courses - lack of financial resources.”
“We are currently conducting an analysis.”
“**Screen adaptation of the novel.**”
“No. (x6)”
“Hard to say.”
“I don't know. (x3)”
“Yes.”

UK

“Trying to learn and being aware.”
“Yes.”
“There must be but I can't think of anything.”
“Use of **Pinterest** and also **online course hosting and production.**”
“How to develop **workshops online.**”
“Better **social media strategy.**”
“How to sell to clients in other countries.”
“No. (6)”
“Yes, emailing **interested participants with updates through a system that automatically puts in their name.**”
“Yes a bit but I find it hard to keep up!”

BULGARIA

“Yes. (2)”
“No. (3)”
“I know how, but I don't have enough money.”
“I don't know how to answer.”
“Yes, I know and I would like to use it, but I don't know how.”
“The question is not clear.”
“Bright **online presence and identity.**”
“I am aware.”
“I do not know.”
“Partly they concern the organisation of work related to working in larger teams.”
“Yes, digitising **cultural heritage** and presenting it to new audiences.”

Social media seems to be one of the identified skills that those working in the cultural and creative sectors would like to adopt. Other skills are related to the use of technology: e-commerce & homepages; development & conduction of online workshops; digitalisation. A number of people could not answer this question (10 in total).

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Q33 If you were to use service design or service innovation, what skills and knowledge would you like to develop further?

FINLAND

"Knowledge about the context I am in right now."
"No."
"**Finance planning and management**, organisational management, **customer analysis**"
"Creativity, problem-solving and continuous improvement skills."
"**Technology-based skills** and knowledge in designing and prototyping so we know which products work for us and which do not."
"**Raising funds.**"
"Analytics, **multimedia.**"
"No idea."
"**Use of social media.**"
"**Social media utilisation.**"
"**Customer feedback** options."
"I do not know."
"**Technical skills** and selling."
"Design, **social media** and **technical know-how** in the handicraft industry."
"Open-mindedness and agility."
"**Marketing.**"
"I cannot say."
"New operating models for peer learning and knowledge transfer."

POLAND

"**Marketing** - reaching your **customers**."
"**Fundraising.**"
"Knowledge of screen adaptation of a novel."
"**Computer graphics** and **social media.**"
"**In the field of IT.**"
"I don't know. (x9)"
"Designing services."
"Various."

UK

"Improving **sales.**"
"**Marketing.**"
"How to actually implement outcomes of research with **service users**? I think organisations are usually good at running this sort of activity but they rarely actually revisit their own practice based on the research outcomes."
"**Technological skills.**"

"Strategy planning."
"Internationalisation."
"**Computer.**"
"**Marketing.**"
"Networking."
"Help with all the above!"
"Greater competitive awareness."
"**Advertisement.**"
"How to **market myself**, **reach customers.**"
"I'm not sure what it would do therefore whether I need it."

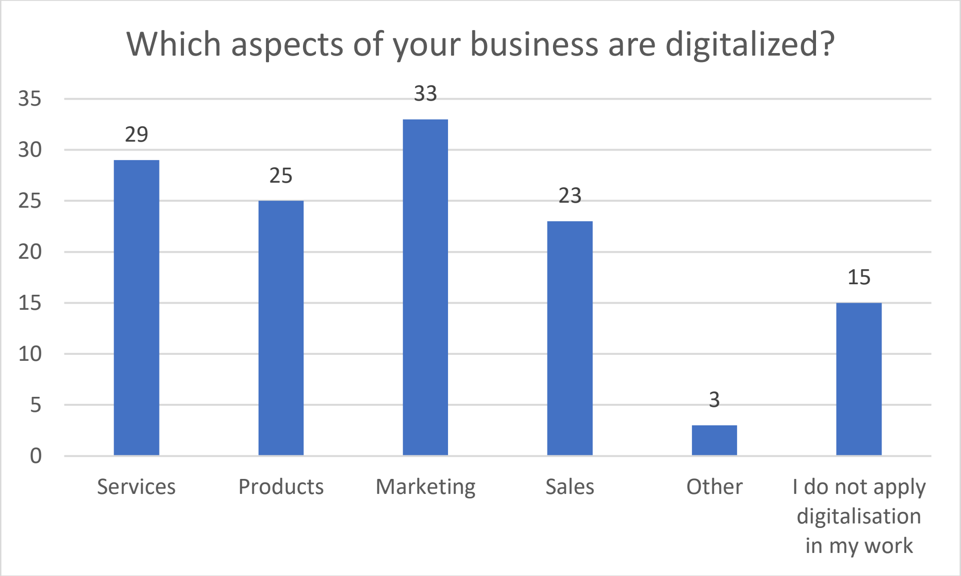
BULGARIA

"**Marketing skills**, skills to **attract partners and sponsors**, skills for administration and project management."
"Rather **I need funding**, I have the skills."
"Creativity, entrepreneurship, social skills."
"Skills for research and **analysis of customer needs** in order to create a better and more accessible service / product."
"More creativity and freedom of action."
"I am not familiar with the concept."
"To study the interests and needs of people."
"**Computer literacy.**"
"Extended knowledge of **social networks.**"
"I would like to learn how to create a profitable design of my services and projects. What an innovation, in my business, will attract a wider audience. The skills I want to develop are communication, **working with a business manager on Facebook, electronic media**, skills for finding and **finding customers** and more."
"The term "design" is not very appropriate."
"Don't understand what service innovation is?"
"Still do not know."
"**Better collaboration with customers**, methods of persuasion."
"Work with certain **computer programs.**"
"**Technical skills.**"
"Entrepreneurship."
"I do not know."
"**Technically related to learning new technologies as well as working with ERP and CRM products.**"
"**Technical skills**."

As evident from above, the most common answers are related to technical or technology-based skills (mentioned 13 times); use of social media (mentioned 6 times); marketing, advertising and sales (mentioned 8 times); skills related to work with/reaching customers (mentioned 8 times).

Respondents also point out skills related to fundraising and finances (mentioned 5 times). A large number of people could not provide an answer to this question (18 in total).

Q34 Which aspects of your business are digitalised (changing your business model in light of new technology)?



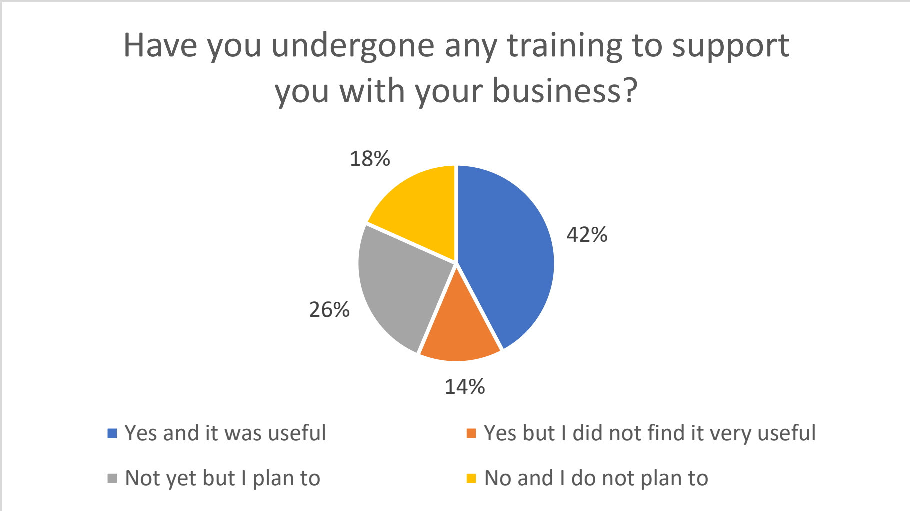
Participants have digitalised their business in terms of marketing (33 responses), services (29 responses) and products (25 responses). Fewer respondents have digitalised their sales (23). Only few declare not to apply digitalisation in their work. Three persons opted for "other'':

- Occasionally, pictures and stories about the products are posted on the Facebook and Instagram pages.
- Facebook, Instagram and home page marketing.
- Almost every aspect of my work is digitised I think.

Section XII. Questions related to training

There is only one question in this section. On the basis of the received answers respondents were redirected to the respective following sections.

Q35 Have you undergone any training to support you with your business?



The majority of the respondents (42%) have undergone training to support them with their business and found it useful, whereas 14% found it not particularly beneficial. Twenty six percent have not taken training yet but are planning to and 18% do not plan to.

Section XIII. Questions related to previous training sessions

The persons who answered that they have undergone previous training were redirected to this section with the aim to get a better understanding of what aspects were enjoyed most and least.

Q35.1 What was the content and/or approach you liked most during the training?

FINLAND

"The new ideas it gave me. The analysis I gained in the training."
"Experience, fault."
"Didn't do training, yet."
"**Practical approach**, learning to use certain tools, techniques; fully virtual."
"The **direct contact with the trainer.**"
"There has not been."
"I have not had."
"They are numerous. Everything always comes in need in its own way."
"What kind of coaching?"
"Several trainings."
"Ecological (Green Start), social media and **peer contacts.**"
"New leadership."
"Ecommerce training with **hands-on examples**."
"I have not attended recently."

POLAND

“SEO, positioning.”
“Photoshop support.”
“It's hard to say.”
“Active sales training.”
“**The ones I implemented at work.**”
“Industry examples.”
“Information.”

UK

“**Sharing ideas.**”
“Marketing.”
“The training seem to really stem from needs shown by others previously, they are **tailored to us** and seem to be updated based on feedback and lived experience.”
“Online, with **chance to interact.**”
“Approach that **involves connection with other** is often the most useful.”
“The content was good and concise.”
“**Direct application to my business.**”
“When I had to go out and photograph, plus edit my portfolio.”
“**Interactive interesting training** with SDI.”
“**Being around others in my situation.**”

BULGARIA

“Systematised information on **relevant topics.**”
“**Contact with other participants.**”
“**Those for which I immediately found a way to apply.**”
“**Different points of view.**”
“**Digital competencies.**”
“I didn't like almost anything.”
“**The practical ones**.”
“Ways to solve a customer problem.”
“Presenting **different points of view.**”
“Accumulation of knowledge for strategic management and **digitalisation.**”
“**Communication with teachers.**”
“**My acquaintances with new people.**”

Based on the above answers it can be concluded that the most enjoyable aspects from previous training were related to interaction both with the trainer and with other participants as well as the chance to exchange ideas (11 persons mention these). Practical aspects and applicability were also pointed out as positives (mentioned 7 times).

Q 35.2 What did you not like in the training?

FINLAND

“**That it didn’t offer something else like a workshop to apply the theory.**”
“Skill.”
“Didn't do training, yet.”
“Probably good stuff to know in the long run, but unable to put into practice right away due to lack of resources.”
“I liked everything.”
“There has not been.”
“I have not had.”
“**If the trainer is not up to date**.”
“Where in coaching?”
“Training at different levels.”
“It was **just a scratch on the surface**. I would have liked a longer period to receive **concrete support**.”
“From there, not having the time to make the necessary corrections immediately.”
“I haven't attended lately.”

POLAND

“**Practical Skills**”
“**Unprofessionalism.**”
“**Too narrow field**.”
“Everything was good.”
“**A small amount of practical exercises.**”
“Duration.”

UK

“Nothing comes to my mind.”
“No.”
“Nothing so far.”
“**Lack of expertise or slow pace of the trainer.**”
“**Mismatch of skill set** - if I end up on a training that I do not need as I've already have the same information.”
“Was too long.”
“**Generalised examples that didn't relate to my business.**”
“Price.”
“The exams.”
“**Not specific to my particular needs.**”

BULGARIA

“**Unnecessary information that has nothing to do with practical problems**, **uninteresting presentation of new things.**”
“Some lectures.”
“**Lack of adaptation to the context** to which I belong (terminological and practical).”
“**General and vague ideas.**”

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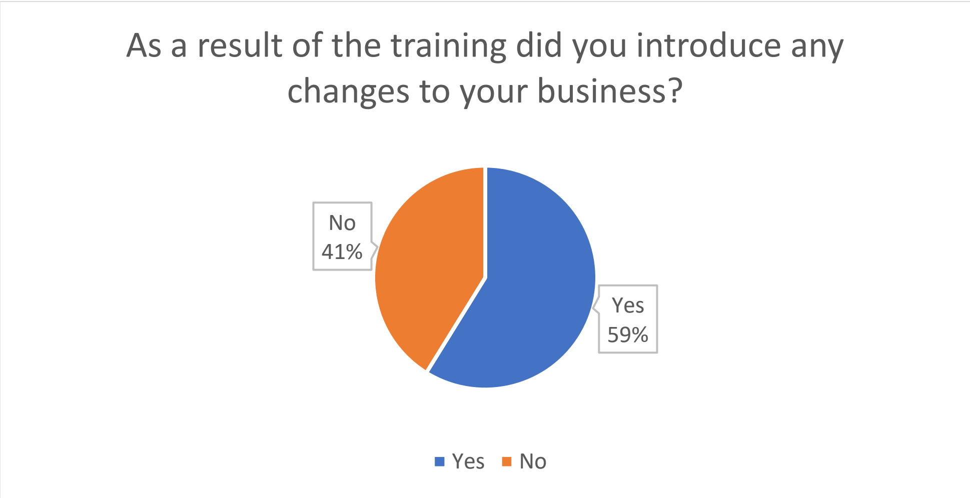
"**Does not take into account specifics.**"
"**Not suitable** for cultural organisations"
"There was none."
"More theory, **fewer examples than practice.**"
"It's not over yet and I can't judge."
"I have no complaints."
"**It was not specifically targeted** and did not follow the program."

The aspects that the participants in previous training did not like include: generalised training not suited to the specific needs/not applicable to specific context (mentioned 11 times) and lack of practical examples (mentioned 4 times). Some persons pointed out aspects related to the trainer leading the training such as lack of professionalism or boring presentations (4 persons mentioned these).

Q 35.3 As a result of the training did you introduce any changes to your business?



The greater part of the participants (59%) have introduced changes to their business as a result of the training. 41% did not do so.

Q 35.4 If you have answered with "yes" on the previous question, please specify the type of changes you introduced to your business

FINLAND

"Not yet but I'll change some things."
"No."
"**Improve my products**, more accurate prices."
"For example, in **internal information**."
"Responsible agent in marketing and use of the Merenkurku/Kvarken UNESCO World Heritage Site logo."
"**Ecommerce changes.**"

POLAND

"I have changed product descriptions and photos in my online store, and **keep improving them**."
"New offer."
"**Customer approach**."

UK

"**My approach**, trying to be brave."
"It is specific to **my research approach**, so it'd be a bit long to elaborate on this in this survey."
"Applying for funding, marketing."
"**Social media strategies**, approach to content development."
"Included **paypal and other payment structures.**"
"Updated **website.**"
"My last training/course resulted in a **review of my website and social media**."
"**New technologies.**"

BULGARIA

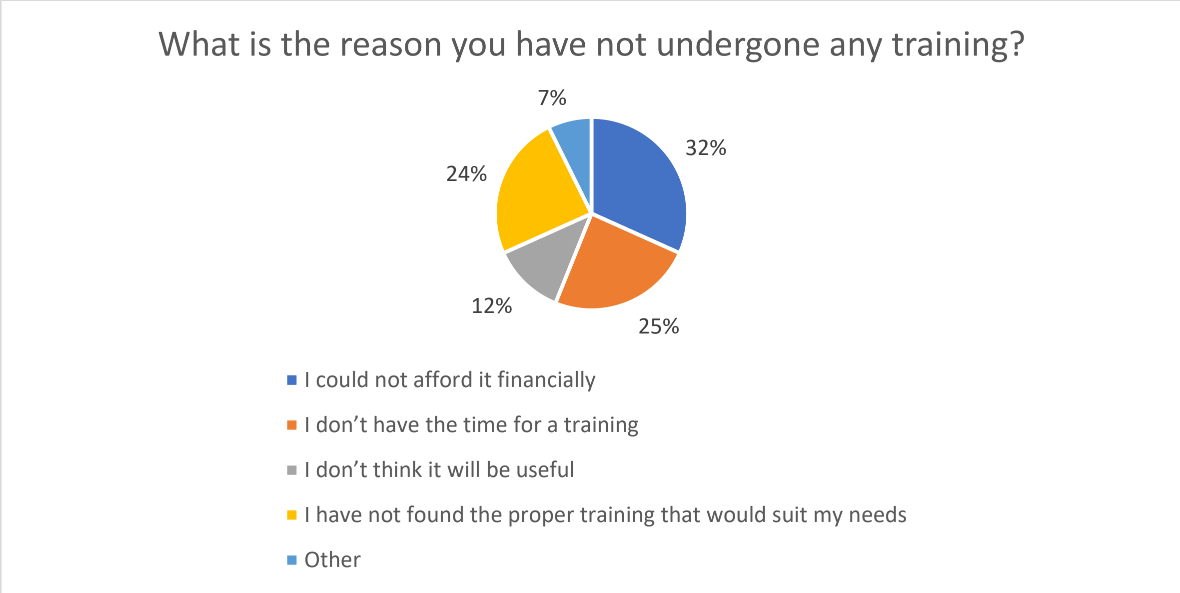
"**More techniques to improve the work environment**"
"Especially in the field of **digital marketing** - the way to prepare and address content and from time to time comply with the time ranges in which it is believed that visibility may be higher."
"We optimised **systems for communication and structuring of information, archives and databases**"
"I applied new methods to the acquired competencies."
"**Understanding customer needs**"
"We managed to **take over and implement more projects**"

The changes introduced as a result of the undertaken training refer to changing the approach to customers; improvement of the products; overall work optimisation; application of new technologies, incl. websites and social media.

Section XIV. Questions related to lack of previous training sessions

This question was intended to persons who declared they had not undertaken any previous training and aimed to identify the reasons hindering respondents from doing so.

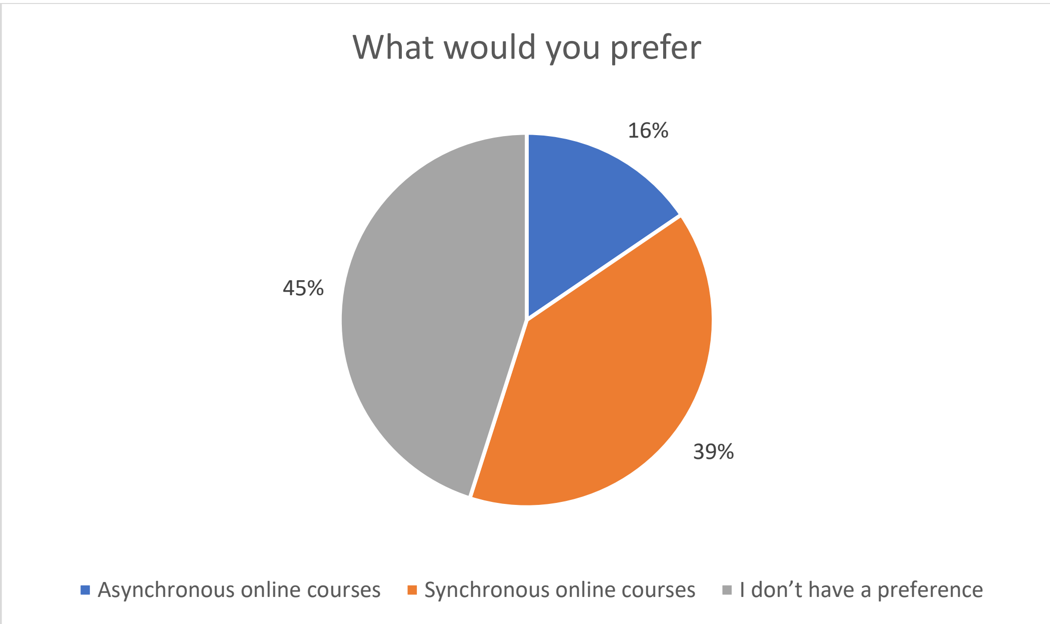
Q 35.5 What is the reason you have not undergone any training? (Tick as many as may apply)



When explaining why they have not undergone any training most of the respondents (32%) complained about financial difficulties and (24%) lack of time. Another 24% of the participants have not identified a suitable training to meet their needs and only 12% believe it will not be useful.

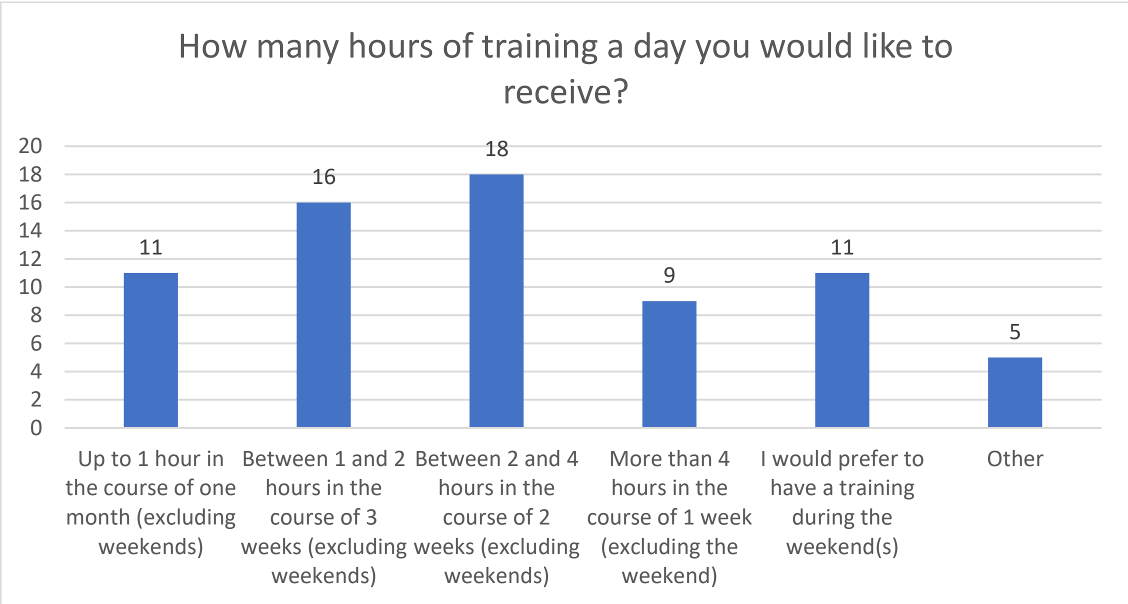
The set of questions that follow aimed to identify the preferred training options for the people working in the cultural and creative sectors.

Q36 What would you prefer



When asked about their preferences, most of the participants prefer synchronous online courses (39%) and less prefer the asynchronous online courses (15%). The majority of the respondents (45%) have no preference.

Q37 How many hours of training a day you would like to receive?



With regard to the hours of training, most of the respondents prefer between 2 and 4 hours of a 2-week course (18 responses) or between 1 and 2 hours in a 3-week course (16 responses). Only some respondents prefer 1 hour in a 1-month course (11 responses) and even fewer would like to have 4 hours in a 1-week course (9 responses). Few participants prefer training on the weekends (11). Five persons shared other preferred schedules: weekly up to one hour at a time over a period of time that enabled changes to be made or things tried out whilst on the course; not sure or not planning to take a training.

Q38 What online tools do you use? (Tick as many as may apply)

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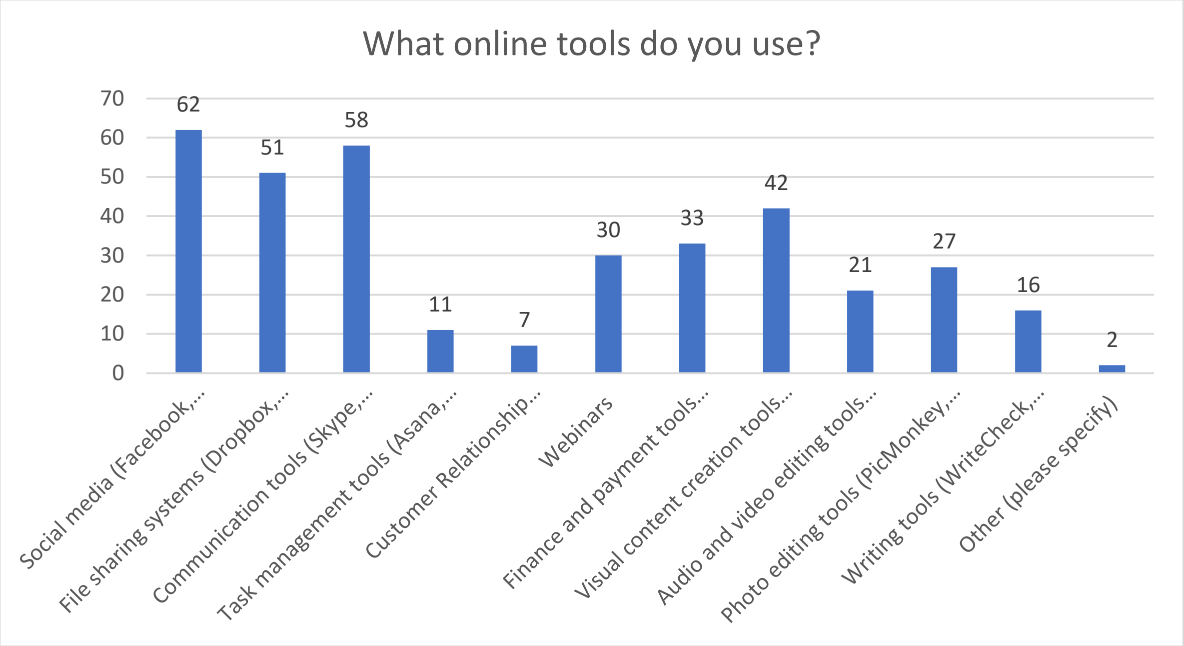

The online tools mostly used are social media tools (62 responses) and communication tools (58 responses) followed by file sharing systems (51 responses). The least popular online tools seem to be the task management tools (11 responses) and customer relationship management platforms (7 responses). Two persons added specific online tools: Adobe Photoshop, Adobe Illustrator and Endnote, one note, nvivo.

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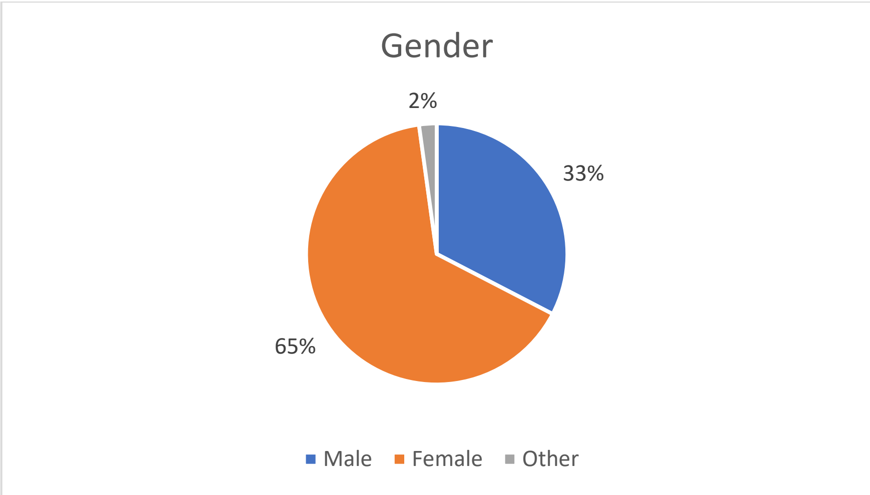
Survey 2 Experts in service innovation, design & cultural and creative sectors development

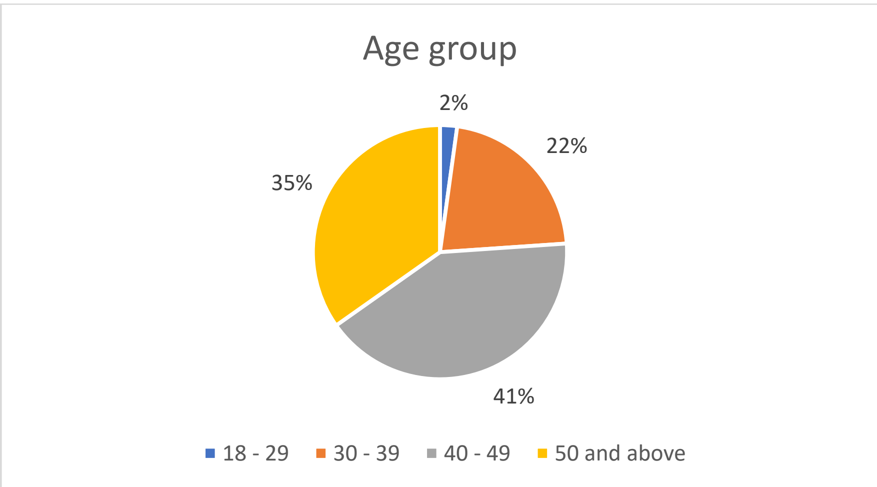
Section I. General information

Q1.1 Gender



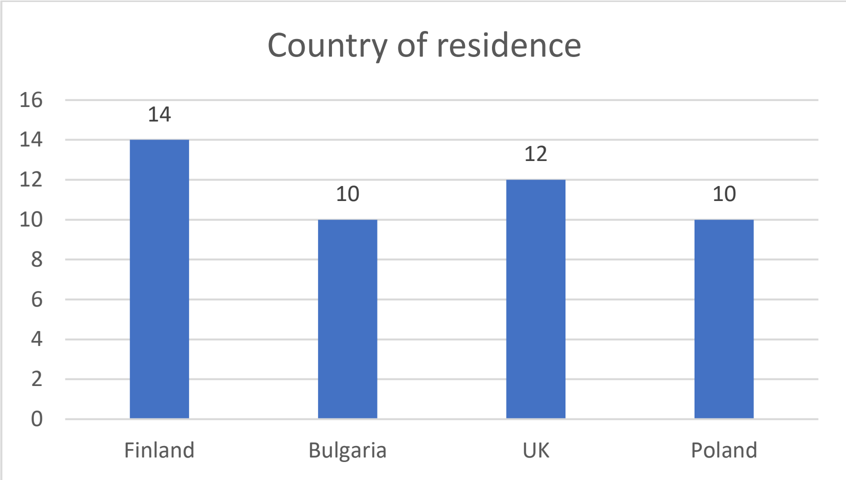
The majority of the respondents (65%) are female.

Q1.2 Age group



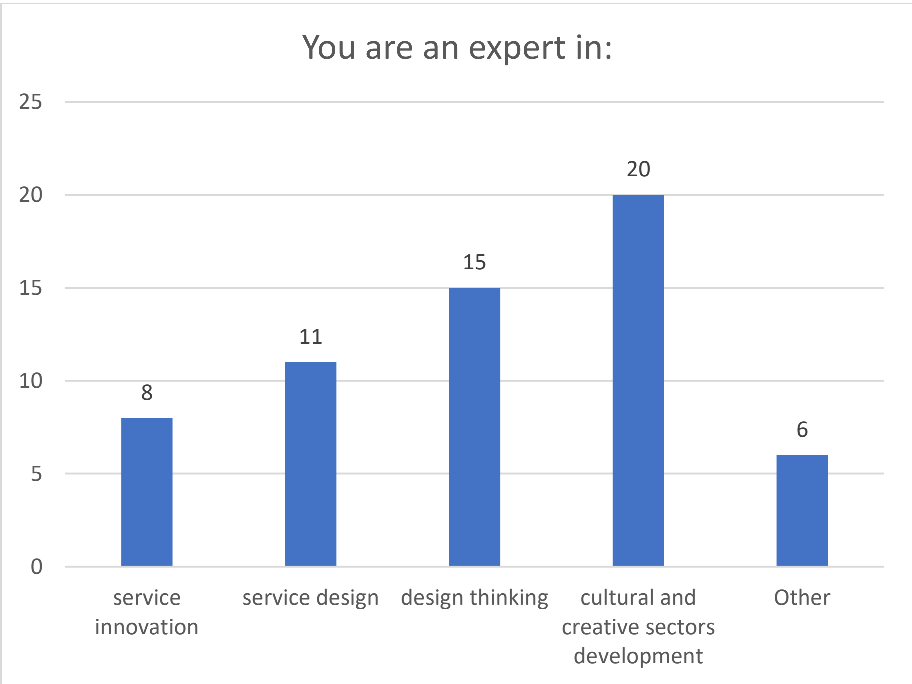
Most of the respondents (41%) are between 40 and 49 years old and 35% are above 50. 22% of the respondents are between 30-39. Only 2% are between 18 and 29.

Q1.3 Country of residence



Most of the participants are from Finland and the UK and equally from Bulgaria and Poland.

Q1.4 You are an expert in:



Among the respondents, most of them are experts in cultural and creative sectors development (20 respondents) and design thinking (15 respondents). Fewer are experts in service design (11) and even less in service innovation (8). Six persons specify other areas of expertise: quality management systems and innovation management systems; knowledge transfer and knowledge management; consulting for the sector - supporting service design; support for the economisation of entities from the non-governmental sector; management consultancy, organisation development consultancy, commercial delivery, disruptive technologies, HR & organisational development; startups.

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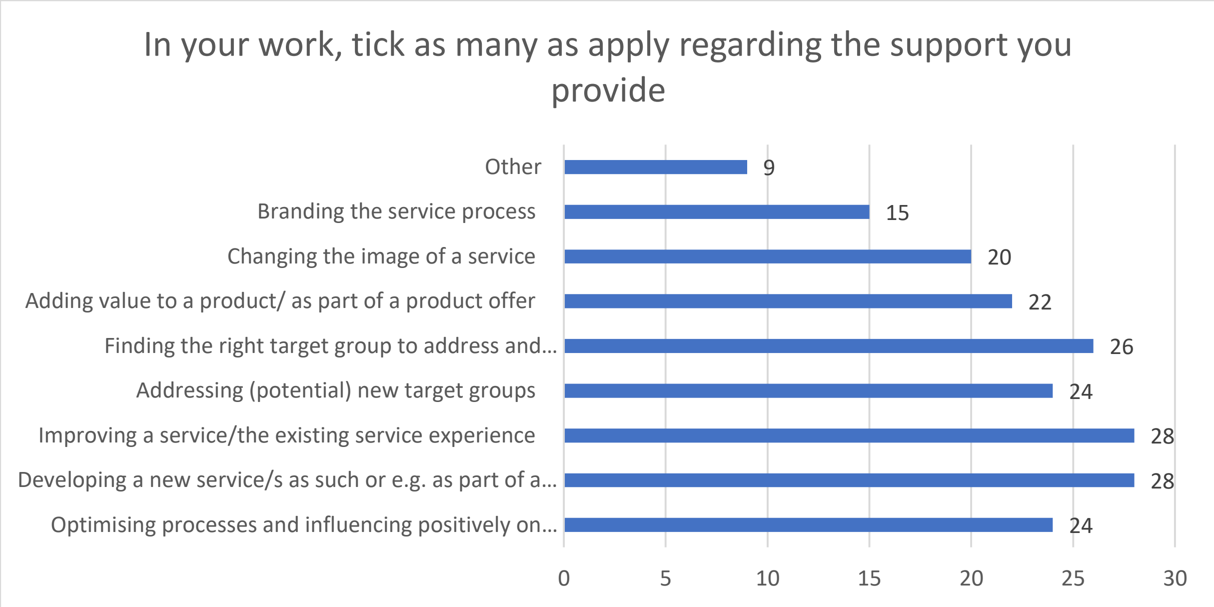
Section II. Questions related to Service Design and Service Innovation

Q1 In your work, tick as many as apply regarding the support you provide



The most covered areas of support are developing a new service/s as such or e.g. as part of a (new) product or facility and improving a service/the existing service experience (28 responses each) followed by finding the right target group to address and discovering their needs (26 responses), addressing (potential) new target groups and optimising processes and influencing positively on consumer experience and satisfaction providing profit to the companies (24 responses each). The least represented area is branding the service process receiving 15 responses. Nine people added other support areas: all of the above in the context of educational services; teaching related to service design and design thinking; protection of creative products as intellectual property; preparing strategic documents for the institutions; looking at the organisation as a whole to ensure they have change readiness; building facilities and branding by strengthening cooperation; funding development activities; lobbying for creative industries; activating and working with youth under 30 years old.

Q2 From your recent work with businesses from the cultural and creative sectors, what challenges do they experience?

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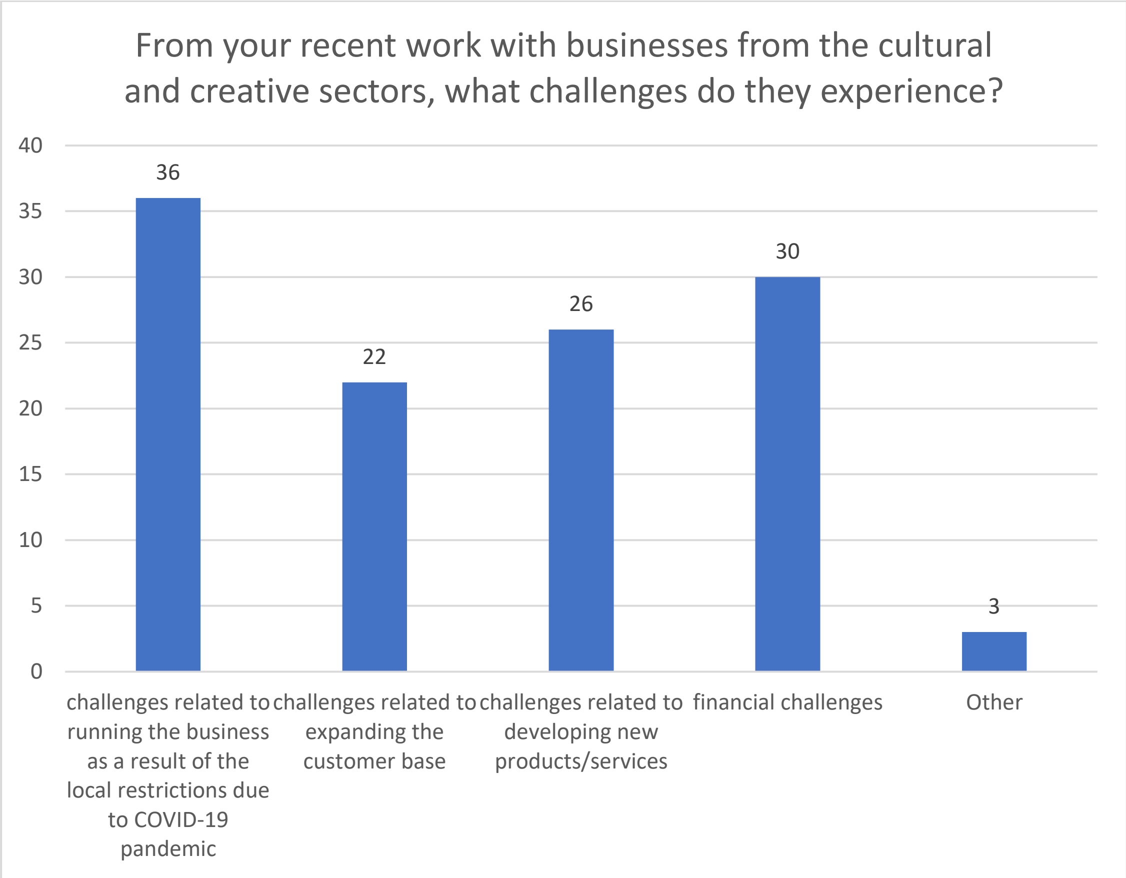
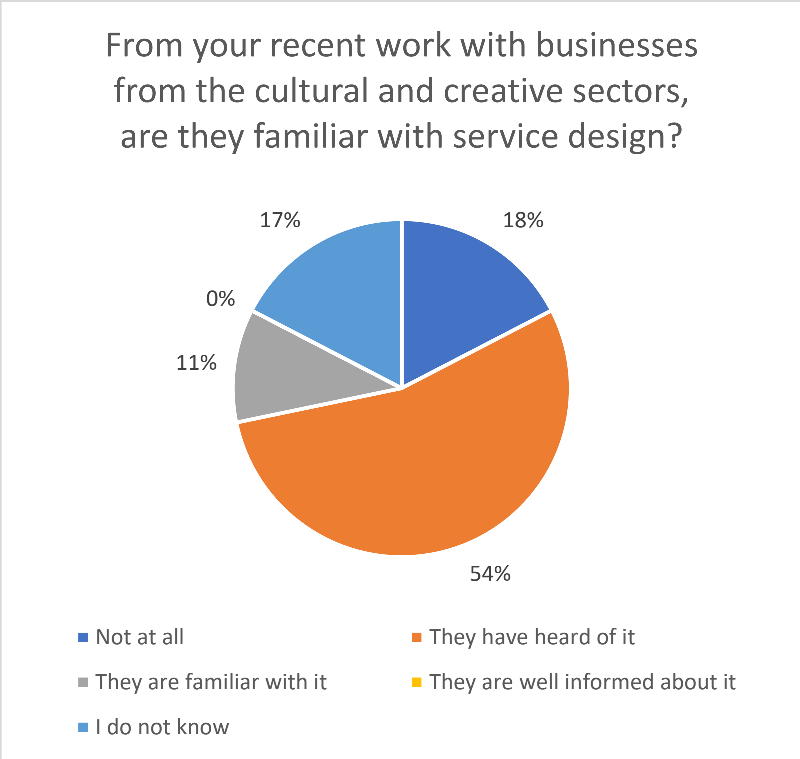


Most of the recipients found that the most common challenges relate to the restrictions caused by the COVID-19 pandemic (36 responses). Others believe that the sectors experience financial difficulties (30 responses). Less reported having challenges connected to developing new products/services (26 responses) and expanding their customer base (22 responses). Three experts pointed out other challenges:

- I don't have enough observations on the whole sector, just on some companies.
- Skills challenges, not enough knowledge, skills or funds to invest in development, policy changes eg. Arts Council reducing grants and funding.
- Challenges especially related to the lack of understanding of government officials about existing business structures and about the negative effects of restrictions in the covid-19 situation.

Q3 From your recent work with businesses from the cultural and creative sectors, are they familiar with service design?



The vast majority of the participants in the survey believe that those working in the cultural and creative sectors have previously heard of service design (54%). An equal percentage of respondents were unsure or stated they are not familiar with it at all (17%). The final 11% of those interviewed stated that the sector is familiar with the concept. No one expert believes that the sector is well informed about service design.

Comparing the responses from the experts with the responses from those working in the cultural and creative sectors to this question we see some differences. Respondents from target group 1 stated that they have heard of service design (35%) and, equally, 35% said they are not familiar with this concept at all. Twenty six percent of them are familiar with service design and 4% state they are well informed about it.

Q4 From your recent work with businesses from the cultural and creative sectors, do they use Service Design in their business/work?

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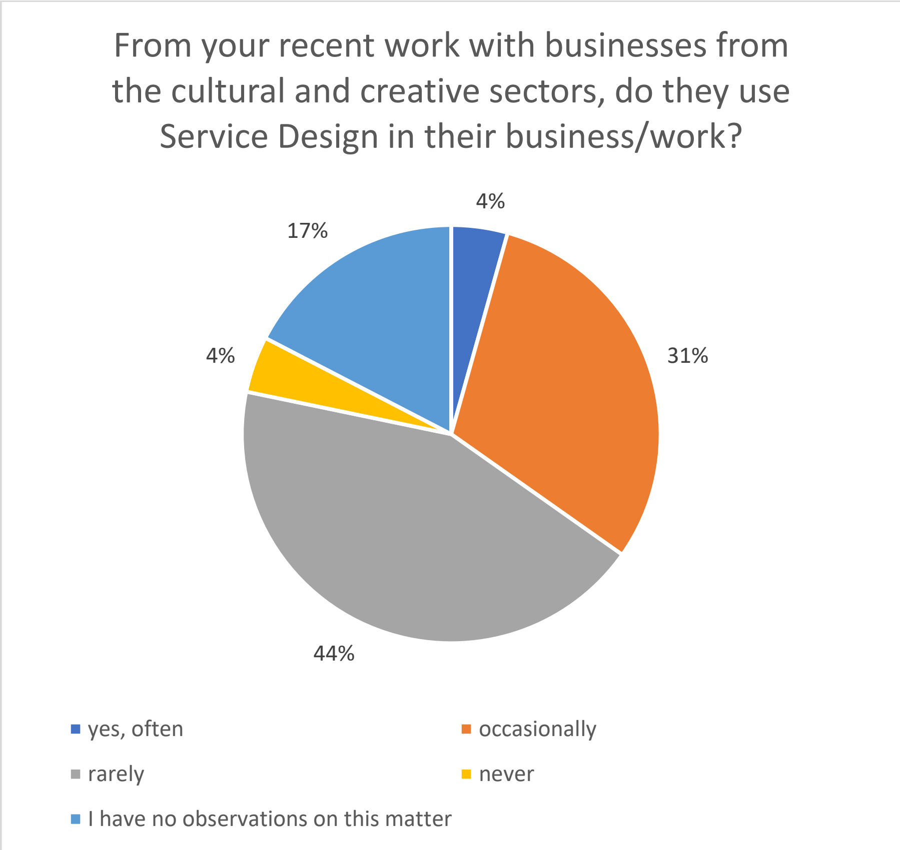

Thirty percent of those interviewed believe that the businesses from the cultural and creative sectors use Service Design in their work occasionally, whereas the majority (43%) say that they use it rarely. Seventeen percent have no observation on the matter. Equally 4% of the respondents said those working in the sector have never used it or use it often (4%).

The same question was asked to the first target group and there are again some differences in the responses. Respondents working in the cultural and creative sectors provided the following answers:

- Never (45%) compared to 4% of the experts
- Occasionally (23%) compared to 31% of the experts
- Rarely (15%) compared to 44% of the experts
- Yes, often (17%) compared to 4% of the experts

Q5 What do you think are the biggest challenges in using service design faced by businesses from the cultural and creative sectors?

FINLAND

“In most cases, the level of education of key operators even in small businesses is mostly good. The inability to take advantage of service design is based on a lack either of capacity or weak networking.”

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"**A genuine understanding of customers without letting old assumptions be in the way.**"
"**Funding.**"
"**Lack of skill.**"
"**Small budgets and lack of money** to pay for external work."
"To use it for real practical results."
"I think even if they know about service design they feel it's yet another task to complete and not many businesses have the possibility to concentrate on "new" things and tasks."
"To understand that improving the position of culture and the arts in society can be done by using service design (for example promoting cultural well-being), little information on successful cases"
"Time and **money.**"
"Being so simple and **short looking.**"
"**Resources**. Most of the businesses are so small that they can't pay for proper marketing."
"I don't know."
"**Lack of information**?"
"The lack of time, **resources** and focus."

POLAND

"**Change of mentality** and focus on the end recipient of your services."
"Flexibility, testing and modification of the service / product, knowledge of the current customer needs."
"**Lack of knowledge**, inexperience, **reluctance and fear of changes**, procedural difficulties."
"Collect data about your clients, make this practice part of service thinking, **overcome limiting thinking especially in the context of financial shortages.**"
"Balancing between financial and organisational possibilities and customer expectations."
"**Familiarising with this concept.**"
"Learn that what they are currently doing can be cloaked in a broader methodology and used as a coherent concept."
"It's hard to say, I don't have many such clients. **No funds for investments.**"
"**Changing the way you think about your business.**"
"**Openness and admitting other points of view.**"

UK

"They tend to be very small businesses and mostly freelancers/sole traders whose expertise is in the arts/cultural area they are working in but are less used to strategic planning in this way and generally **don't have the resources** to think about planning and infrastructure at this level."
"The concept is **not widely known** and there is limited training and initiatives available to get support."
"Not appearing academic or a fad."
"**Understanding the concept** and then **having resources** to implement it."
"**Skills and theoretical knowledge**, application of ideas and tools, creative thinking."
"The size of these companies is often small."
"First of all the use of the term might be familiar to consultants but not so much to organisations Main challenge is the **resistance towards change** and risk management."

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"Challenges related to the actual implementation of the ideas. Challenges related to running the business as a result of the local restrictions due to COVID-19 pandemic."
"Lack of **awareness** of what service design is and how to use service design in organisations. Also the benefits they can gain from exploring it."
"**Awareness / budget.**"
"Cultural perceptions and stereotypes."
"**Resources**, **under-pinning knowledge.**"

BULGARIA

"Adaptation to modern needs, expectations and requirements."
"**Financial**; design of new products and services in an innovative way, corresponding to the changing environment; **skills for applying for various projects and funding programs.**"
"I do not know."
"Organization of your work."
"Project management and **finding sources of funding**."
"Innovation, focus on customers (consumers)."
"Challenges related to epidemic measures."
"**Financial problems.**"
"To make their services sufficiently attractive and accessible in a number of alternative ways."
"Time for service design and protection of results."

The challenges most commonly mentioned by the experts are related to financial resources/funding (mentioned 14 times); lack of knowledge/awareness and skills for service design (mentioned 11 times); challenges related to the mindset and the resistance to changes (mentioned 8 times).

Q6 What do you think are the opportunities in using service design for businesses from the cultural and creative sectors?

FINLAND

"When successful in service design, the business **increases capability for** both international **competition** in home markets and spreading out abroad."
"Development of **new forms of services** around the creative industry."
"Many already utilise many elements of the process, without knowing it."
"New value creation and business models, ensuring **market fit for new products/services.**"
"Seeing things from the **other perspective**. Although artists and other creatives are masters doing things the way that they are not used to doing, they necessarily don't have tools for carrying out systematic development work."
"Yes."
"There are plenty of opportunities as when starting the project you make more clear to yourself what kind of services you're offering. It's then easier to do targeted marketing etc."
"Little experience, lack of information, understanding of where the service can be used, supporting partnerships, good examples, improving skills, learning."
"**Better user experience.**"

"I think it has great potential. The creative industry rarely knows how to function appropriately in the business world. So service design is clear and a good tool for that."
"For big and well-financed businesses it's of course a huge possibility to enhance socially sustainable development: accessibility and equality among creative industries. And also added value."
"This subject is not familiar to me."
"I have no observations on this matter."
"The process of service design could make it clearer for whom the service is created and **how to reach the potential clients/audience in the best way.**"

POLAND

"Big / Huge. (x5)"
"It is worth disseminating, promoting and implementing this knowledge and skills."
"There are such possibilities."
"There are possibilities, but it is difficult to use them if the institutions don't finally know them, or even if they know and use them, they do not identify them with the design of the services."
"I think they are similar to the possibilities companies from other industries have."
"At every stage of service delivery."

UK

"It could offer them **a different way of thinking.**"
"They can learn more about their **target audience** and explore **how they can reach their customers**"
"Needs to be positioned."
"As in any business an opportunity to innovate."
"**Expanding markets**, developing more channels, building on brands to have a wider offer."
"**To increase consumer base**, exposure and streamline processes."
"Increase in sales, more efficiency."
"Essentially my service design/innovation has mainly been about adapting my coaching and facilitation to work using zoom/Teams, rather than working mainly face to face."
"They will produce a **positive customer experience.**"
"They will implement new things in the company while delivering **value to the customer.**"
"They will **be more competitive in the market**, because their competitors may already be using service design."
"Ability to **focus service closer to client / consumer.**"
"Bridging the gap between the creative sector and STEM - acknowledging STEM is creative."
"**Customer insight** and understanding, process efficiency."

BULGARIA

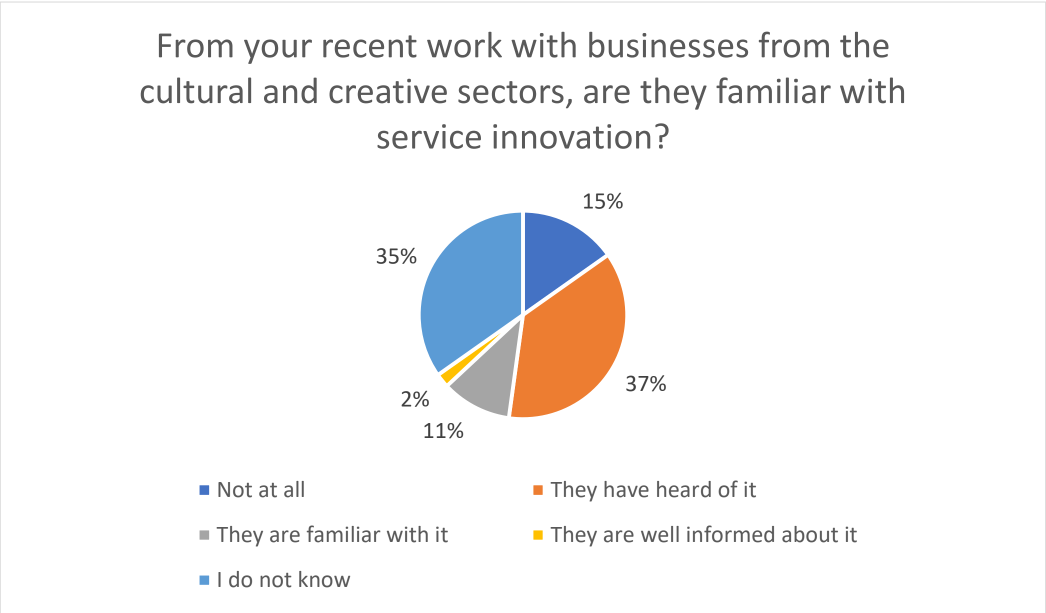
"Co-creation"
"Great, especially if you are convinced of the essence and useful effect of applying this model. Especially in terms of achieving **competitiveness**."
"I do not know."
"Increasing **customer satisfaction and attracting new customers**; optimization of internal processes"

"Acquiring more information and knowledge about service design in the cultural and creative sectors. Smooth out a **sustainable business model** instead of relying on program funding."
"More precise and clear **formulation of target groups** and more effective formulation and provision of services."
"Small, in terms of lack of funds. Great in terms of the need for service design."
"To make their services sufficiently attractive and accessible in a number of alternative ways."
"Huge."

Experts see opportunities in using service design mainly in the following:

- It can trigger the business development (in terms of better competitiveness and expanding markets).
- It can help create positive customer experience.
- It can help change the perspective hence expanding the mindset.

Q7 From your recent work with businesses from the cultural and creative sectors, are they familiar with service innovation?



Thirty seven percent of the respondents believe those working in the cultural and creative sectors have heard of service innovation, whereas another 35% are unsure. Fifteen percent of the participants believe they have never heard of service innovation. Eleven percent believe they are familiar with the concept and only 2% that they are well informed about it.

The same question was asked to representatives of those working in the cultural and creative sectors and there are some differences in the responses from the two target groups. Respondents working in the cultural and creative sectors provided the following answers:

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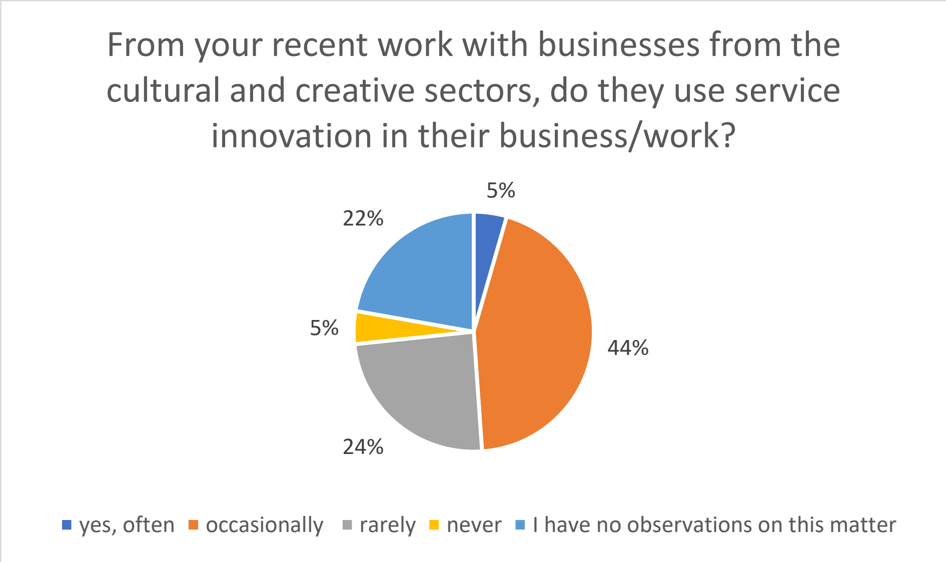
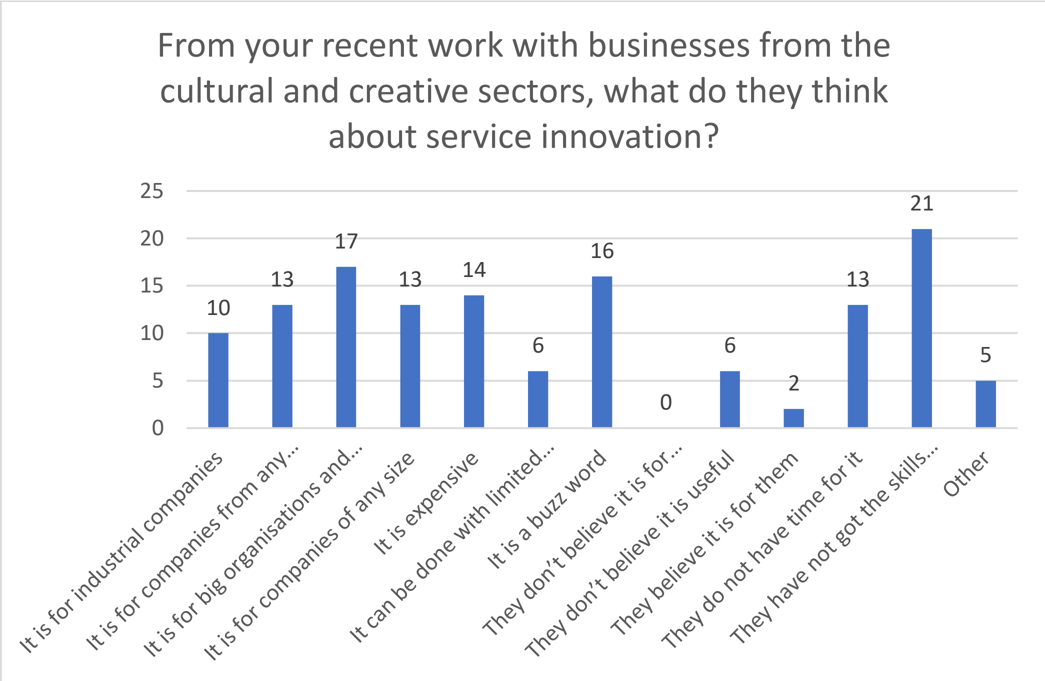
- Not at all (39%) compared to 15% of the experts.
- I have heard of it (37%) compared to 37% of the experts.
- I am familiar with it (23%) compared to 11% of the experts.
- I am well informed about it (1%) compared to 2% of the experts.

Q8 From your recent work with businesses from the cultural and creative sectors, do they use service innovation in their business/work?



The vast majority of the respondents (44%) believe those working in the cultural and creative sectors have occasionally used service innovation in their business. In contrast, 22% and 24% believe they have either rarely used it or have no observation on the matter. Equally 4% of the respondents say people from these sectors use service innovation either often or never.

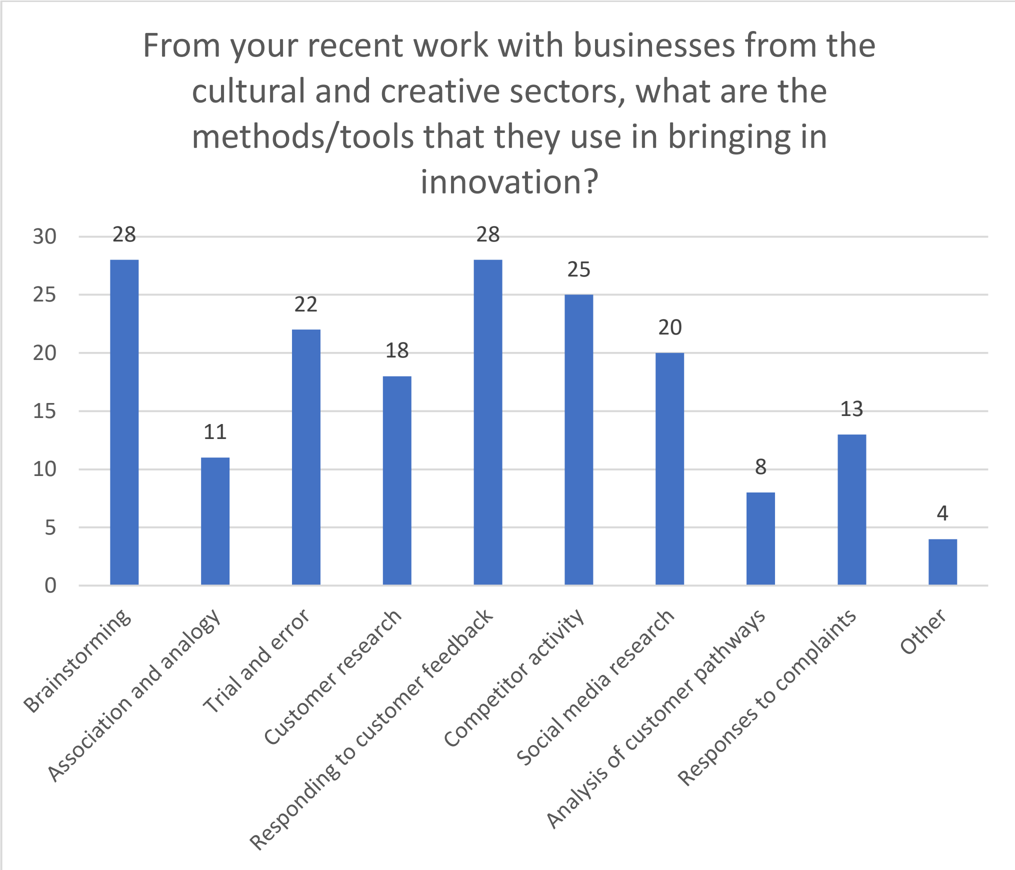
Q9 From your recent work with businesses from the cultural and creative sectors, what do they think about service innovation?



Most responses state that the businesses from the cultural and creative sectors have not got the skills to use service innovation (21 responses), followed by the perception of the sector that service innovation is for big organisations and companies (17 responses), that they perceive it is a buzzword (16 responses) and that it is expensive (14 responses). Only 2 experts think that the businesses from the cultural and creative sectors believe service innovation is for them. Five experts shared other observations:

- Limited funds to invest in development/ ideas/ implementation
- They believe it is useful
- Companies in the C&C industry in our area vary greatly in size, talent, and age. They are mostly managed by well-trained professionals, while being highly specialised or still building the beginning. The problem for many entrepreneurs is a typical one related to a deeper culture: fostering partnerships for security
- I think the cultural sector (I know) does not actively think about their services from the service design or innovation point of view. I think the own, artistic view and goals serve as the primary goal and how to reach audience/how the cultural services are welcomed by the clients/audience is secondary
- I have no observations on this matter; I don´t know.

Q10 From your recent work with businesses from the cultural and creative sectors, what are the methods/tools that they use in bringing in innovation?



Most of the respondents stated that businesses from the cultural and creative sectors use responding to customer feedback and brainstorming as the most effective methods for bringing innovation into their businesses (28 responses each). Others say they would use trial and error (22 responses), competitor activity (25 responses) and social media research (20 responses). Less common methods include responses to complaints (13), customer research (18) and association and analogy (11). Analysis of customer pathways is the least common tool used by the sector according to the experts (8 responses). Four experts provided other responses:

- I think none of the above. If they use service design at all, it is outsourced.
- They do not use.
- Data analysis.
- Artistic and creative process.

The same question was asked to people working in the cultural and creative sectors.
The table below shows the top 3 most commonly and the top 3 least frequently used methods and tools for innovation according to the responses of the two target groups:

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	Responses of people working in the cultural and creative sectors	Responses of experts working with businesses from the cultural and creative sectors
Top 3 methods and tools for innovation	1. Brainstorming	1. Brainstorming
	2. Social media research	2. Responding to customer feedback
	3. Responding to customer feedback	3. Competitor activity
The 3 least frequently used methods and tools for innovation	1. Responses to complaints	1. Analysis of customer pathways
	2. Association and analogy	2. Association and analogy
	3. Analysis of customer pathways	3. Responses to complaints

As evident from the table above the responses provided by the two target groups to this question are quite similar.

Q11 What do you think are the biggest challenges in using service innovation faced by businesses from the cultural and creative sectors?

FINLAND

“The biggest challenge may be both **lack of vision** and / or reliable partners. The ability to see alone the core of one's own competence in relation to the needs of the field, that is.”
“To use methods for real practical results, that actually help their business.”
“**Understanding the need**.”
“**Lack of time**, exceptional time due to COVID-19, **resources (human and financial)”**
“**Stubbornness** to make your own art.”
“In small businesses they all have education in arts. They know how to do it and don't **have money** to buy any workforce.”
“I have no observations on this matter.”
“The processes as such are not that thoroughly thought, it is more "we are this, we offer this" and then wondering at the end, if anyone was interested.”

POLAND

“A generational change and an innovative approach to the services provided so far.”
“Constant changes and the need to update knowledge about customer choices.”
“**Overcoming thinking about innovation as epochal change and invention**.”
“**Change of attitude.**”
“**Limited financial resources** of cultural institutions, local governments have changed priorities, and less resources for cultural institutions in the next few years.”
“Imposing a certain methodological discipline on the activities that are undertaken would make the introduction of innovations more effective.”
“Maybe a **lack of funds.**”

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"**Changing the way you think about innovation**"
"**Money**"

UK

"They are often limited in **time**, **money**, and human resources."
"Clarity of customer needs."
"**Skills and resources.**"
"**Skills and theoretical knowledge**, application of ideas and tools, creative thinking."
"Concern over **limited resources.**"
"**Skills and resources.**"
"Challenges related to the actual implementation of the ideas."
"Challenges related to running the business as a result of the local restrictions due to COVID-19 pandemic."
"Identify real opportunities within their sector."
"**Making a shift from a belief in a trickle down effect from research establishments to generating innovation in my multidisciplinary approach.**"
"**Perceptions.**"

BULGARIA

"Finding an individual approach to the diverse needs, expectations and requirements of stakeholders."
"**Ignorance of the matter**, not knowing who to turn to. It seems complicated to them."
"**To find time.**"
"**Knowledge** and **financial resources**."
"Organising **beliefs on the part of management.**"
"Ideas for innovation and specialised teams to generate them; user database; **research tools** and **competent people** who can do them; **time**."
"**Time factor** and **financial resources.**"

Based on the above responses the biggest challenges in using service innovation are quite similar to the identified by the experts challenges in using service design. These are mainly related to financial resources/funding (mentioned 11 times); lack of knowledge/awareness and skills (mentioned 6 times); limited time (mentioned 5 times); mindset and perceptions (mentioned 8 times).

Q12 What do you think are the opportunities in using service innovation for businesses from the cultural and creative sectors?

FINLAND

"Most operators are small or small. Networking of product and service innovations would increase both the understanding of the development trends and opportunities in the sector and its own role in that development. This would also increase the capacity of large sectoral actors, who often rely on the exploitation of small experts."
"To use methods for real practical results, that actually **help their business.**"

"**Better sales**."
"New means are needed for recovery, knowledge management needs new innovation as well as promoting well-being and health holistically, development of digital services, multifaceted and multidisciplinary partnerships, linking the innovation to be developed to the phenomena of the time."
"Huge."
"The same with the service design."
"I have no observations on this matter."
"This could give a lot for the cultural sector and make their appearance more professional, understanding of the multiple factors for success in their work."

POLAND

"Big - if these companies are given possible directions."
"Huge - these companies also provide services."
"There are but the institutions look for external financing of innovation, they spend their budgets for the core activities."
"At the level of service delivery, at the level of the form of presentation, at the level of establishing **contact with the client.**"
"There are."
"Limited."

UK

"It could open up new ways for them to think about the products/services they provide and how they provide them - help improve efficiency in certain areas - potentially allow them to grow their businesses in ways they haven't thought of before."
"Again a re-positioning of offer."
"An opportunity to **diversify their income.**"
"Innovating with digital technology, **broadening brands, expanding markets** with add ons, developing more channels, building on brands to have a wider offer and different ways of accessing products/ services using technology."
"To be more proactive with product offerings."
"Growth and **competitiveness.**"
"They will be **closer to their consumers**, as well they will be **ahead of their competitors.**"
"Give a structured approach to help focus."
"I think it can be used to **widen impact and markets.**"
"Access to **wider markets** and building partnerships."

BULGARIA

"**Attracting customers** on the basis of uniqueness, usefulness and added financial and non-financial value."
"Depends on the set KPIs. They can really transform the models they are doing right now."
"Creating innovation for **customers.**"
"**Improving the quality of service, customer satisfaction**."
"Adaptation to a rapidly changing environment, continuing the activity in new conditions"

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“With good funding they are great.”
“Significant.”

As evident from the responses experts see opportunities for the businesses in the cultural and creative sectors if they apply service innovation in their work. From the business perspective, it could result in attracting more customers, increased sales, widening markets, and being more competitive. In addition, service innovation may improve the relationship with the customers along with improvement of the quality of the offered services.

Q13 From your recent work with businesses from the cultural and creative sectors, what skills do you think they need to develop to use service innovation?

FINLAND

“First, a strategic foundation for building ideas and innovations already as part of studies. Further training packages and the development of peer support networks would also be a natural support. This requires the courage to open up and trust in the neighbourhood or others in the sector, and requires long term confidence-building measures. Maybe in collaboration with chambers of commerce or business organisations?”
“**Perceiving the big picture, using the right tools and where to find them.**”
“Not skills but time is needed. In every day work and struggle that many creatives have because of COVID, they may not have time and energy to put in innovating anything.”
“**Basic business understanding.**”
“They probably need **more knowledge to understand the whole idea of service innovation**.”
“**Knowledge management skills, networking skills, resilience, creative thinking, collaboration with education and research, monitoring the phenomena of time.**”
“Information about other competences.”
“I do not know. At first: let them grow by doing the thing they can do best: art.”
“I have no observations on this matter.”
“**Their perspective.**”

POLAND

“**Mindfulness of the client**, noticing analogies.”
“**The ability to get inspiration from the business sector, other industries, the ability to analyse data, the ability to create research tools.**”
“**Mindfulness, communication skills, analytical skills, the basics of research methodology.**”
“**Financial, managerial.**”
“**Soft skills, going beyond stereotypical thinking.**”

UK

“**Technology skills**”
“What is in it for them”
“**Entrepreneurial skills.**”

“**Creativity, thinking skills, applying tools, curiosity, open mindedness, experimental mindset, time away from business to think ideas through-knowledge of approaches and tools appropriate to scale and purpose of business.**”
“**Basic concepts.**”
“Skills and **knowledge**. Also **time** as a resource.”
“**An openness to fresh ways of doing things and a curiosity about different approaches.**”
“**Communication**, storytelling, **future vision of their business.**”
“Structure - format of process.”
“A better understanding of science and how it works.”
“**Market research, customer engagement.**”

BULGARIA

“**Listen carefully to the views of stakeholders**.”
“**Design thinking, critical thinking, opportunity for operational but also strategic planning, flexibility in participating in various forms for generating ideas and their implementation**.”
“**To self-analyse, to put the client at the centre** (and not the creative process as it is now), to think about all stakeholders.”
“**Skills in marketing, branding, project management.**”
“**Creative thinking; prototyping.**”
“**Flexibility in terms of different challenges, curiosity, ability to work in a diverse team**, the need for continuous improvement and learning.”
“**Empathy, curiosity, non-standard.**”
“**Creative thinking and strategic priorities.**”

On the basis of the responses above the following main findings emerge:

1. Businesses from the cultural and creative sectors **need to gain knowledge on service innovation** in order to understand service innovation.
2. They need to work on their **business skills**, incl. entrepreneurship; project & financial management; marketing & branding; strategic planning and analysis.
3. They need to learn **to put customers at the centre** through market research, empathy, listening and communication.
4. The experts stress that **open-mindedness** is needed, including going beyond stereotypical thinking; learning to find inspiration from other industries; curiosity and flexibility.

Q14 From your recent work with businesses from the cultural and creative sectors, what skills do you think they need to develop to use service design?

FINLAND

“The strategic foundation to service design lies on building ideas and innovations already as part of studies, too. Further training packages and the development of peer support networks would also be a natural support. Maybe in collaboration with local business schools?”
“**Sales side and cooperation with various industries**. In that case, other sectors must also be enthusiastic.”

"**Defining customer challenges**, defining value propositions, co-creation, quick prototyping, agile testing and validating."
"**Basic business understanding.**"
"They probably need **more knowledge to understand the whole idea of service design**."
"**Effective partnerships, impact assessment, practical arrangement skills, interaction skills, the ability to choose important and topical themes, the ability to monitor and evaluate.**"
"A clear and complete manual."
"Better words for "customer". Business analogies are not always the best when you are doing art."
"I have no observations on this matter."
"**Understanding of a better analysis and planning.**"

POLAND

"**Mindfulness of the client**, noticing analogies."
"**The ability to get inspiration from the business sector, other industries, the ability to analyse data, the ability to create research tools.**"
"**Mindfulness**, **communication skills, analytical skills, the basics of research methodology.**"
"**Financial**, managerial."
"**Soft skills**, going beyond stereotypical thinking."

UK

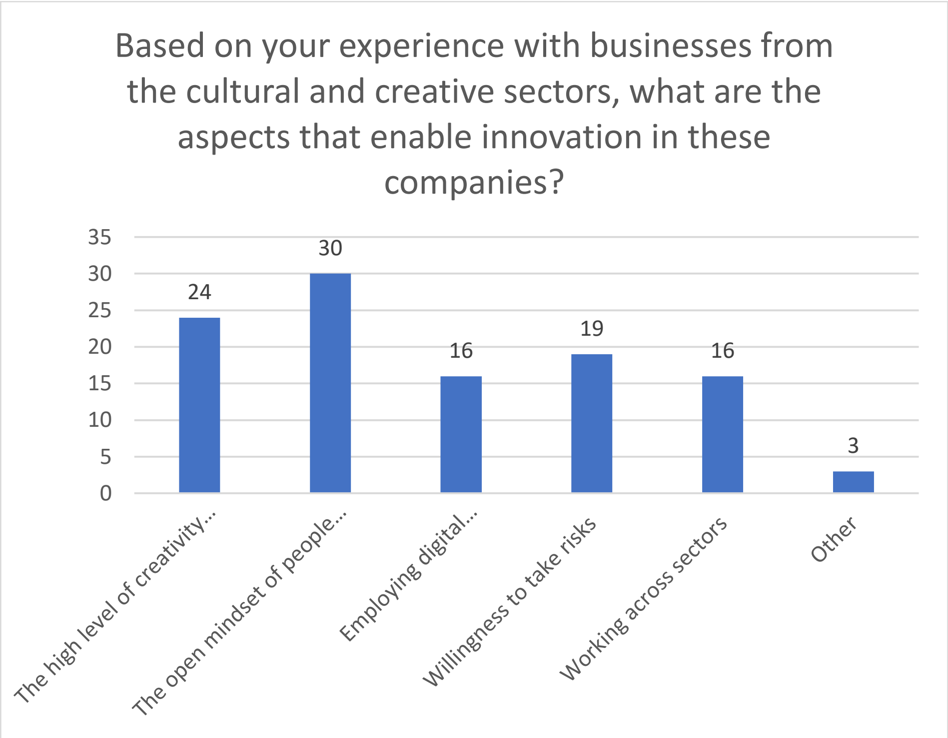
"A recognition of the value."
"**Creativity, thinking skills, applying tools, curiosity, open mindedness, experimental mindset**, time away from business to think ideas through-knowledge of approaches and tools appropriate to scale and purpose of business."
"Basic fundamentals."
"**Entrepreneurial skills.**"
"**Creativity, problem solving.**"
"**Some methodical and analytical skills.**"
"An appreciation and **acceptance of business process.**"
"A better understanding of science and how it works."
"**Critical skills analysis, financial awareness.**"

BULGARIA

"Getting acquainted with good practices and their creative application."
"**Same as above.**"
"Design thinking."
"**Focus on the user; search for feedback.**"
"**Entrepreneurship and innovation, creative skills, empathy for the service user, communication skills, research skills, technological knowledge.**"
"**Strategic design thinking.**"

On the basis of these responses we see that the skills listed are quite similar to the skills perceived as necessary for applying service innovation: better understanding and knowledge of the concept of service design; business skills such as entrepreneurship, financial skills, analysis, planning and evaluation; focus on the customers and their experience.

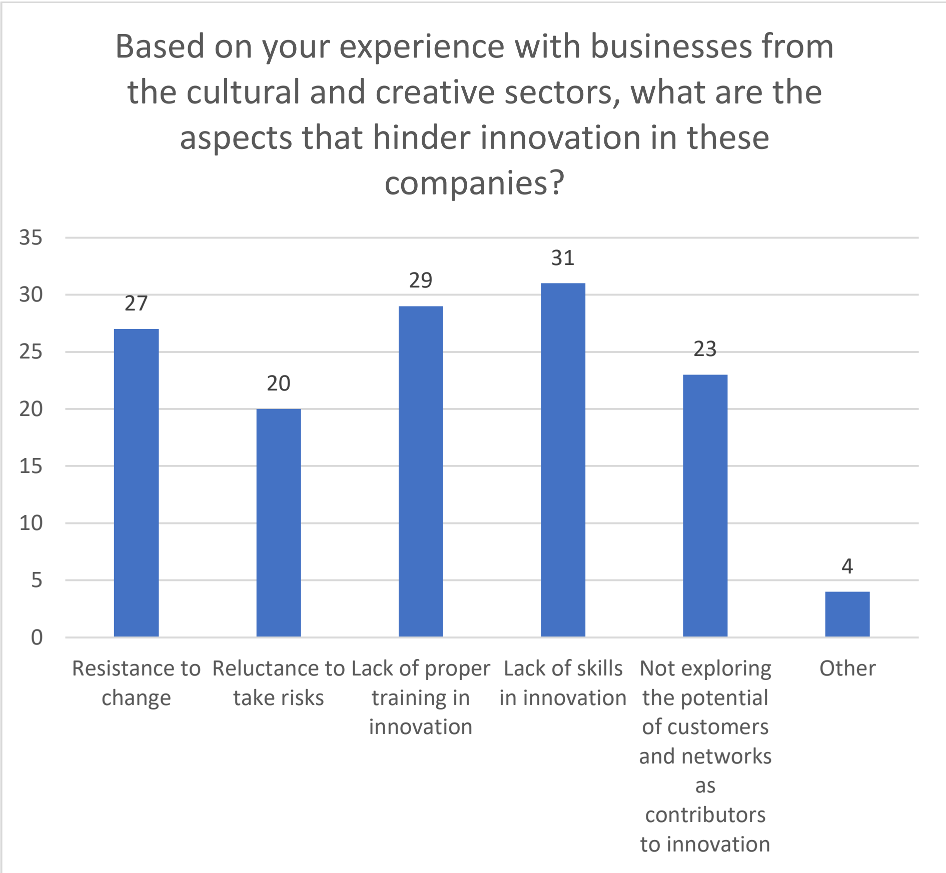
Q15 Based on your experience with businesses from the cultural and creative sectors, what are the aspects that enable innovation in these companies?



Most of the respondents (30) believe it is the open mindset of people working in the cultural and creative sectors followed by the high level of creativity potential in these organisations (24) and willingness to take risks (19). Equal responses (16 each) receive employing digital technologies to retool products/services and working across sectors. Three respondents add other innovation enabling aspects:

- Incubation of ideas through exposure to others - Eureka moments.
- Digital tools are good, often even in a strong role, but the importance of relevance ultimately depends on the chosen acts.
- Lack of information.

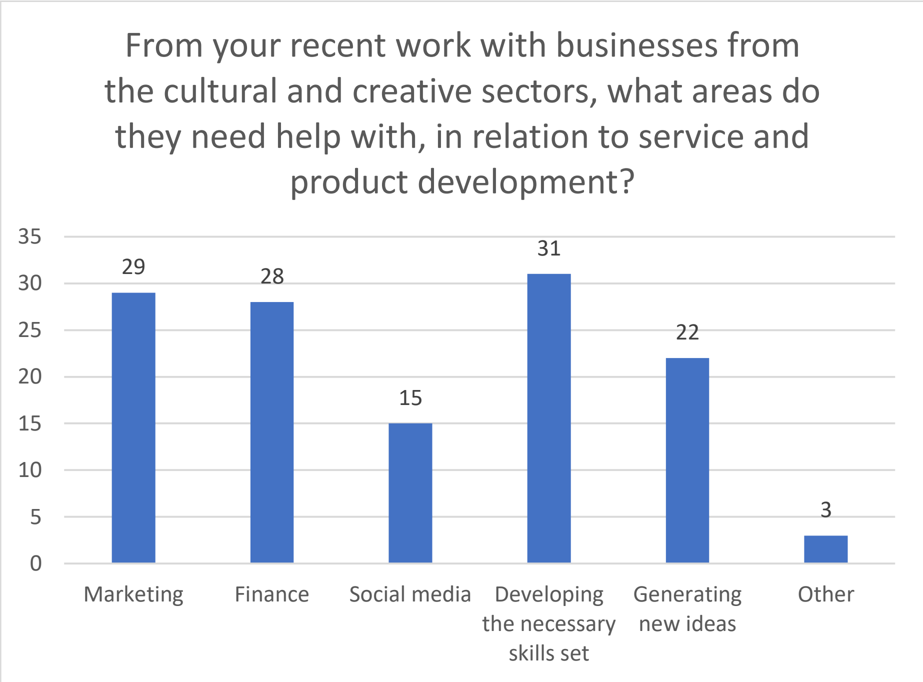
Q16 Based on your experience with businesses from the cultural and creative sectors, what are the aspects that hinder innovation in these companies?



Most of the respondents have outlined that the most ostensible predicament to innovation constitute lack of skills in innovation (31 responses), lack of proper training in innovation (29 responses) and resistance to change (27 responses). Not exploring the potential of customers and networks as contributors to innovation (23 responses) and reluctance to take risks (20 responses) have also been identified as common hindrances to innovation. Four experts added to the list:

- Lack of time, lack of focus on the subject.
- Lack of proper technological base, lack of people with the necessary skills and background.
- Lack of appropriate and easily used tools/ approaches, small companies tend to have to do everything, no specialist staff to rely upon.
- Rigid and bureaucratic funding mechanisms that actually hinder innovation, civil servants who don't understand business logic and give wrong advice.

Q17 From your recent work with businesses from the cultural and creative sectors, what areas do they need help with, in relation to service and product development?



Respondents have reported that businesses from the cultural and creative sectors need most help with developing the necessary skills set (31 responses), marketing (29 responses) and finance (28 responses). Fewer respondents believe they need assistance with generating new ideas (22 responses). The least problematic area is social media (15 responses). Three persons added the following:

- Research, UX, Customer Journey, customer-centricity, design thinking.
- This varies considerably between individuals so it is difficult to say.
- Information about relevant funding opportunities.

The same question was asked to people working in the cultural and creative sectors.
The table below shows the top 3 identified areas according to the responses of the two target groups:

	Responses of people working in the cultural and creative sectors	**Responses of experts working with businesses from the cultural and creative sectors**
Top 3 identified areas	1. Marketing	1. Developing the necessary skills set
	2. Developing the necessary skills set	2. Marketing
	3. Finance	3. Finance

As evident from the above table there is a complete match in the identified areas that businesses from the cultural and creative sectors need most help with.

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Q18 From your recent work with businesses from the cultural and creative sectors, what are the online tools they are most familiar with?

Social media was recognised as one of the most familiar online tools for businesses from the cultural and creative sectors (43 responses) followed by communication tools (34 responses) and file sharing systems (31 responses). The least familiar online tools according to the experts are writing tools (1 response), Customer Relationship Management (CRM) platforms (3 responses), and task management tools (5 responses). Two others were mentioned:

- The range of skills vary a lot.
- It is case specific.

The same question was asked to people working in the cultural and creative sectors.
The table below shows the top 3 most commonly and the 3 least frequently used online tools according to the responses of the two target groups:

	Responses of people working in the cultural and creative sectors	**Responses of experts working with businesses from the cultural and creative sectors**
Top 3 most familiar online tools	1. Social media	1. Social media
	2. Communication tools	2. Communication tools
	3. File sharing systems	3. File sharing systems
The 3 least familiar online tools	1. Customer Relationship Management (CRM) platforms	1. Writing tools
	2. Task management tools	2. Customer Relationship Management (CRM) platforms
	3. Writing tools	3. Task management tools

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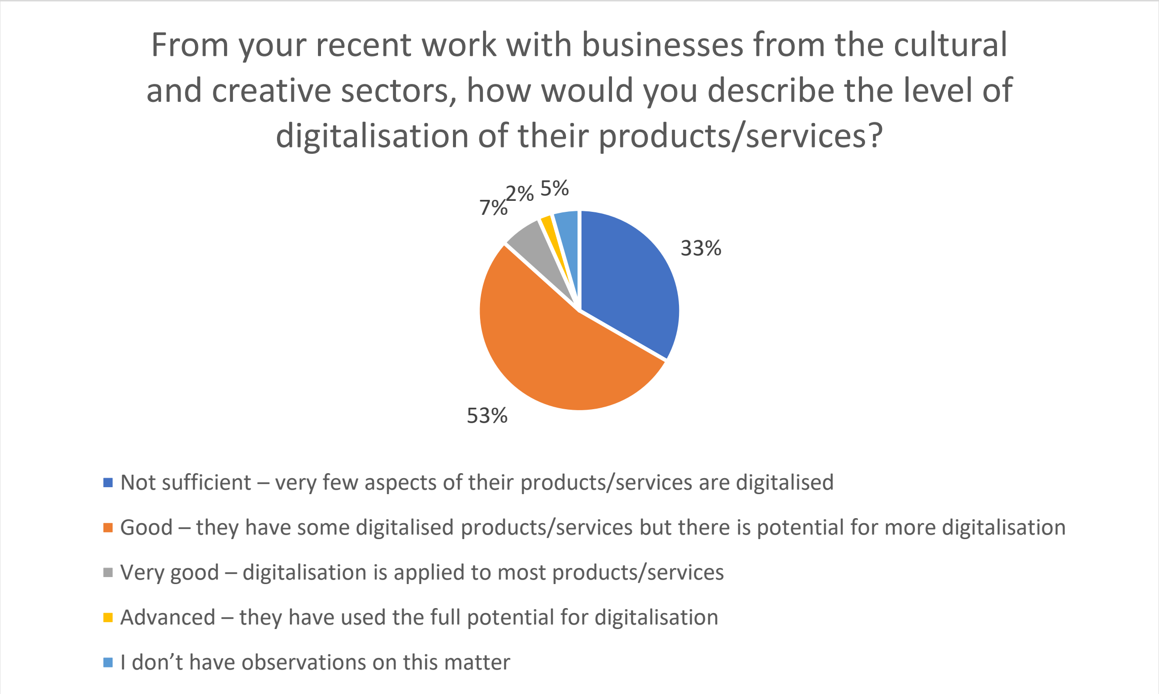
As evident from the above table there is a complete match in the responses of the two target groups regarding the three most and three least familiar online tools used by the businesses from the cultural and creative sectors.

Q19 From your recent work with businesses from the cultural and creative sectors, how would you describe the level of digitalisation of their products/services?



The level of digitalisation of the products of the cultural and creative sectors is assessed as good by most of the participants (53%), meaning that some products have been digitalised but there is potential for more. Thirty three percent state that there are very few aspects of their products digitalised. Seven percent imply that their products are mostly digitalised, whereas 2% have fully advanced their products. Finally, 5% have no observation.

Section III. Questions related to training (part 1)

Q20 With regard to your knowledge skill base, what is the biggest challenge in your work?

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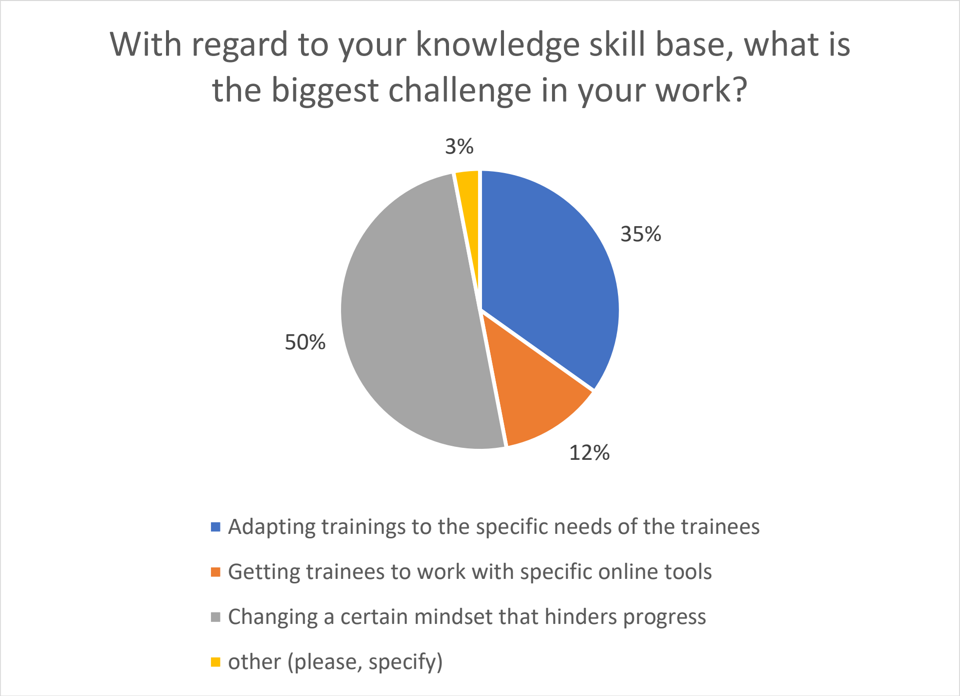
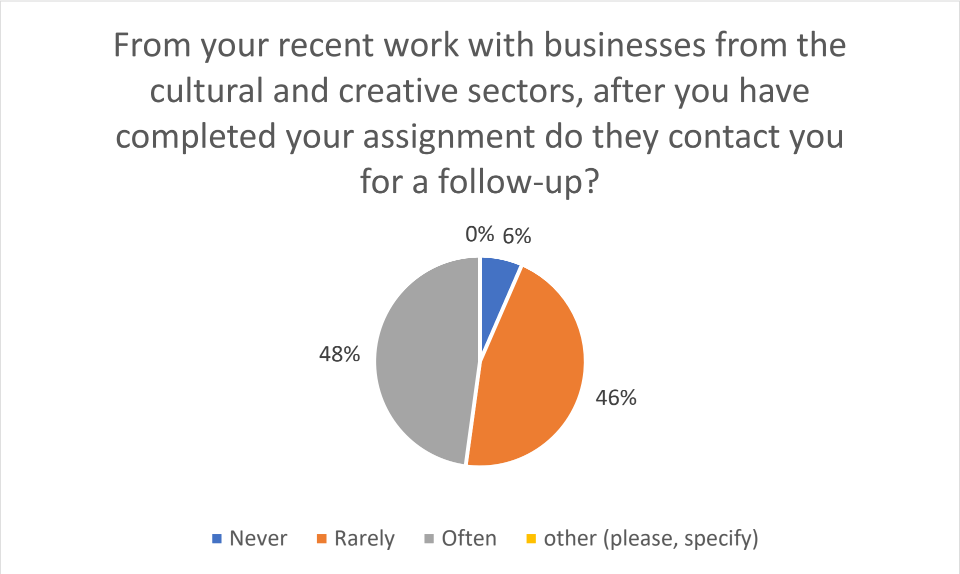


One of the main hindrances with regard to the knowledge skill base according to half of the respondents is changing a certain mindset that might drag progress behind. Another 35% of the respondents believe that a serious challenge is posed by the adaptations of training to specific needs of trainers. According to 12% of the respondents it is difficult to get trainees to work with specific online tools.

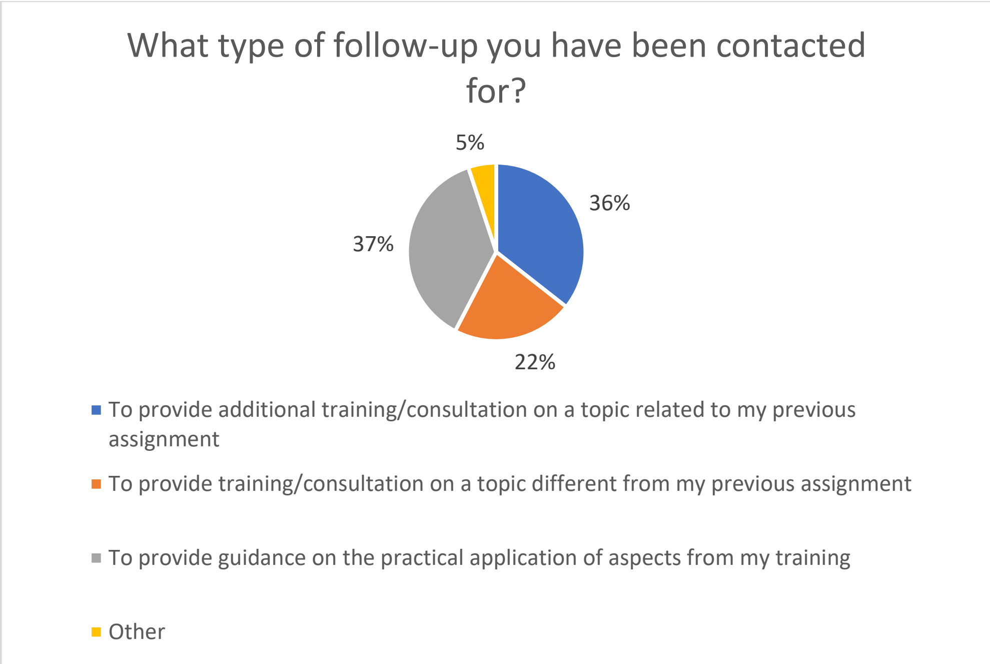
Q21 From your recent work with businesses from the cultural and creative sectors, after you have completed your assignment do they contact you for a follow-up?



The majority of the respondents (48%) declare that after completing the assignment, businesses from the cultural and creative sectors contact them again for a follow-up, whereas 46% state that it happens rarely. Only 7% say they are never contacted again.

Section IV. Question related to follow-up training

Q22 What type of follow-up you have been contacted for?



Respondents have been mostly contacted for providing additional training and consultation on a topic related to previous assignments (36%) and for providing guidance on the practical application of aspects from the training (37%). Less common reason for follow-up (22%) was to provide training or consultation on a topic, different from the previous assignment. The remaining 5% pointed out other types of follow-up:

- I have not been contacted.
- For information with regard to grants available, ongoing support and sounding board, funding limits contact.
- For more information on funding opportunities.

Section V. Questions related to training (part 2)

Q23 Based on your experience with businesses from the cultural and creative sectors, what type of training would be most suitable for them?

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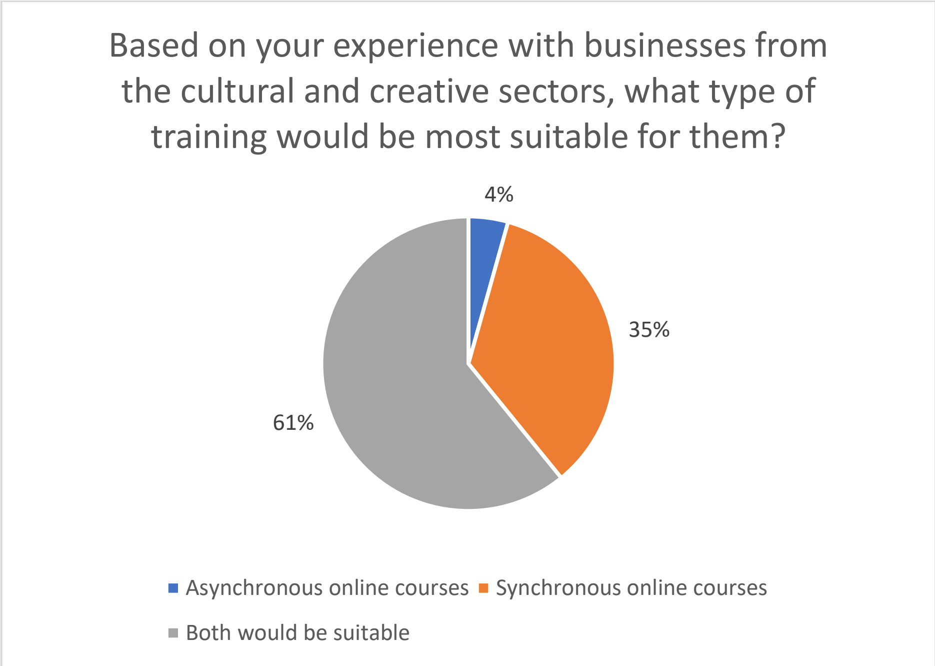

When it comes to the most suitable form of training, 35% of the respondents would stick to synchronous online courses, whereas 4% prefer asynchronous online courses. The majority of the respondents (61%) reckon both methods as adequate.

The same question was asked to persons working in the cultural and creative sectors. These are their responses:

- Synchronous online courses: 39% compared to 35% from the experts
- Asynchronous online courses: 16% compared to 4% from the experts
- I don't have a preference: 45% compared to 61% of the experts that believe both methods of training delivery would be adequate.

Q24 Based on your experience with organisations from the cultural and creative sectors, what is the most adequate for them number of training hours per day?

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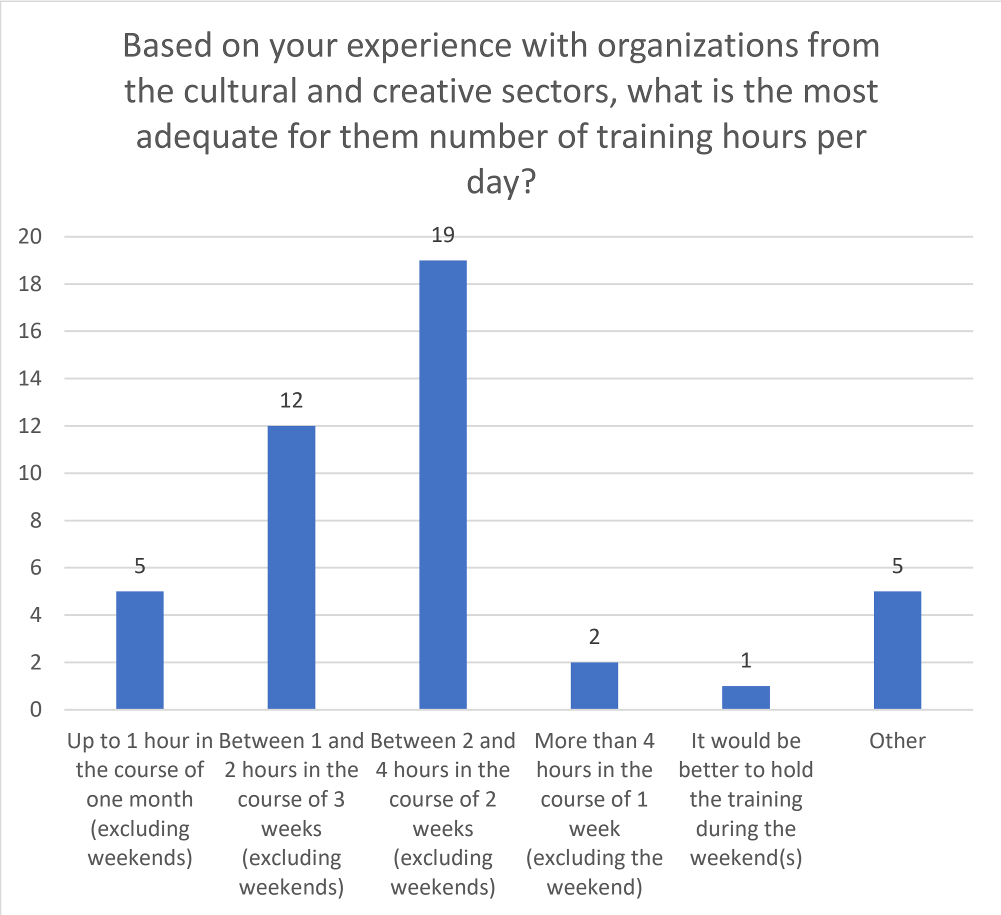

As for the most adequate number of training hours per day, most of the respondents (19 responses) prefer between 2 and 4 hours in a 2-week course or between 1 and 2 hours in a 3-week course (12 responses). Less popular are 1 hour in a 1-month course or more than 4 hours in a 1-week course. The least preferred option is training during the weekends. Five experts shared other opinions:

- I don't know.
- Can't say, some times are more hectic than others.
- Ask the companies / participants.
- It depends on the size of the business.
- No daily trainings, better to have single days for trainings within a certain amount of time.

The same question was asked to persons working in the cultural and creative sectors. The table below shows the top 3 preferred training options according to the responses of the two target groups:

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	Responses of people working in the cultural and creative sectors	Responses of experts working with businesses from the cultural and creative sectors
Top 3 preferred training options	1. Between 2 and 4 hours in the course of 2 weeks (excluding weekends)	1. Between 2 and 4 hours in the course of 2 weeks (excluding weekends)
	2. Between 1 and 2 hours in the course of 3 weeks (excluding weekends)	2. Between 1 and 2 hours in the course of 3 weeks (excluding weekends)
	3. Up to 1 hour in the course of one month (excluding weekends) 3. I would prefer to have a training during the weekend(s)	3. Up to 1 hour in the course of one month (excluding weekends)

ServiceDigiCulture

In-depth interviews with unemployed, employed, self-employed and micro and small organisations in the cultural and creative sectors

A total of 12 questions were discussed during the in-depth interviews with persons working in the cultural and creative sectors. What follows are the main findings from each question as summarised in the reports provided by the project partners from Finland, Poland, the UK and Bulgaria.

What are the existing products/services that you deliver?

FINLAND

- Artist products: Text, images, pictures, moving images and graphic design.
- Graphic design or patterns, ethical and sustainable functional products.
- I am teaching and producing different kinds of workshops and performative events, for anybody and everybody actually; schools, preschools, companies or organisations.
- Graphic material and illustrations, text drawn by hand for different purposes. I also produce my own material, such as workbooks. Animated lettering, workshops.
- Before the pandemic, I ran my own spinning mill and delivered spinning services for sheep farms and spun wool products for consumers. Currently, I'm working as a consultant, with a few spinning mills, to get them better organised, to work with their production and sales.
- I am selling knowledge and expertise of producing new stuff, creating new concepts. I also make my own new music and help people to make their own music.
- Cultural production: anything that cultural services produce, museum exhibitions, activities with tourist groups, tours, meetings, school cooperation (all students visit the art museum at least once), research services.

POLAND

The analysis of the statements of the survey participants shows that the offered services/ products are diverse. It is also worth noting that some of the surveyed organisations combine two or more types of activity, e.g. service and training, or service and production. The offered activities are addressed both to individual clients (different age groups, with different interests and needs) as well as institutional ones. The offered products/services include activities of an artistic, training, cultural and educational, production and service nature. The activities/services offered by the surveyed organisations include:

- Providing customers with access to the books, e-books, audiobooks (including their authorship). Three of the surveyed organisations deal with this type of activity. Although each of them implements it in a different way - one makes books available to readers (municipal library) and additionally organises cultural and educational events for various target groups, e.g. children, youth, seniors. The second one conducts writing and publishing activities. The third one conducts mainly exhibition activities (museums), however, as part of its activities, it has a library, which is available to visitors.

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- Offering broadly understood photographic services (including product and advertising photography) and graphics (packaging design). This offer is targeted at people / companies that sell products via the Internet. The organisation additionally deals with production activities (cardboard hangers).
- Artistic activity of creating pictures, creating reproductions of these pictures in the form of posters and selling them in an online store. This offer is addressed to all people, with particular emphasis on those who appreciate unique things.
- Production of beeswax candles, sale of bee products or products for candles. The offer is addressed to people who are interested in a healthy lifestyle, ecology, as well as to institutional clients, e.g. naturotherapy and massage parlours.
- Exhibition activities as well as educational activities.

UK

- An artist delivering paintings, creative visual courses for adults and children and also conference speaking.
- A creative individual in the film and photography sector delivering film making, editing, photography at events and font reading.
- An artist and tutor focusing on textiles. They deliver original artwork, pictures, greeting cards, embroidery, kits, unique decorations, textile workshops, teaching and classes among other activities.
- A self-employed creative in the photography and videography sector focusing on film stills and video making.
- A creative director in theatre and film who delivers workshops for children, adults, those with disabilities. They deliver bespoke plays, theatre, films, radio and animation.
- A goldsmith taking on smaller projects. They work with bespoke jewellery design, and they are a creative designer and maker.

BULGARIA

Two of the respondents are engaged in the design and printing of promotional materials. They are employed in small companies and work mainly with corporate clients. One of them is a designer and the other one is a Managing Director of a company. The two companies have a number of departments focused on different aspects of the product delivery and they have their production facilities.
Two other respondents are designing handmade silk scarves, one person produces hand-sewn books and notebooks. These three people work with individual clients.
One of the respondents represents a music school that offers several types of services, such as guitar, piano, flute, violin, ukulele and harp classes.

As evident from these responses, the participants in the in-depth interviews were diverse and represented a large number of cultural and creative sectors. By not focusing on businesses from

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specific fields the interviews ensure good representability of the whole sector and allow to see some similarities and differences between various creative fields.

Who is involved in the delivery of your products/services and at which stages?

FINLAND

- When I do movies and moving images, I also involve in the end of the process other people who are doing sounds and final editing. In the final part I need and are working together with others. I also do editing forsmall and simple things.
- Depending on where I show the product, if it´s an exhibition then curators are involved for example.
- I also do interactive projects. I want to do pictures that somebody interacts with, during production, so it´s not in the end, not with the public.
- While working with others, during the process, like those who are editing, we collaborate, although it´s me as an artist who initiates it.
- Delivery companies when sending product-orders.
- My biggest customer is a business in Korea. Then I don´t even touch the products, physically, but I do all planning. So when it comes to the company in Korea everything is coordinated and produced in Sweden. The coordinator sends everything(deliveries).
- I mostly plan the teaching/workshops myself, but children and youths are also involved, they are a part of the planning-process, they come up with the ideas and we go forward from that to produce contents to events, for examples in their schools. During our shows, the children are receivers of our services.
- Involving people always depends on the case - what I'm working on. Otherwise, normally, I do all the work myself. When it comes to paper products, then I need a printing house at the end of the process. I use external help with producing, video, audio and editing.
- Primarily myself, so I am the one that is involved. My husband has been in some part with the services, he's a service engineer, and he has discussed with one of the mills about services on their machines.
- When making music, there is a company. When I am releasing songs, there is marketing, releasing on the digital Spotify platform, promotion that takes our songs to the radio stations.
- At same time I am an artist promoting my own music, and also being a producer for other musicians.
- In the projects now I am working by myself, usually in EU projects and organisations that give money, to create something new.
- Museum staff is three people: director, archivist, museum lecturer. We work under Cultural Services, so there is also the cultural director, cultural and sales secretaries and lots of project workers and interns from different fields. And the museum services [people]. The planning and the ideas come from anyone on the museum team, and sometimes from the outside staff and even the audience. Everyone is involved in everything, in a way, working from beginning to end, museum staff with others on side.
- Student cooperation is part of our exhibition renewal process. They are making content, that hopefully we can use in an exhibition.

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- Then there is also cooperation when we need more practical stuff, like prints and exhibition booklets, banners. We work with printers. We might order layouts, graphics. There might be cooperation with layouts and graphics. So that sector as well in the exhibition process.

POLAND

The analysis of respondents' statements shows that in the case of some organisations, promotional and distribution activities involve additional costs, e.g., commissions for intermediaries, paying for space on the Internet. Others are implemented at no cost, only with the involvement of the employees of an organization, e.g., running a profile on Facebook. The surveyed organisations operate in two ways when organising the distribution process. On one hand, they use other companies as brokers and thus reach customers interested in their products / services. On the other hand, they do direct sales.

Two of the organisations are supported by a professional marketing department in conducting promotional activities, in this case the internal department deals with several dozen organisations operating within the network. The department deals with the promotion of larger events, while local, small initiatives are promoted independently by the organisation itself. Additionally, while producing events in cooperation with external organisations, co-organisers help in promotion. Both organisations also cooperate with local media and cultural institutions, as well as the municipality. Since both institutions are owned by Municipality and subsidised by Local Council they may also rely on their promotional departments.

Another way of implementing promotional activities is to prepare a portfolio presenting the works of art. There is also an organisation which cooperates with a broker (auction house) who promotes the works, but at the same time charges commission. The indicated benefit of such a solution is the access to a wide range of customers who are actually interested in the offered type of products. Reaching these clients would not be possible without this cooperation.

One of the surveyed organisations also uses brokers in the selling process, in this case the products are delivered in bulk to the specialised therapy centres, where certain healthy services are offered (f.e. massages). While using the offer customers have the possibility to watch the product and purchase it. It is not the only way of buying the products, one can purchase directly from the manufacturer or via online shop.

Next organisation uses nationwide, well-known and recognized companies operating in the area of distribution, which carry out retail sales, also in big shopping malls. The surveyed organisation also conducts direct sales and has online shops, as well.

All surveyed organisations reported that activity of their clients is one of the ways in which their products / services are promoted. Organisations also use online tools, i.e. Facebook, website or online store, and through these channels they acquire customers for their services / products.

UK

The artists involved in the interviews shared that for 4 out of 6 of them, it is solely them working in the delivery of their products and services for all stages. One artist shared that they are working in all stages, but they do have an external website builder and a publisher for printing their cards. One artist works together with actors, artists and clients including universities, third sector organisations, and creative individuals including film makers and animators.

BULGARIA

According to the respondents working in the two small printing companies, all departments are involved at different stages in the delivery of their services respectively. A member from the marketing department is the first one to communicate with the client. This includes inquiry about their order, delivery of an offer for production, etc. After that, the client starts working with the designer. Once the client has approved the design it goes to the pre-printing department for finalising the layout and then to the workers in the printing department. They stress the importance of including the customer in all processes in order to express his or her preferences and opinion.
According to the respondents working in micro enterprises, all the members are involved in the process, including providers.

The interviews reveal that the involvement of different parties in the process of product/service delivery depends on the type of sector and company. In the case of self-employed persons who run their business on their own there are usually no other parties involved in the process or, if there are, they are usually subcontracted. In the case of small or medium-sized companies there are usually several members or all of them involved. Some respondents mention that they also include external parties in the process (customers, subcontractors, etc.) but this varies from business to business rather than across countries.

Tell us about the way you renew your products and services? How often does it happen, who is involved and at which stages?

FINLAND

- Can't say how often, right now I have experimented with new techniques. It's often a crisis that makes me search for new ways.
- In the process when you test things you also find things, it's through doing you find interesting things that you want to continue to work with. It can be a very long process. It's not that I want to reach a goal, it´s instead a discovery. This makes it´s challenging to search/apply for financing, since I don´t have a clear idea from the start.
- To renew is a bit overestimated. Of course I do that, when I want some new things, but some products/patterns are selling all the time, and that´s want I want. You need to renew so people get to see something new, but it´s still some products and patterns that are bestsellers.
- We think co-teaching is very important, we work very hard. We evaluate continuously, we talk through how things have worked out, there is always a dialogue.
- Projects and activities are influenced by different ideas, for example the pandemic, that stopped out live-activity. Then we had to figure out how we could go on with our activities

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and create more digital content. An evaluation/development according to moments, influences or needs.

- Now we have used and repeated our workshops for about four years, so right now we have both experience and knowledge, and now we are about to renew and develop our workshop contents, based on these experiences.
- Custom made works are always different and new in themselves, depending on what the order is, what the customer wants. Within each custom-made work I renew myself and the product.
- The concepts of the workshops are renewed and developed by myself, partly based on participants requests and wishes. I have about 5-6 different contents in my workshops. I continuously, every year, come up with new ideas to develop new setups for workshops.
- As far as the mill was concerned, the products were renewed as per season, and generally what was going on within the market, depending on what raw material came in. Local consumers and sheep farmers were involved. Consumers could come up with requests, and being the only person working within the company I could make changes quite quickly.
- I have to reinvent everything after two years because usually the project is changing. I have to start with nothing. All of the projects are quite different. I have to recreate everything.
- It is the same thing in music. I cannot make the same kind of songs year after year. The industry is changing, there are new ways of promotion. There has to be something new; you have to go further.
- Currently we are renewing and working on new ideas almost constantly. Before, the museums did not have full time staff. There was not a big renewal of ideas. Exhibitions were static. Now there is new staff. It changes the whole situation. Now staff can work on things. Previously the [museums] were just trying to stay afloat. Everyone in the museum is involved. And we often consult cultural services staff who have been here longer.
- Requests from the audience, people ask about something and it might be really interesting. Ideas come from a need; we notice people are interested.
- We (museum) piloted a workshop about the Vanha Paukku factory. We invited people from the magazine and Facebook groups, anyone who worked there or relatives of people who worked there. There were a lot of different staff from different positions, like cleaners, engineers and people who had relatives that worked in the factory. We were going through daily life, what work they and others did. We also went through staff newspapers and different materials. We piloted this methodology with the factory museum. It may be first in Finland and maybe internationally. They could not do the project anymore because of Coronavirus. Now they are trying to pick it up again and do it in other places as well.

POLAND

The surveyed organisations carry out the renewal of their products / services basing mainly on the following factors: analysis of the latest trends on the global and local market, the observed customers' needs, feedback from clients and contact with the companies intermediating in the sale of offered products / services. Own ideas and creativity also play a crucial role in the renewal of their products/services.

One of the organisations conducts systematic evaluation activities and carries out the test phase regarding its offer. In addition, the offer before being presented to the target group, is discussed with the curator and prototyped. Taking this into account the offer is modified if necessary and the renewal process is taking place.

Product / service changes take place once / every few years, e.g. as a result of changes in customers' needs and trends observed on the market, or on a continuous basis - constant monitoring and analysis of customer interest in the products offered / services, conducting statistical analysis and adequate response to customer needs, ongoing modification of activities and offers.

UK

- One artist shared that the business is a bespoke one. Where it is about relationship building and having a good relationship with people who they are making important pieces for (engagement, wedding rings). They work closely with the client to develop products.
- For one artist, their services and products have been renewed this year as they have attended a film stills course and mentoring sessions on a one to one basis.
- The services of one artists were only renewed when they feel it is necessary to in order to keep it streamlined and best value for their clients and themselves
- One artist renews their services and products when responding to contemporary training and courses. Other reasons include external issues such as training needed for clients on topics such as digital marketing and strategy.
- For another artist, their products and services renew organically. They adapt to the needs of the client and through experimentation.
- Lastly, one artist is inspired to renew their services and products based on seasonal work. They are inspired by the seasons and subsequently carry out themed artwork and workshops.

When asking the follow up question "What motivates you to renew your products and services? Do you think it is important to regularly renew your products and services? Why?" the following insights were gained:

- One artist shared that they do not think what they do is particularly relevant to this. They do this because they are so passionate about working with somebody to make that one thing that you cannot find in a mass manufactured situation. They do not work well with others which rules out office and retail work. The fact that they have something that is constantly changing and different really makes it fulfilling for them, when they have a lot of responsibilities like caring for family members, having something like making jewellery and being involved in these incredible moments for people bring them a lot of joy to have that restbite.

BULGARIA

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In service renewal, the respondents stress the importance of the competition and the opinion of clients, who might have specific demands that need to be met with innovation. Whether it is the market, the competition or the clients as a stimulus for the development of new products, it happens several times a year.
For one of the respondents, the introduction of a new product does not happen often. However, they often introduce new modifications of already existing products, probably once a month. The driving force behind such renewals is usually the task given.
One of the interviewees stresses the importance of technology in renewing their products. Whenever they come up with a new production technology they feel inspiration to not only introduce new products to their portfolio but also to modify already existing products and add a new touch to them.

The received information from the interviews suggests that businesses from the cultural and creative sectors do renew their products and services. The frequency and methods of renewal depend on the type of sector (rather than on the country) and while for some sectors it comes naturally for others there are external triggers for renewal (for example a crisis such as the pandemic or a demand from customers). Interaction with customers is often mentioned as one of the factors for product/service renewal. Discussions with clients and feedback analysis are among the most popular ways for interaction that brings product renewal. One person from Bulgaria explicitly stressed the importance of technology in renewing their products.

Based on your experience, what would you say are the aspects that enable innovation in products and services?

FINLAND

- **Crisis motivates me**, but during this pandemic, when I´ve been so isolated, I also want to do more with others. I now met residence artists and recognised that we have something in common, then I felt that this could be something interesting. For me it´s extremely imported to work with other people in some way.
- There´s a certain energy, everybody has it, but some creative persons have it a lot. If you get a thought, and you grab that, you get started on that. The process goes very fast, but it doesn´t necessarily work and that´s not sustainable.
- Sometimes I want to do something new, but certainly not like big chains that come with eight seasons. I like that it is sustainable, that it lasts. It should be something a little more long term.
- You should grab the opportunities when they come to you, if it´s something you want to do.
- I think it is a strength to **dare to change**. To dare to try, walk new ways.
- A big network enables you to ask and find out things.
- I don´t have strategies, I have of course some thoughts about what I want, but I haven´t decided in detail how to work. Of course if something doesn´t work, then you let it go.
- External changes/factors, like corona, is a real problem to solve. I like **problems and challenges** and like to find a solution to them. So yes, problems enable innovation.
- Missions and custom-made work make me develop and renew my work almost every time, based on **external needs by customers**.

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- According to workshops, the **request from customers enables innovation**, as well as their **own drive to renew and develop**.
- In my own work, innovation is enabled by **my own drive, curiosity**, and wish to develop and create.
- **Time and availability** is the thing. It is a lot of experimentation to renew the products
- In my world, usually there is **a problem we have to solve**. Then we need **resources, money, time, mine or someone else's, time** to start to solve problems.
- In music, we have no money. You make new songs and the money comes at the end. If I have an idea that I want to make a musical, there are two ways I can make it, in my free time and hope that somebody will take it and I will have my money later. The other is associations like the Regional council of Ostrobothnia, who can give money for projects.
- **Staff having motivation to do so**; and especially leadership, if there is not flexibility with leadership, you cannot do anything new. Your leaders have to give you some freedom to try out and develop some practices. And the staff have to have some kind of interest and flexibility in their own thought that they want to study something they don't know anything about.
- **Funding** helps to try out.
- Having an idea, being able to do it, getting a positive response, it is like getting verification that you are on the right track and you were able to do that thing that you had a hunch might be helpful for everyone.

POLAND

Among the factors that allow, favour or stimulate the development of innovative solutions, the surveyed organisations mention:

- **financial resources** that can be allocated to the development, introduction / purchase of innovative solutions that will make the offered products / services more attractive / improved
- simple procedures of **applying for funds** to cover big costs of innovations
- creativity and ingenuity of people running a given company / organisation
- knowledge, skills and experience of people working in a given organisation
- the atmosphere in the team, conducive to the emergence of new ideas, exchange of opinions, etc.
- contacts and cooperation with organisations with a similar profile of activity, which gives the opportunity to exchange ideas, share experiences. It works as a mutual inspiration to develop changes
- **the economic situation of the country**, including an increase in the prices of raw materials from which the offered product is made. In order not to lose customers, the organisation should offer clients something in return, which improves the product, so that despite the price increase, it is still attractive to customers
- **the needs and suggestions from customers**, which on the one hand show the direction for product / service development, and on the other hand, make customers feel important and engaged in the product development. It strengthens the relationship with the customer

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- the spare **time** – this creates optimal conditions for introducing innovative solutions and carrying out the test phase. The experience shows that it is not possible f.e. before Christmas because of the substantial growth in the number of orders. During that time the organisation (artist) needs to focus on the realisation of current orders and in order to fulfil orders from customers
- development of **technology** that allows the adaptation and / or implementation of various types of innovations to the offered service / product
- **global situations that force people to change** and adapt to new conditions, such as a pandemic.

UK

- For one artist, it is the people, finding that next project, talking about what makes people tick. Projects they have done this year have made me passionate about their work. Having that excitement and finding out what brings somebody joy fuels what they do. With each project, I will learn a new skill and discover something new and figure out a new way of doing something or have a happy accident that will inform their work down the line.
- One artist shared that for them, it is always thinking about the next artwork they could create, working towards events (e.g. Christmas). It’s very important to renew their handmade products and for their clients to see the new products they have.
- One artist is approached by people and they learn a lot on the job. They don't really strategiese.
- Digital marketing and networking was shared by one artist as something that enables innovation.
- One artist felt that it was the space to experiment, be wrong and receive constructive feedback.
- One artist shared that they need to keep shooting and producing photos and videos. They shared a quote that is important to them “Those who aren’t seen, are not remembered”. To them, this quote meant that they needed to keep up with the latest trends and technological equipment.

BULGARIA

Almost all respondents agree that the **push from the clients** is something that triggers innovation – when customers require something new, the companies are forced to offer them something new. One person pointed out that the more your customer trusts you, the more this enables you to innovate. Another important aspect that was mentioned was **new technologies**. They widen the possibilities for production and they inspire new ideas. One of the respondents stresses the effect of the current circumstances - **the pandemic**, increasing the use of remote working methods or specific ideas.

On the basis of the responses in the 4 countries we could conclude that the following factors have been recognized as enabling innovation in products and services across countries: finances, enough

time, technologies, crises & challenges (such as COVID 19 or economic), interaction with customers. There are not many country-specific differences among the responses which leads to the conclusion that innovation triggers depend on the specific business and personality of the artist.

Based on your experience, what would you say are the aspects that hinder innovation in products and services?

FINLAND

- **Lack of resources** is a challenge and limitation. A basic income would be better, a basic security.
- I renew too often, I`m in a hurry to the next phase, and that hinders me from repeating and learning all I have to learn. So, eager to renew, hinder and also enable, when you want to grow, to learn something new.
- If I think “What would sell”, it doesn´t work, at least not for me.
- People always have their opinions on what you can and cannot do, but you must do what you want to do, what is right for you. You should follow what you yourself believe in, and like to do.
- **Money**. Perhaps the only aspect that hinders innovation is money, the lack of it.
- For me, it is much about **time and energy**. I have another job, that especially during the pandemic has given me money, but otherwise too, time can be limited.
- Engineering. For example, a lot of people had asked for rug-yarn, a thicker yarn. Attachments (to the machine) were available in Italy, but I had to buy them new, and we were talking about several tens of thousands of euros to get those different attachments. So **money** and engineering.
- You can have a really good and creative idea, but some people will not want to change their ways of doing things. I think that is always a problem with new things. If you are afraid you are not being so creative.
- Leadership and **funding** in general; if there is no funding, it is not possible to do anything new; also leadership’s willingness to support innovation.
- In some cases, it takes a lot of effort to get the idea through. Like if we are working with some department in the city or something, we need to present the idea in a way that is understandable for non-museum people.

POLAND

The analysis of the collected data allowed us to prepare a catalogue of barriers that hinder the introduction of innovations. The difficulties indicated by the respondents are:

- high level of bureaucratization and the need to complete many formalities **when applying for co-financing** of activities allowing the introduction of innovative solutions
- inadequacy of the grant offers to the needs of the market and organisations that would like to apply for the grants
- lack of legal and organisational stabilisation, **constant changes in law and regulations**

- a **sense of uncertainty** concerning continuity of customer interest in the offered product / service
- sudden events beyond the control of the organisation that disrupt the developed scheme of action and disrupt the sense of stability (e.g. a pandemic)
- **pressure** to make a profit and keep the business
- getting inadequate / too low remuneration for the product/service in relation to the financial, organisational and personal efforts
- the **lack of time** - the time of increased interest in the products results in a need to focus on the realisation of the current orders
- **lack of funds**
- difficult or impossible access to materials that could improve the offered product / service
- **lack of appropriate knowledge** (including technical issues or about new products, concerning new opportunities appearing on the market) and tools enabling the development and improvement of products / services
- difficulties in establishing cooperation with large contractors
- strong competition on the market
- **combining various business tasks** (financial, marketing, etc.) with the creative process of product/service development. The former is a necessity, the latter is the pleasure and forms the core company's activity.

UK

The artists felt that the following aspects hinder innovation in products and services:

- **Lack of equipment**
- Lack of opportunities (e.g. to shoot different events through video and pictures)
- **Judgement**
- **Shame**
- Playing small
- **Feeling overwhelmed** (e.g. due to social media)
- Lack of strategy
- The **time** that is needed to be creative but also the need for managing strategy and marketing
- **Time**
- Money, **funding**, lack of government's support
- Capitalism
- **Fear** - not understanding or knowing
- **Confidence**
- **Mental block**

BULGARIA

Interviewees mention different aspects that they consider hindering innovations. Two of them share that sometimes it is **controversies on the part of the customer** that hinders the innovation process – either when the new product seems too risky, or the production of these ideas comes at a high cost and it is this financial aspect that stops them. Some of the respondents are hindered by **unrealistic expectations of the clients, lack of time, routine work and lack of adequate materials**. One person points out that mostly it is the **lack of financial resources or specific knowledge and skills** for introducing innovations as the factors that hinder them from innovation.

The main hindrances to innovation that can be outlined based on the interviews are: lack of money, lack of time and lack of appropriate knowledge or strategy. It is also mentioned several times that artists face mental barriers that hinder innovation. These include fear or feeling of uncertainty, lack of confidence, overwhelming pressure to make profit and to keep the business running while also taking care of the creative process. Some external factors were also mentioned such as sudden events (changes in laws & regulations, the pandemic) and even dealing with bureaucracy.

Based on your experience, what are the main challenges for the companies working in the cultural and creative sectors?

FINLAND

- Everything is about **financing**. When it´s not products that give money, it´s challenging.
- Artist should get paid to show their work instead of the other way around. I cope with it, once I decided that I don´t do any exhibitions, I don´t put that press on me.
- Regards to COVID-19, it **isolates** people. For many artists it has been a relief 'now I can work', but for performing artists it has been terrible. For visual arts not as difficult, it depends on the situations. For me it first was good, but then I got too much isolated, it´s so important to your own creativity to get in contact with other that do same things, and are in the same situation, to see what others do.
- Sometimes **time** is a challenge. As a business owner there´s so much you have to do, so time is a big challenge. But you also can say that time is all we have, so you have to choose carefully what you do with your time. It´s oneself who puts the pressure, but we people tend to think that it could be the end of the world if we´re not super effective all the time, but that can kill the creativity and the spark of life.
- Due to the **pandemic** almost a year went by, it was like a wall that came against in March 2020. But you can do other things. You can´t just bury yourself and think about all you cannot do.
- For example, during the pandemic, it was frightening to see how easily we were ready to sacrifice certain forms of culture. What was important was that we should have food and care. I thought to myself that I didn't choose the most important sector to work within.
- When thinking about theatre, the biggest challenge is movies. Today we have such an enormous and available assortment of movies and tv-series. Theatre has been struggling for a long time to be interesting and innovative to attract the audience, just because we have so many choices. To constantly attract the audience, you always need to do better, and that can lead to a bad circle.
- It is a challenge to get in touch with bigger customers and companies, to make them aware of my services and possibilities within lettering. One reason why it is so hard to reach out to bigger companies might be the competitors I have in graphic designers, we do about the same

job, but the graphic designer does it faster and cheaper. My services are handmade and handicraft, and therefore it costs more.
- Appreciation from consumers. People go get their yarn from ordinary markets instead.
- And all this with the corona-shut down, to get people to come back afterwards. And the support, first of all there was **no support given to smaller businesses**. Unfortunately, I had my husband in Korea the whole time that the schools were closed. I have a son with type 1 diabetes, so I couldn't go up there (to the spinning mill) when he was home. As an entrepreneur I didn't get any wages.
- In Finland, in the music sector, there are two kinds of companies. There are the big ones and lots of small companies. Even now during the pandemic, the big companies have no problems. But **for little companies there were lots of problems**. They do not have the **money situation** like this. They are mostly self-employed freelancers. They have no gigs and no money in the bank to wait for better days.
- The music industry is a hard one because there is money for the gigs and merchandise. And then the songs, nobody is paying you for creating new music. Later you will collect royalties
- It is the **funding**. In a way it is about the values and understanding of what the cultural sector is doing. It is seen as something worth spending money on. Is culture important? In many cities, politicians do not necessarily know what museums and cultural services are doing and contributing. They might not have any idea. There may be false impressions.
- It is harder to reach the audience in **Coronavirus** times. We got accustomed to the restrictions quickly, but there is uncertainness, wariness. Can we do this? Cases are changing all the time. It is kind of hard to arrange events, activities, if they are bigger because of restrictions and limits.

POLAND

The conducted research allowed us to identify a number of challenges faced by companies from the cultural and creative sectors. When speaking about the challenges, the respondents mainly referred to **the pandemic**, which was something surprising and unpredictable, and in some cases significantly influenced the way of doing business.

Among the listed challenges are:

- lack of adequate technical resources to ensure business continuity in a crisis such as a pandemic
- the need to maintain a high quality of services
- the need to make customers aware that professional service provision or handmade products are associated with a higher price, but also with a higher quality
- the risk of imposing a quarantine, which is associated with the need to suspend operations, and this in turn leads to destabilisation of **financial stability**
- **the need to combine various roles in running a business**, both the role of the creator / provider of the service, as well as marketing or promotional work

- **lack of financial resources** to employ additional people to support the organisational activities, e.g. dealing with marketing activities
- **the need to change product distribution channels during a pandemic**, due to the limited possibility of selling them by the direct contact with the customer, the need to transfer this part of the activity to the online sphere
- **payment for services**, which exist in a market with many free events sometimes means difficulties in attracting customers
- **competing with other public organisations of the same profile**. Lack of cooperation on the local market among organisations makes coordination of activities impossible. It also makes mutual complementation of offers and recommending each other more difficult.
- **the need to engage in online activities**, mainly in the area of social media. The premise for this type of activity stems from the fact that more and more people look for the information there. This gives the opportunity to attract customers and contact them.

UK

Interestingly, only two individuals mentioned the COVID-19 pandemic. The artists felt that the following aspects were the main challenges for companies in these sectors:

- Finding **funding** and lack of support/funding from the government
- Judgement about the creative industry
- Capitalism
- Undercutting prices
- Appropriate strategy
- Retention of clients
- **Being in touch with clients**
- Being a “yes” man (taking on too much work)
- **Lack of selling events due to COVID-19**
- **Unable to run in person workshops** during the pandemic
- **Anxiety of the public about COVID-19 and therefore reluctance to attend in person workshops**

BULGARIA

The most common challenges that were identified during the in-depth interviews are ineffective communication with customers, elevated costs and the negative impact of the pandemic. Three of the persons share their frustration with the way communication with their customers changed because of the COVID 19 pandemic. Face-to-face meetings when they could discuss their ideas with the clients do not happen anymore. This changed the nature of the contact as online communication is very different from direct interaction.

One person pointed out that for many freelancers what they do is not their main profession but rather side activities that are more like hobbies. That being said it is challenging to run them in parallel to their regular job. This person also observed that most creative people focus on the creative aspect of their work and ignore the business part of it. In their opinion people from the sector lack business skills, especially freelancers. And for freelancers it is very challenging to subcontract even basic accounting services because very often they cannot afford it.

The businesses from the 4 countries mention similar challenges. Some of the most common are the financial challenges but also challenges caused by the COVID-19 pandemic such as challenges to adapt their products/services and reach out to clients as well as the overall feeling of uncertainty and isolation. It is also worth mentioning that the businesses find it challenging to be competitive especially when it comes to small companies/freelancers who find it hard to compete with larger corporations.

Due to the COVID 19 pandemic, or otherwise, have you employed any digital solutions? How/What?

FINLAND

- I´ve been taking some master-classes, and that have been good, the opportunity to participate independent of where in the world you are. But I couldn´t do an interactive project in this way, I need the physical meeting.
- I already had my webshop before, so it hasn´t been any big change. Visibility is a challenge, you can put a lot of money in marketing, like optimising, but it may not give you anything.
- **Digital solutions are good emergency solutions, and a fun way to experiment**. These solutions should live on, I think it is great that I in Finland can take part in a Broadway production online. It is wonderful once or twice, but if this would be the only option… It is not fun for the actors to work for an empty audience. Some kind of hybrid could be ok.
- Streaming theatre can be ok, but then we don't get out of the house, out of our comfort zone, to socialise with other people, which I think many of us need to do and should do.
- In the beginning it was tentative experiments to reach out on social media, uploading hints on motions and drama. Last autumn we tried **drama teaching digitally**, we had 10 workshops, altogether 60 hours, that went surprisingly well. When we had some experience, we also made a **digital Christmas calendar that** this year will be shown in schools. So, we made both a digital product that can be seen regardless of the upcoming situation, and we also were able to work within our cooperation to secure our work situation. This was a clear development from the start of the pandemic.
- I started hosting **digital workshops during the pandemic**, through live-streaming platforms. At first, I operated everything myself during the workshops, but later on a company contacted me, to do live streaming through their channel. I continue doing workshops to different organisations through this live-streaming company.
- I still prefer workshops in real life, then I can give personal feedback to each participant and help when needed. But **through digital workshops I reach more people**, those who otherwise wouldn't have been able to visit the workshop in real life.

- I actually opened a **web shop during the time** and it actually worked out quite ok, as a sales channel. But it was a lot of time and effort to even bother to open it. I think that is something that probably should have opened before, but I hadn't had the time to do it. I focused on manufacturing rather than internet sales.
- We have done a couple of streaming gigs with our band. Personally, I think there is no sense in doing it. I think there are so many things wrong in that system. You cannot meet the fans and connect. You are just performing with the lens of the camera. Also moneywise, there is no business there. Because we cannot perform live and have money for the band. Streaming concerts are just to hold the fans. I think that it is good that we try to do something but there is no solution.
- But I think the distribution now with Spotify and **digital platforms is the only way to be alive**. You will release new music and hope the fans will find them. The artists do not have the money from there. But it keeps you alive and keeps you going.
- Because I work with digital stuff, I see that it is not a solution on its own. I see it used for a wow factor in bigger museums, but it may not convey anything important and new. When put in the right place, it can really make people get the right idea or make the experience better than anything before.
- Helemi tietokanta wiki content ported from old to new platform with COVID funding from the Ministry of Culture. And we made it available to the public. We made some online content for Helemi for the audience to enjoy in case we would have had to close doors.
- For the art exhibition we had some videos online.

POLAND

The COVID19 pandemic meant that some of the surveyed organisations **had to adapt** their activities to the prevailing conditions. This mainly concerned increasing their online activity, both in terms of sales/distribution of products/services and marketing activities based on activity in social media. Some of the respondents claimed that they had conducted online activities before the pandemic, and for some of them the pandemic became a catalyst for launching their activity on the Internet, because such activities had previously been postponed. One of the surveyed organisations participated in a training with an element of customer needs research, which resulted in the introduction of changes in the manner of advertising the offered product. Due to the pandemic, one of the organisations began recording educational videos, which served as DIY instructions as a substitute for organized workshops. Thanks to this, the institution was able to stay in touch with its clients.

UK

In terms of digital solutions, one artist shared that they did not use any digital solutions due to financial obstacles. Another artist shared they had a fear of technology and could not get to grips with software such as zoom or how to run their classes online. Other artists shared that they did employ various digital solutions. These were:

- One artist delivered online education, learnt how to edit and film short films online, made radio plays, worked together with animators and filmmakers, and directed a film series online.

- One artist was involved in online meetings and sharing documents online.
- Another artist used TikTok for marketing, used an Instagram strategy and improved their website.
- Lastly, an artist shared that they carried out their courses online and have started to learn about digital marketing.

BULGARIA

Two persons said that they had ERP systems in their companies even before COVID 19. They were used to using the systems on a daily basis and continued to use them through the pandemic.
The other interviewees shared that the pandemic pushed them to digitalise different aspects from their work. They have created online shops or sales platforms, and have increased their online tools for communication with customers.
What is important to mention is the difference between freelancers and people working in bigger companies. Those from the companies where work is organised in different departments are much more used to digital solutions. Freelancers however did not feel the need to digitalise their businesses before the pandemic. And after the pandemic hit they digitalized some aspects of their products/services not because they wanted to but because they were forced to do so to keep functioning.

Although some of the interviews show that business from the cultural and creative sectors used digital solutions even before the pandemic, for the most part of the interviewees it was exactly COVID-19 that triggered them to employ digital tools. Digitalization in this aspect is recognized as a possibility to adapt the activity during restrictions. In general it seems that artists do see advantages in digitalization although some of them still stress their preferences for face-to-face contact.

What are your perceptions of service design? Do you use it in your work? How, where and when?

FINLAND

- **I don´t know how to apply that** to my **work**…
- I´m testing to learn new things and techniques, but not know where it will end… it´s a part of the artist process and work.
- **I don´t really understand it**…
- One thing that I´ve done is when a company contacted me and wanted their logo on a tray, and I did several suggestions, and then I also wanted the story behind why they have a bulldog as a logo, and then I could contribute with that, to tell the story behind.
- **Not that familiar with the concept.**

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- Our speciality lies within drama pedagogy, that is what we take responsibility for. But producing digital products is outside our area of knowledge, so we knew from the start that we must find somebody to help us with video and audio etc.
- Service design is a good thing, that you consider and plan how to achieve the best possible outcome and engage help to reach that goal. That you have an idea and a plan is important, a structure.
- Service design is a fun part of my work, to take the customer's needs and requests into account and figure out how to find the best possible solution.
- You need to know your own skills and how to apply these to the client's needs. You also need the ability to develop and renew yourself.
- I did my website myself, and didn't use any help. I started my first website in 2000, so this was a lot easier. I just used the iZettle programme, it was linked (to the website).
- I thought of what I would want as a consumer myself and set it up that way. I didn't think " I have to think about the service design", I didn't even have those two words put together. But usability is important.
- It is a hard one. I understand that it is really important. Everything I do includes helping the musicians and creating new ways of helping them, and even in our music we are just serving the fans and trying to figure out new ways. I think everyday we are doing it. I am not sure I am the right person to answer that question. I am not sure my products are in the field that involve that.
- Service design is really important in our work designing content for exhibitions, tour groups and everything. It is something we pay attention to. It is part of the work process, part of the whole process. When designing for school students: it is part of everything we do with audience
- I have no specific design training, but I could take courses. It would be helpful to expand; everyone would benefit from the basics at least.

POLAND

The conducted study examined how the respondents perceive the service design process and whether and how they use it in their work. From the collected statements, it can be concluded that in most cases **this concept has not been known / used so far**. Some people express it directly. At the same time, some respondents carry out activities in the area of service design to a greater or lesser extent, e.g. analyse the reasons for the lack of interest in the offer, expand their knowledge related to marketing, look for new ways of acquiring customers, test and check the introduced solutions.

Only one organisation deliberately carries out service design activities. In this case, it is mainly done by prototyping and testing various ideas. Then, the results of the pilot project are analysed - the way the offer is perceived by the clients is checked, evaluation activities are carried out - mainly interviews during which respondents are asked about their opinion and how the activities can be improved. The participants of prototyped educational workshops are observed and then their reactions are analysed by the team. After that, if necessary, appropriate modifications are made. In addition, a kind of internal evaluation is carried out - discussions among team members about what can be changed, what went well, what went wrong etc. In addition, the employees of this organisation constantly improve their competences and participate in various types of training. It is worth noting that this institution consciously and purposefully designs its activities based on the design thinking method, and team members participated in training courses on this topic. It has to be stressed that procedures described above are introduced by the big public cultural institution, which has resources (staff, infrastructure, money) to do so. On the contrary small enterprises and self-employed do not possess such resources to implement service design.

UK

Two artists did not know what service design was. One artist said they were not sure but "presume it's about organising your services to a particular design". Another artist shared that they were ignorant to it and felt that it would do more harm than good. This artist liked their freedom to work and felt that moving things online to reach out to more clients and change their service would be too financially demanding. Another artist felt that it was a good idea but they do not have enough time or knowledge to implement it. Overall, **it seems that service design is not a common term that is known by artists.**

BULGARIA

The respondents perceive service design as something that could be more useful for bigger companies or ones that have more steps in the production process. Respondents engaged in design perceive it as a method to improve the quality of services and use it daily in the creation of every accessory. When asked about the skills they consider necessary to apply service design, respondents list the following: ability to work with clients; analytical skills; skills for optimization.

Most people share that they do not know the concept of service design or if they do, they don't know how to apply it in their work. Still, there are artists (mainly from Finland) who are familiar with the term, recognize its importance and use it in their work. There is also another group of the interviewees who seem to unconsciously apply some of the methods of service design in their work without recognizing the concept and linking their work with service design methods.

What are your perceptions of service innovation? Do you use it in your work? How, where and when?

FINLAND

- I do this all the time as an artist… **it´s integrated with my work**.
- That was a difficult question, I´ve been changing my business, and I got new concepts to work with in my business.
- I´m more like that, going with the flow, not a strategist.

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- I´m also doing this recycling thing, and try to see how you can get some economy in it, that´s interesting.
- We are always ground-breaking; drama pedagogy isn't that known in Finland.
- We have a new project that is about how to involve the senses among the audience. This is a development sprung out of the need to think about availability, that we don't necessarily have to experience everything through our ears and eyes, we can use other senses too.
- It comes naturally to us to think new, to innovate. Especially when it comes to creating new kinds of performative work. I don't think that we constantly have to do better, as the theatres, but we need to find new ways to reach the same goal.
- This is about picking up ideas and impulses and reacting to these to develop your own service. It is also about your own idea, what you would like to test and experiment with.
- Without service innovation, there wouldn't be any service design.
- When I started my company, I didn't know of that many other lettering-businesses, so I had to figure out everything myself, how and what I should do, and how I would want it to be. So basically, while working with the founding of my company **I used both service innovation and service design**.
- It could have been more with the booking services, particularly when it was busy, before corona. And taking payments in advance, it was always a little bit of an issue.
- You can use services, but you need to keep a bit of track of what is going on.
- When helping artists to develop in six different cities, I have to collect all of the photographs, etc. for a professional to look at. My biggest problem now is how will I collect all the data from the artists, should we have a platform where the artists can upload songs and videos. It would be easier for the Universal marketing guy to go into the platform and look everything up easily and say, this is good, and this is not working. It would be easier for the artists and the professionals.
- In my world I am always delivering something, trying to make it easier for the fans, easier for the professionals. I think I am doing it already.
- There can be the situation that you have the art but not the buyers. You have to think about how to sell, what do people want to see on their wall, where do I put it so people will see my work.
- I would be willing to go and learn more, even though I am not sure if there is anything for me.
- It is kind of a fancy way of saying you come up with new ways to do work. **It is something we do and are using in our work.** We are not using it for the sake of innovation itself but for an actual need of something we should or could develop, to try out new ways of doing things.

POLAND

The conducted research showed that, in the opinion of some respondents, innovations may be a way to increase their competitiveness on the market. At the same time, it was believed that services are an area in which it is difficult to introduce innovative solutions. Services are treated as something that is implemented in response to specific customer needs, which makes it more difficult to plan innovations in this area in advance. In some cases, they are something that happens spontaneously, and sometimes it is a long, planned process.

The indicated way to introduce innovations is the system of co-financing innovative solutions that motivate to take action in this direction. In the course of the study, other ways of inspiring to introduce innovations were also identified, talking to customers, or observing what other people in a similar branch of industry offer - one observes a solution and then modifies it, adds something from himself.

UK

One artist shared that they looked into 3D printing and technical leaps happening at this time. They believed service innovation was anything that helps to streamline the process whilst keeping luxury ideas and quality to a standard. Another artist shared that they work fluidly, and flexibly and adapt their creative projects to the needs of their clients. One artist stated that service innovation is putting in practice the design but they were not sure. Another artist was also not quite sure, they were not sure on the difference between the two concepts but felt they were quite intertwined.

Another artist felt that service innovation was similar to service design in the way that they have to tailor their service to the client. One artist was simply not sure what it meant. Overall, **it seems that service innovation is not a common term that is known by artists.**

BULGARIA

Most of the respondents are **unsure how to define service innovation** and **whether and how to apply it.** One person says that service innovation is **an abstract concept to them** and that they think of it as something that has to do with technology rather than with thinking. For them the concept does not sound related to creativity and **they cannot find the link between service innovation and the work they do**. Only one person says that they use service innovation in their company. When asked about the skills necessary to apply service innovation the interviewees list the following: visionary skills; the ability to see what you can do with the existing infrastructure; out-of-the-box thinking; lack of fear; skills to find the right channels for marketing the products so that they reach more people.

Creative businesses in Finland are much more aware of service innovation as compared to the other 3 countries. For most participants in the in-depth interviews in the UK, Poland and Bulgaria the concept is not familiar. Moreover, people find it hard to relate it to the creative sectors and cannot see how they could apply service innovation in their businesses.

Regarding service development, are there any specific areas where you would like to increase your knowledge and skills? Have you identified any competence gaps?

FINLAND

- I would like to learn how to have and take a perspective from the outside, but I don´t know how you can learn that…
- Whenever there is something that interests me, I want to learn, I learn all the time.

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- I could learn **how to make a webshop visible**, **marketing**.
- Yes, especially when thinking about availability, I would like to learn more about using supportive sign language. Then we wouldn't need to use an interpreter, we would reach out directly instead.
- It is always good to learn new things, to get new perspectives, but often in different workshops it is all about the same content, the practises are perhaps just done in some other way.
- Since I do not have a proper education within my area of expertise, I constantly think I have a competence gap. Simply, to deepen my skills within my own area of crafts.
- Customer **support** is something I could learn more about, but then we come back to the problem, that if I got in touch with new customers, I wouldn't necessarily have the time to deliver the work.
- Another thought is to combine the lettering-illustration with other crafts-techniques, punch needle for example, then I would need to learn more about these techniques as well.
- One thing is some sort of education in teaching, to broaden my education within education, for passing on skills. To be able to help people starting up mills and so on, find the best way to communicate with them.
- Wool classification. What wool is suitable for what. Checking the fibres, thickness and quality.
- Social **media**. I have found it really hard writing and taking lots of pictures because I don't like it. At the same time, I would like to do some sort of Youtube channel. I used to post more on Facebook, but I do not want to be part of it anymore because of people yelling back and forth. I would like to have a channel with a focus on the art I am doing. I know nowadays the artists need to be there and have something for the fans to look at. I am not willing to have photos and selfies. I would like to find a way to be there in a different way.
- Service design, technical skills, I have some, it is always helpful to know more. A lot of money can be saved if the staff has skills. Generally, in cultural fields, **technical skills** are something that is lacking
- Cultural people often put their hands up if there is a technical glitch and then they do not even know how to explain what is wrong with the website to the IT people, for example. There is a cost for the communication gap, both sides cannot explain to each other and this takes time and money.
- **Online website stuff, learning to code.**

POLAND

Identified areas in which representatives of the surveyed organisations would like to expand their knowledge and skills relate to: **designing services**, practical areas of **management** and managerial activity, conducting valuable and effective **marketing** activities (building an offer on the website, developing brochures, leaflets), specific **technical skills** useful in the conducted activity.

Some of the indicated issues concern not so much on the identified gaps in knowledge and skills, but organisational issues. It indicates: the need to research and analyse what is happening in a similar branch in the world, the need to adapt the organisation to the needs of people with disabilities, both in terms of the offer of educational activities, as well as technical solutions facilitating the access of this group to the offered activities, the willingness to delegate some of the tasks (mainly technical, such as marketing, running fan pages and profiles on social media, packaging of sold products) and focusing strictly on manufacturing / service activities.

UK

One artist shared interest in being part of the programme. No specific areas were identified. The other artists shared some areas with the interviewer, these included:

- **Website**
- **Social media**
- Mentorship and support
- **Marketing**
- Financial mentoring
- General **business help**
- Data collection
- **Online workshops**
- **Online presence**
- Better utilisation of “lives”, “reels” and “stories” on **social media**
- **Online video meetings**
- **Developing business services**

BULGARIA

Among the most common skills that need improvement are **skills for sales, skills for online advertisement and social media, negotiation, marketing and customer needs analysis, business skills and digital skills**.

The analysis of the interviews reveals several areas of skills that businesses from the cultural and creative sectors find important to develop. These can be summarised in the following:

1. General business skills (incl. management, developing the business)
2. Marketing skills
3. Social media skills
4. Service development
5. Digital/technical skills (incl. online presence and websites)

The above skills were identified by participants in all four countries.

What kind of tools and methods do you use for innovation?

FINLAND

- Because my work is creative I have to keep the creativity going. Some things I do just to keep the creativity going and some things actually lead to something more.

- **Discussions**, through discussions you get a lot, other inputs to your own thoughts. And fantasy, ability to imagine things.
- When we get an idea, we usually “leave it open” to grow and for us to think about. We continue the **discussion** whenever new thoughts are popping up, to be added to the original idea.
- When creating content with children I use mind maps, to visualise the process and ideas.
- Image banks, like Pinterest and Instagram, or similar platforms where artists can present and **share their work**.
- I follow my own interest and curiosity, testing whatever attracts me for the moment.
- **Brainstorming**. **Research, talking to people, discussions, general market research**.
- **A lot from social media, about trends.**
- I really like white boards. I draw: these people are here; what do we have to do; what is the problem. It is like **brainstorming**. I need to visualise. Usually I just use my head.
- I like to collect a **great team** to help me. (with things I cannot do myself)
- You have to learn every day. You are not ready. In every company where I work there are different tools and I have to learn to work with them. It is my method.

POLAND

The surveyed organisations indicated a number of tools and methods that they use to introduce innovations or those that inspire them to introduce them in their activities:

- **observing** other organisations offering similar products / services (especially those that stand out, do well) and learn from them
- **meetings with people** working in the same or a similar industry, conducting informal **conversations** during which it is possible to discuss various problems, obtain information on how to solve the problems
- own interests and passions that can be used in professional work
- **brainstorming, team meetings to exchange ideas**
- analysis of statistics in social media that give the opportunity to get to know customers and their preferences
- **contact with direct clients** via social media, which gives the opportunity to conduct discussions, inquiries about their preferences
- **prototyping and testing of implemented solutions**.

UK

Only one artist stated that they do not use any innovation in their business. The two others were unsure but provided an answer. The following was reported by the 5 artists that have utilised methods and tools for innovation:

- **Questionnaire** to **customers** on survey monkey regarding courses

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- **New apps and equipment and ideas**. Taking part in a mentorship to gain more ideas, think outside the box and be creative.
- Square space.
- **Talking** with a friend who is an artist and online visual inspiration.
- More reactive and work creatively, **partnership** with other creatives and experts in the field.

BULGARIA

Most interviewees share that they rely on **research** (on the market and on competition) as well as on **discussions** with both colleagues and clients as most common tools for innovation.
One designer says that research on the customers' competition is very important for innovation. Another important aspect for him is discussion with colleagues – managers, other designers but also discussions with colleagues who have nothing to do with design (for example the financial officer). When you discuss something with a person who is completely out of the situation you can get very valuable insights and viewpoints that you otherwise would not consider.

The interviews suggest that the main tools and methods for innovation used by those working in the cultural and creative sectors are quite similar in the 4 countries and can be summarised in the following:

1. Direct interaction with customers/team members, including discussions
2. Brainstorming
3. Research (on the market, on social media, on specialised platforms) and observations

How would you describe the training that would be most suitable to your needs?

FINLAND

- To **meet, discuss and network with others**.
- **To learn from someone who knows what he/she is talking about and has experience**.
- **Learning by doing**, that is how I learn best.
- Ongoing training would be great, also as a freelancer. As a freelancer you usually must concentrate on activities that bring in the money, and then training is often put aside.
- In an idealistic world I would love to have two training sessions per year. That would be great.
- If it would be possible I would love to be an apprentice for a year to learn from an expert. I have given so much of myself and my knowledge for the past ten years, so it would be great to receive for some time instead.
- Once or twice a year.
- Also to do training in other mills. When you visit the mills you get a lot of ideas of what they are doing right, what they are doing wrong.. so to be able to go and work for a week for example. I would like to do this to be able to develop my own skills, to be able to operate, to be able to help other people. To be able to say, look this is what Boven did, and then they can contact them if they want to.

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- It would be best to have some live days and some online. I like that we can share in real life and then have time thinking, and then a couple of sessions online.
- When you do special training days, you might forget what you learned quickly. It would be labour-intensive but helpful to have a consultant who could help a few hours a week for a while after training. This would be someone who could help you as you actually implement ideas from the training.
- If travelling [to a class location], it would be a whole day; online would be shorter [time without the commute], which could be good.
- **Maybe some homework, ideas for one's own organisation. [Putting the ideas into practice.]**
- One day and a whole lot of information can be overwhelming.
- Maybe offer multiple training sessions, have something to develop during the training, so that you get to use the tools.
- Travel is always an issue, online might be easier.

POLAND

The surveyed organisations indicated several factors characterising the training that would be most appropriate for them. The recommendations are grouped in several thematic areas. Find the quoted ones below:

1. forms and methods of training:

• attractive form that would engage the attention of participants, **interactivity**

• activating forms, the ability to independently perform some tasks, **experience instead of lectures**

• the opportunity **to present and discuss the problems** that are specific for the training participants/organisations. and which has to deal with on a daily basis, not relying solely on abstract examples or descriptions of other activities that do not fit the situation of the training participants

2. the lecturer:

• high level of knowledge and competence of the lecturers

3. the time, place and duration of the training:

- the possibility of training during working hours or during the weekend (depending on the type of work performed by the respondents - those who work in strictly defined working hours prefer meetings during working hours, people with flexible hours, may adopt, since they are more flexible. The possibility of weekend training (mainly Saturdays) is also accepted by two organisations.

- training fitted to the specific needs of given institution and its employees, adapted to its problems and performance conditions.

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- participation in offline training, with the possibility of establishing a direct relationship with the lecturer and other participants.
- lasting a maximum of 3-4 hours, so that you do not have to devote a whole working day to them or at least 2 meetings of 5 hours each
- 4. training topics:
- showing the methods of searching for and acquiring new distribution channels of the offered products/services, including foreign ones
- enabling improvement of the offered product/service.

UK

One artist did not answer this question as they felt they were not interested in service innovation or design. Other artists shared the following:

- Training with technological support
- Training on concepts and tools that would not cause huge expenses
- How to hire professionals
- Marketing
- Social media
- Zoom/online workshops
- Support as a creative entrepreneur
- Specific strategy focus plan and how to create this for a business
- How to optimise what is on offer and get the right audience
- Confidence to promote
- Creating content for social media and marketing

One artist would like further explanation on the concepts to understand how they could be relevant to their business.

The training was recommended to be face-to-face and tailored to the needs of the individuals. “Zoom fatigue” was something the artists have been experiencing.

BULGARIA

For the respondents it is important to have training in business skills, administrative and legal requirements for the business, marketing and advertising, digital skills and business identification steps. The course should not be too short, but long enough to build the necessary skills. Also, most respondents agree that they find face-to-face activities or blended ones would be more useful than just online sessions. One participant expressed preference for online training.
All interviewees stressed the importance of including **practical tasks** instead of just theory.

Some of the most important aspects of a training as underlined by the interviewees are the following: practical aspects and applicability of the training contents; opportunities for sharing ideas and discussions; interactivity; flexibility. In terms of preferred format, most participants from Finland, Bulgaria and Poland would go for a blended training combining online elements with face-to-face activities, while those from the UK would definitely prefer face-to-face sessions.

In-depth interviews with experts in service innovation, design & cultural and creative sectors development

There were 9 questions discussed with experts in service innovation, design and cultural and creative sectors development. The summary results and key findings from the interviews in the four partner countries are presented question by question.

What is the expertise that you provide? For what type of clients?

FINLAND

- Service design for citizens
- Help and advice through discussions on how to develop ideas into real projects. The clients are mostly semi-professional artists, on their way to become professional artists.
- Arts and cultural services and events, mainly for people living in the area or people interested in the area. We also offer artist's residency.
- We offer advice to cultural actors in the region, they can apply for grants from us, or we can give advice on how to apply from elsewhere. We also buy cultural actors' services.
- We provide expertise in ceramics, woodwork, window renovation, macramé, craftscafé-activity, band weaving, national costume sewing and natural dyeing. Our clients are people from the whole area of our municipality.

POLAND

The interviewees were experts, trainers, and coaches who support cultural organisations (public and nonprofit) and enterprises from the creative sector. Their activity is concentrated on building efficient management strategies, organising work, cooperation among staff and achieving economic goals.

The first company offers software for personnel, warehouse and sales management in the catering industry. It also provides customers with specialised training and coaching on using IT for service design. Another respondent represents a small business that uses agile methodologies to update products and services delivered by different companies. It includes designing applications and procedures. It's services also offer facilitation of product creation and prototyping, as well as and implementing new ways of communication in companies building a comprehensive mission/vision for the company. The company uses the design thinking approach. The company also runs training in the area of management, communication, motivating, and well-being.

The third interviewee works as an expert and coach in an NGO, which supports social non-profit organisations and start-ups. The respondent specialises in giving professional advice and training on economization of ngos' activities.

The fourth interviewee is an expert on culture (by education and profession), but also a third sector activist. Her activities are directed to artistic circles and focus on informing on available funds and applying for them. In some cases substantial help is given by her to beneficiaries while preparing financial reports to the subsidising bodies.

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The fifth respondent specialises in the area of designing educational practices, as well as the development of strategic documents, performing surveys, desk research, making analysis and elaborating reports.

The respondents' customers come from different industries, from hospitality sector, thorough culture, construction, cosmetics, education, photovoltaic industries, artists and NGOs, the elderly, students.

UK

- A business owner offering consultancy services to smaller sized businesses and self-employed individuals. The clients are from varied backgrounds including the arts, food products, crafts, designers, music, and also they provide informal consultancy for actors.
- A public sector worker, focusing on areas such as health and probation. They occasionally work for individuals who seek them out, including those who are self-employed, charities and organisations in coaching. They try to help clients when they are on their own or in groups find their own solutions.
- Provide consultancy services to small and medium enterprises with up to 50,000,000 pounds turnover. They assist clients in restructuring their thought processes to look at their business more objectively to improve chances of success.
- Specialises in the cultural and creative sectors with experience in theatres and a Masters in creative industry. Focuses on working with underrepresented groups, especially women, in developing their confidence, specialise less in hard skills. Their work also focuses on client soft skills development to help them progress in their careers.
- Provides training sessions online and face-to-face to boost employability focusing on disadvantaged and underrepresented groups. Organisation focuses on mentoring and coaching.

BULGARIA

The experts participating in the interviews in Bulgaria are mostly representatives of the academic community with PhD degrees, but among them there is also an expert in the field of adult education from an NGO. Three of them focus on different aspects of intellectual property, incl. trademarks, utility models, industrial designs and geographical indications, and three of them are specialists in the field of design (interior, interior design; design process management; design thinking). At the same time, one expert deals with the problems of innovation management, innovation competencies, and another expert - with the television business and knowledge management.

The first respondent is the Head of the Centre for Technology and Intellectual Property Transfer at a Bulgarian university and in his work he provides expert services in the field of IPR protection, as well as for the establishment of the so-called "Innovation portfolio" of researchers' achievements such as patents; utility models; designs and trademarks for publicity to potential stakeholders.

The second participant is a lecturer at the University, but at the same time has experience as an operational manager at the Foundation. Advises both individual artists and business organisations in

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the field of copyright and intellectual property. He has expertise in the field of process optimization and knowledge structuring in organisations.

The third participant is also a lecturer at the University who, in addition to training, has experience in providing services to artists, individuals, traditional knowledge groups and the preservation of traditional knowledge. These competencies are related to the protection and management of intellectual property rights and inclusion in the lists for the protection of the intangible cultural heritage of UNESCO.

The interview involved another university lecturer and expert with many years of experience (more than 20 years) in the management of the design process, incl. application of design thinking methods in design, distribution and customer relations in the furniture industry.

He has many years of experience (over 15 years) in the field of furniture design, who teaches public interior design and furnishings at a University.

The sixth respondent is an expert in the field of adult learning mainly on European projects, mainly under the Erasmus program. Conducts soft skills training; training of trainers; digitalization and skills for working with digital tools, including the application of the design thinking method.

While in the UK, Finland and Poland the experts represent very diverse spheres and are mainly consultants, the experts in the Bulgarian in-depth interviews are predominantly university lecturers. This stipulates a different, more academic perspective on the issues of the businesses from the cultural and creative sectors.

What are the observations from your work with businesses/organisations from the cultural and creative sectors in terms of skills they seek to develop? What type of support do they contact you most often for?

FINLAND

- The temporal nature of the job raises a sense of uncertainty.
- Money is always a big question. They want to know **how to get finances for their work**, for their business.
- How to make their knowledge into a product and how to sell their product
- A change now, is that more professional artists, mostly musicians, are contacting us more than before. They want to know how and **where to find support** in these hard times.
- Artists and organisations want **help to apply for grants**. Private entrepreneurs, for example, may have had to find other work during covid and they are not contacting us that much anymore.
- Artists contact us to ask if they can exhibit in our museum or in the gallery.
- There is a need for more knowledge about **marketing**, ways to develop, how to collect more **money**, get a producer, grow, etc. A need to find different ways to grow.
- They need new partners, cooperation, and they need to have wider networks and more **income streams**.

- Since we live in a small municipality, we do not have that many educated teachers in the crafts-area, many are self-taught. Therefore, the skills aren't always as deep as they should be when talking about a crafts association.
- People contact us when they need some kind of (crafts) product or want to attend a course, when they want to learn specific techniques. We have been thinking that we should start offering craft-courses to businesses and companies as a balancing and healthy activity for office-workers.

POLAND

Respondents enumerate the number of skills that their clients need and would like to develop. Identified educational needs can be divided into several groups: communication with the client, technical skills, facilitating development and organisational competences.

a. **Communication competences**

This group of competences includes: building relationships with customers and interacting with them, communication skills, developing empathetic approach, raising the ability to ask right questions that allow to get to know the audience. There is also a need to develop skills that will improve communication and reception. This applies, inter alia, the ability to translate expert language into the recipient's language.

It is also important to build appropriate relations between the company and the local community. The last of the identified needs also relates to contacts with clients, but indicates the tools that allow the communication to happen. It is about the ability to use instant messaging and other online tools to communicate with customers.

b. **Technical skills**

This group of needs refers to the use of the Google environment which gives wide access to information, including information on customers, how they use a given website, applications, what are their needs, and internet activity. Set of information delivered by online tools (like Google Ads or Google Analytics) may reinforce service design.

Another technical skill is the ability to make prototypes, on the earliest possible stage of product or service development. It would allow to speed up various processes, as well as the ability to check to what extent a given product is compatible with the needs and expectations of customers and developers. The next issue identified in the course of the study concerns skills of transferring f2f work to online or hybrid one. The last of the identified needs also relates to contacts with clients, but indicates the tools that allow the communication to happen. It is about the ability to use instant messaging and other online tools to communicate with customers.

c. **Facilitating development**

Skills connected with stimulating creativity and implementing innovative approaches are also listed by respondents. In this case being familiar with methods and tools boosting the creation of new ideas would be beneficial according to the one interviewee.

d. Organisational **and administrative competencies**

The fourth group of needs concerns organisational and administrative skills. The deficit of organisational and administrative skills to run and manage the organisation efficiently is seen as a big obstacle. According to the respondents, there is a lack of skills that would allow them to work on documents and comply with necessary formal requirements. Subjects that need covering also include planning and basics of accountancy. The need for support in terms of coordination and prioritisation of actions taken - e.g. the need to focus on a specific action at a given moment, or on working with one specific group of clients.

UK

A common observation was that businesses and organisations from the cultural and creative sectors require and seek out confidence building. Whether this is confidence in themselves, how to promote themselves, their products and services, or to help with negotiation. Some clients tend to seek out confidence training in order to put a value on their services and products which they deserve. Another observation was that commonly those from creative and cultural industries may not realise the skills that they need. **They may not be aware of some skills that are important such as strategic thinking skills, time management, planning and structure. Creatives do not have trouble being creative but they can struggle to think in a structured and formal way**.

The type of support offered to the target group was observed to be **coaching and mentoring, as well as consultancy services**. Training programmes were offered by some experts involved in the interviews for the project. Support can include learning about goal setting and putting this in place.

BULGARIA

Participants identify a number of skills that are sought after by these sectors.
It has been pointed out that, as a result of the Covid 19 crisis, there is an increasing need for **digital skills** related to the maintenance of digital platforms through which to spread film and stage creativity. Another group of skills identified by experts and are those directly related to **product design**: improving service / current service experience, targeting (potential) new target groups, branding the service process. The so-called "soft skills" related to understanding people, putting empathy first, such as empathy and understanding of the expectations of the stakeholder; decision-making taking into account the consumer's point of view - we must try to "get into their shoes". Mentioned are sought-after skills for process optimization and a positive impact on the experience and **customer satisfaction**, ensuring the company's profitability; adding value to a product / as part of product offering.
It is emphasised that interdisciplinary skills are being sought to link product design and the global theme of sustainable development through a direct and stable link.
This also reveals the need for teamwork as a skill in offering certain services in these sectors, which contributes to overall product decision-making. Another expert clarified that **communication skills** are sought, both within the team and with external beneficiaries; incl. nonviolent communication

skills. There is a growing demand for skills to maintain mental health, combat stress, burnout such as increased stress, increased workload and impaired team communication, and a growing sense of isolation.
In the cultural sector, skills are sought for the protection of products that are the subject of authorship or ingenuity, incl. trademarks, company names, for the digital world domain names.

There are some differences that can be outlined between the 4 countries. In Finland experts have been most often contacted to provide support related to applying for financial support or to provide support for the development of specific crafts. In the UK it is mostly mentoring and coaching as a type of expert support provided to the businesses from cultural and creative sectors. In Poland and Bulgaria there are many similarities as most of the support provided to the businesses there is related to communication, development of technical/digitalization skills, and organizational competences. In addition, Bulgarian experts mention IPR services, customer satisfaction and product design.

What are the skill gaps that you have noticed in businesses/organisations from the cultural and creative sectors?

FINLAND

- **Marketing and promotion** to increase the visibility of these sectors. They lack in marketing and making their business visible
- **To develop their skills into a business**, that's a big, big gap.
- Some people are not willing to work together with other artists. Maybe something in their attitudes should be developed. How to work together. How to work in a society.
- The skill to find the solutions by themselves.
- Lacking in all the **digital skills and marketing skills**.
- I have not seen a single online gallery tour that I would have enjoyed. They are all so clunky. Maybe it is just the technique that we are not there yet. Would you need to offer something else than you can create online? We do not provide those services at all.
- **Marketing** is a really important skill nowadays; also, how to use different channels and other actors’ cooperation. We discussed with a few professional actors in dance, music, film, etc. that the city maybe could be the organiser for some marketing lectures
- Maybe **technical things**, such as how to organise a music event, for instance. Give them tools, information from different things that they think that they need more information, or if there's a gap.
- But I am not sure if the city knows enough what they need, to be able to give them the answers that they need.
- **Digital skills**, how to arrange and manage digital and online courses and happenings.

POLAND

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Among the identified skill gaps, **low digital competences** were mentioned, this includes e-marketing and modern ways of promotion. The problematic issues are also methods of **customer acquisition**. In particular, **gaining knowledge of their needs and expectations**. The necessary skills contain the „empathy" and the ability of „stepping in customers' boots", which may end up with reaching clients that were not perceived as the target before. This is connected also with the ability to properly address services to incoming clients.

The survey showed that companies in these sectors also need support in **designing the value of their organisation**. In this area, there are issues related to the redefinition of the company's values and goals, as well as the need to design them from scratch. The study suggested that a pandemic may be the cause of this type of company's needs. Organisational difficulties related to remote or hybrid work, as well as the need to change and depart from the professional mainstream made new skills so urgent. A skill gap that was also mentioned regarding applying for funds for cultural and creative activities.

UK

In the answers provided by the experts, it was clear that there are some skill gaps in those working in the cultural and creative industries. It is also evident that the COVID-19 pandemic has highlighted gaps in these professionals including **digital skills**. It may be that those in cultural and creative industries may not however be aware of the exact skills they do lack, as one participant noted, "they recognise there are things to do but don't know what they are". Therefore, it seems that the ServiceDigiCulture project can be helpful in supporting these individuals.

As a summary, it seems that the following gaps can be seen in businesses:

- Awareness of the benefits of **outsourcing** and how to do so (e.g. one participant noted that outsourcing an accountant could make their job easier and allow time for the creative individual to focus on their business and the more creative side of things)
- **Digital and technology skills**, including understanding how to use technology to maximise sales through online platforms
- Updating their website and reviewing it
- Apps
- **Organisational skills**
- Clear strategic planning
- Identifying key success factors for the business
- How to **sell locally**
- Third parties
- Confidence and self-efficacy to sell products and services
- **Networking skills to allow them to promote their work**

BULGARIA

Experts see the **lack of digital skills** applicable to the cultural and creative sectors as a major shortcoming. One expert explains that the full functionality of certain digital systems is not sought, but only a specific module of disciplines related to skills at the "user" level - ie. the specific process of the user. A number of tools can be used to correct this omission, e.g. modular training adapted to the sector.
Another expert emphasised the gap between public and private organisations in the cultural sector related to initiative, project creation, creativity, creative thinking and innovation. Those who have their own business (small ones) have better developed competencies, while people in larger institutions and expert positions focus on certain activities that are more familiar to them and do not seek innovative approaches.
Design thinking is a very popular method of studying the interests, demands and needs of consumers and how they can be met in these sectors. According to one participant, it is difficult to summarise the overall creative sector - there are organisations that have known this method and practised it for years, and for others - it is still new.
According to one respondent there is a **lack of knowledge about the possibilities of design** (respectively design thinking) and it is necessary to cultivate at all levels of the organisation as an element of company culture.
Another expert argues that there are **gaps in knowledge in general in these sectors regarding the protection of intellectual property**. They manage to create a product in the creative sector, but they have no idea how to protect it and need training in this field.

As evident from the provided responses, there are more similarities than differences in the opinion of the experts from the four countries when it comes to the identified skills gaps. There are several key competences identified by the experts in all 4 countries that they believe businesses in the cultural and creative sectors need work on:

1. Marketing competences, incl. skills for promoting and selling their products/services
2. Digital competences incl. the competence to use technology to the benefit of their business
3. Business competences in a broad sense, that is from the ability to organise the business internally to knowing what and when to outsource
4. Customer relations competences.

What do you think are the biggest challenges in using service design & service innovation faced by businesses from the cultural and creative sectors?

FINLAND

- They do not have a clear picture in the beginning of what they will benefit from SD, and that makes them **resistant** sometimes. Still, these sectors have somehow been more open minded in terms of accepting Service design since it is from the creative field.
- We should be able to support people and make them **comfortable with uncertainty** and make them able to embrace it rather than fearing it as uncertainty is where creativity comes from. A need to create ‘controlled chaos’ for being able to think outside the box.

- A challenge is that creative people are generally **not business-oriented**. They need to understand that this is part of their job, if they want to live [on earnings] from their creative ideas and business.
- A visual artist is very oriented to his own visual artistic work, he doesn't think about how to sell the product. This is something you should also know how to manage if you want to live on your work.
- There should be platforms ready that are serving creative people that are easy for them to use. They can join platform associations. There is also a need to employ someone who makes the platform work.
- What is greatly needed is a tool [for creatives to use] that would be practical.
- There is a **lack of familiarity with the term**; some may be using [SD and SI] without knowing; they could benefit from education.
- People feel they **do not have time to join training sessions about SD. If they do, they feel like they don't have time or money to start working that way**.
- They would benefit from not just listening to what service design is about, but also, to having to work with it in real life for a period.
- **Time and the amount** of work are challenges.
- Some sort of education could be our city's role to provide technical tools, solutions, and service design? For example, Muova (vamk) could do training and the city could pay or whatever.
- The biggest challenge is **time**. Many in the cultural sector have a normal full-time job beside their creative work.

POLAND

Respondents define the following challenges: the **use of modern communication technologies** and the **need to adapt to the new situation**. The new situation is characterised as the increased online activities of customers. It influences new ways of contacting clients, informing them on the offer and its development. It also has an impact on running business meetings with contractors, but also performing training and consulting activities (online tools such as Teams, Zoom instead of f2f meetings).

Other challenges are connected with the **implementation of activities facilitating innovations**: introducing various types of innovations, learning and using Google tools that allow to identify customers' habits and needs, expectations and preferences in order to create/adapt offerings to them.

The next challenge concerns **cooperation and relations**, both interpersonal and among institutions. All business is about relations, so establishing interpersonal contacts, building and maintaining good relations both, within the team and outside, is essential. This also applies to building appropriate relations with recipients, by introducing a participatory system, which allows them to receive feedback. Such a system may lead to the improvement of the offer. When it comes to cooperation between organisations, the main challenge is seen as the cooperation with institutions which have different specialisations, backgrounds, owners, status. Also cooperating with artists, craftsmen, educators sometimes may be challenging.

Supporting companies which found themselves in a new situation is a challenge as well. Sometimes enterprises experience unexpected success due to pandemics and need advice on how to maintain the achieved growth, and how to further develop the company to make it more successful. Since constant change is inevitable, there is no more need for long-term strategies, companies concentrate on a few months approach. They need guidance in this type of **strategic thinking**. Especially when companies are expected to design a product which will be universal in order to be sold regardless of the market situation (pandemic or non-pandemic).

The last challenge indicated in the study is the need for cultural institutions to **compete** with the entertainment industry sector, which is backed by huge, wealthy corporations, able to **promote** their activities on a large scale.

UK

The challenges that were highlighted as the biggest ones by the experts include the following:

- Not knowing what is needed
- **Time** investment
- Lack of certainty with innovation - people like to feel certain rather than undergo trial and error particularly in the post-COVID world. Fear of the unknown
- Need for **novelty** and new tools
- The **online environment** can create barriers but also opportunities
- Where they are coming from, their location etc
- Generational barriers (e.g. differences in digital literacy)
- Making information accessible and practical and helping individuals understanding what service innovation and design mean in the first place
- Ability to **utilise social media**
- **Marketing** abilities

BULGARIA

Among the biggest challenges in using design and service innovation in these sectors are: **lack of information, knowledge and trained Design Thinking specialists**.
Experts point out that in these sectors there is a need to raise awareness of Design Thinking and train staff (specialists who have the relevant expertise) to serve the growing interest. This is evidenced by studies conducted in the last two years in Bulgaria, which show that **there is an attitude to use the method, but most of them do not know what it is**. A number of online platforms can be used in Design Thinking training, but they are often in English and language competences can be a barrier to training. To the same group of obstacles is the **mindset of the company**, ie. the way of thinking and taking the position of an expert. What is meant here is that the audience is not placed in the centre, in the focus; **lack of skills for empathy and listening**, ie. "Putting yourself in the shoes of another" - a skill that

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allows you to develop such adequate products that people are looking for. Cultural institutions that rely on public funding are not interested in this and do not seek innovation.
Several tools are recommended to overcome these challenges: role-playing games - a practical, fun, engaging tool that allows new skills to be developed; group trainings - as far as possible in today's pandemic context - they exchange experience, good practices; trainings with a specific focus e.g. trainings for creative thinking - formal, workshop, etc. initiatives when people step out of their comfort zone in a protected environment, the so-called team building - game approach without resistance; internal design sessions for the company; For micro and small enterprises, which in the Bulgarian economy are over 90% in many sectors, it is appropriate to use "outsourcing" of the design of relevant products and services.
Difficulty to adapt to online practices and apply innovations in this direction
This is a serious challenge that can be overcome by using a number of practical methods, techniques and tools, which can be found in a number of publications.
Another major challenge in this direction is **the protection of goods and services in the digital environment**.
Another challenge is the existence of too many goods and services, which leads to too much competition.

There are several common challenges identified by the experts in the 4 countries when it comes to the use of service design and service innovation. They all refer to the need of the businesses in these sectors to understand the concepts of service design and service innovation in order to see their benefits and applicability. Lack of time is also considered a common challenge since it is necessary to invest time and effort in learning new things before actually applying them. This challenge could be linked to the previously mentioned gaps in business competences such as planning, strategic thinking, time management and building effective relationships. The ability to change and adapt to new situations is another important challenge that was identified along with the need to adapt to the online environment. In Bulgaria experts also mention the specific mindset of these businesses as a challenge which is something that has popped up several times during the surveys and interviews.

What do you think are the biggest opportunities in using service design & service innovation faced by businesses from the cultural and creative sectors?

FINLAND

- The flexible nature of SD makes it usable to all kinds and sizes of companies. Tools and methods can be altered as big or small depending on the requirements and needs.
- It is more about helping them build **the mindset** rather than transfer of tools.
- A platform specially addressed to a specific region is needed, to prevent the creative people from moving out of the region (to bigger and perhaps more attractive). This also makes it possible for creative people to meet and start **cooperating with each other**. With a shared platform for SD, there would also be shared costs, which is good, since money always is a problem.

- Young people are very keen on service design. Those who are seriously basing their life on artistic work and cultural work.
- When taking part in a project, the problem is that when the project is finished, the good results often disappear. The work result should be secured, a need to find a way to maintain the good results of the project.
- The opportunities are endless in a way. They can really **grow their business**. But the level of **awareness is non-existent**. Maybe they have heard about this; they have heard about the benefits, but they don't really trust it. **It takes too much time**.
- Some artists who are doing art just as a therapy are earning more than the artists who have been educated in the art field. This might be because some artists just know about service design and **making a good business out of it**.
- **The opportunity is to find new customers, a new public, more income, and so on. So, new ways to work**.
- We need to consider how to market this; is it common or extraordinary?
- If I am thinking about the city's own theatre, orchestra, museums, we do not think that much about audience experience- We do not do **audience education**. Actually, we're not that good at this. Things actually could be using service design as a way of thinking and developing our own work and events and projects.
- When we work together and **share ideas** there are often good outcomes.
- We see opportunities to develop our association in more sustainable and digital ways

POLAND

The analysis of the respondents' statements made it possible to identify several possibilities of using innovation in the field of service design.

The first one concerns **cooperation and communication with clients**. Service design and service innovation is seen as a new way of reaching potential customers and presenting offers in an attractive form. They could be also used to **design customer paths**, which would help to check how clients get in contact with a product or service. Generally the quoted approaches may become the opportunity **to use customers` perspective** while designing products or services.

The second possibility is connected with the potential of service design and service innovation to become **effective approaches for adapting to constant change**. Therefore, the ability of observing emerging changes and, consequently, introducing innovative solutions (f.e. new business models) occur to be crucial nowadays.

Service design is seen as a key success factor, since it includes confronting internal company's ideas with needs and expectations of customers. In this process the testing and prototyping is very important.

An important issue discussed by the respondents is **openness to feedback** and conducting constant discussions in the company, even with changing opponents. Treating failure as an opportunity to improve the product may be a good starting point to success.

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UK

In terms of the biggest opportunities in service design and service innovation, interesting insights have been shared by the experts involved in the interviews:

- It can add a **competitive edge** as a business especially if carried out correctly. You could create an innovative way of doing something rather than just follow what others are doing.
- Be able to predict what is next and think about the next big ideas.
- Be able to overcome a hurdle and think more broadly about how the business is run.
- Create new ways of selling products and thus increase opportunities.
- **Making a business more successful** through reflection on new tools and concepts.
- Individuals and companies can then understand what they are.
- **Open up to global platforms** to promote and display creativity.
- If something new is created, it's important to then improve visibility and gain a greater reach.

The following questions were also asked to the participant of the interview: "What is the level of awareness of these opportunities among businesses from the cultural and creative sectors? How could opportunities be turned into a reality? What are the suitable tools for this?". The answers included:

- Businesses are aware the opportunities are there, but they are **down to time and investment**.
- Does not reach **average awareness**.
- To make them more well known, it's useful to have events and courses and projects that use these concepts, important to make them easy to digest and understand so they are not too abstract and can be used in a practical way.
- There is a challenge for smaller businesses as it's often a one man/woman band and you have not got lots of diverse functions like HR, Finance, R&D, which makes it difficult.
- Language barrier – they may be innovating to some extent already, but **the term is not widely known and does not link that to what they are doing**.

BULGARIA

According to the participants' opinions, several opportunities have been identified for the use of innovations in the field of service design. Experts from the study believe that the greatest opportunities in the use of service design and service innovation are where **there are the greatest gaps (challenges) in the sectors**. The first possibility is **cooperation and communication with clients or research of the relations with the clients and their improvement**.

It should always start with the "**voice of customers**" - direct customers and potential customers. stakeholders and user involvement in the design. For each service to define in great detail who these countries are, as well as to make constant attempts to adapt, feedback and improve "until something works" - this would be an innovation.

The second possibility is related to the potential of service design and service innovation to become **effective approaches to adapt to constant change**. The business environment is constantly changing, incl. The market and consumers are becoming more and more picky, and this requires constant contact and change. This calls for a new top-down design and marketing culture.

The third possibility is **the application of digital technologies in design**.

This means that organisations are adequate for the current age, as we live in a very different and changed world, a digitalized world in which face-to-face communication becomes much more difficult. At the same time, the way products are consumed is changing and entire industries are disappearing: e.g. cinemas are unlikely to recover after closing, and on the other hand we have streaming platforms that are becoming more popular and accessible. The supply of goods and services needs to change dramatically to meet the demands of new generations who otherwise consume culture, taking into account the greater need for visual stimulation.

The opportunities in using service design and service innovation as seen by the experts can be summarised in the following: they can make the business grow, be more successful and competitive; they can improve the relationship with the client by bringing better understanding of customers' needs; they could help building skills and tools for change management; they could broaden the perspective thus opening the mindset for building networks and cooperation with other artists from the sector.

In your opinion, what are the aspects that hinder innovation in businesses/organisations from the cultural and creative sectors?

FINLAND

- Finland is a young country so it is more tech driven and general appreciation of culture and creativity is very limited.
- **Money, finance, resources** - not only financial, but human resources also - the sector is very small with not that many people working in it.
- Politicians need to be educated about the value of culture.
- Public sector is **always lacking money**; it is too easy to cut cultural funding.
- **Open-minded people are needed** among those handling funding applications.
- To make ideas happen is difficult. Many do not know how to run a project, or how to run an innovation process.
- **Mindset**. It is so difficult to change your mindset, to work in a different way, because you have to go back to basics, and start from the beginning and really pay attention to rethinking your service and how you are packaging it.
- Level of awareness of these innovation-hindering aspects is non-existing.
- Our society perhaps has this image that artists are supposed to be poor and do not sell anything. If you are just an artist you may be thinking that this is it; you are not able to make your living by your art.
- **Money, time, the human resource**. Cultural actors are aware that those aspects are limiting innovation.

- Streaming is now one big new thing for cultural actors- **Maybe they need to develop their own web pages and web shops**. Everything is online. They need to put more focus there. But I do not think they have that much energy to focus on such things.
- The **lack of resources**. Our association should have a paid managing director, who would have time to plan activities and courses. We don't have that today
- Another aspect is the high age structure in the municipality. Young people of today, who are more open to development, are very busy.

POLAND

The analysis of the respondents' statements made it possible to identify several aspects that hinder the innovativeness of enterprises/organisations from the cultural and creative sectors. We decided to group them taking into account their characteristics. The first group relates to the company's development, the second - company's attitude to introducing new approaches, the third - communication, and the fourth - organisational issues.

- **Company development**

It is about both the development of **human resources** and the implementation of **technical tools** that can improve performance:

- lack of knowledge about the available tools
- using too many different tools, which are not compatible
- lack of training or no possibility of participation
- low salaries, which has a demotivating effect and causes lack of engagement at work, lack of motivation for development, as well as a sense of temporariness when it comes to working in a given company from the cultural or creative sector, which is combined with lack of engagement, non-identification with the company.

- **Attitude towards introducing new solutions**

- reluctance to seek and introduce modern solutions, attachment to tradition and what is already known, lack of flexibility
- sometimes too much internal organisational pressure to seek or to create totally new solutions, which has not been introduced by anybody in the sector so far. We all know that the market is big enough to place many products and services. They compete with each other on the basis of really small differences
- duplicating solutions that are inadequate to the needs, situation and capabilities of a given company, lack of critical thinking
- difficulties in understanding the concept of innovation, different definitions and ideas about them, which cause difficulties in mutual understanding.

- **Communication**

- communication barriers within the organisation

- communication difficulties concerning co-operators
- lack of communication with recipients, reluctance or failure to perceive the need to know and understand the clients' perspective.

- Organisational **issues**

- lack of coordination - activities undertaken by different units functioning in the same company tend to duplicate.

UK

The following aspects have been identified as ones that can hinder innovation:

- People sometimes **stick rigidly to their idea** and often they are very emotionally invested in that, which is a very human thing (emotional attachment). Sometimes, rethinking something from scratch would be good.
- People can get an enjoyment of **doing something in their business a certain way**, which may not bring much profit.
- Too much control in the hierarchy of the business or if the leaders are very process oriented.
- **Specific mindset** such as a traditional way of doing things, there is a need to break this down and encourage them to view things differently.
- **Not willing to take risks or do things differently**.
- Lack of confidence
- Lack of **knowledge** about opportunities
- **Lack of funding, resources and cannot meet the entry requirements**
- **Lack of awareness or knowledge** on what they need

BULGARIA

Respondents identify several aspects that hinder the innovation of enterprises / organisations in the cultural and creative sector.
They have been summarised in the following:

- organisational **(company) culture**

Obstacles to innovation are mostly related to organisational culture, company culture, ie. their perception of whether or not they need to change, willing to take risks. There are organisations with a conservative attitude ("**we know what we are doing and it is good and there is no need to adapt**!"). This is largely a threat to innovation. There is also the "fear of making mistakes" - not to lose reputation.

- lack of knowledge and skills for entrepreneurship

There is no effort for entrepreneurship - you have to try and not be afraid that you will fail. This means that you are afraid to take the risk, ie. to innovate;

- lack of specialised knowledge;
- lack of ideas for innovation and insufficiently specialised teams to generate them;
- insufficiently specialised information (database) for consumers;
- lack of funds and financial resources for research and competent people who can do it (especially in micro and small enterprises).
- organisational issues

Such an impedimentary aspect is the operational workload. It is difficult to seek innovation when one does not have time and is pursued by deadlines. Another aspect is the limitation of the capacity of the few people busy with too many things.

Most experts in the 4 countries agree that lack of resources (financial, human, time) hinders innovation. The specific mindset and attitude of the people working in the sector manifested in resistance to change and stubbornness with certain ways of doing things was also identified as a barrier to innovations. Along with these, poor communication (both internal within the company and external with customers) is something that comes in the way of innovations.

In your opinion, what are the aspects that enable innovation in businesses/organisations from the cultural and creative sectors?

FINLAND

- Marketing
- Older generation has experience, but lacks awareness. The younger generation is more comfortable with business. They should combine forces and work together, young and old.
- I think two graphic designers should **exchange services** for free for each other and work together that way, because it's so difficult to advertise yourself.
- Maybe creative fields should **exchange services** a bit more without money going around. Just "I'll do this for you". And "could you do that for me"? So everyone will benefit.
- Everybody knows each other. It makes it easier **to cooperate**, to work together, to make the call or try to build new things or create new ideas.
- **People are working together, but there is more potential**.
- **When we sit down together**, many ideas are created and inspiration flows.
- Other aspects that enable innovation are **good facilities and workspaces**, a situation when all the basics are in good condition.

POLAND

It was possible to identify several factors that support the introduction of innovation in companies from the cultural and creative sectors. The first group relates to the **work environment**. The second relates to **the company's openness to introducing changes in the organisation**. The third group is connected with **knowledge about customers**. The fourth group concerns cooperation with various types of organisations. The fifth one is linked to the technical aspects of a company's performance.

- **Work environment**
  - creating a work environment in which the staff will be engaged and will perform their job with passion
  - the position of a leader in the company, its openness, flexibility and inspirational influence
  - cooperation with all employees, regardless their position (in particular, with those who have direct contact with visitors). It gives an opportunity to get a different perspective, to learn more about the customers' experiences in the institution.

- **Openness to changes**
- constant search for inspiration and openness to new solutions.

➢ **•Knowing customers**
  - identification of the needs and expectations of customers with the use of various techniques and tools, as well as taking into account the needs of various groups of recipients distinguished e.g. by age.

- **Cooperation with other entities**
- participation in various types of projects
- cooperation with other organisations, which gives the opportunity to learn new working methods.

- **Technical issues**
- Being familiar with IT tools (both commercial and free of charge) that allow them to operate in an innovative way.

UK

When asked what aspects can enable innovation, various insights were provided. Overall, there seems to be an element of chance or an opportunity that comes up unexpectedly. Nevertheless, the answers show there are also active ways in which innovation can be enabled. The answers included:

- Exposure a new idea and a way to apply it
- Chance
- "Sometimes you can hear of an idea from someone else, and it just sparks something. Hard to pin down"
- **Risk taking mindset**
- Acceptance of failure

- Bringing in more structured thinking but not structured thinking about processes
- Time and money
- Creativity
- Circumstances can bring about innovation, such as COVID-19
- Mentors
- Being sign posted and **networking**
- **Business to business** at a reasonable rate
- Handbook that paint them in the direction step by step guide to create awareness

BULGARIA

The interviews reveal several factors that support the introduction of innovation in companies in the cultural and creative sectors:

- **Work environment**

Create an appropriate environment, communications and teamwork.

- **Openness to changes**

The answer here is mindset - to open our minds and not be biassed when introducing changes in the organisation.

Here again, it is an organisational culture - to create an environment that stimulates innovation. Most organisations in the cultural and creative sectors have not set such a focus.

To ask the question in the company how to anticipate demand, to anticipate expectations, to anticipate the competitor as a stimulus for the development of innovation.

- **Knowing the customers**

Reporting on market requirements and changes in customer requirements;
Manifestation of empathy.

- **Cooperation with other entities**

To use the cooperation in the framework of joint project developments for which there is a positive pattern in their implementation.

- **Technical issues**

Use new digital technologies;
The possibility to use new tools, incl. design thinking.

A common observation among the experts from the four countries is that cooperation with other organisations or other artists from the same sphere is an aspect that enables innovation. In addition to that, experts from Poland, Finland and Bulgaria point out the importance of the working

environment in triggering innovation. While the Finnish experts focus on the facilities of the working environment, the experts from Bulgaria and Poland rather mention the good atmosphere in the workplace as a factor of importance when innovating. The interviews from Bulgaria and Poland have some other common observations as well, namely openness to changes, good knowledge of customers and technical tools as aspects enabling innovation.

From your experience, how open minded is the sector regarding digitalization of their services?

FINLAND

- **Digitalization has not been neglected** and people have been adopting at least some forms of digitalization based on their needs.
- I think **they are open-minded, but their skills are not up to date.**
- **They are open minded, but it may be that they don't have time to learn**.
- When it comes to digitalization, these are just my thoughts, but I think that **they are scared that it takes more time than it gives**. They don't trust it. Maybe that's changing because young people are better with their phones. You can do all kinds of stuff quite well with your own phone, really fast. There are people doing these videos on Instagram, reels and stories and such. Who knows how to catch the audience.
- Marketing, webpages has been something that they've **not been thinking actively or recognizing** as an important part of the services or the customer experience.
- There are **a lot of fears** among the organisations, such as: , that it is something that needs the audience in person? Is it something to do with distance—is it worth it? Will the audience pay for streaming? It is scary or unfamiliar; the outcome is unknown.
- Right now, **digitalization feels like something obligatory** that has to be done, not something that we necessarily want to do, but it is coming.

POLAND

The analysis shows that there is no consensus in the question regarding the openness of cultural and creative sector companies to the digitization of the services. One of the respondents sees a great openness to this process but at the same time mentions the costs of it, as well as the lack of competences and the need to train employees in this area.

Another **respondent notices the employees' concerns relating to lack of knowledge and skills** in this area. Another case is the next interviewee who indicated that the creative sector is characterised by a **high degree of openness to the digitization** of services and the implementation of various types of technical innovations, but there is no such certainty about the cultural sector.

The next respondent quite categorically states that there is **little openness to digitization** in this type of industry, and there is a lot of concern about this process, especially when it comes to copyright issues. The attitude of the last respondent is more conservative and indicates that the analysed service sector is quite diverse, therefore the approach to digitization is different depending on the organisation. However, as in the case above, she notes that in the creative sector this openness to introducing innovations, including those related to digitization, is greater. At the same time, in the culture sector, a positive attitude to introducing innovations is less frequent, and the attitude of sticking to existing solutions is more often encountered. Again, the issue of copyright is seen as a factor holding back the digitization.

UK

When it comes to open mindedness of the sector, an important point that was mentioned is that this sector is big, therefore we should not assume it is all the same. It can also depend on the size of the business and the type of business. One participant noted it can be hard to innovate digitally in sectors such as theatre. Overall, it seems as though **the sector can be open minded** and some businesses are at the leading edge of this. But this openness can be generational, with younger people more open than older adults. COVID-19 has been reported to also be an aspect that has created more openness in people's minds.

Furthermore, it was identified that "a lot of arts, crafts and cultural businesses don't go to that area of businesses because they think it doesn't apply to them. Not sure if this is because we haven't been exposed to it", in other instances it "can be technology fatigue, prone to want novelty, after so many apps and QR codes they want something new".
Interviewees were also asked "What are the things that they fear the most, when it comes to digitalization?". **The fear of the unknown** was a common answer between the experts. They shared the following:

- There is a lot of shame and stereotypes when it comes to age and gender. People perhaps fear to admit they do not know.
- People have a perception that digitalisation is complex and you probably cannot do much of it yourselves, you need to hire expertise which is going to hinder people using it (cost and return on investment).
- Fear of the unknown, especially since money and time is being invested.
- Expertise or fearing they have a lack of this
- Investing upfront
- Choosing right agency

BULGARIA

Experts **differ on the openness of companies** in the cultural and creative sectors to the digitalisation of services.
One of the respondents does not think that there is fear or sharp resistance against the introduction of digitalization, but rather how much organisations take advantage of the full potential of digitalization. According to the type of creative and cultural activities, the digital: traditional service ratio must be specifically assessed.

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Another participant is convinced that the sectors are sufficiently open to the digitalisation of services, but emphasises the risks associated with intellectual property theft and data leakage.
Experts emphasise that these sectors are no exception in terms of the introduction of digitalization: in marketing, customer relations, databases for individual and business customers, etc.
Another respondent emphasises that in some countries the question is how to use digital tools, and in our country - whether they are used at all? He says that "everyone is talking about digitalisation", but in reality there are obstacles such as the **lack of digital skills of employees** and sometimes management. The participant points out that digital skills training is needed. Digital learning requires new tools, not old ones placed in a digital environment. According to him, the biggest fears related to digitalization are, on the one hand, lack of skills, and on the other - in the digital world everyone is with himself, there is no group and "groupness". Communication is very difficult - in the real world everyone can talk to everyone spontaneously, while in the digital environment this has to happen in a specially controlled environment. Feedback is often lacking in the digital environment and non-verbal communication is lacking, there is a different way of participating, which implies a distraction.

The diverse opinions of the experts when it comes to digitalization of the businesses in the cultural and creative sectors show that we could not make general conclusions for the whole sector and that the overall perception of digitalization depends on the type of business and even the age of the respective person. Yet, there are some common remarks that pop up: the sector can be open to digitalization but lacks the knowledge, skills and resources to apply the proper tools. The fear of the unknown and the resistance to change also link the answers of this question to the already mentioned mindset that was identified as a barrier to innovations.

How would you describe the most appropriate training for businesses/organisations from the cultural and creative sectors?

FINLAND

- **Exchange of training amongst** the participants and 'learning together' aspect.
- Existing organisational training platforms are the best to use in case some teaching, learning, workshops must take place.
- Maybe the design of the work they do is needed. You cannot sell if you do not have a clear product.
- **Digital training**. It will be more attractive and practical
- Not too long, maybe 2 hours, even ½ hour at a time. Half an hour is quite easy.
- It may be better to not use the terms like service design. Go around it—say "this is how you do your marketing; this is how you approach your client."
- If you have some sort of an online toolkit, the tools should be free. Then they should be really simple.
- The term service design scares people away as well
- Online course

- Combine the education, workshop, **discussion**, tool. I'm thinking that they're quite alone. So that actual networking, social aspect would be important.
- Not the whole day, 2-4 hours is a good time, half day at most.
- The city could provide spaces, for example, we could gather at the library.
- Are there ways that you can expand your work, ways to combine work to provide to Wartsila (big energy/tech company), for example?
- According to digitalization, we need **practical training**. What do we need to think about when making videos? What technical equipment do we need? This could be done as a collaboration with other local institutes from the area.
- **Learning by doing and through collaborations**!

POLAND

The data collected during the interviews allows to formulate few guidelines on the organisation of training for people from the creative and cultural sector. According to the respondents, they should:

- be remote or hybrid, which is mainly due to pandemic
- be divided into parts. The following training formulas were among the proposals:
    - a series of short courses and individual meetings, they should focus on one topic - in-depth discussion of a given issue, and at the next meeting, discussing other topics
    - two-day training
    - a series of meetings, and then time for testing the acquired knowledge in practice, and after some time next meeting in the same group to discuss encountered issues and difficulties
    - **study visits**, where one can see examples of implementing given solution

- **be interactive**, i.e. using didactical methods that are based on relations, cooperation and **exchange of experiences**
- be intriguing, interesting and leaving participants with the urge to get more, it shouldn't be tiring
- last about 4-5 hours
- take place during working hours
- **be practical**, i.e. be based on learning specific methods that participants can implement, test and check
- end with certificate for the participants
- led by charismatic, energetic trainers
- have a well-balanced price
- **give the opportunity to express participants` own opinion**
- **be individualised** - prepared for the needs of a given team/organisation, and not universal for people from different institutions and with different needs
- **be organised for a whole institution, or significant part of it**. If it does not happen, employees sometimes come back from the training full of energy and new ideas and meet the obstacles

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in implementing new solutions on the side of the staff, who did not participate in the training (f.e. managerial level).

UK

From the answers, it seems from some experts there is no size that fits all. The training should be specific and tailored to different industries within these sectors and it can vary on what they need. Many experts mentioned the usefulness of online training to improve accessibility and highlighted how this can promote flexibility. Also, it allows individuals to meet from different places. On the other hand, one participant stated "**Peer to peer learning is important**. Creatives also don't like just sitting in front of a screen so it is important to consider this".

The types of training that were highlighted as the most appropriate by some included:

- Short bursts of sessions
- Independent learning and then sessions to discuss how to apply concepts and ideas to their own business
- Inclusive reflective learning - helping businesses find their own answers
- Training **should provide opportunities to network** and present their work

One participant did mention the possibility of a hybrid programme - "it is beneficial to have face to face elements, such as visual arts, that could be nicely presented in a face-to-face session, which is also important for networking". One participant also noted the importance of the training to be facilitated by other members of the cultural industry or at least someone who understands the industry.

As a follow up question, the interviewer asked "What would be its duration per day? What method of delivery would you suggest? What would be the topics covered?". The experts reported the following:

- Mornings are usually better and it is important to be flexible
- No more than 2 and a half hours online
- "Shorter works better" as it's harder to engage people online, so a maximum of 2 hours online
- Face to face a maximum of 3 hours, and another participant mentioned 4 hours for face-to-face training
- A maximum of 3 hours
- Around 3-4 sessions for a programme

From these answers, it seems that around 2 hours to 2.5 hours online training would be beneficial and around 3 hours face-to-face, with 3-4 sessions for the programme.

BULGARIA

What would be the daily length?

It depends on the level of the trainees. It has to start with the basic level of the trainees - to see the entry levels and then to assess. An average of 4 hours a day. For top management - up to 4 hours and over 4 hours - for the employees

What teaching method would you suggest?

The most useful is the present training - there is human contact and various opportunities for influence and interaction. In online training to see the capabilities of the other party to conduct - e.g. there may be problems with the software, connection, etc. Creativity can be shown - the white board with the sticky notes can also be made in the digital space. Blended learning - if there is a need for examples - to show a video, a video, etc.

What would be the topics?

Depending on the type of learners:

- top management - with numbers and general principles, trends for digitalization, to convince them to become supporters of the topic.
- middle management and operators - practical application and to methods

As a sequence - first with the top management, and then with the others. The topics should be the same - but differently applied tools. First with the top management - and then on the other level.

Expert 3

The most appropriate training is personal. For example, seminars in which we see each other in person. The seminar should include a short part related to the theory and then practical examples. From my experience, I see that the material is best understood through practical examples and good illustrations. To see each other face to face and to have the opportunity to ask questions. The training can be all day with a coffee break and a lunch break. **The theory should be short**, not to tire them with too much theory, and to emphasise **practical examples**. Teaching method - case studies and illustrated examples of already implemented, successful projects in the field of innovation and creative industries. To be able **to see good examples** of successful Bulgarian or foreign projects. This is how innovation is developed, building on what has been achieved and building on this level. As a topic, I would suggest business identifiers - anything that would identify the business in the digital space and make it competitive. Topics about the brand, design, patents that protect innovation, domain.

Expert 4

Training **should be practical**. To **provoke personal participation**. Not a type of seminar where students just listen. There needs to be **more practical exercises**, applied, with specific tasks, real problems to be solved.

We need to work with specific cases. They are currently applying it, losing it, seeing it work, seeing the result, and this is the way they want to use a certain method or tool.

Expert 5

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The capabilities of **digital platforms must be used**. Because they make it possible for people not to be detached from their usual environment in their work. Let them sit at their workplace and get involved. Another is these short-term forms of training such as team building. Training topics should come from practice. Accordingly, the training organisation should adjust its training strategy to the topics that will have the greatest applied effect to make sense.

Expert 6

What would be the daily length?

Live training - a necessity and a guaranteed success. Digital training - up to 2 hours a day and scattered on other days with a short break. Short sessions; more breaks. Suitable materials for reading and watching videos. More "**hand zone**" experiences **- lecture formats are not preferred**.

What teaching method would you suggest?

Role games; sessions for creative thinking and innovation, which involve working in small groups and teams.

What would be the topics?

Gathering people from different hierarchical levels - mixed groups with representatives of different organisations. This leads to enrichment of prospects. How to convince managers to take their valuable time? To put customers at the centre. Empathy-map is also applicable - to define the user and try to understand what the user thinks, what he needs?

As evident from the responses, experts have diverse opinions on this question not only across countries but also within the same country. Still, there are some common hints and suggestions regarding some elements during the training that should be emphasised:

- ***the training should focus on practical aspects and real problems rather than theory***
- ***the training should create opportunities for networking, peer learning and exchange of experience***
- ***the training should be tailored to the specific needs of the trainees***
- ***the training should be interactive***

It is worth mentioning that experts from Bulgaria differentiate the training in terms of position of the person within the company. They suggest that top management and regular staff members have different training needs that need to be addressed and that the two groups require two different approaches. A somewhat similar thought is expressed by an expert from Poland who believes the whole company should be engaged in the training (incl. management) or otherwise there would be a risk of resistance towards possible new ideas resulting from the training.

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Main findings and identified training needs from the conducted surveys and in-depth interviews with Target group 1

What follows under this section are the summarised findings around several key concepts that were investigated in the surveys and in-depth interviews.

Perceptions of service design and service innovation:
Both the survey and the conducted in-depth interviews show that those working in the cultural and creative sectors are not very familiar with the concepts of service design and service innovation. According to the survey results when it comes to *service design* people who are familiar with the concept are 26% of all respondents. Only 4% are confident in their knowledge of service design stating that they are well informed about it. 35% of all respondents are not at all familiar with the concept while 35% have vague knowledge of service design stating that they have heard about it. The surveys also showed that people associate the concept with "customers/clients/users" (and related collocations such as customers' needs, customers experience, user experience, customer-oriented, etc.), "service", "quality" and "improvement". A number of respondents were hesitant about the concept, replying with "not sure" and "I do not know/no idea". Almost half (45%) of the respondents report never having used service design in their business or work. 44% of the participants, who haven't used service design, report it to be too difficult to understand, whereas 23% say they have not used it because they believe they lack the skills for it.
These findings are further backed by the in-depth interviews. Most people share that they do not know the concept of service design or if they do, they don't know how to apply it in their work. Still, some of the interviewees seem to unconsciously apply some of the methods of service design in their work without recognizing the concept and linking their work with service design methods.
These results are very similar to the perception of *service innovation*. Only 1% of the respondents in the survey declare to be well informed about the concept. 39% state they have never heard it before, whereas 37% have heard of it, but are not very familiar. 23% of the participants in the survey are familiar with service innovation. A greater part of the respondents (55%) haven't used service innovation in their work. The in-depth interviews show that creative businesses in Finland are much more aware of service innovation as compared to the other 3 countries. For most participants from the UK, Poland and Bulgaria the concept is not familiar. Moreover, people find it hard to relate it to the creative sectors and cannot see how they could apply service innovation in their businesses.

Existing products and services, ways of delivery, renewal and involved parties:
The results from the surveys reveal that most businesses from the cultural and creative sectors deliver up to 5 main products with several variants or only one product with several variations. Fewer respondents have a big portfolio of products with variation. In terms of involvement in product/service delivery it is usually only one person or a small team involved in the process. Other respondents tend to include customers, external organisations or other people. The analysis of the in-depth interviews shows that when it comes to involving external parties in product delivery, businesses from the cultural and creative sectors are faced with possible extra financial charges. Therefore, even though they recognize the added value of external support, the financial aspect is a hindrance. Also the situation is different when it comes to freelancers (sole traders) and people working in small or medium companies. While the first work mostly alone, the latter have the chance to involve more people in product/service delivery, be it other team members or managers. For freelancers, on the other hand, involvement of persons other than themselves usually involves subcontracting.

Businesses from the cultural and creative sectors are open for renewal of products and services. In fact, 75% of the respondents in the survey state that they do renew their products. Some of the most common incentives for respondents to renew their products include responding to customer's feedback and when someone comes up with a good profitable idea. Addressing specific demand of the market and pressure from external circumstances are other common incentives. Drop in sales and profit or lagging behind competitors are the least common reasons for product renewal. Based on these answers it could be assumed that the main trigger for renewals of products/services is the desire to address customers' needs. The received information from the interviews also suggests that businesses from the cultural and creative sectors do renew their products and services. The frequency and methods of renewal depend on the type of sector and while for some sectors it comes naturally for others there are external triggers for renewal (for example a crisis such as the pandemic or a demand from customers). Interaction with customers is often mentioned as one of the factors for product/service renewal. Discussions with clients and feedback analysis are among the most popular ways for interaction that brings product renewal.

Interaction with customers: when it comes to clients 67% of the respondents in the surveys declare they still need to improve their knowledge of their customers, whereas only 17% believe that they know their customers very well. 13% are unsure. 3% admit to not knowing their customer base. These results reveal a significant gap related to the interaction with customers and a possible area of improvement. And while most of the respondents in the surveys share that among the best ways to learn about their customers include direct interaction (42%) and monitoring comments on social media accounts (25%), there are still some unexplored paths for gaining more information about clients' preferences such as client surveys and website analytics. In addition, the in-depth interviews reveal that interaction with customers is very important to the cultural and creative sectors. There are several mentions of the need for direct contact or involvement of clients either as a trigger for innovation or as a reason for renewal of the products and services. The importance of building good relationships with the clients is further intensified by a number of responses in the surveys and interviews that identify skills for reaching out to customers as essential. In fact, improvement of communication and relations with customers is something that representatives from the cultural and creative sectors would like to develop further.

Triggers and methods for innovation: representatives from the cultural and creative sectors were asked questions related to innovation in the surveys and during the in-depth interviews. The surveys show that more than half of the respondents (56%) have innovated in their business in the last 18 months while 44% say they have not done so. The ones who innovated shared that they faced financial (33%) and marketing (30%) challenges as well as difficulties related to the actual implementation of the ideas (30%). Most of the respondents who haven't innovated their business say the main reasons were lack of financial resources, lack of ideas or lack of human resources. 13% of the participants report lack of skills for innovation. The majority of the participants believe that the biggest risk associated with business innovation is financial (69%). 25% are afraid there is a risk of losing customers.

The most common methods for bringing in innovation according to the survey results are:

1. Brainstorming
2. Social media research

3. Responding to customer feedback

The results are very similar to the answers from the in-depth interviews. The analysis from the 4 countries shows that these are the methods and tools most commonly used for innovation:
1. Direct interaction with customers/team members, including discussions
2. Brainstorming
3. Research (on the market, on social media, on specialised platforms) and observations

When asked about innovation, participants in the in-depth interviews shared aspects that they consider enabling and other aspects that they perceive as hindering innovation. The table that follows summarises the main findings from the four countries:

Aspects that enable innovation	Aspects that hinder innovation
Finances	Lack of money
Spare time	Lack of time
Technologies	Lack of appropriate knowledge
Crises & challenges	Mental barriers
Interaction with customers	Crises & sudden changes

As evident from this table finances and time seem to be the two most important factors when it comes to innovation. It is interesting to see that crises can be perceived both as enabling and hindering innovation. And while in the first case crises are perceived as challenges that may inspire innovation, in the second case crises are associated with sudden changes that require the use of coping mechanisms that may hinder innovation. This is linked to an observation made by the experts (Target group 2) on several occasions that companies working in the cultural and creative sectors need to learn to adapt to changes and that they would benefit from developing their change management skills.

Digitalization: the surveys suggest that participants have digitised some aspects of their business in terms of marketing, services and products. Fewer respondents have digitised their sales. Only few declare not to apply digitalization in their work. The issue of digitalization was further explored during the in-depth interviews. Although some of the interviews show that business from the cultural and creative sectors used digital solutions even before the pandemic, for the most part of the interviewees it was exactly COVID-19 that triggered them to employ digital tools. Digitalization in this aspect is recognized as a possibility to adapt the activity during restrictions. In general, it seems that artists do see advantages in digitalization although some of them still stress their preferences for face-to-face contact.

Identified gaps in skills and competences:
Several questions from the surveys and in-depth interviews aimed to identify skills and competences that those working in the cultural and creative sectors would like to develop further. These were complemented with questions on the skills this target group finds essential for applying service design and service innovation.

The tables below illustrate the results.

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Skills needed for service design identified by TG1	Skills needed for service innovation identified by TG1
Creativity/creative thinking Skills for interaction with customers Empathy Technology/IT-related skills	Creativity/creative thinking Analytical thinking Strategic thinking

Skills TG1 would like to develop in order to apply service design and service innovation	General skills TG1 would like to develop further
Technical/technology-based skills Social media skills Marketing skills Skills for interaction with customers	General business skills (incl. management, developing the business, financial skills) Marketing skills Social media skills Service development Digital/technical skills (incl. online presence and websites)

Preferred training options: the surveys and in-depth interviews tried to identify the preferred training format for those working in cultural and creative sectors. The surveys suggest that most of the participants prefer synchronous online courses (39%) and fewer would go for asynchronous online courses (16%). However, the majority of the respondents (45%) have no preference. With regard to the hours of training, most of the respondents prefer to receive between 2 and 4 hours of training in a 2-week course or between 1 and 2 hours in a 3-week course.

In terms of the contents of the training respondents from the surveys and in-depth interviews outlined some important points that need to be considered:

Things to avoid in trainings:
1. Generalised trainings not suited to the specific needs/not applicable to specific context
2. Lack of practical examples
3. Boring presentations

Things to focus on in trainings:
1. Creating opportunities for interaction both with the trainer and with other participants
2. Creating opportunities for exchanging ideas
3. Practical aspects
4. Applicability of the training contents

Main findings and identified training needs from the conducted surveys and in-depth interviews with Target group 2

Perceptions of service design and service innovation as seen by experts working with businesses from the cultural and creative sectors:

The surveys and in-depth interviews all lead to the same conclusion: experts do not think that businesses from the cultural and creative sectors are familiar with the concepts of service design and service innovation. There are only 2% of the respondents in the survey who believe that the sector is well informed about *service innovation* and not a single expert stated that these businesses are well informed about *service design*. Most responses in the surveys also reveal that according to the experts the businesses from the cultural and creative sectors have not got the skills to use service innovation. The analysis of the in-depth interviews shows that the lack of proper knowledge and awareness of the two concepts is stopping people from the cultural and creative sectors from seeing the benefits these methods could possibly bring to their businesses. It was mentioned several times that service design and service innovation are unknown terms and as such they are avoided. Fear of the unknown and the necessity to invest time and resources in improving their knowledge were identified as barriers to innovation.

Challenges, opportunities and necessary skills in using service design and service innovation as identified by experts working with businesses from the cultural and creative sectors:

The biggest challenges in using *service design* faced by businesses from the cultural and creative sectors most commonly mentioned by the experts in the surveys are related to financial resources/funding; lack of knowledge/awareness and skills for service design; challenges related to the mindset and the resistance to changes. Experts see opportunities in using service design mainly in the following: service design can trigger the business development (in terms of better competitiveness and expanding markets); it can help create positive customer experience; it can help change the perspective hence broadening the mindset.

Experts in the surveys identified the following skills needed for service design:

1. Better understanding and knowledge of the concept of service design;
2. Business skills such as entrepreneurship, financial skills, analysis, planning and evaluation;
3. Skills for focusing on the customers and their experience.

The biggest challenges in using *service innovation* are quite similar to the identified by the experts challenges in using service design. These are mainly related to financial resources/funding; lack of knowledge/awareness and skills; limited time; mindset and perceptions. The responses from the surveys show that experts see opportunities for the businesses in the cultural and creative sectors if they apply service innovation in their work. From the business perspective, it could result in attracting more customers, increased sales, widening markets, and being more competitive. In addition, service innovation may improve the relationship with the customers along with improvement of the quality of the offered services.

Experts in the surveys identified the following skills needed for service innovation:

1. Businesses from the cultural and creative sectors need to gain knowledge on service innovation in order to understand service innovation.
2. Business skills, incl. entrepreneurship; project & financial management; marketing & branding; strategic planning and analysis.
3. They need to learn to put customers at the centre through market research, empathy, listening and communication.
4. The experts stress that open-mindedness is needed, incl. going beyond stereotypical thinking; learning to find inspiration from other industries; curiosity and flexibility.

The conducted in-depth interviews further confirmed the findings from the surveys. The experts in the interviews refer to the need of the businesses in the cultural and creative sectors to understand the concepts of service design and service innovation in order to see their benefits and applicability. Lack of time is also considered a common challenge since it is necessary to invest time and effort in learning new things before actually applying them. This challenge could be linked to the already mentioned gaps in business competences such as planning, strategic thinking, time management and building effective relationships. The ability to change and adapt to new situations is another important challenge that was identified. The opportunities as outlined from the interviews can be summarised in the following: service design and service innovation can make the businesses grow, be more successful and competitive; they can improve the relationship with the client by bringing better understanding of customers' needs; they could help building skills and tools for change management; they could broaden the perspective thus opening the mindset for building networks and cooperation with other artists from the sector.

The tables that follow provide a summary of the findings from the surveys and in-depth interviews.

Service design

Challenges	Opportunities	Skills needed for service design
Financial resources Lack of knowledge, awareness & skills for service design Overcoming specific mindset Resistance to changes	Business development Improving customer experience Changes in perspective	Knowledge, understanding and awareness of the concept Business skills Customer skills

Service innovation

Challenges	Opportunities	Skills needed for service innovation
Financial resources	Business development	Knowledge, understanding and awareness of the concept

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Lack of knowledge, awareness & skills for service innovation Limited time Overcoming specific mindset	Improving customer experience Opening the mindset	Business skills Customer skills

In addition to these, the following competences gaps emerged from the in-depth interviews:
1. Gaps in marketing competences
2. Gaps in digital competences
3. Gaps in business competences
4. Gaps in customer relations competences

Digitalization in companies from the cultural and creative sectors as seen by experts working with them: the results from the surveys show that most experts assess as good the level of digitalization of the businesses from the cultural and creative sectors. 53% of the respondents believe that some aspects from the products/services have been digitised but there is room for improvement. Yet, the share of persons believing that very few aspects of their products are digitised is also high and amounts to 33%. The results from the in-depth interviews further reveal that the opinions of the experts when it comes to digitalization of the businesses in the cultural and creative sectors are very diverse thus showing that we could not make general conclusions for the whole sector. Still some common remarks pop up:

The sector can be open to digitalization but lacks the knowledge, skills and resources to apply the proper tools. The fear of the unknown and the resistance to change also link the answers of this question to the already mentioned mindset that was identified as a barrier to innovations. In the identified competencies gaps digital skills are brought in the focus as an aspect that needs improvement.

Innovation in businesses from the cultural and creative sectors as seen by the experts: experts were asked about the aspects that hinder and that enable innovations in the businesses from the cultural and creative sectors. These questions were asked in the surveys and were further discussed during the in-depth interviews.

The table that follows summarises the main findings from both surveys and interviews:

Aspects that enable innovation	Aspects that hinder innovation
The open mindset of people working in the cultural and creative sectors (incl. openness to changes)	Lack of resources (financial, human, time) Specific mindset (incl. resistance to change) Poor communication (internal within the company and external with customers)

The high level of creativity potential in the organisations from the cultural and creative sectors Willingness to take risks Cooperation with other entities Working environment Good knowledge of customers Technical tools	Lack of skills for innovation (incl. lack of proper training for innovation) Reluctance to take risks

Training for the cultural and creative sectors as seen by the experts: experts have diverse opinions on this question not only across countries but also within the same country. Still, there are some common hints and suggestions regarding some elements during the training that should be emphasised:

- the training should focus on practical aspects and real problems rather than theory
- the training should create opportunities for networking, peer learning and exchange of experience
- the training should be tailored to the specific needs of the trainees
- the training should be interactive

Some experts believe there should be different training depending on the position of the person within the company. They suggest that top management and regular staff members have different training needs that need to be addressed and that the two groups require two different approaches. Therefore, the training should be different.

Conclusions

The analysis of the conducted desk research, surveys and in-depth interviews in Finland, Poland, UK and Bulgaria allows for drawing some conclusions on the training needs of the businesses from the cultural and creative sectors that will serve as a basis for developing a competency framework.

1. Desk research shows that businesses from the cultural and creative sectors experience similar challenges: **insufficient financing, skills shortage and struggles with the aftermath of COVID-19** manifested in the need for quick digitalization and adaptation of products and services.

2. The delivery of products and services in the cultural and creative businesses **follows a traditional path and innovations are rarely introduced**.

3. When it comes to the perception of service design and service innovation, desk research has shown that people from the cultural and creative sectors are **not very familiar with the terminology and even if they have heard of the concepts, they do not see how these can be applied to their businesses**.

4. The surveys and interviews also reveal that businesses from the cultural and creative sectors **lack knowledge and understanding of service design and service innovation**. Hence, they could not apply these methods in their work. Most of them are aware of this.

5. **Freelancers and sole traders function differently from persons employed in micro, small or medium enterprises**. While freelancers run the whole business on their own and are often the only ones involved in product/service delivery, artists working in companies rely on the involvement of other team members in the whole process. Freelancers are their own decision makers while people employed in companies are not authorised to take business decisions. It is their managers who do so.

6. **Customers are important** for the cultural and creative sectors. They are recognized as the driving force behind product/service renewal and innovation. At the same time the sector admits to the need to expand their knowledge and understanding of their customers. Skills for reaching out and interacting with clients are pointed out as an area of further development and improvement.

7. When it comes to **innovation**, businesses from the cultural and creative sectors rely on spare time, finances, technologies and interaction with customers as factors that enable them to innovate. Lack of funds, lack of time, mental barriers (such as fear of the unknown and overwhelming pressure) and sudden changes, on the other hand, hinder them from innovation.

8. Those working in the cultural and creative sectors are **familiar with digitalization**. Some have digitised certain aspects of their businesses even before the COVID 19 pandemic. For most of them, however, it was the pandemic that forced them to turn to digitalization as a mechanism to adapt to the crisis. Although they recognize digitalization as important, the persons from the sector admit they see **a gap in their digital skills**.

9. People working in the cultural and creative sectors admit to **lack business skills**. They are usually indulged in the creative process and ignore the business side of it.

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10. **Marketing skills** and **social media skills** are recognized as areas for improvement by the people working in the cultural and creative sectors.

11. Experts do not think that businesses from the cultural and creative sectors are familiar with the concepts of service design and service innovation.

12. Experts point out that businesses from the cultural and creative sectors need to work on their **business skills**, incl. entrepreneurship; project & financial management; **marketing** & branding; strategic planning and analysis. They need to **learn to put customers at the centre** through market research, empathy, listening and communication. They **need to be open-minded**.

13. Experts believe that service design and service innovation may lead the cultural and creative sectors to **business development, change of perspective and improvement of customer relations**.

14. According to the experts the sector **can be open to digitalization but lacks the knowledge, skills and resources to apply the proper tools**.

15. Experts stress the importance of **changing the mindset** of the sector in terms of their resistance to change and insisting on doing things a certain way.

16. Training offered to the businesses from the cultural and creative sectors need to be **practical**, **applicable** to the respective business, offering opportunities for **networking & sharing experience with both trainers and other participants**.

Competency Framework

This Competency framework has been developed within the project „Digital and Sustainable Service Innovation for the Cultural and Creative Sectors“, Strategic partnership – Adult Education, Project Number: 2020-1-FI01-KA227-ADU-092663. It is based on the results of the Training needs report delivered after the partnership conducted surveys and in-depth interviews with unemployed, employed and self-employed individuals and micro and small organisations in the cultural and creative sectors as well as with experts working with organizations from the cultural and creative sectors. The leading idea of the Competency Framework is that workers from the cultural and creative sectors would learn to use service design and service innovation to renew and innovate their service offer, taking into account their hard skills.

This framework is divided into 4 parts:

Section 1 Pedagogical approach and skills to learn and develop

Section 2 Service design and service innovation process models

Section 3 Enabling factors in the operational environment

Section 4 Competences Summary

Annex: Service design and service innovation process models and tools

ServiceDigiCulture

Pedagogical approach: constructivism

practice-based learning/learning-by-doing

Knowledge and skills:

Challenges

Gaps in customer knowledge (who they are, how to attain them, how to respond to their needs)
A lack of hard skills and soft skills competencies
Fixed mindset and perceptions in cultural and creative sectors
Resistance to changes in the sector
Insufficient resources (financial, human, temporal, due to

Service design
Service innovation
Creativity
Problem solving
Strategic thinking
Analytical thinking
Change management
Customer-orientation
Cultural & creative sector workers' own professional hard skills
(e.g. instrument playing, acting, pottery making)

Opportunities

Improving customer experience
Open mindset
Embracing change to one's own advantage
Efficient (self) management and cooperation with other entities
Open to different forms of learning and online learning
Small-sized companies allow for flexibility and easier digitalization

TOOLS

ServiceDigiCulture

Section 2

Service design and service innovation process models (for all tools see Annex)

Service design toolkit, Namahn and Flanders DC

-Framing
-User insights
-Persona
-Design scope
-Ideation
-Service concept
-Prototype
-Feasibility

Service design thinking is an iterative process- Stckdorn and Schneider

-Exploration
-Creation
-Reflection
-Implementation

Service Design process by Moritz S. 2005

-Service Design (SD) Understanding (category of tasks)
-SD Thinking
-SD Generating
-SD Filtering (category of tasks)
-SD Explaining

Evolution E6

-Emergence
-Empathy
-Experimentation
-Elaboration
-Exposition
-Extension

Ideo Design thinking

-Observation
-Ideation
-Rapid prototyping
-User feedback
-Iteration
-Implementation

ForumOne

-Align
-Research
-Ideation
-Prototype

Spotless service design toolbox

-Where does business design come from?
-Speculate to innovate
-How desirable idea s become viable

Service design maturity model

-Explore
-Prove
-Scale
-Thrive

Service Design Doing #TISD by Stickdorn

-Research
-Ideation
-Prototyping
-Facilitation

Service design

-Alignment
-Discovery
-Opportunity
-Prototyping
-Roadmap
-Implementation

Double diamond process

-Discover
-Define
-Develop
-Deliver

Service design toolkit by obli and poli design

- When
- Who
- What
- How

ENABLING ELEMENTS IN THE ENVIRONMENT

- Digital environment (for example social media)
- Networking with other professionals including those from the cultural and creative sectors (exchange of services)
- Interaction with customers
- Openness to changes
- Collaboration with co-workers (brainstorming)
- Trends and events (current and upcoming)

…THAT CAN LEAD TO DEVELOP THESE SKILLS

- Creative thinking skills, innovation skills
- Marketing and business skills; Customer relations skills
- Service (and product) development skills
- Analytical thinking skills
- Adaptability skills and Change management skills
- Digital skills
- Research skills

COMPETENCY FRAMEWORK SUMMARY:

The competences to be created during ServiceDIgiCulture training are indicated on the table below. These are for both individual online and trainer-led training. Metathinking is a competence and skill that aims to support and guide learning. It is suggested to build the training in such manner that would as such create guidance, support, facilitate learning of service innovation through service design and constructive learning.

Service design (SD)	Service innovation	Creativity	Problem solving and Analytical thinking	Strategic thinking	Change management	Customer-orientation	Meta thinking
What is service design and what is its value	What is service innovation and what is its value	Creative and outside the box thinking	Problem identification and definition	Applying service design into strategic thinking	Openness to change	Understanding customer needs and aspirations	Ability apply service innovation and design in relation to own hard CCS sector skills
Service design process knowledge and understanding	Understanding the difference between what is creativity and what is innovative	Openness to new, different and unusual	Multidisciplinary problem solving	Vision-oriented thinking	Identifying change	Interaction with customers	Reflecting own learning and skills in general and in different contexts
Understanding basic concepts of service design	Understanding product/service	Ability to do unconventional things	Problem solving using service design as a method	Trends and events (current and upcoming)	Presenting change	Usability and ergonomics	Understanding what one already knows and what

Service design (SD)	Service innovation	Creativity	Problem solving and Analytical thinking	Strategic thinking	Change management	Customer-orientation	Meta thinking
e.g. service journey, service blueprint, customer journey, testing and experimentation, service moments, user-orientation, use-contexts, contact points	lifecycle/life span						of that is close to service design and innovation
Learning service design tools and how to use those	Innovation skills and mentality, e.g. creativity	Playfulness	Harnessing networks and digital environment into problem solving	Networking with other professionals	Training others to change		Ability to direct own learning
Actors and participant and multidisciplinary work	Difference of customer oriented service innovation and self-expressions	Ability to lose one's face		Systems thinking	Ability to step into new for change		Learning from examples

Service design (SD)	Service innovation	Creativity	Problem solving and Analytical thinking	Strategic thinking	Change management	Customer-orientation	Meta thinking
Visualisation	Forming a challenge into opportunity	Playing with ideas and opportunities		Ability to plan actions based on strategy	Relationship management		Ability to reflect and apply the learnt into own company's/professional activity
Divergent and convergent thinking	Service and product innovation using service design				Communication skills		Learning from challenges
Iteration and reflective thinking					Leadership and empowering		
Ability to apply service design in real situations					Harnessing cultural skills and effectiveness for change		
Objectivity, evaluation and Analytical thinking	Objectivity, evaluation and Analytical thinking	Objectivity, evaluation and Analytical thinking	Objectivity, evaluation and Analytical thinking	Objectivity, evaluation and Analytical thinking	Objectivity, evaluation and Analytical thinking	Objectivity, evaluation and Analytical thinking	Objectivity, evaluation and Analytical thinking