



**European Commission**  
Enterprise and Industry

## **SECTORAL INNOVATION WATCH THEMATIC WORKSHOP**

### **“SERVICE INNOVATION, ORGANISATIONAL INNOVATION AND VALUE CHAIN: WHAT ROLE FOR POLICY MAKING?”**

**A workshop organised by the European Commission’s Enterprise and Industry Directorate-General in cooperation with the Sectoral Innovation Watch Initiative (Europe INNOVA)**

**25th of January 2011, Brussels, Belgium**

**Venue: Brussels, Thon Hotel Brussels City Centre  
Avenue du Boulevard 17  
1210 Brussels**

### **Provisional Programme**

The objective of this workshop is to discuss **the transformative effects of service innovations on industrial value and supply chains**. Following the Oslo Manual, organisational innovation refers to *“the implementation of a new organisational method in the firm’s business practices, workplace organisation or external relations.”*. This workshop will particularly address how service innovations change the external relations between companies, and in particular between manufacturing and services.

The transformative power of service innovations on value or supply chains can be seen in many different ways. The effects of outsourcing services functions in manufacturing companies has been known for a long time and has contributed to the emergence of new specialised markets for services. Service innovations contribute to higher productivity in manufacturing as they contribute to streamlining value and supply chains and saving time and costs, for example through “just-in-time” delivery. More recently it can be observed that **service companies integrate more and more functions** into their activities that change the balance between manufacturing and services. The borderlines between the production of goods and service provision are increasingly blurring, thus making the term “business support services” widely obsolete.

Through service innovation, industrial value chains are fundamentally reshaped, by changing the traditional roles of manufacturing and services. This can best be illustrated by examples in the field

of transport and logistics, where service companies are assuming more and more **a lead role in the value and supply chains**. Rather than only supporting other industries, logistic companies integrate themselves different value chain or supply chain functions, as can be observed in sectors like fashion, repair or health care logistics. Increasingly, industrial clusters are built around logistics hubs driven by service companies. Following a traditional sectoral approach by focusing predominantly on manufacturing sectors is therefore becoming less and less effective. The competitiveness of textile and fashion industries in Europe depends as much on efficient transport and logistics as on design and retail. Service innovations in these critical areas are therefore also shifting the balance of who is the driver and who is the supporter of change between manufacturing and services.

This workshop will present the latest trends in organisational changes within value and supply chains that are driven by service innovations. Based on these cases, the **policy implications for industrial policy** will be discussed. In this sense, the workshop will also contribute to the discussions on the role of service innovations in support of smart, sustainable and inclusive growth. Many of the examples discussed in this workshop will be taken up by the Conference on Service Innovation taking place in Rome on the 17<sup>th</sup> and 18<sup>th</sup> of February, where the policy recommendations of the European Expert Panel on Service Innovation will be presented.

This workshop aims at bringing together about **75 participants** representing relevant organisations such as universities, national regional and local authorities and public agencies responsible for the promotion or support to service innovation, business organisations, think tanks and other organisations with an interest and stake in service innovation to discuss how service innovations are changing industrial patterns and are bringing about new industries. The workshop is planned as a 1 day event, and it will be divided into 4 sessions and a panel discussions.

**Overall moderation:** Hans Rijckenberg, Member of EU Expert Panel on Service Innovation

**09.30 – 10.00**                      **Arrival and registration**

**10.00 – 10.15**                      **Opening**  
Reinhard Büscher, DG Enterprise and Industry

**Session 1**                              **New trends in service innovations**  
**Moderator:** Hans Rijckenberg, Member of EU Expert Panel on Service Innovation

*This session will describe major implications of service innovations on organizational innovation within value and supply chains. The concept of the “transformative power of service innovations” will be elaborated and applied to organizational innovation. New trends in service innovation will be identified and put into the context of the changing roles of manufacturing and services in the modern economy.*

**10.15 – 10.30**      **Service innovation as a driver for industrial innovation: the new industrial policy orientations** - Mette Quinn, DG Enterprise and Industry

**10.30 – 10.45**      **New trends in service innovation: results from the Service Innovations Repository of the Europe INNOVA KIS-Platform** -  
Colin Hazley, Senior Researcher, BIT Research Centre, Aalto University,  
School of Science and Technology

**10.45 – 11.00**      **Service innovation and the manufacturing value chain: new trends and practical examples** - Luis Rubalcaba and Christiane Hipp

**11.00 – 11.20**      **Coffee break**

**Session 2**              **Mobile services and emerging industries: from e-business to m-business**  
**Moderator:** Luigi Perissich, Member of the Expert Panel on Service  
Innovation, Confindustria (IT), Director Innovative and Technological  
Services

*This session aims will specifically into the organizational innovation stimulated by new mobile services and enabling mobile IC technologies. New e-services are transforming in many sectors value chains that are based on the use of the Internet, thus reshuffling revenue streams and enhancing competition. “Apps” are becoming more and more popular, which also prepares the ground for new value added services. The question is how this will change existing business models and relations within value chains.*

11.20 - 11.50      Hannes Leo, Leoon Consulting - Trends in service innovation enhanced by mobile services and transformative effects on the e-services industries

11.50 - 12.05      Greek company representative, winner of the KISS100 Award for best mobile services company - The role of innovative mobile services in shaping new emerging industries

12.05 - 12.20      Mohammad-Bachir Salamat, Co-founder & CTO deciZium SA - Changing business models from e-services to m-services: a Walloon case

12.20 - 12.35      George Karadsamis, CEO VELTI (GR), winner of the KISS100 Award for best mobile services company - Role of new mobile services and their transformative effects on industries

12.35 - 13.00      Podium discussion

**13.00**                  **Lunch break**

### Session 3

### Creative industries and user-driven innovation: 4 case studies

**Moderator: Jan Runge**

*This session will discuss the transformative effects of service innovations in several service that are part of creative industries. Most of these service innovations are driven by advanced ICT and offer new ways to bring creative ideas, products or services to the market. The interesting point in this is that services are becoming increasingly technology-driven, with new actors entering into the value chain. On the other hand, creative services are used to transform traditional industrial sectors.*

- 14.00 – 14.15      The case of music - The role of user driven innovation and new services in the changing music industries: from iTunes to the entertaining industry
- 14.15 – 14.30      The case of publishing - Stephanie Van Duin, Elsevier Masson SAS (FR) CEO - The role of new services and user driven innovation in the changing value chains of the publishing industry
- 14.30 – 14.45      The case of design - Jan R. Stavik, BEDA - The role of user driven innovation and new services in the changing value chains of industrial design
- 14.45 – 15.00      The case of museums and art - Tessa Quinn, ICT solutions at Scotland National Gallery - Mobile and e-Ticketing, direct online access, 3D communication: the role of new services in changing the art industry
- 15.00 – 15:30      Q&A
- 15.30                      Coffee break**

### Session 4

### Transport & logistics in manufacturing value chains: the new role of services

**Moderator:** Hans Rijckenberg, Member of EU Expert Panel on Service Innovation

*This session will discuss the impact of service innovations in the field of transport and logistics on value and supply chains in traditional sectors, such as automotive manufacturing or textiles. On the basis of case studies, the changing roles of manufacturing and services in value and supply chains will be further elaborated. Transport and logistics are no longer only supporting manufacturing companies in their activities but taken over greater parts of the value chain in their own responsibility, thus changing the borderlines between manufacturing and services.*

- 16.00 – 16.15      The case of the fashion industry – DHL representative – The role of new logistics services in transforming the value chain of the textile industry: outsourcing v. vertical integration

- 16.15 – 16.30 The case of car manufacturing - Fraunhofer representative - New services provided by logistics companies changing the logistics and the car industry business models and value chains and trends in out-sourcing
- 16.30 – 16.45 The case of new mobility services – Steffen Witt/Andreas Schulze, New Business Models SAP - Car industry value chain shifting from manufacturing to services value added in the field of the "new mobility" industries: current trends
- 16.45 – 17.00 The case of ICT industry - Brenda McWilliams-Piatek, Communications and Marketing EMEA – Role of innovative new services in logistics in the changing ICT value chain
- 17:00** **Discussion panel: How to promote service innovation as a driver for new markets**
- \* Hans Rijckenberg, Member of EU Expert Panel on Service Innovation
  - \* Tiina Tanninen-Ahonen, Director Services innovation TEKES, representative from the project EPISIS, European Policies and Instruments to Support Service Innovation
  - \* Prof. Luis Rubalcaba, Member of EU Expert Panel on Service Innovation
  - \* DG Enterprise and Industry
- 18:00** **Closure**  
Reinhard Büscher, DG Enterprise and Industry

**Documentation:**

- Industry policy communication of October 2010
- SIW Report on organisational innovation in services
- EU Communication on innovation policy and SWD on service innovation
- Input paper for the discussion (4-6 pages paper with the key issues: key provocative questions for the debate, some insights on the case studies selected)

**The workshop will produce an output paper (4-6 pages) including results of the workshop and a particular focus on policy implications.**