Designing a vibrant countryside of the future

Living Lab Handbook for Small Municipalities

– Designing a vibrant countryside of the future

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Photo: Shane Rounce /unsplash.com

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Introduction

Municipality of Lapinjärvi in Finland applied for funding for **the Lyckan – A futurehub for inspiration and rural innovations -project**, as innovation activities have focused on cities, and rural opportunities for innovation have not been sufficiently utilised. New types of investment are required to promote rural innovation activities.

In small rural towns, entrepreneurial activities mainly consist of sole and small entrepreneurship, which do not have resources for development activities. At Lapinjärvi, entrepreneurs informed the municipality about the need to find new networking methods.

The best way to innovate is for actors in different fields to meet each other. Entrepreneurs at Lapinjärvi saw a need to develop the Lyckan platform, which serves rural business development, to support networking and innovation. This new operating model can also be utilised in other rural towns, both nationally and internationally.
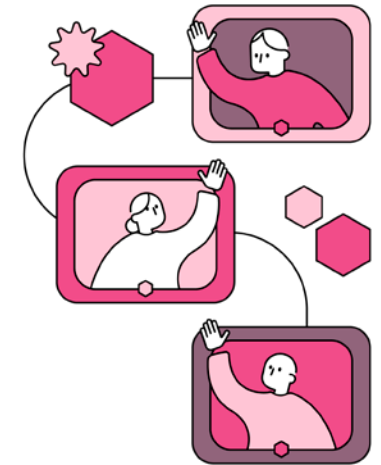
The aim was to create **a Living Lab operating model** that would be suitable for small rural towns **to support innovation activities and business cooperation**. Put together, the aim was to promote the creation of new business in the region.

During the project, we developed a suitable Living Lab operating model for Lapinjärvi and built a business network. We implemented **the Living Lab** through four different themes **by strengthening the culture of experimentation** by operating in authentic environments and by training companies in customer-oriented mindsets and the use of innovation and service design tools.

The project focused on **future-oriented work** and the development of companies' **foresight skills**, such as through promoting **the circular bioeconomy** with, for example, the implementation of a biocarbon production demo event and a bio-innovation sprint, in which we brainstormed new business for entrepreneurs from side streams; by developing new **tourism business** and by piloting, for example, a combined product from three entrepreneurs and promoting the participation of **creative sector** experts in the development of business activities, for example by piloting the concept for a corporate artist.

The result of this project was the creation of the Lyckan business and community network and its activities at Lapinjärvi. This resulted in new cooperation and new business openings for companies in the region. The project also created **an operating model for a Living Lab for small municipalities, which is presented in this handbook**. It supports and guides municipal actors using Living Lab for developing the rural areas. The handbook gives concrete and clear guidelines and tools for operating municipality-based Living Labs.

The project was implemented in cooperation between the municipality of Lapinjärvi, Laurea, Haaga-Helia, Häme, and LAB Universities of Applied Sciences. The project received funding from the European Regional Development Fund through the Regional Council of Uusimaa. The implementation period of the project was from 1 September 2021 to 31 August 2023.

The aim was to create a Living Lab operating model that would be suitable for small rural towns to support innovation activities and business cooperation. Put together, the aim was to promote the creation of new business in the region.

This icon shows which tools are used in the theme in question. You'll find links to websites explaining the tools and tips on how to use them.

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Living Lab

Municipality-based Living Lab operating model

Photo: iStock-photo/Franckreporter

Municipality-based Living Lab operating model

WHAT IS THE LIVING LAB?

Living Labs are user-driven open network structures that function in **a genuine operating environment**. Living Labs can be either physical or virtual spaces where different actors can create partnerships. Living Labs combine innovation activities, research and co-creation, which enable different actors, such as towns, companies and educational institutions to develop and test ideas, solutions, products and services.[1,2]

WHAT ARE THE BENEFITS OF THE LIVING LAB OPERATING MODEL FOR MUNICIPALITIES?

Support for the development of sustainable business for companies operating in the municipality through various events, operating models and development methods.

Tools for developing operations and creating, managing and communicating a network.

Operating models from four different themes. Use the models to experiment, learn and work together with the actors in the region to create a vibrant countryside of the future!

This model introduces four different themes:
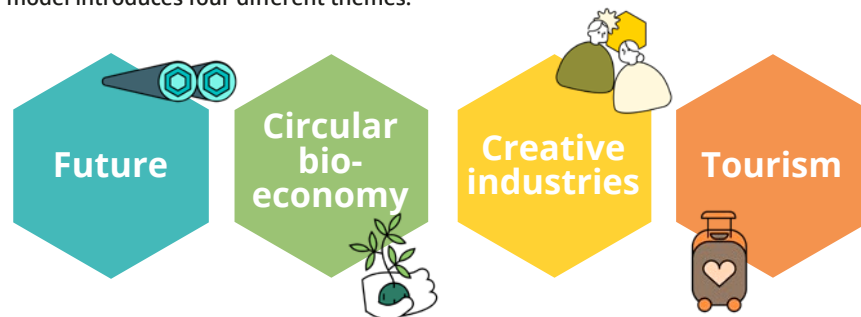
Operating models can be used to develop **new ideas, products and services for companies even across sector boundaries**. Living Lab combines the elements of design, innovation and sustainability to promote and develop the future of the operating environment, municipality or the region as a whole.

MUNICIPALITY-BASED LIVING LAB OPERATING MODEL

What?
An operating model for a municipality-based Living Lab.

For whom?
Decision-makers and actors in small town as well as business authorities. Also includes tools for developing business activities.

Vitality for the countryside – a municipality-based Living Lab operating model

Municipality-based Living Lab

Use of co-creation

The municipality compiles and coordinates the activities of the network

Business visits and learning from others

Crossing industry boundaries

Encouraging cooperation between actors

Experiments in an authentic environment

New business through collaboration

Future-oriented work

Developing future and foresight skills

Operating model for future-oriented work for municipalities

Tools to support development

Local material streams

Added value for business from side streams

Ecological vitality of the circular bioeconomy

Smart use of natural resources

Ecological sustainability for business

Development of rural wellness and business tourism

Model for the continuous development of tourism for municipalities

Tourism as an attraction factor in rural areas

Clarification of the local identity

Productising rural tourism assets

Creative industries in creating value for business

Promotion of culture and art in the region

Tools for utilising creative skills

Strengthening the regional brand as culture-friendly

Brings together actors in the region and promotes mutual dialogue and cooperation.

Enables the participation of different parties in development work.

Contributes to the company development and the creation of new business in the region.

Promotes the ability of municipality and companies to respond to current and future customer needs.

Increases research, development and innovation activities in rural areas to ensure the vitality of both the town and companies in the region.

The operating model for future-oriented work is used to envision the future and create alternative perspectives to support future-oriented discussion and decision-making.

Share future and foresight skills for everyone to keep up with changes in the operating environment.

Different tools and hints to support future-oriented work.

New business and new products from bio-based side streams in primary production and industry.

Create added value for side streams through innovative processing.

Develop smart use of resources and sustainable business.

Develop new tourism business that is based on the region's strengths.

Create products from the advantages of rural tourism.

Harness growth potential of tourism as business activities through the model for the continuous development of tourism.

Develop business tourism to rural areas from the perspective of wellness tourism.

Promotion of the creative industries operating conditions through networking, such as expert banks and organising of cultural events.

Integrate the network of creative industries into the Living Lab.

Solve business challenges with creative methods.

Boost the creative competence of actors in the region.

Figure 1. A municipality-based Living Lab operating model (Arola, Aromaa, Huhtanen, Juva, Laatikainen, Korvenranta, Pöyhönen, Risu, Sitomaniemi, Syvälahti & Temisevä 2023).

Objectives of the Living Lab

BRING TOGETHER actors in the region and promote mutual dialogue and cooperation.

ENABLE the participation of different parties in development work.

CONTRIBUTE to the company development and the creation of new business in the region.

BOOST research, development and innovation activities in rural towns to **ENSURE** the vitality of both the town and companies in the region.

PROMOTE the ability of municipalities and companies to respond to current and future customer needs.

Figure 2. Objectives of the Living Lab (Pöyhönen & Risu 2023).

Municipality-based Living Lab in practice

This handbook presents the municipality-based Living Lab operating model developed in Lyckan – A futurehub for inspiration and rural innovations -project at Lapinjärvi, Finland. **The operating model supports and instructs municipal actors (e.g. business authorities) in Living Lab style development in rural or rural-like areas**. The operating models enable municipalities to strengthen future-oriented and foresight skills, regional development of tourism and the circular bioeconomy, and the integration of creative sectors into the business development. The handbook is a concrete and clear set of guidelines that also contains tips on various development tools that have been tested in the Lapinjärvi's Living Lab.

ROLE OF THE MUNICIPALITY IN THE LIVING LAB:

Enables
the Living Lab in accordance with its strategy

Coordinates
activities

Responsible
for communications

Provides
a framework for the Living Lab

Brings municipal decision-makers and different stakeholders to the same table

Encourages cooperation between different actors, e.g. higher education institution and companies

Determines
the rules of operation with stakeholders

MUNICIPALITY-BASED LIVING LAB IN PRACTICE:

Grows
the tourism industry based on the local identity

Strengthens
the future capability

Utilisation of **co-creation**, e.g. in workshops

Network-like
activities, e.g. regular meetings 1/month

Business visits
and learning from others

Creating new business through **cooperation** e.g. combined product of multiple companies

Promotes
the accessibility of culture

Promotes
the green transition

Experiments
in an authentic environment e.g. pilot events, demo days

Engaging
residents in development work

Applying
creative skills in development

Crossing **industry boundaries**

Encourages
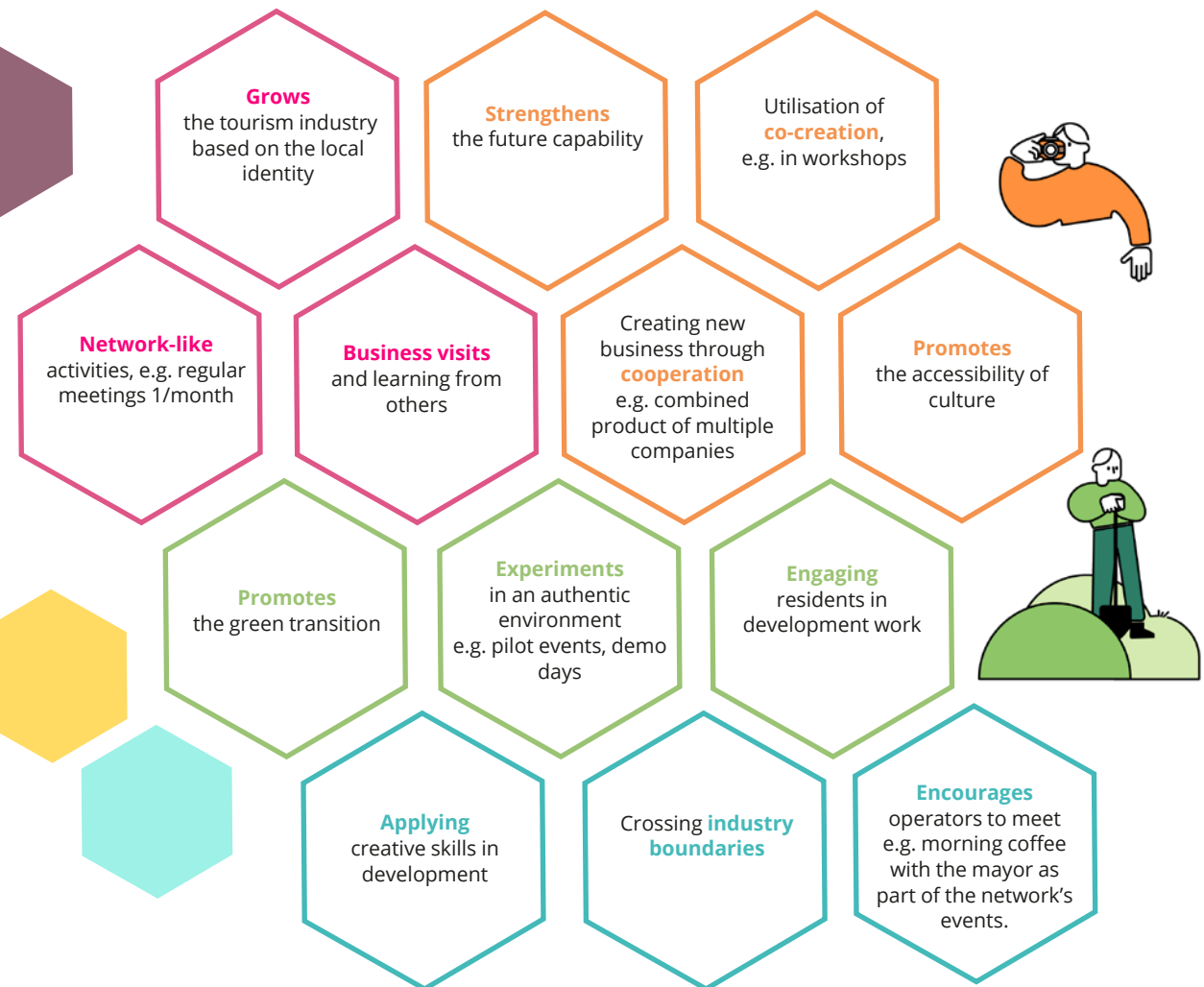operators to meet e.g. morning coffee with the mayor as part of the network's events.

Figure 3. Role of the municipality in the Living Lab and municipality-based Living Lab in practice (Aromaa, Huhtanen, Juva, Laatikainen, Pöyhönen, Risu & Sitomaniemi 2023).

Benefits of a municipality-based Living Lab

1 Network activities promote social activities of the actors in the region and create conditions for cooperation that promote long-term development in the area.

2 Sharing of new information, promotion of the exchange of information and peer learning between actors in the region.

3 Engage and encourage different actors in co-creation. This enables the sharing of ideas, information and experiences openly and freely between actors.

4 It serves as a platform for e.g. development processes in which repeated work stages (iteration) can be used to advance the development of services, products and operating models for companies and municipalities.

5 As the measures focus on the local environment and conditions, they always take into account the starting points and situation of the region: its special needs, restrictions and opportunities.

6 Piloting and experimentation are used to test solutions in real life environments, which provides authentic feedback on the functionality of the solution, promoting user-centered (human-centered) design.

7 Consider sustainability and sustainable solutions and the opportunities offered by technology in all development.

Guiding values and principles for a Living Lab

A successful Living Lab is guided by the following values and principles: participation, commitment, knowledge, trust, openness, value creation and sustainability (Figure 4).

Include different actors in the development

- Identify and invite actors in the region to join the process.
- Make use of the know-how of the educational institutions and research institutes' experts.
- Use facilitation to ensure that everyone's voices are heard at events, workshops and events.

Engage in joint activities

- Create a common goal/vision to which actors can commit.
- Working together engages; make sure to organise regular meetings.

Familiarity is the key to collaboration

- Make sure participants have the time and opportunity to get to know each other. In this way, all parties learn and understand the interests, needs, skills and resources (time, facilities, raw materials, products and services) of the potential partners in order to establish cooperation.
- Leave room for discussion, personal contact, hearing other opinions and free discussion.

Build trust

- Don't hesitate to share your own thoughts, knowledge, ideas and experiences to create an open atmosphere.
- Create shared rules for activities with the network. Trust is built through shared activities.

Follow the principle of transparency in the network and in interaction

- An open network with a wide range of different sectors from the public, private and third sectors contributes to the creation of innovations.
- Open interaction, on the other hand, enables learning together and sharing information.

Operating in the network produces value

- The network creates and produces value together.
- The network provides financial (money, facilities, equipment, data), human (know-how, experience, skills), social (human relationships) and psychological (trust, hope, resilience) capital.
- Surprising new products and services or turnover can emerge when representatives and actors from different industries are brought together.

The network creates sustainable solutions

- Ecological, social and economic sustainability are what guide development, enabling a good life for present and future generations.
- Sustainability also refers to high-quality cross-industry cooperation that strengthens creativity and innovation, and is based on trust, which takes time to build.

Participants of the Living Lab are not just there, they're active partners and experts in their domain. Everyone has a say in the Living Lab. When you work with many actors, it is important to create and produce value from different points of view. This value could be, for example, for the economy, businesses, or consumers/users.[3]

Competitiveness is not born only out of economic capital but also by human, social and psychological capital. Working in the network, we have access to more expertise, which also creates **opportunities for learning**

Figure 4. Values and principles guide a Living Lab
(Aromaa, Huhtanen, Juva, Laatikainen, Pöyhönen, Risu & Sitomaniemi 2023).

from others and increasing our own competence. Positive experiences, on the other hand, increase faith in one's own abilities, which also strengthens resilience, ability to change, when facing unexpected situations and changes.[4]

Today, it is rare for an organisation or a company to create sufficient competitive advantage and create value for its stakeholders alone; **at its best, value is created together in cross-organisational service ecosystems**. For this reason, organisations should combine resources to benefit all parties[5]. In Living Lab, value is created together through developing. **Co-creation** is a collaborative, simultaneous and peer-to-peer process that creates shared value and relevance. In Living Lab, what creates value together are the different actors, such as the citizens (e.g. town residents), the public sector (e.g. the municipality), higher education institutions and companies (e.g. SMEs and micro-enterprises)[6].

Photo 1. Small group brainstorming at the Lapinjärvi Living Lab future workshop (Lyckan team 2022).

In the Living Lab, user-centric and **transparent** operations play a key role in making use of innovation processes and the opportunities thereof. The region's actors must be engaged in the activities in a diverse manner, and the key priorities include increasing interaction, different forms of co-creation, and open and versatile communication[7]. It is important to approach participation from the perspective of interaction and partnership that can bring forth diverse cooperation and co-creation. When developing use methods and techniques that **involve** all actors in co-creation and to include different perspectives as well as experience and knowledge in the co-operation process.[3]

In open cooperation and co-creation, people with different backgrounds, such as entrepreneurs, municipal actors, experts and service users, work together in the development process. This enables a faster and more successful innovation process and new opportunities for cooperation and innovation.[3,8]

Effective and high-quality development work is based on **confidential** cooperation between different actors[9]. To **know** others is the key to successful cooperation[10]. It is a good idea to spend time on getting to know others and learn to understand the interests, needs, competences and available resources of the different actors. Close interaction and cooperation help to open up new points of view and develop new forms of activity. In order to create long-term activities, it is necessary to find methods that strengthen the participants' commitment to joint activities[11]. It strengthens commitment when a shared goal or vision is defined together.

Photo 2. At a Living Lab event for tourism in Lapinjärvi, participants got to co-develop activities (Sorjonen 2022).

Innovation is a multi-stage process in which organisations transform ideas into new or improved products, services or processes to promote their position, to compete and to successfully stand out in the market[12]. Traditionally, innovation has been thought of as a linear, closed process that is implemented within an individual organisation. Open innovation opens up the innovation process to parties outside the organisation. Instead of a dichotomy, this is a continuum in which it is possible to assess the degree of openness, such as in terms of the process and the end result.[13]

New innovations must be based on the needs and wishes of potential users. One of the cornerstones of a Living Lab is carrying out innovation activities in a realistic, natural, **real-life environment**.[3] Authentic environments promote creativity and multi-level learning and highlight the complex links between technological, social and economic phenomena. They generate practical innovations and support rapid experimentation with ideas and prototypes. Knowledge is created in a dialogue of many voices that supports the learning of individuals, organisations and regions in a heterogeneous manner.[2]

There are many ways to take **sustainability** into account in a Living Lab. Different starting points and operating methods create opportunities for achieving ecological, social and economic impacts[14]. Sustainability can be sought through the development of products and services, but it can also be seen as an examination of Living Lab's own viability and making Living Lab responsible for the wider community in which it operates. Partnerships and related networks are important aspects for the sustainability of Living Lab. High-quality cross-industry cooperation that strengthens creativity and innovation is based on trust, and building trust takes time.[3]

Extensive **multi-agency** activities play a key role in the Living Lab. Operators can be divided into users, utilisers, developers, enablers and the Living Lab operator team[11].

- A **user** uses the product or service in their daily lives and can play a different role, such as a resident, employee or tourist.

- A **utiliser** refers to a public or private actor (e.g. a company) that utilises the Living Lab in the development, research or innovation of their own product or service. A utiliser can also involve their own end users in testing an assignment, for example.

- A **developer** can be an educational or research institution, or a company that provides methods, tools and resources for development. For example, developer methods and tools can be used to collect feedback, suggestions for improvements or other data on the product or service being developed.

- An **enabler**, such as a municipality, city or other public actor, supports the operating conditions of Living Lab actors by creating practices and structures for the activities.

- The **Living Lab operator team** refers to the team that connects different actors and launches the Living Lab, such as the Lyckan – A futurehub for inspiration and rural innovations -project carried out at Lapinjärvi.[11]
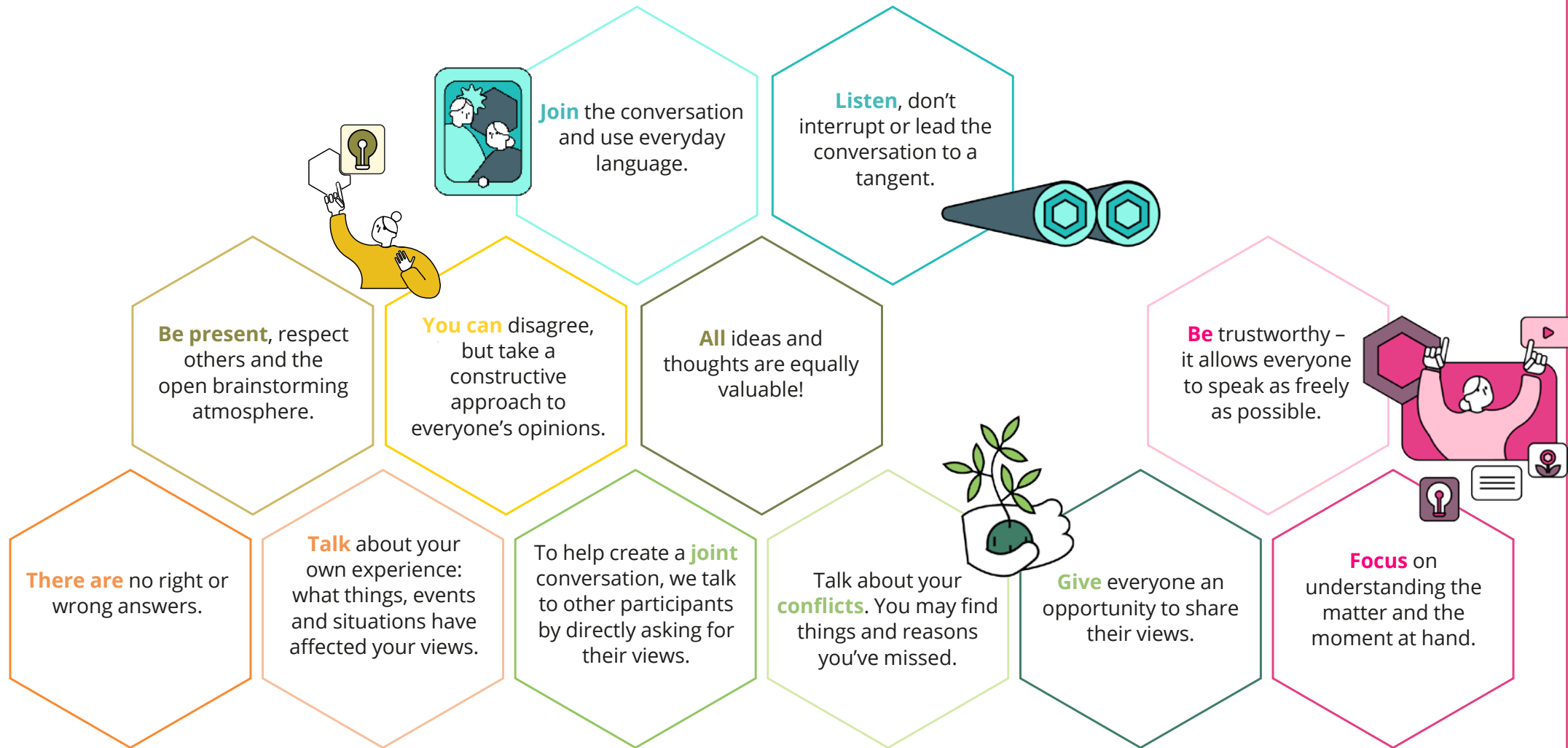
In a Living Lab, it is important to consider **multidisciplinary** activities and the combination of different types of competence as well as the design mindset[6,15]. Seamless cooperation between different industries and experts for innovation and design is a prerequisite for sustainable business. Instead of traditional problem-solving methods, today's wicked problems require a human-first perspective and methods of a **design thinking mindset**, empathy in understanding experiences, creative problem-solving skills, and concrete and visualisation of abstract issues that help companies maintain their vitality and competitiveness.[16]

Co-creation is goal-oriented cooperation between people. Co-creation is an activity in which the participants have comprehensive, accumulated information on the development target from different perspectives.[17] In recent years, this method has become established in cooperative value creation between the customer and the company[18]. On the other hand, the context may also include urban development[19]. Co-creation requires that the needs are identified and goals defined in a dialogue process between different parties[20]. The quality of the co-creation process also requires attention; encounters should be meaningful, and the process should also take experience into account[18.]

Co-creation requires that a developer community forms, for which it is necessary to identify the parties to be invited and the required competence. The starting point is that everyone involved in the development work has an equal role regardless of their background and that they introduce their own valuable ideas and experiences to the development process.[21]

Co-creation can be used in a wide range of contexts and for a wide range of purposes. Puerari et al.[19] divide the methods by development objective, degree of formality, process ownership, motivation to participate and the facilities used. Therefore, one singular type of co-creation does not exist, but there are a variety of ways of pursuing common goals.

From the perspective of creating value through co-creation, a key role is placed on **interaction**, which is an intensive and active process between all parties[22]. Participation is based on interaction, which enables actors to openly examine development activities, their operating methods and objectives. The starting point for development may be in rectifying, improving or promoting issues.[23]

Join the conversation and use everyday language.

Listen, don't interrupt or lead the conversation to a tangent.

Be present, respect others and the open brainstorming atmosphere.

You can disagree, but take a constructive approach to everyone's opinions.

All ideas and thoughts are equally valuable!

Be trustworthy – it allows everyone to speak as freely as possible.

There are no right or wrong answers.

Talk about your own experience: what things, events and situations have affected your views.

To help create a **joint** conversation, we talk to other participants by directly asking for their views.

Talk about your **conflicts**. You may find things and reasons you've missed.

Give everyone an opportunity to share their views.

Focus on understanding the matter and the moment at hand.

Tips for successful interaction – rules for co-creation

Figure 5. Rules for co-creation (Risu & Sitomaniemi 2023, adapted from Alhanen 2023[33]).

Management and implementation of a municipality-based Living Lab

CORE CONCEPTS:

Coordination
Coordination refers to work that ensures that the right actors and resources meet in the right place at the right time. These tasks include planning and organising network meetings, communicating about the activities of the network, maintaining a member register.[10]

Facilitation
Facilitation is neutral steering of the group process. The participants produce the content and are ultimately responsible for their decisions and measures that they take. The facilitator does not interfere with the factual content, but assists and spars the group's work.[24]

Network
A network is a reciprocal, cooperative relationship between several actors (individuals, interest groups or organisations) and based on the sharing of mutual information and resources. A network is also a model to create value products that aims to combine the expertise and resources of actors in order to obtain synergies.[25]

What? Operating model for launching and coordinating a Living Lab. The purpose of the concept is to provide concrete examples and tools for municipalities on how to promote innovation activities in companies and how actors and residents in small towns can be involved in the development of the region. In this way, it is possible to boost the vitality of the town in a constantly changing operating environment.
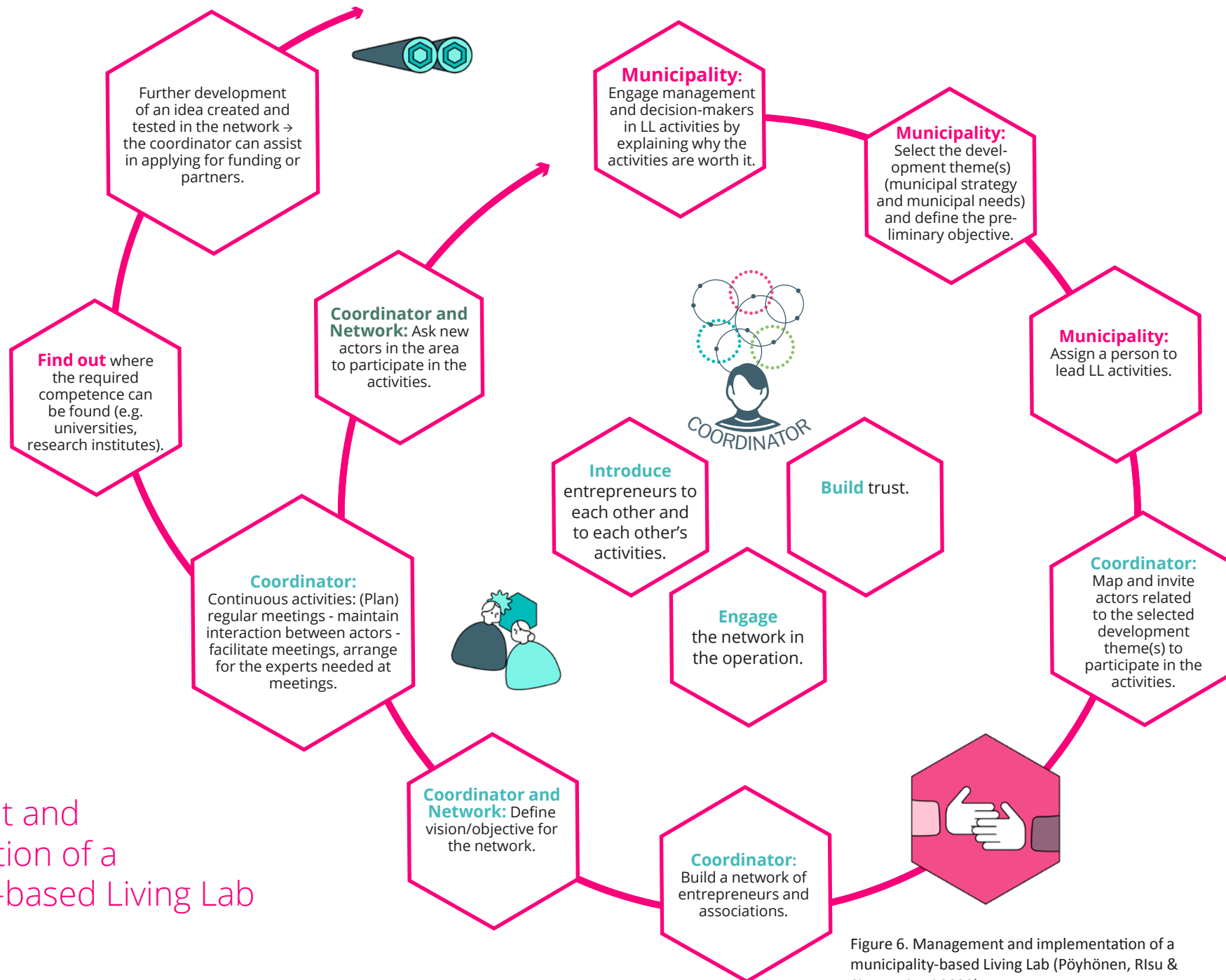
For whom? For actors responsible for business development at small rural municipalities.

LAUNCHING AND COORDINATING A LIVING LAB

The network is the core of the municipality-based Living Lab. The municipality **convenes** the network, **facilitating** and **coordinating** its activities. The task of the municipality is to identify and bring together actors, enable co-creation and implement operating models and processes that promote cooperation[26]. This is done by appointing a coordinator who convenes and maintains the network, **plans, schedules and facilitates** events and communicates on the network's activities. The municipality may also offer facilities for the use of the network.

A municipality-based Living Lab is based on **the need to develop the vitality of the region** from the perspective of both the residents and businesses in the area and to enable the creation of new innovations and new business that are suitable for local conditions (see e.g. Zavratnik et al. 2019[27]). The Living Lab promotes the networking of companies and offer opportunities for co-creation and to reach potential customers. In the role of facilitator and as an enabler, the municipality can support companies in developing their operating methods that are suitable for the Living Lab and comply with the principles of open innovation.

The development is typically gradual, and it is easier for a small company than for a large one. However, it always requires changes in the organisational culture. When a company finds a user-centric method of development and implements extensive and long-term cooperation with its users, it becomes possible to achieve an agile, experimental way of creating new products, services, concepts and operating methods.[28] **Network-like activities** are also seen as **a solution to changes in the operating environment** and as one way of solving the pervasive problems caused by climate change and resource shortages[25]. At the same time, it allows for the promotion of sustainability objectives, for example, by promoting the circular economy in the region.

Management and implementation of a municipality-based Living Lab

Municipality: Engage management and decision-makers in LL activities by explaining why the activities are worth it.

Municipality: Select the development theme(s) (municipal strategy and municipal needs) and define the preliminary objective.

Municipality: Assign a person to lead LL activities.

Coordinator: Map and invite actors related to the selected development theme(s) to participate in the activities.

Further development of an idea created and tested in the network → the coordinator can assist in applying for funding or partners.

Coordinator and Network: Ask new actors in the area to participate in the activities.

Find out where the required competence can be found (e.g. universities, research institutes).

Coordinator: Continuous activities: (Plan) regular meetings - maintain interaction between actors - facilitate meetings, arrange for the experts needed at meetings.

Introduce entrepreneurs to each other and to each other's activities.

Build trust.

Engage the network in the operation.

COORDINATOR

Coordinator and Network: Define vision/objective for the network.

Coordinator: Build a network of entrepreneurs and associations.

Figure 6. Management and implementation of a municipality-based Living Lab (Pöyhönen, RIsu & Sitomaniemi 2023).

Before starting the Living Lab, the municipality must determine **the theme(s)** it wants to promote through the Living Lab. The easiest answer to this is likely to be **the municipal strategy** or other similar document that guides the activities of the municipality. The municipality may also define the objectives of the Living Lab based on the wishes of the entrepreneurs operating in the municipality, or in some other way. For example, if the development of tourism is selected as the theme, a more specific objective that serves the actors will be defined later in the network. We advise defining a preliminary development objective, which can later be specified and modified by the network[10].

In addition, the municipality must appoint **a coordinator** for the activities. A natural choice is the person responsible for developing the municipality's business activities or a person familiar with the theme. To successfully coordinate the activities, the coordinator should be familiar with or learn the chosen theme on some level. **Their task** is to enable the success of the network, i.e. to get the right actors and resources to meet and communicate with the actors about the network's activities[10]. Facilitation of network meetings is part of the coordinator's task, which means facilitation skills are also a requirement. Facilitation also helps to ensure the quality of encounters at meetings.

Coordinator tasks:

- Builds and convenes the network.
- Coordinates the network activities.
- Maintains the network → invites and engages the actors (e.g. companies and experts) to the network.
- Plans, schedules and facilitates the network meetings.
- Evaluates the network's activities.
- Communicates about the network's activities.

10, 25

Facilitator tasks:

- Guides the group as a neutral actor.
- Plans and selects both suitable methods and the process for guiding the group to make the best possible decisions.
- Provides an atmosphere of psychological security.
- Strives to establish consensus and understanding.
- Visualises, takes into account and reminds the group about the results produced at different stages of the facilitation process.
- Actively evaluates and monitors the team's progress and interaction and, if necessary, takes the lead towards the next defined goal.
- Ensures that the objectives of the workshop and the entire facilitation process are achieved on schedule.

(Nummi 2022)[29]

TIP

Get to know Handbook of professional facilitation: theory, tools, and design (Nummi 2022)[29] and learn more about how facilitation helps in decision-making, development projects and in innovation.

Building the network

When a theme and leader have been defined for the activities, the next step is **to map out the actors relevant to the theme in the region**. However, we do not recommend overly restricting the targets of your review, as partners may be found in surprising industries. Once the review is complete, **the actors are invited to join the network**.

It would be good if those invited to the network can also invite actors to participate. This ensures that critical actors are not accidentally excluded from the activities. This is possible, for example, by means of **an open invitation**, which recipients can also forward to others.[10]

The network is voluntary, i.e. parties can join it or leave it as they wish. The network is also not meant to be a static group, as different actors can be invited to participate in the activities as necessary at different stages of the activities. These may include experts from different industries or, for example, product end users

> You can use the **Stakeholder Map** to build your network.

Define the objective / vision

Defining a common goal contributes to the success of the network's operations. In network activities, the goal must be **defined by the network as a whole**, so that the actors involved can commit to the goal. The aim of the network should be concrete and limited for it to guide the activities and inspire the participants. On the other hand, the goal should be sufficiently open and abstract

to enable learning and bring forth different perspectives while not restricting the actors.[10]

At this stage, it is also a good idea to agree on the operating methods that the network will use. You can agree, for example, how often and where the network meets, what channels are used for the network's communications, what kind of discourse and activities the network should host and arrange.[10]

> Use **the vision tool** to clarify your goal.

Continuous activities

To achieve its objectives, the network's **activities** should be **continuous and regular**.[10] The functioning of the network naturally depends on the chosen objective. The activities may consist of different types of meetings, workshops, visits and experiments as well as activities aimed at sharing information, such as lectures or webinars. While the coordinator is primarily responsible for planning the activities, the content of the activities should be planned with the network from the perspective of the network's needs.

The continuous operation of the network also includes **the assessment** of its activities. For the network's activities to develop, they must also be assessed. When setting objectives, it is also advisable to select indicators that can be used to assess the success of the activities. The activities and impacts of the network are assessed in relation to its environment.[10]
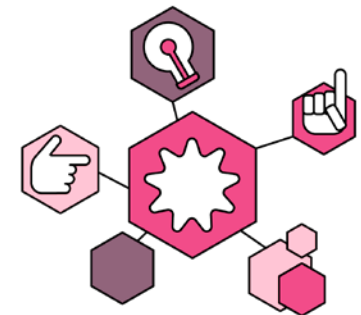
Assessing a municipality-based Living Lab

For example, **an evaluation model that considers multiple criteria** can be used to assess the operation of the network. The aim of the such an assessment model (Figure 7) is **to understand and highlight the impacts** that a municipality-based Living Lab **produces at the levels of the different actors**, i.e. **individuals, the community and society**. The purpose of the evaluation model is to examine the changes brought about by the activities of the network by weighing, for example, the participants' experiences and the consequences of the activities that the network has achieved in people, the local community and more broadly in society.[30]

The evaluation model also examines the obstacles and conditions related to the impacts at different actor levels. At the level of the individual, the obstacles and conditions for the network's activities are examined from the perspective of the individual's (e.g. entrepreneur's) personal experience. At the level of the community, the network's activities are observed from the way they have helped to support cooperation between actors (company-company-municipality) and how the activities are suitable to support changes. At the level of the society, it is possible to study the cultural features that emerge from the activities of the network that promote or hinder change in society (e.g. in the municipality).[30]

For the purposes of the evaluation, material can be collected through self-assessments, interviews, participatory evaluation workshops, surveys or observations, among others[30]. The assessment can be carried out through these questions:

- whether the network has achieved its objectives,
- whether the members' own work and competence have developed as desired,
- whether the desired impacts have been achieved in the target groups and
- whether the network's sphere of influence has increased in line with the objectives.[10]

MULTI-CRITERIA EVALUATION MODEL

Levels of agency:

Individual   **Community**   **Society**

Barriers and conditions:

Experience   **Applicability**   **Culture**

Individual
- What is the participant's experience of the network?
- How has the network supported the creation of competence or new capabilities?
- What is the coordinator's experience of the network?
- How has the network supported the achievement of the objectives?
- Collection of data, e.g. self-assessment or interview

Community
- Has the network achieved its goals?
- Has the network grown, have new members joined the network?
- How has the network supported learning in the community?
- How has the network supported cooperation between actors?
- Data collection, e.g. participatory evaluation workshops, survey or observation

Society
- How do the network's operating methods and management create conditions for or prevent the impacts of the network's activities in the area?
- How has the participation and diversity of different actors (municipality, entrepreneurs, residents, regional influencers) been taken into account in the network's activities?
- How do the network's activities support regional development and the creation of a culture of discourse?
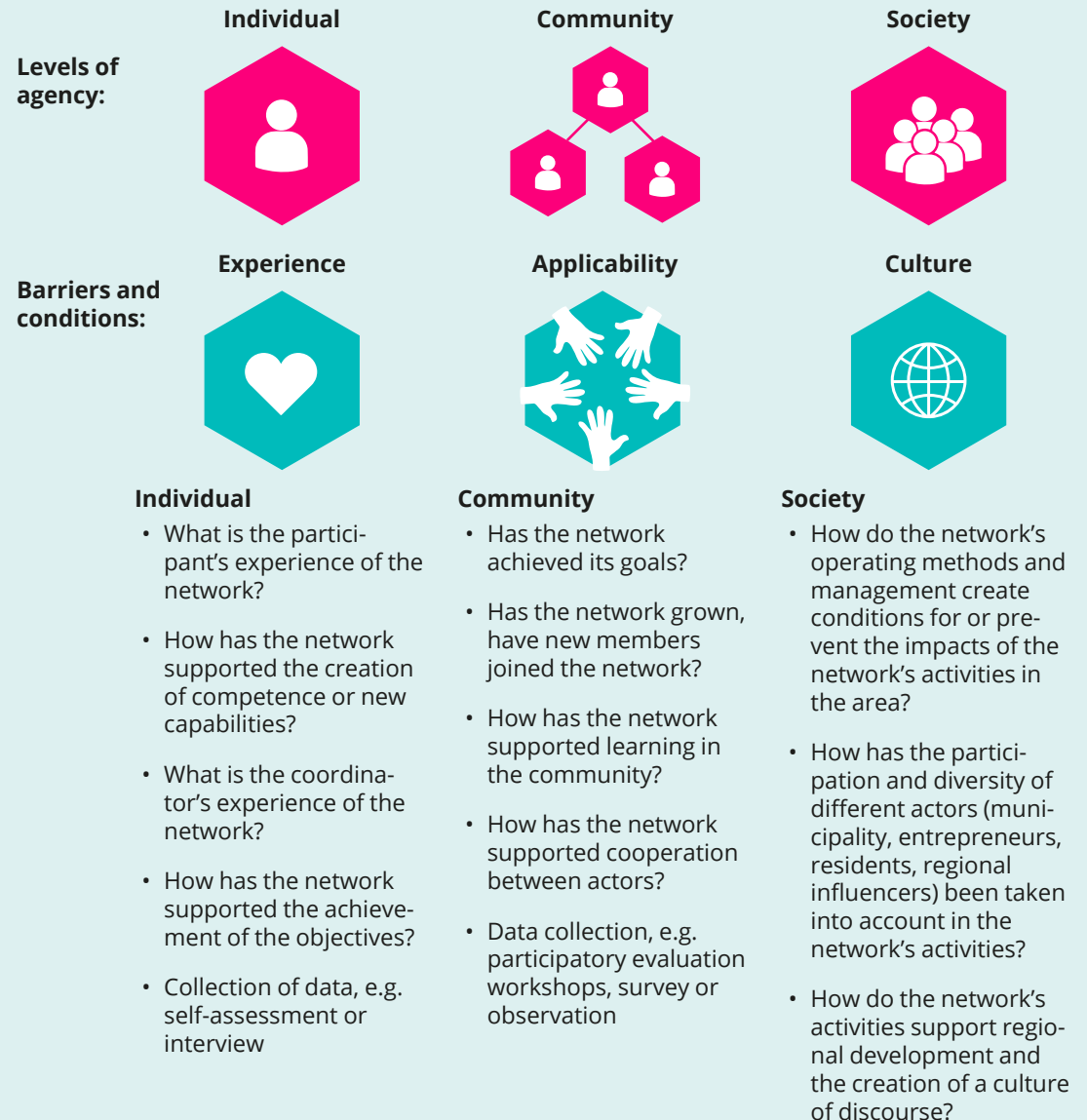
Figure 7. Multi-criteria evaluation model for assessing a municipality-based Living Lab (Risu & Sitomaniemi 2023, adapted from Halonen, Hyytinen & Kurki 2021[30]).

Data collection

For **self-assessment**, you can create statements to which a network participant responds by assessing the activities of the network and their own learning. The network coordinator can **interview** the network's actors, for example by asking for their experiences and views on the network's activities. This provides more in-depth information on how the activities of the network have influenced, for example, the development of the entrepreneur's business. The network coordinator may organise a **participatory evaluation workshop** where participants discuss and highlight different and individual experiences of the network's activities based on ready-made questions. The coordinator can conduct **a survey** to collect information on whether the network's objectives have been achieved, what kind of experiences have been experienced in participating in the network's activities and the functioning of cooperation. The coordinator can also **observe** the surroundings of the network or the region and map out what kind of discussion is taking place around the network, whether there are obstacles or conditions for the network's operation. The coordinator can assess the collected material and highlight good practices and development proposals that can be used to further develop the network's activities.

TIP

Find advisors in the local higher education institution or university, or get to know the Living Lab experts on **European Network of Living Labs**.

TIP

Funding is provided by, for example in the EU region through **European Regional Development Fund**.

Further development of ideas

Product or service innovations created in the network can be **tested**, for example, by implementing various pilot events and demo days, for example see **Tasty Travels with Marshall Mannerheim.** After testing, according to the lessons of the design thinking mindset, the product or service can be **further developed** and retested iteratively[31]. An iterative process refers to activities that are carried out repeatedly or that are carried out in stages with assessments on how the selected working methods can be improved. This is learning from small observations, attempts and experiments through trial and error. The process is adapted along the way as knowledge and understanding grows.[32]

Further development of some innovations may require **the acquisition of expertise**, for example through cooperation with educational institutions or consultant agencies. The role of the municipality and the network coordinator is to assist companies in planning further development paths, for example by guiding companies to seek partners and/or funding for further development of the activities. As far as possible, companies' joint further development projects can also be coordinated by the municipality.

You can also find a list of funding opportunities for small business gathered by the European Comission.

Launching and coordinating a Living Lab

There are three key factors in achieving the network's activities and objectives: familiarity, trust and commitment[10].

Familiarity

When the network starts operations, getting to know each other is essential, as **familiarity is a prerequisite for cooperation**. Familiarity creates an understanding of the competences and needs of the members of the network, which makes it possible to find different ways of cooperation. However, the familiarity must be deep enough to be useful. On the most superficial level, familiarity is knowing a name, face, and the organisation it belongs to. However, in a network, it is important to learn to know both the organisation and the person deeper and to get to know themselves with the competences, resources,

capabilities, needs and expectations of others in order to create conditions for genuine cooperation and the creation of trust. (It is also important to know your shared history, as it can introduce both benefits and disadvantages to cooperation.) Familiarity should be promoted at all meetings so that it can become deeper and possible new members of the network are included.[10] Familiarity is also a precondition for creating trust.

Familiarity is also directed at the coordinator of the network. The coordinator must be familiar with both the operating environment and its network, its competences and resources, which facilitates the detection of different cooperation opportunities and makes it easier to invite new actors to supplement the deficiencies in the network.

Building trust
Trust is at the core of the network's activities, as it **enables smooth cooperation and open exchange of information**. When the activities of the network are based on trust, actors have courage openly share information about resources, competence, products, etc. and share their ideas, needs and expectations without fear that others will only use the information for their own benefit. Without trust and the open sharing of information it enables, there will be no cooperation or innovation. [9,10]

The network coordinator's task is to enable the creation of trust between the actors. While people often trust instinctively[10], it is also possible to promote trust with different techniques. In essence, this is about trust in the other people's good will[10]. Therefore, the building

of an atmosphere of trust can be advanced, for example in discussions, by using the **Timeout method** and its rules[33]. Because trust breeds trust, one way to promote it is to trust oneself first. Transparency is a sign of trust, which means that trust can be demonstrated by openly sharing information about one's self, competence, resources etc. This can bring forth a good cycle for creating trust. Common rules and commitment to them contribute to such a cycle.

> Use the **"Yes and…"** conversation and the **Low-tech social network tool**.

Commitment
Commitment is the third prerequisite for achieving the objectives of the network. Actors commit to the activities if they find them useful, for example, for developing their own activities, creating social relationships or promoting some other goal. Commitment also requires internal motivation, which may emerge from meaningful connections to others, a sense of ability or self-motivation, i.e. the freedom to act, choose your own operating methods and make decisions. **Commitment manifests as promises made and fulfilled**.[10]

Commitment to action can be promoted by creating goals together that motivate actors to commit to achieving them.

TIP

Various methods can be used to promote familiarity, such as visits to companies participating to the network, company presentations or various introductory tools, such as **Speed dating** and **Low-tech Social Network exercises**.
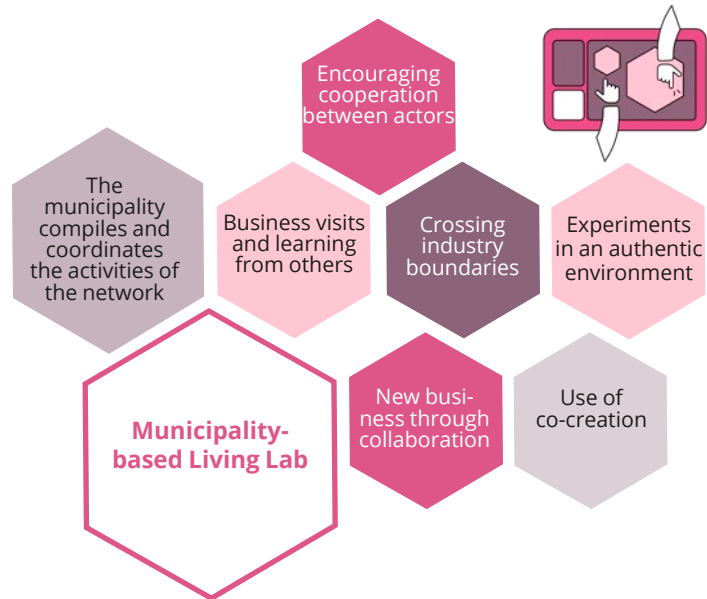
TIP

Organise network meetings at the premises of the participating companies, allowing operators to get to know each other's companies on the spot.

TIP

Use the **Tips for successful interaction - rules of co-creation list**

Lyckan - Lapinjärvi Living Lab

- Brings together actors in the region and promotes mutual dialogue and cooperation.
- Enables the participation of different parties in development work.
- Contributes to the company development and the creation of new business in the region.
- Promotes the ability of municipality and companies to respond to current and future customer needs.
- Increases research, development and innovation activities in rural areas to ensure the vitality of both the town and companies in the region.

The municipality-based Living Lab operating model was developed at Lapinjärvi. Lapinjärvi is a town in Finland's Eastern Uusimaa, with a population of 2,580 (2021). Of the jobs in the town, 23% are in primary production, 55% in services and 20% in processing.[34] There are 309 companies[35], most of which are micro-enterprises. The most typical company at Lapinjärvi is a one-person business that the entrepreneur works in.[34, 36, 37]

A municipality-based Living Lab concept was developed at Lapinjärvi to serve the development of rural business activities. It was created to strengthen sustainable enterprising in rural areas and to support SMEs in the area in particular. **The Lapinjärvi Living Lab** was named **the Lyckan network**. The lines of development were selected on the basis of the municipality's strategy and its previous development projects: **anticipating the future, the circular bioeconomy, tourism, and the creative industry**.

Futures work and **foresight methods**, help to boost the future skills of the region, municipal actors and entrepreneurs.

The measures of the circular **bioeconomy line** of development supported the businesses' innovation activities and helped companies in the region to develop new, resource-smart business from side streams.

Tourism promotion was done by implementing tourism productization training for companies and people interested in tourism entrepreneurship.
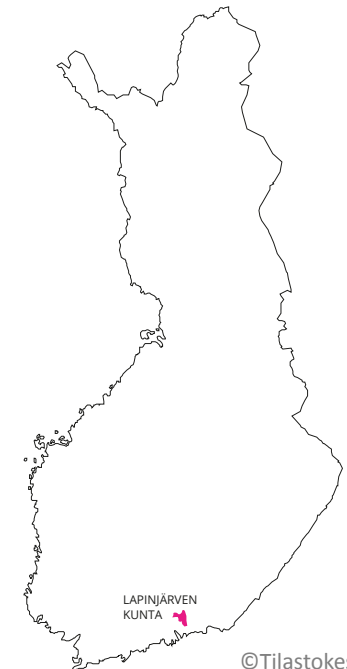
©Tilastokeskus 2021

Photo 3. The municipality of Lapinjärvi is located in Finland's Eastern Uusimaa region (Tilastokeskus 2023).

In these training sessions, the starting point for development activities was the identification and utilisation of the advantages of rural tourism in product development.

The operating conditions of the **creative industries** and the regional culture-friendly brand were strengthened through education, networking as well as art and culture. The role of the creative industries in the value creation for business was developed through these measures.

Building the Lyckan network

The Lyckan network **brought together local entrepreneurs and other actors**. Information on the activities was spread through the municipality's own communication channels, those created for the network, and in local newspapers. In addition, entrepreneurs and actors in the region were personally invited to participate in the activities. During 2021–2023, several network meetings, workshops and events were held at Lapinjärvi. Meetings took place **at the premises of both the municipality and the companies**, which allowed **the participants to get to know the companies in the region and their activities**.

The monthly network meetings included changing themes that were related to the selected lines of development. The actors in the network could also ask for topics to be discussed and offered their own facilities for organising events. The network meetings also included coffee time with the mayor, at which the mayor told about the municipality's news and current issues. **The purpose of these events is also to increase interaction between the municipality and the companies and to exchange information**.

The municipality of Lapinjärvi worked together with four different higher education institutions (Laurea, Haaga-Helia, Häme and LAB Universities of Applied Sciences). **The universities of applied sciences organised various training and co-creation workshops in the town to develop the businesses' competence**. The higher education institutions' experts also shared their expertise in their specialties to actors participating in the Liv-

ing Lab. This handbook presents various case examples of implemented Living Lab activities.

The municipality and the higher education institutions also participated in the Living Lab by, for example, organising **open cafés** to map the residents' views on rural development and how they could participate in the development of services and activities in the region. In addition, the municipality made it possible for willing residents to receive training and coaching for short-term accommodation for them to start pop-up accommodation in their own suitable facilities during the summer season

Training, co-creation workshops and events at Lapinjärvi

Various training sessions and co-creation workshops were held at Lapinjärvi. **The series of future workshops** was used to outline the desired futures for Lapinjärvi town until 2050 and to examine alternative futures. Entrepreneurs, municipal and third sector actors as well as influencers in the neighbouring regions were involved in the work. During the network meetings, the participants got to know **the tools of foresight methods** and practised their use so that companies and organisations can utilise foresight competence in their own activities.

In addition, three co-creation workshops on **the circular bioeconomy** were organised at Lapinjärvi to develop business based on the utilisation of bio-based side streams together with companies in the region. The bio-innovation sprint, carried out in cooperation with students, developed business ideas based on the circular bioeconomy for the use of Lapinjärvi's companies. The production and use of biochar on farms was piloted in cooperation with a local farm entrepreneur, and a circular bioeconomy demo day was held on the production of biochar as a part of the pilot. The use of agricultural side streams as a growth medium for edible mushrooms was piloted in cooperation with local food businesses.

For the **tourism** theme, 14 workshops were organised at Lapinjärvi to develop tourism activities in the region and to create new combined
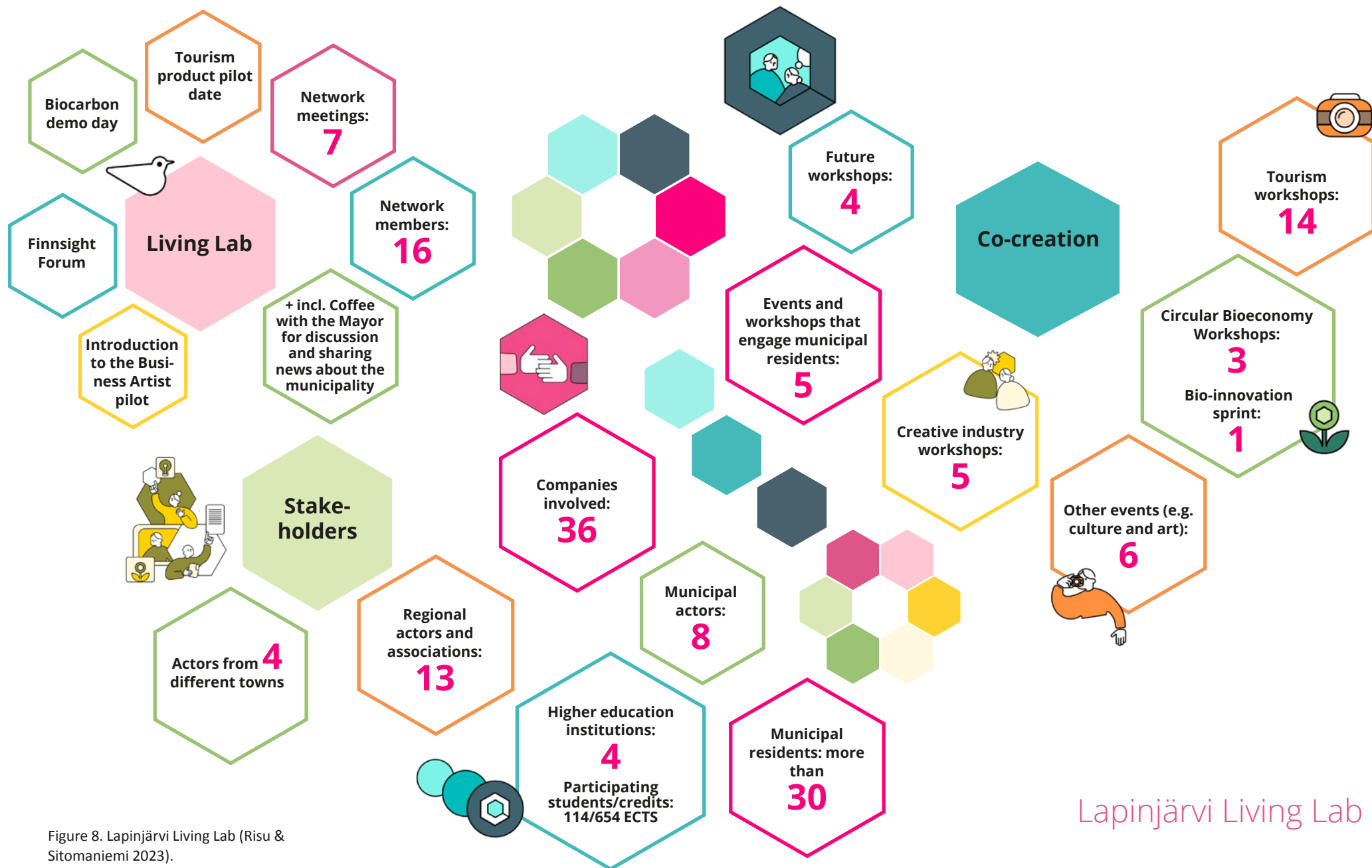
Biocarbon demo day

Tourism product pilot date

Network meetings: **7**

Living Lab

Finnsight Forum

Network members: **16**

Introduction to the Business Artist pilot

+ incl. Coffee with the Mayor for discussion and sharing news about the municipality

Stake-holders

Actors from different towns **4**

Regional actors and associations: **13**

Companies involved: **36**

Higher education institutions: **4**

Participating students/credits: 114/654 ECTS

Municipal actors: **8**

Municipal residents: more than **30**

Future workshops: **4**

Events and workshops that engage municipal residents: **5**

Co-creation

Creative industry workshops: **5**

Tourism workshops: **14**

Circular Bioeconomy Workshops: **3**

Bio-innovation sprint: **1**

Other events (e.g. culture and art): **6**

Lapinjärvi Living Lab

Figure 8. Lapinjärvi Living Lab (Risu & Sitomaniemi 2023).

tourism products. During the workshops, the participants developed their own activities using the tools of service design, in addition to which they launched completely new tourism products in the region. In addition to developing tourism companies, the workshops also used co-creation methods to create a new regional development model and a model for productising rural tourism assets, which will be presented later as part of this manual.

Training for **creative skills** was offered to entrepreneurs in the region in two workshops, and we presented **the Business Artist model** created in the pro-

Photo 4. In the summer of 2022, Anna Emilia Järvinen held her art exhibition, Kepeys / chaos, at Lapinjärvi (Lyckan team 2022).
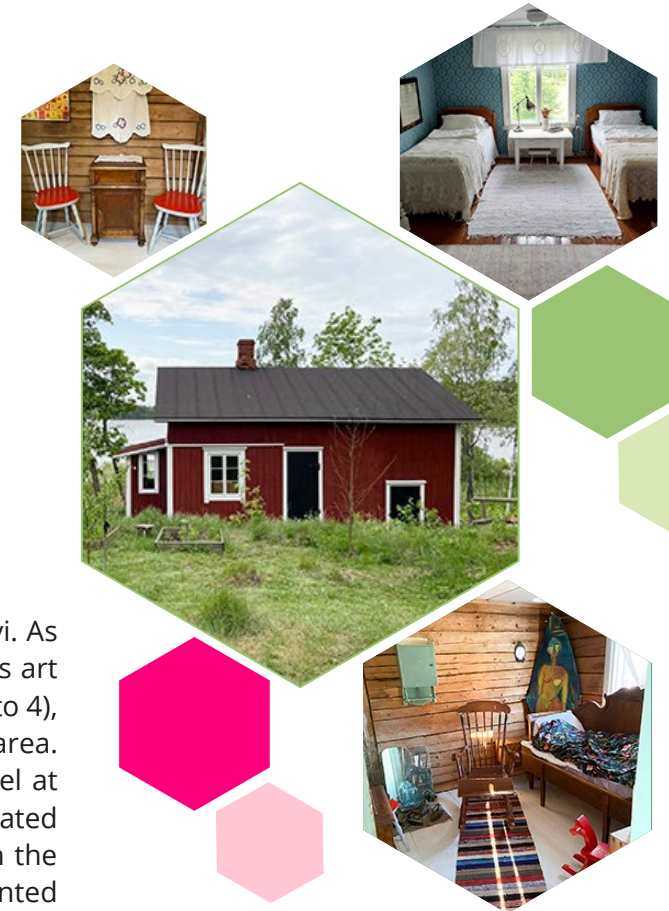
ject at the Living Lab network event at Lapinjärvi. As part of the Living Lab, we also organised various art and cultural events, such as art exhibitions (Photo 4), and created content for existing events in the area. Lapinjärvi also piloted the Business Artist model at the Lapinjärvi pharmacy: for the pilot, artists created community art and established an art gallery in the pharmacy. In addition, in an entrepreneur-oriented participatory art project, a Lapinjärvi-based artist created a painting in the courtyard of a local accommodation company.

Photos: Rikkanen 2023 & Lotila 2023.

Living Lab case at Lapinjärvi:
Launching "Bed and Porridge" activities

Background

The "Bed and Porridge" concept is a short-term accommodation business concept that is easy to implement in a wide variety of spaces, by an individual person, not just a company. A simple tourism concept is presented to residents in Lapinjärvi, which can be used to increase temporary accommodation capacity in the municipality. Residents are instructed to start their accommodation activities through three events as well as a personal coaching session. The introduction of the "Bed and Porridge" concept enables accommodation business operations to be experimented with at a low threshold in a genuine operating environment.

Need

It has been identified that there will be numerous events in the vicinity of Lapinjärvi next summer, such as the Loviisa Asuntomessut (Housing Fair) and the traditional Jukola Relay. Residents of the municipality also have rooms, residential apartments and facilities that are unused and empty. The regions' own accommodation capacity is exceeded, which provides Lapinjärvi and its residents with an opportunity to benefit positively from the travel flows and the opportunities it brings. Through the training and implementation of the "Bed and Porridge" concept, residents can be involved in Living Lab activities. At the same time, they are offered the opportunity to take advantage of their own vacant living spaces.

Objectives

The accommodation capacity of Lapinjärvi will be increased for the summer of 2023 and at the same time the aim is to attract tourists to the area. The aim is to involve locals in the development of tourism activities in the region by familiarising them with the concept of low-threshold pop-up business operations and guiding residents in implementation of the concept.

Measures

Residents of Lapinjärvi are activated to offer pop-up type "Bed and Porridge" accommodation in their homes, cottage, yard building or vacant apartment. Initially, the idea of the concept is made familiar to everyone at an open event. Those interested in accommodation activities will then be guided to start their activities in a hands-on workshop. A limited number of people committed to accommodation activities are offered the opportunity for personal coaching. In the final workshops, all those who are willing will still have access to support for the final stages of starting their own non-professional accommodation business. The overall aim is to provide residents with information, tools and personal guidance to initiate activities and extra income, as well as to enliven the summer season of Lapinjärvi for tourists.

Results

A total of 18 individuals from Lapinjärvi and its surrounding areas participated in the events and workshops. Six potential sites were included in the accommodation activities. The accommodation sites were published on the shared Facebook page of the hosts as well as through the Visit Lapinjärvi website in the summer of 2023.

Implementers

Lyckan – A futurehub for inspiration and rural innovations –project team, Municipality of Lapinjärvi and consultant Tiina Reijonen / Oy Havsö Ab.
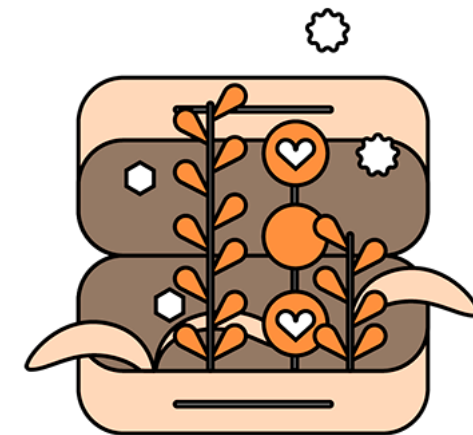
Experiences from the municipality-based Living Lab

The municipality-based Living Lab in Lapinjärvi collected good experiences. **From the perspective of the region's entrepreneurs, multidisciplinary activities were seen to be fruitful.** Entrepreneurs felt that they were inspired by the network meetings and workshop activities, gaining new ideas for developing their own activities. The collected feedback highlighted the need for several entrepreneurs to participate so that we can obtain more diverse perspectives and even more extensive collective information.

The entrepreneurs felt that the network created a sense of being peers: they did not feel like competitors, but found new opportunities for cooperation across regions. These shared moments leave room for reflection and free-form encounters. Trust emerges in genuine interactive encounters when you get to know the members of the network. The participants appreciated both the free time to get to know each other at lunch and the more straightforward company presentations in the field

"The (network) meeting was extremely interesting. It is a good idea, that some organises and engages the entrepreneurs. This is developing the livelihood in the small municipalities."
Participant feedback from the Lyckan network meeting

The workshops exhibited an open atmosphere and the significance of laughter, playfulness and creative methods. These created an encouraging environment for development, which is worth striving for. Participants felt that it would be a good idea to continue the Living Lab with the newfound trust and with people stepping out of their comfort zones.

"The companies have gained awareness in the municipality and met new people."
Participant feedback from the Lyckan network meeting

Network meetings and workshops succeeded in creating new experiences, for example, the backcasting method of future thinking enabled the adoption a new way of thinking from the future to today. They felt that being forced to leave their comfort zones helped to open doors that had been closed. Busy entrepreneurs do not otherwise have much time to get to know other entrepreneurs in the area when maintaining their business.

"The network has brought entrepreneurs together. We're not competitors but working together across the municipal borders."
Participant feedback from the Lyckan network meeting

Special theme events highlighted common interests between companies. This practical collision of the experts' competence and the entrepreneurs, such as at the Bio-Circular Economy Demo Day and the future-oriented network meeting, was appreciated by the entrepreneurs. The meetings involved many exchanges of ideas and learning, as well as informal discussions.

"I gained new contacts and ways of thought which I can use in the future."
Participant feedback from the Lyckan network meeting

Communication on the nature and objectives of the events needs to be done accurately in the channels used by the network. Be sure to also send direct invitations to entrepreneurs to participate in the activities. We also recommend sending press releases to local newspapers. It's a good idea to invite journalists to participate in the events. Send background material to the participants, and remember to also send them thank you letters after events. This is how you spread the things you have learned.

"Networking and getting to know one another with other actors was the best. You'll get to know the people and it lowers the threshold for cooperation."
Participant feedback from the Lyckan network meeting

"

"(The network) has been a good response to the need to create cooperation regardless of municipal and regional boundaries. Customers do not care about these boundaries, they care about the comprehensive service offering. -- It is important to work together in order to engage more actors and create a sufficiently comprehensive network that will continue to cooperate."

Participating entrepreneur in the Lapinjärvi Living Lab

Photo 5. Participants of the Living Lab (Lyckan team 2022).

Communication that supports the network

Communications maintains the vitality of the network and engages participants in its activities. It supports the network's progress towards its objectives. Communications is also used to build reputation, strengthen trust, justify the existence of the network and create its story.

Communications and interaction are needed so that the network can develop and remain active. Community communications also implements the network's strategy, observes the signals of change in the operating environment, produces information and creates mutual discussions with the operating environment. To realise these tasks requires an understanding of the network and sufficient resources. This section provides tools for the network coordinator to plan planning and implement communications, such as a model communications plan and an event communication chart.

What? Tools for planning and implementing communications.

For whom? For the person responsible for communications in the network, for example the coordinator.

Smooth communications through planning
An intelligent plan is the first step to success. Communications requires both resources and a plan on how to use them. In the early stages of creating a network, it is a good idea to define the responsibility for communications and to create a communication plan.[38,39]

First, it is a good idea to consider how much time and what kind of people are available for communications, the available budget, and what kind of communication skills and equipment can already be found. The primary responsibility for communications is likely to lie with the network coordinator, who communicates with the actors, sharing and relaying information about the network's meetings and plans.[10, 39]

The **communication strategy** is based on the Living Lab operational strategy and its aim is to support the activities of the network (see Figure 6 on **Management and implementation** of a municipality-based Living Lab) and the achievement of its goals. The strategy describes the long-term objectives and lays out what type of communication that is carried out and why. The **communication plan** supports and facilitates communication about the network and communication with stakeholders. A plan that's well made is also easy to specify and modify when necessary. In order for communications to be effective, it is a good idea in the beginning to define its purpose, target group as well as the channels and platforms that reach the audience.[38, 39]

WORKING TOWARDS PRACTICES

Pay attention to **the target audience**: communicate to the target groups in ways that speak to them and use the channels that best reach them[39]. Also, keep in mind that some target groups may not know or want to use online services. In these cases, direct invitations and notifications, for example in a local newspaper, can reach them more effectively[40].

You can also use **Event Communication Chart** to support communication on the activities of the network. It makes it easy to understand what is communicated, to whom and with what kind of frequency. We also advise evaluating communication by requesting feedback from different target groups, for example. Find out if the channels are correct, whether the communication reaches the target group and what kinds of communication they want to see. Develop communication according to the feedback.

Invitation to the network
Use **invitation template** to write an open invitation to the network's activities. The template can also be used for event invitations.

COMMUNICATION PLAN 1/2

OBJECTIVE

Why do we communicate and what do we want to achieve?

What is the **core message** of the network? You can find the core message by answering the following questions:
- **Why** does the network exist?
- **What** does it do and **for whom**? What is our promise?
- **How do we implement our activities** and fulfil our promises?

TARGET GROUPS

Who do we communicate for?
What are the **target groups** of our communications?

Target groups can be:
- companies and associations
- residents
- neighbouring municipalities
- the media
- decision-makers.

RESPONSIBILITY

Who is responsible for communications and its different areas?

Communications can be carried out by:
- the coordinator - primary responsibility
- entrepreneurs and other members of the network in their own channels
- other municipal actors (= members of municipal communications).

RESOURCES

What kind of resources and budget are available for communications?

Possible costs:
- press advertisements
- social media campaigns
- printed brochures
- photo bank permissions
- website or digital community platform.

Figure 9. Communication plan. Sitomaniemi 2023, source: Juholin 2022[39].

COMMUNICATION PLAN 2/2

CONTENTS

What do we communicate? Consider the target group - what is meaningful and interesting for them?

Network communication contents:
- notice on the start of operations
- marketing of the network
- information on upcoming meetings and events
- invitations and thank you letters about events
- telling the story of our achievements
- sharing corporate stories
- information on the activities and their results to the media, residents and other interested parties

Make use of pictures and videos: a visual message is easier to remember. A uniform appearance also helps to distinguish the network's communications. Illustration can be found on free Internet image banks such as **Pixabay** and **Unsplash.** Remember to make sure that the images are freely available and that you mention the photographer.

CHANNELS

Which channels are used for communication? Which languages?

Possible channels:
- calls and visits to companies
- mailing lists
- municipal website
- network website
- social media (Facebook, LinkedIn, Instagram, Twitter, YouTube, etc.)
- podcasts
- blogs.

Consider the target group and let your imagination go wild! For example, you can invite entrepreneurs to join the network by sending them a postcard.
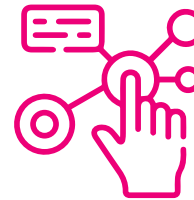
ASSESSMENT

It may prove useful to measure communications. **Feedback** from participants is valuable and should be sought out.

Find out if the communication channels are correct, whether the communications reaches the target group and what kinds of communication they want to see. Develop communications according to the feedback.

The number of followers and interaction rates in social media channels can be monitored using their own analytics tools. There are also various analytics tools for monitoring data on websites (e.g. the social media platforms' own analytics tools on Facebook and Twitter).

Figure 9. Communication plan (Sitomaniemi 2023; Juholin 2022[39]).

INVITATION TO THE NETWORK

TITLE:

Create a title that describes the activity and gets the target group interested.

IMAGE **Add an image to the invitation, if you can.**

WHY?

- Write a brief summary of what the network is about.
- Raise their interest: Invite the target group to join in an engaging way and be concrete.
- Make use of the network's vision and core message in communications.

HELPFUL QUESTIONS:
What is the question that the activity or event seeks to answer?
What are the benefits of joining?

FOR WHOM?

Say **who** the activity is intended for.

WHERE AND WHEN?

Where and when is the event?

How or to whom do they contact to sign up?

TIP

When inviting and enrolling an actor to the network, ask for their best timing and location for the meetings and what kind of activities they are interested in.

TIP

For example, you can use Google Forms, Microsoft Forms, or Webropol registration to the network and its events.

Keep the GDPR in mind if you collect personal data for the network. Further information: **GDPR.EU**

Also make sure that your communications are accessible. Read more: **web-directive.eu**

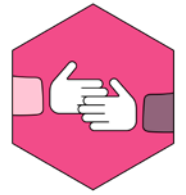Figure 10. Invitation to the network (Sitomaniemi 2023).

Event Communication Chart
Communication about the network's activities should be active and timely. In order for the network to communicate smoothly, use this chart to plan and schedule the communications.
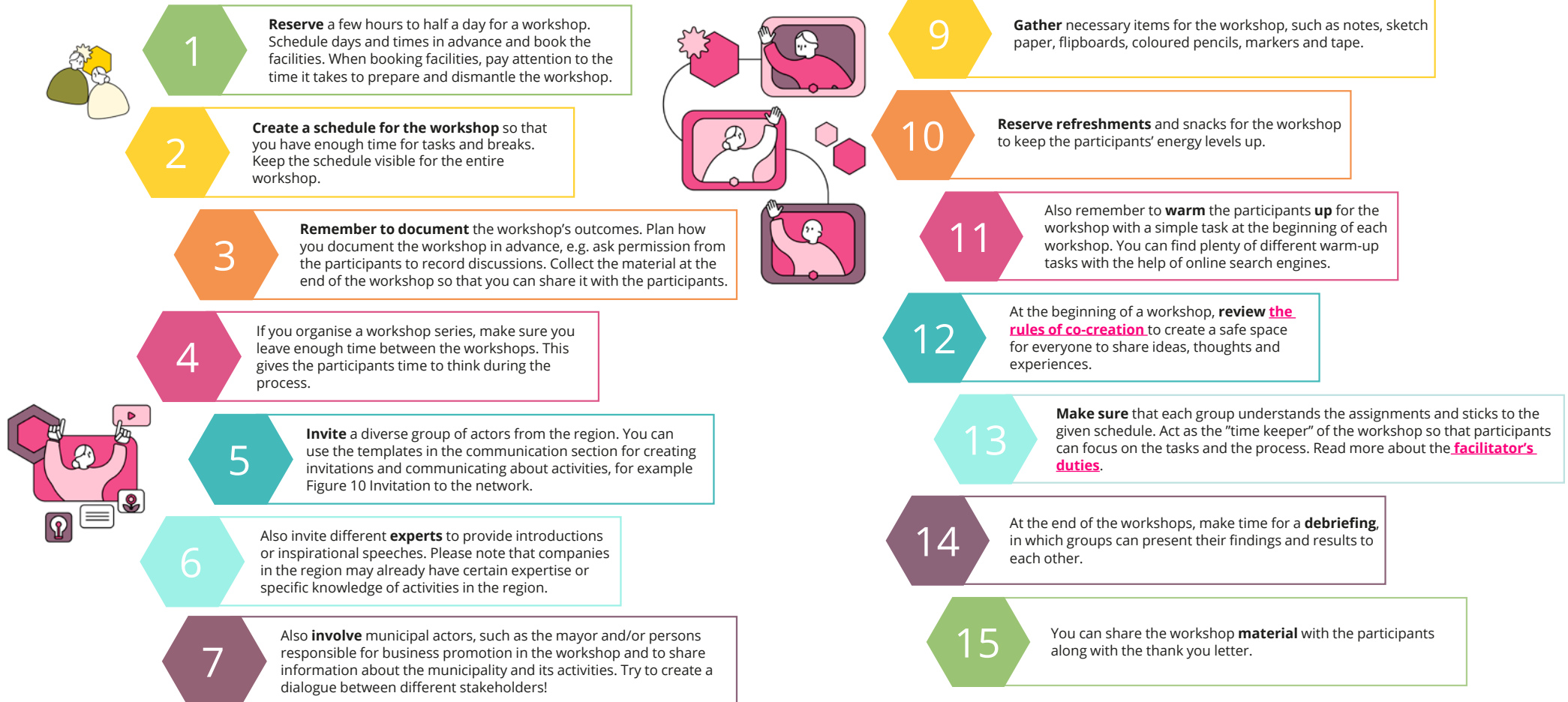
For whom? – Target group	What? – Message content	Why? – Communication objectives	Where? – Channel	When? – Schedule
Companies and associations	Invitation to an event / workshop	Encourage companies and associations to participate in the network's activities	Email, social media post, municipal website, business visits and contacts, business events, municipal public notice boards	4 weeks before the event and a repeat/reminder on social media as needed, and an email reminder one week before the event
Residents	Invitation to an event	Tell residents about the activities of the network and encourage them to participate	Municipal website, social media, newspaper advertisement, municipal public notice boards, digital info screens	4 weeks before event and repeat/reminder
Developers	Invitation to an event	Raising awareness of the network, activate actors to participate in the event	Email, social media post, municipal website, developer events	4 weeks before event and repeat/reminder
The media	Press release/ Article/	Increasing recognisability and attendance in the event	Email, social media post, municipal website	1 month – 1 week before event and repeat/reminder
Participants/ registered parties to the event	Newspaper announcement of activities	Verify event participants	Email, social media	1–2 days before the event

Table 1. Event Communication Chart (Sitomaniemi 2023, adapted from Avidly 2023[41]).

Organiser's checklist for co-creation workshops

The municipality-based Living Lab operating model encourages co-creation and workshop-style activities. The operating models of the different lines of development (future, circular bioeconomy, tourism, creative industries) lead to workshop-style work. Here are some tips for organising co-creation workshops.

1 **Reserve** a few hours to half a day for a workshop. Schedule days and times in advance and book the facilities. When booking facilities, pay attention to the time it takes to prepare and dismantle the workshop.

2 **Create a schedule for the workshop** so that you have enough time for tasks and breaks. Keep the schedule visible for the entire workshop.

3 **Remember to document** the workshop's outcomes. Plan how you document the workshop in advance, e.g. ask permission from the participants to record discussions. Collect the material at the end of the workshop so that you can share it with the participants.

4 If you organise a workshop series, make sure you leave enough time between the workshops. This gives the participants time to think during the process.

5 **Invite** a diverse group of actors from the region. You can use the templates in the communication section for creating invitations and communicating about activities, for example Figure 10 Invitation to the network.

6 Also invite different **experts** to provide introductions or inspirational speeches. Please note that companies in the region may already have certain expertise or specific knowledge of activities in the region.

7 Also **involve** municipal actors, such as the mayor and/or persons responsible for business promotion in the workshop and to share information about the municipality and its activities. Try to create a dialogue between different stakeholders!

8 Print out the workshop material, such as background materials (studies, information about the municipality, etc.) and templates used in the workshop. Make sure that participants can save and resume work on their assignments.

9 **Gather** necessary items for the workshop, such as notes, sketch paper, flipboards, coloured pencils, markers and tape.

10 **Reserve refreshments** and snacks for the workshop to keep the participants' energy levels up.

11 Also remember to **warm** the participants **up** for the workshop with a simple task at the beginning of each workshop. You can find plenty of different warm-up tasks with the help of online search engines.

12 At the beginning of a workshop, **review the rules of co-creation** to create a safe space for everyone to share ideas, thoughts and experiences.

13 **Make sure** that each group understands the assignments and sticks to the given schedule. Act as the "time keeper" of the workshop so that participants can focus on the tasks and the process. Read more about the **facilitator's duties**.

14 At the end of the workshops, make time for a **debriefing**, in which groups can present their findings and results to each other.

15 You can share the workshop **material** with the participants along with the thank you letter.

Source: Aromaa, Risu & Sitomaniemi 2023.

Authors: Emilia Risu, Sini Temisevä

Photo: Ville Huhtanen

Future-oriented work

Why do municipalities need future-oriented work?

CORE CONCEPTS

Backcasting scenario method: The Backcasting method defines a specific objective and examines the choices that can be made to achieve that objective. The Backcasting approach begins by defining a set of features at the end of the time horizon. Then, you move backwards in the time horizon and analyse how such a future could emerge and how credible that path would be.[42,43]

Driving forces: Driving forces are phenomena in society or at a wider level that direct decision-making and choices but are not as long-lasting as trends and megatrends. The driving forces can be beliefs, assumptions or phenomena, and they are often related to attitudes, values and valuations. Driving forces are often used in the construction of scenarios.[44]

Foresight: Foresight aims to manage the changing present that's moving towards the future, drawing on the knowledge of the past, present and future. Foresight includes describing the future, the creation, development and utilisation of analysis systems as well as production, procurement, processing, editing, analysis and reporting of information on the future.[45]

Foresight capability: The organisation's ability to apply foresight and future thinking as part of continuous activities. There are six maturity stages of future thinking from the weakest to the strongest: awakening, experimentation, random/dispersed, trained, structured and established.[46]

Future scenario: A future scenario is a free-form and visionary report on the future, based on current knowledge. The scenario includes a description of the chains of events that lead from the present to the future, or back to the present from the future. Scenarios can be prepared either with certain boundary conditions or in a research-oriented manner, analysing the causes and consequences of different phenomena using different methods.[47]

Future thinking: Future thinking is a way of thinking that faces the future and is interested in future issues and phenomena. It is based on the need to understand future events and find justifications for today's choices.[48] A generic term for future thinking, research and planning as part of an organisation's activities[46].

Images of the Future: A description of a possible future using images, text or video, for example. Images of the Future are used to perceive and illustrate different future opportunities.[49]

Megatrend: A megatrend is often a slow-paced trend that occurs at the global level and consists of several phenomena, and people often believe that it will continue in the same direction. Megatrends are interlinked and help to form an overall picture of the present and anticipate possible, more surprising developments in the future.[50]

PESTEV-analysis: The PESTEV method examines the political, economic, social, technical, ecological, and value-based state and future of the phenomenon[51] The PESTEV analysis is applied in particular to the analysis of factors of change in the operating environment. It is particularly intended for the analysis of megatrends or their synonymous strong predictive trends, as well as for analysing weak signals or wild cards[52]

Time perspective: Orientation of the individual or community from the present to a potential future state or event; time between the present and the potential future state.[45]

Trend: A trend is a general direction, flow, or pattern of change. A trend is a feature in the present that is relatively easy to anticipate to continue in the future.[53]

Vision: A vision describes the actor's intent. It is a description of the desired state of the future, which requires action to be taken.[49]

Weak signal: A weak signal is the first sign of an upcoming change. Weak signals are typically difficult to detect and may be surprising. Weak signals help you ask "what if" questions and break your habits.[54]

Wild Cards: A wild card is a surprising event with significant impacts on the operating environment. They change the direction of the future, and when one occurs, there is typically little time to react.[55] Also known as a *black swan*.
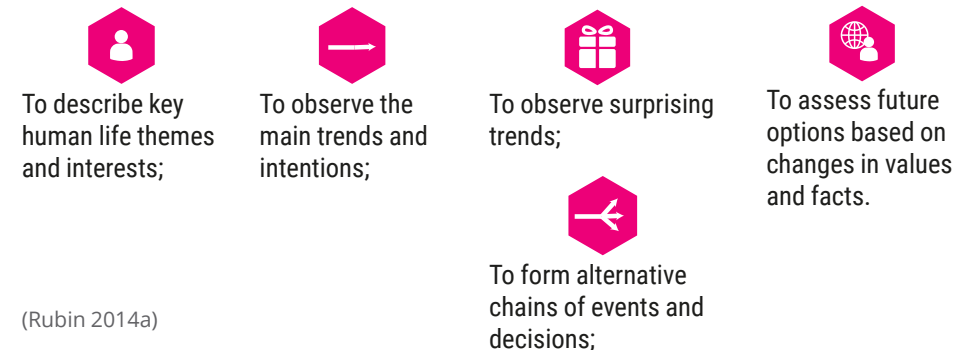
Why do municipalities need future-oriented work?

Society changes rapidly both locally and globally. We need views and methods to meet the ever-changing operating environment and complex challenges.[56] Municipalities play an important role in **building a sustainable** local and national **future**. A sustainable municipality can secure equal opportunities for both current and future generations to achieve a good life, taking into account nature's carrying capacity and the limits of our planet.[57]
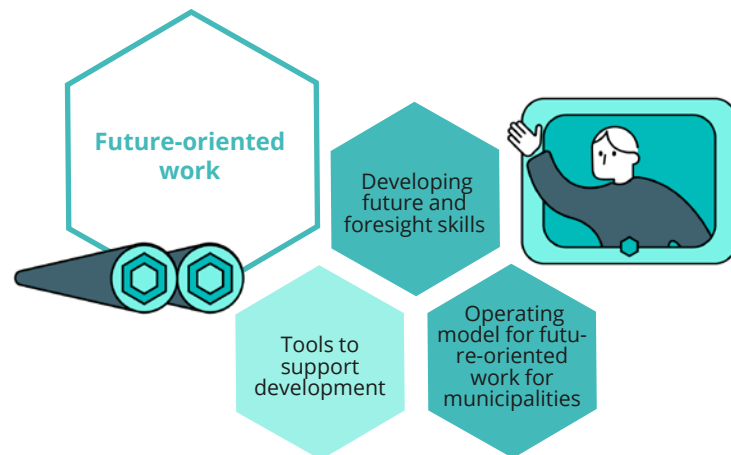
- The operating model for future-oriented work is used to envision the future and create alternative perspectives to support future-oriented discussion and decision-making.
- Share future and foresight skills for everyone to keep up with changes in the operating environment.
- Different tools and hints to support future-oriented work.

Future-oriented work aims to create well-founded **alternative views** on the future to **support discussion** and **decision-making**[46]. Foresight is the term used by organisations to describe future thinking. It is used to challenge perceptions of the future, which expands thinking and improves the ability to utilise future knowledge. Foresight is not only about a company's competitiveness but also preparation for the future. Examining the changing **operating environment** with anticipatory methods is important if you want to succeed in the future market.[46] Future-oriented work helps to build communities and individuals' **awareness of the future**, and it can improve the societal future orientation of different actors.[58]

The basic starting point for future research is **identifying different future alternatives**[58]. According to Anita Rubin[59], the basic task of future research is to try to understand future developments in the present in a way that is meaningful for both society and individual people. Key human life themes and interests that are described in futures research include:

To describe key human life themes and interests;

To observe the main trends and intentions;

To observe surprising trends;

To assess future options based on changes in values and facts.

To form alternative chains of events and decisions;

(Rubin 2014a)

The components on vision work and assessing images of the future assessment from Sitra's Futures Frequency workshop method were used in the development of the operating model for future-oriented work. Read more about the Futures Frequency workshop method **on Sitra's website**.

Operating model for future-oriented work for municipalities

"Future is shaped by thinking, planning and decision-making occurring throughout the society and by actions following them, but also by actions that are unrelated and unconscious, even total coincidences."

Hanna-Kaisa Aalto, Foresight Specialist, Finland Futures Research Centre

What? An operating model for future-oriented work to support development work in the municipality's region. The operating model for future-oriented work includes three different sections: Desirable futures, Exploring future changes and Alternative futures. Future-oriented work can be implemented as a series of workshops, one section at a time.

For whom? We recommend establishing a working group to support the application of the operating model for future-oriented work, which involves a wide range of actors in the municipality's region: municipal decision-makers and employees, actors, entrepreneurs and residents from the town (including young people) as well as municipal stakeholders and influencers in the neighbouring regions.

The Lyckan project created and tested an operating model for future-oriented work, which can be used to envision a future for the municipality that takes people's everyday lives into account. The aim of future-oriented work is to **create visions and different images of the future for the municipality** that support the growth and development of both the region's actors and companies. By involving diverse range of different actors and parties in the work, it is possible to gain different perspectives and ideas on the opportunities and future of the region.

TIP

Tips for organising a future workshop

- Invite a diverse group of actors from the municipality's region, including the municipal sector, companies, residents, and influential actors in the neighbouring regions. Involve a sufficient number of participants to create several small groups. With several small groups, you can generate as many visions, scenarios and images of the future as possible.

- We also recommend inviting younger generations to participate in future-oriented work. This gives young people the opportunity to make their voice heard and to influence the outlook of society.

- Reserve roughly half a day for the workshops. Create a schedule in advance and book the facilities. For example, the Lyckan project organised three workshops once a month during the process, giving participants time to process ideas between the workshops.

- Invite different experts to provide introductions or inspirational speeches to open the workshops. The speeches can, for example, be about images of the future or explaining of terminology and concepts to be discussed. Make use of the **future concepts** section of this handbook for this purpose.

- You can use the materials presented in the **communications section** of the handbook as a tool creating workshop invitations.

- Also involve municipal actors, such as the mayor and/or persons responsible for business promotion in the future-oriented work. You can ask them to share information about the municipality and its activities to support the work.

- Print out the workshop material, such as task background materials (studies, information about the municipality, etc.), workshop templates (such as the vision template and map posters) and staged tasks and instructions, for all group members.

- Reserve the materials needed for building workstations and partition walls for the workshop's group work.

- Before each workshop, hang the material produced on previous occasions on display to refresh the participants' memory.

- Create a relaxed and open atmosphere by starting a workshop, for example, with a shared coffee time, to let the participants get to know each other.

- Act as a facilitator and make sure that each group understands the assignments and sticks to the given schedule.

- At the end of the workshops, reserve time for presenting and summarising the small groups' results to showcase the different outlooks and futures.

- Find more tips on organising a workshop: **Organiser's checklist for co-creation workshops**.

Living Lab case at Lapinjärvi: Municipal future working group

Background

As the pace of change in the operating environment accelerates, the importance of future thinking increases. Future work adds value to regional cooperation and organizational decision-making. The future does not come, it is made.[56] In order for the future to be made, future and foresight skills must be available for everyone and put into practice.

Need

Future work carried out in municipalities can be used to improve the perception of future visions of different actors at the societal level and to support the construction of future awareness among communities and individuals.[58]

Objectives

To create a diverse future working group, as well as a shared vision and operating methods that support the growth and development of Lapinjärvi municipality and companies. The Lyckan project brought together working group that participated in the future work of Lapinjärvi. The Lyckan project invited actors in the area, from municipal decision-makers to entrepreneurs and municipal residents. In the working group, different actors were able to share collaboratively, developing experiences and views on which direction rural development should take.

Measures

A series of future workshops was carried out in Lapinjärvi to create visions, scenarios and images of the future from desired future. Lyckan project organized three workshops, as well as one intermediate task related to collecting change phenomena and building scenarios. The future working group worked in small groups and workshops were held every month to give participants time to think and process ideas while working.

Results

Operating model for future-oriented work suitable for small rural municipalities, which aims to understand future developments from the present and to examine different and surprising trends through the individual and society. Create alternative events and chains of decisions and make estimates of different options for the future based on a change in values.

Implementers

The working group consists of project consortium members, experts from the four development areas of the project (bio-circular economy, creative industries, tourism, future), local entrepreneurs as well as residents, representatives of the municipality and influencers from the surrounding area.

Operating model for future-oriented work
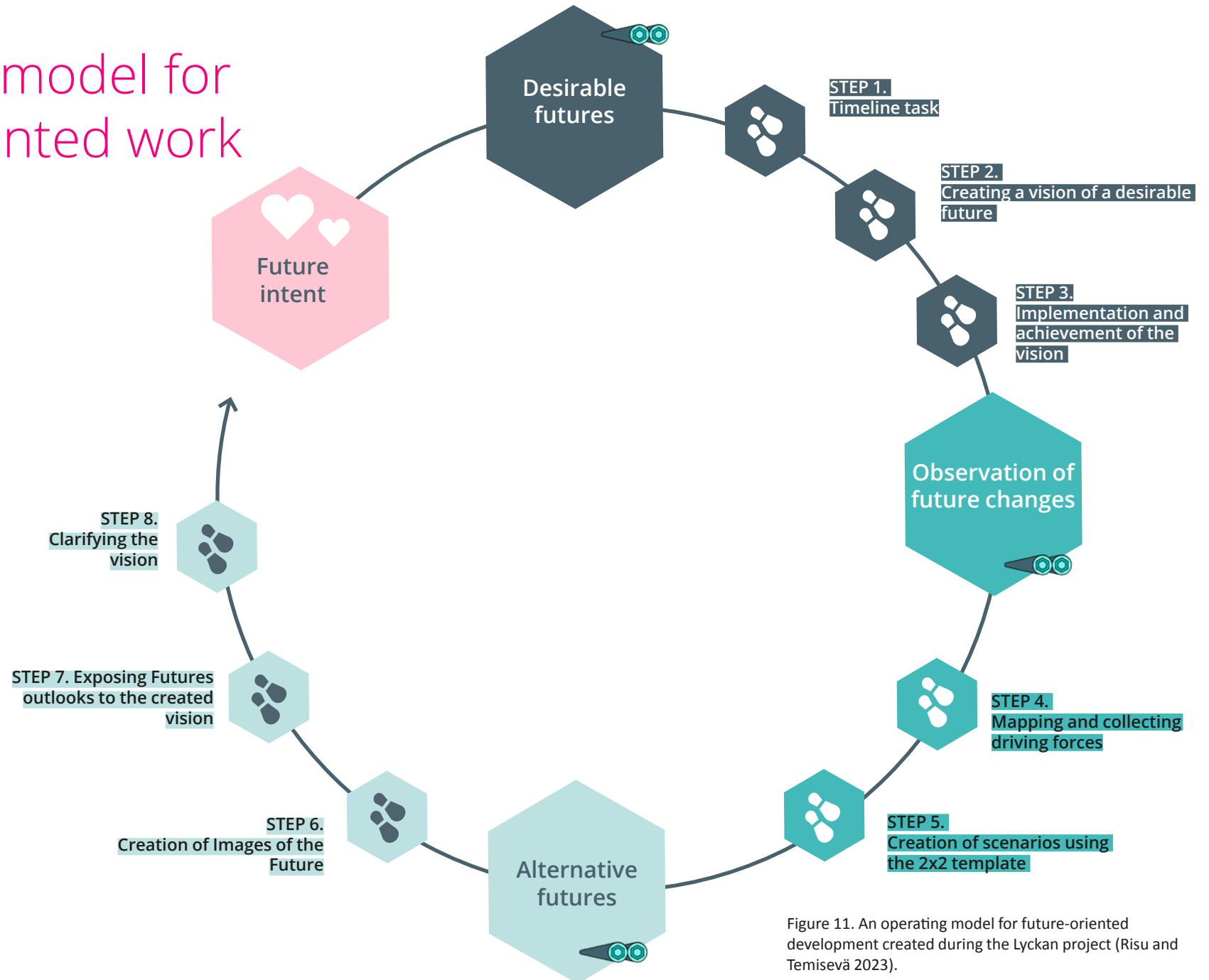
Figure 11. An operating model for future-oriented development created during the Lyckan project (Risu and Temisevä 2023).

How to implement the model in practice

Future-oriented work can be carried out as a series of workshops, one section at a time. The operating model includes three sections: Desirable futures, Observation of future changes and Alternative futures. The Desirable Futures section examines changes in the operating environment and envisions desirable futures. Observation of future changes section examine the operating environment, maps change phenomena and build scenarios. The Alternative Futures section builds images of the future based on scenarios and uses the sphere of transformation to consider how to achieve the desired vision. Finally, you return to the vision created in the first workshop and reflect if the vision matches the intended future.

DESIRABLE FUTURES

The Desirable Futures section consists of three steps. **A timeline for perceiving the passage of time** primes participants for future thinking and helps perceive long-term changes in the operating environment. **Creating a vision of a desirable future** guides participants in the work on their vision. When considering the **realisation and achievement of the vision** in the region, concrete consideration must be given to how the desired future will be realised.

STEP 1. Timeline for perceiving the passage of time

Understanding the past is important in future-oriented work. Not only because the future is a continuum of the past, but because crises have also happened in the past.[61] The Western countries' linear concept of time is typical, as time is understood as a direction. Time passes by, with no change in its direction, unable to be stopped. The past, present and future are interlinked and influence each other.[59]

Changing the perception of time and detaching from the day-to-day structure is challenging. However, by looking at the possible futures of the past, our perceptions and observations of the reality around us can change. The past generations have had to make choices with the knowledge they had at the time, based on risks that they understand and the future that they have imagined. In the same way, the next generations will look at the decisions and choices made now, not in the light of today's knowledge, but from the perspective of the realised future. The question that future heritage poses is, then: what could we do differently today to make the future more sustainable (ecological foundation, limits of the planet) and that future generations would be better equipped to face their everyday situations, to see its challenges and opportunities.[61]
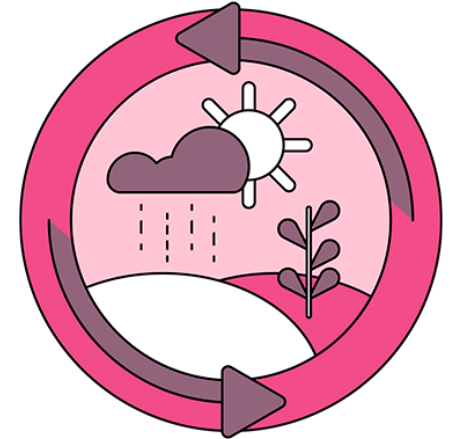
The first task **primes the participants for future thinking**. When starting future-oriented work, it is a good idea to create an overall picture of the area to be developed. It is therefore necessary to **perceive long time intervals and changes in the operating environment of the region**. The timeline can be used to describe events that have influenced the activities of the municipality and to map out topics that, according to the actors in the region, will have an impact on the future of the municipality.

ASSIGNMENT: **TIMELINE FOR PERCEIVING THE PASSAGE OF TIME**

PREPARATION FOR THE ASSIGNMENT

Draw a timeline on a large sheet of flip paper (set horizontally), so that the line settles in the middle of the paper. Then place on the line, evenly spaced, years as shown in the picture. Participants are given post-it notes on which to write their thoughts. Ask participants to place ready-made notes on the timeline as they finish writing the notes. We recommend that individual tasks will be performed in silence.

Complete the stages one at a time, so that the participants can perceive everyone´s thoughts and the overall picture of the timeline at one glance. It is recommended that the participants write 1 subject/note. This allows participants to move notes in a timeline or connect with other similar notes in the same place during the conversation stage.

Instructions:
In the first assignment, it's time to look to the past: what has happened between 1920s and 2020s, what has affected the present state of the municipality? In addition, the prospects for the future are also considered. The assignment is done first individually and then in group.

Stage 1: Look to the past. Think individually about the kinds of issues have affected the current situation in the municipality?

Stage 2: In the group, discuss the main points of the timeline and complement your ideas as needed.

Stage 3: Look to the future and to 2050. Think individually about which current issues affect the future of the municipality?

Stage 4: In the group, process the main points of the timeline and complement your ideas as needed.[62]
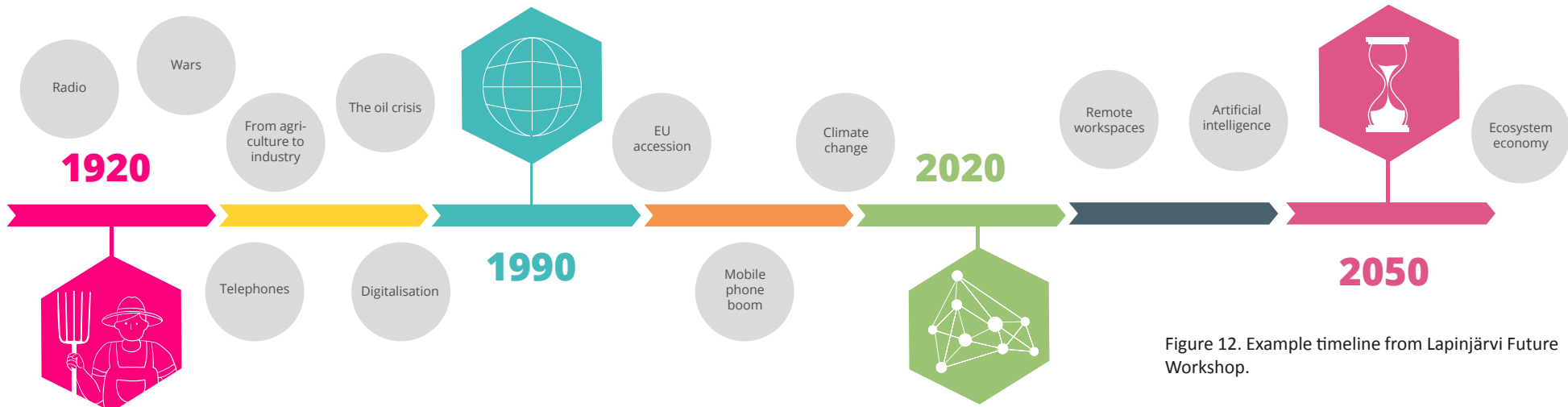
Figure 12. Example timeline from Lapinjärvi Future Workshop.

STEP 2. Creating a vision of a desirable future

After the time and operating environment have been established, you move on to envisioning. Next, we **look to the future** and **imagine desirable futures**.

The purpose of the vision is to indicate the direction that the municipality is going and how the municipality should change in the future. A good vision is interesting and eye-catching[63] It gives permission for people and organisations to work in a certain direction[64]. A vision can also be a desirable image of the future that the municipality, company, organisation or sector can jointly create to express an intent[65].

"In 2050, rural areas will play an important role in mitigating climate change and adapting to it."
Example of a future vision created in the Lapinjärvi Future Workshop (2022)

💡 PREPARATION FOR THE ASSIGNMENT

Print for each participant, blank A4 Vision Templates on which they can write their vision. The concrete time completing the stages are divided into individual and group tasks.

ASSIGNMENT: CREATING A VISION OF A DESIRABLE FUTURE

Instructions:

Stage 1. First, select the theme to be used for the vision. The theme may have emerged from different stages of the previous assignment. The assignment involves thinking about what kind of good things exist in the present, what we want to improve to create a better future, and in which ways the future would be better and for whom. Each participant completes Vision Template 1 individually (Figure 13).[62]

Vision template 1

VISION
I want to strengthen (what)_____, **so that in 2050** (what is different/what has happened/what the municipality is like). _____
_____
_____
_____
_____
_____
_____

Figure 13. Vision template 1 (Poussa et al. 2021[62]).

Stage 2. Group discussion on the vision phrases everyone has created. What is the same, what's different? Choose a common direction with a vote. For example, everyone has three votes, and you can either give all of them to one vision or distribute them to three different visions.[62]

Stage 3. Finally, based on the desired future you have chosen, write a common vision in accordance with Vision Template 2 (Figure 14) in the form: "In 2050, who/where + verb + what".[62] For example: "*In 2050 rural areas will play an important role in both mitigating climate change and adapting to it.*"

Vision template 2

VISION
"In 2050, (who/what/where) _____
_____
(+verb)_____(+what)_____
_____
_____ "

Figure 14. Vision template 2 (Poussa et al. 2021[62]).

STEP 3. Implementation and achievement of the vision

After defining a shared vision, the groups can think about how **to achieve and realise the desired vision in the region**. A condition for a desirable future is that the actors understand what concrete measures are needed to build the targeted future. Solidifying the circumstances of the future, for example, on the map of the municipality, helps the participants to structure and form a shared view of how the vision can be achieved.

💡 PREPARATION FOR THE ASSIGNMENT

Note to the participants that they are now, according to the previous assignment, far away in the future, for example, in the year 2050. Guide the groups to examine the situation from the future. You can, for example print a map of the municipality area to which groups can draw/write/glue pictures of a magazines on how the generated vision of the future will be realized in the municipality. Alternatively, you can provide groups with a large sheet of flip paper on which the group draws/writes/glues images.
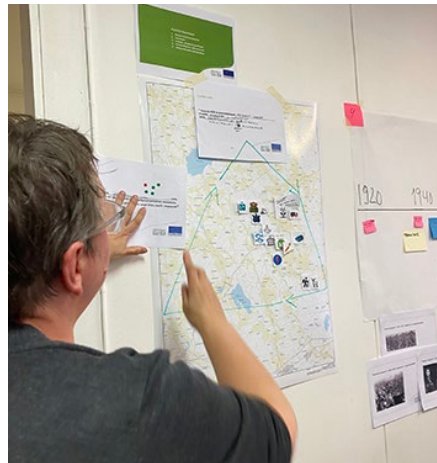
Photo 6. Member of the Future Working Group at the Future Workshop held at Lapinjärvi (Lyckan Team 2022).

ASSIGNMENT: IMPLEMENTATION AND ACHIEVEMENT OF THE VISION

Instructions:

Stage 1. First, you must think about what the desired future in your municipality's region will look like and discuss the concrete ways to achieve that vision.

Stage 2. Then, record a single idea on a single note, and place the notes on a map, drawing pictures and symbols on them or, for example, attach newspaper clippings or journal pictures on the map. Discuss the result: what does the desired future look like for the municipality?

Photo 7. Small group working at the Future workshop held at Lapinjärvi (Emilia Risu 2022).

OBSERVATION OF FUTURE CHANGES

The "Observation of future changes" section consists of two steps. The **Mapping and collecting driving forces** section outlines the changes taking place in the operating environment. The selected driving forces are used to create **scenarios**, different stories or samples of the future. These scenarios can be used to examine alternative futures that have been affected in different ways by the selected driving forces.

Examining, mapping and collecting driving forces essential for **understanding alternative futures**. Change phenomena can be observed anywhere and at any time. They can include megatrends, weak signals, wild cards, black swans, as well as large entities and slow-moving changes. When discussing previously mentioned driving forces, keep in mind that people can have differences of opinion because change phenomena are complex, subjective and interdependent.[66]

Step 4. Mapping and collecting driving forces

When you **analyse the operating environment**, you form an overall picture of the events, developments, dependencies and emerging phenomena related to what you're studying. Such an analysis focuses on change: what is changing at the moment, how and in what direction? What kind of uncertainty is associated with the change, is it possible to identify a variety of trends? You can also pay attention to conflicts, tensions and more surprising phenomena that emerge from and between changes. Which phenomena conflict with each other? What trends are just under the surface? What has not yet been sufficiently taken into account?[67]

Examine the operating environment through **political, economic, social, technological, ecological** and **value-related factors**, which make up the abbreviation PESTEV. PESTEV stems from the ETPS tool published in 1967 by Harvard University Professor Francis Aguilar, which has since transformed into the PESTE analysis and its different versions, of which is PESTEV, among others, is one[67].

TIP

For this step you can also use, for example, a paid web-based tool, Futures Platform, to produce joint forecast maps. The platform includes phenomena and driving forces to select from to create a visual foresight map. Check out Futures Platform **here**.

TIP

Take advantage of the list of tips to find driving forces/phenomena, trends, megatrends, weak signals and wild cards:
Rural Trends
Sitra Megatrends 2023
Future Platforms - RECENTLY PUBLISHED TREND ANALYSES
What's Next Consulting, Elina Hiltunen

ASSIGNMENT: MAPPING AND COLLECTING DRIVING FORCES

PREPARATION FOR THE ASSIGNMENT

The PESTEV chart helps to form an overall picture of the operating environment. Print empty PESTEV template for the groups, where they can write and divide different phenomena by the given section. You can use different source of information to find change drivers/phenomena, trends, megatrends, weak signals and wild cards.

Instructions:

In this assignment, you examine the operating environment from different perspectives, collect phenomena/driving forces and place them in the PESTEV table (Figure 15).

Political factors: legislation, party programmes, regulation, directives, international agreements, integration, e.g. the EU, research, development, regional, social, etc. Policies.[60,67]

Economic factors: economic trends and stability of the national economy, global, European and regional economic development; economic crises and recessions, employment, purchasing power, competitiveness, sectors, public funding and subsidies. [60,67]

Social factors: consumer behaviour, age structure, birth rate, education, religions, worldviews, health. [60,67]

Technological factors: technological (bio, nano, energy) development and availability thereof, e-commerce, virtual world, information and telecommunications. [60,67]

Ecological factors: climate change, biodiversity, pollution, waste management issues, overconstruction, environmental awareness, use and availability of resources, infrastructure change. [60,67]

Value factors: One of the strongest forces that shape human behaviour are values. They reveal the way an individual sees the world and how they make decisions as consumers, citizens and voters. This category also includes the growth of student and employee activism, concerns about the planet, new food movements, interest in cooperatives, concerns about privacy and distrust of large technology companies (such as Facebook).[68]
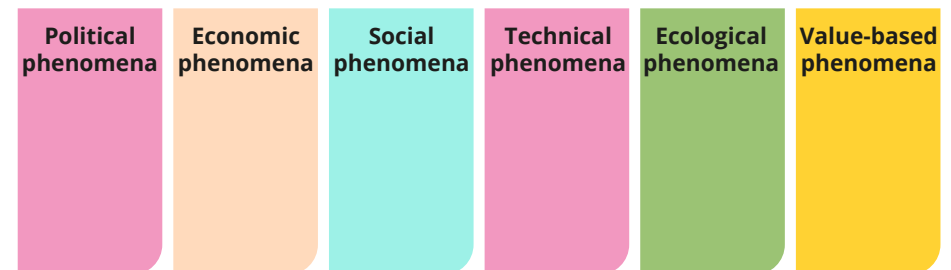
Figure 15. PESTEV-chart (Risu 2023).

Step 5. Creating and reviewing scenarios

We create future scenarios to understand the present. In general, scenario work mainly focuses on describing future events and trends. Scenarios are used to collect the information needed in decision-making, to identify uncertainties, to distinguish between different developments, to test the functioning of strategies in different scenarios, to make the future more real, to support preparedness for the future, and to challenge thinking and reveal new opportunities. **The most important objective of scenarios and future thinking is not to understand the future, but to understand the present from a new perspective**. The great value of exploring the future is that future-oriented work challenges us to understand the past and the current state.[69]

You could say that scenarios are stories about what will happen in the future. Scenarios are not predictions of the future, but relevant, potential and challenging stories about what the future may become. **Scenarios are tools to frame alternative futures for different stakeholders**.[42]

Scenarios can be created in many different ways: inductively, deductively, incrementally and normatively. The inductive approach brings together a series of potential events that make up the scenario. The deductive approach applies a structured framework, from which it is possible to derive possible scenarios. The incremental approach highlights the "official future" (a specific future that the organisation expects to happen) before considering possible alternative futures. The normative approach presents a set of features at the end of the selected time horizon and looks back to see how such a future can arise and whether it can be a probable path.[42]

You can create **scenarios** with the **2x2 method**. Start the process by specifying the question you want to examine[70]. For example, you can study alternative futures for the municipality in 2050. From the mapped driving forces, select the ones are considered to have a significant impact on the activities of the municipality to be reviewed. Different scenarios are formed in the 2x2 template by assessing the impact of the driving forces and creating a narrative for them.

TIP

Read more about the 2x2 scenario method **here.**
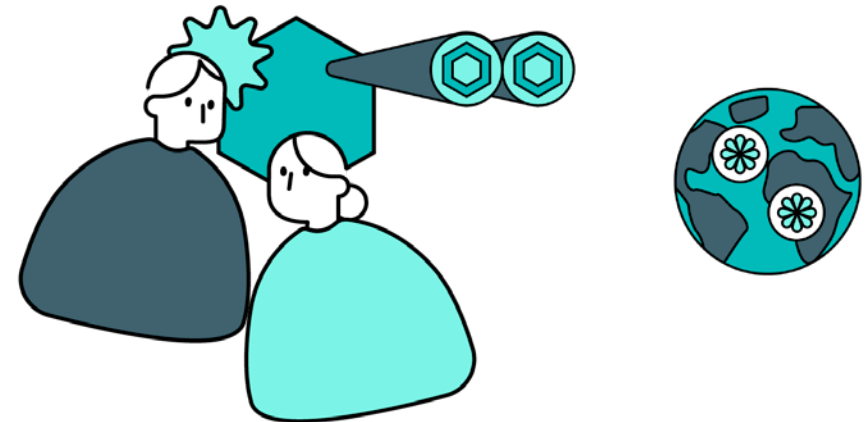
ASSIGNMENT: CREATING AND REVIEWING SCENARIOS

PREPARATION FOR THE ASSIGNMENT

Create and print the scenario template for the workshop as shown in the picture. Alternatively, you can give groups blank flip papers to draw the patterned lines that make up the scenario field. We recommend creating at least four scenarios in order to observe alternative futures and their development paths.

Instructions:

Stage 1. First, define the question you want to study. For example, you can study possible futures that your municipality might face in 2050.[70]

Then, choose two change phenomena from the PESTEV chart, whose future guidelines significantly impact on the municipality's strategy or activities. After that, draw a matrix where each line represents one driving force. The extreme ends of the line represent the extreme ends of phenomena that could have a large or small effect.[70] The scenarios are formed on different sides of the chart, depending on whether the effect of a particular driving force on the future of the municipality is small or large.

Stage 2. Create a story for the scenario: write, in each scenario, how things could happen due to the given driving force. The aim is to describe in brief what this means for the municipality and what kind of changes it causes in practice. The completed scenarios are named in a way to summarise their properties.[70]

Stage 3. First examine your scenarios individually and then in small group discussions. In small groups, you can consider if the group members recognise the driving forces and the described assumptions about the future, and discuss what kinds of ideas they give to the participants.

Driving force 1: Climate change (Significant impact)

Scenario 1
Back to the past: Emphasis on community, society adopts a moderate economy, the global water crisis affects the operating environment.

Scenario 2
Disaster (and a new rise): Leasing lifestyle, no more privatel owned cars, the global economy has collapsed, all life indoors.

Driving force 2 Smart countryside (Minor impact)

Driving force 2 Smart countryside (Significant impact)

Scenario 3
Static growth model: Local food stays popular at Lapinjärvi, vertical farming (no new innovations), remote work does not require travelling to the city to work.

Scenario 4
Surprising changes: Smart countryside; digital and courier services, 4-season sustainability services, carbon neutral municipality.

Driving force 1: Climate change (Minor impact)

Photo 8. An example of the use of the 2x2 method in Lapinjärvi's material for futures workshops (Risu & Temisevä 2023).

⬤ ALTERNATIVE FUTURES

The Alternative Futures section consists of three steps that complete the Future-oriented work process. Scenarios are used to visualise **Images of the Future** that bring them to life. After this, the **sphere of transformation** is used to reflect on how the Image of the Future can change into the **desired vision**. The section ends with a **clearer vision** that results in an **intent for the future**.

STEP 6. Creation of Images of the Future

In the literature, there are many different definitions for Images of the Futures. Wendell Bell and James A. Mau define Images of the Future as follows: "an expectation of a state of affairs sometime in the future".[71] **Images of the Future can address reality from very different perspectives and may be different in content**. Images of the Future can be created by individuals, groups and communities, and they can be personal or socially significant.[58]

Images of the Future help expand our views, understand complex problems, and combine the knowledge and perspectives of many. As a strategic tool, building Images of the Future helps and improves decision-making. Because of the different actors' conflicting world views, Images of the Future help to initiate and maintain dialogue. Investigating multiple opportunities can create understanding and help the parties to solve problems and conflicts more constructively. At this point, a "What if?" question is important in the creation of Images of the Future in order to better meet the challenges and questions we will face in the future.[42]

The next step is to create Images of the Future based on the scenarios. It is a good idea to give the participants free reign, when visualising Images of the Future. The aim is to bring the scenario to life with images or drawings, for example. You can also use artificial intelligence to create digital images.

ASSIGNMENT: CREATING IMAGES OF THE FUTURE

💡 PREPARATION FOR THE ASSIGNMENT

For this assignment, reserve an empty flip paper, pens, tape, magazines, and scissors for the workshop. Alternatively, if you use digital AI image generators provide access to the chosen platform.

Instructions:
In this task, you create Images of the Future based on the scenarios you created in small groups with drawings, map posters of the municipality or clippings from magazines, among other things. The aim is to examine what the future world will look like based on the selected scenario.

Alternatively, digital AI photo generators can be used to create images of the future (see photo 9). Story or words from the scenario are entered into the AI photo generators such as Midjourney, Stable Diffusion or Craiyon. Based on the information the generator produces visual interpretations of the future.

Return to the past   Disaster   A model of static growth   Surprising changes

Photo 9. AI-created Images of the Future from the Lapinjärvi future workshops produced (Huhtanen, Risu & Temisevä 2023).

STEP 7. EXPOSING FUTURES OUTLOOKS TO THE CREATED VISION

The next step is to consider **what needs to happen in order to achieve the desired future, or vision, from the Image of the Future**. For this, we use the **sphere of transformation**, in which the future and the changes that have taken place there are examined from different positions and perspectives of society. The work is based on the **vision** produced in the first part of the process and the **Image of the Future** created in the previous step (see Figure 16. Example of an Image of the Future, vision and use of the sphere of transformation in the workshop).

TIP 💡

Read more about the sphere of transformation on **Sitra's website**.

Image of the Future:
Surprising changes

VISION:
"The viability of Lapinjärvi in 2050 is based on the circular economy."

4. What helps and hinders the realisation of the vision?

3. People's thinking models and beliefs

What is our relationship with the environment or with the community in our region?

2. Structures and system of society

Society can guide behaviour and activities, for example with regulations and laws.

1. Human behaviour and behaviour

Can a new service, product or technology affect human behaviour in a desired or undesirable way?

Figure 16. Example of an Image of the Future, vision and use of the sphere of transformation in the workshop (Risu 2022, adapted from Poussa et al. 2021[62], Laininen 2018[72]; O' Brien & Sygna 2013[73]; Sharma 2007[73]).

ASSIGNMENT: EXPOSING THE IMAGE OF THE FUTURE TO YOUR VISION

💡 PREPARATION FOR THE ASSIGNMENT

Print the sphere of transformation template and questions related to the assignment. Groups can write directly to the template, or you can reserve, empty flip paper on the wall for the documentation purpose. Ask the groups go through the stages step by step considering what needs to happen in order to get from the Images of the Future on to the desired vision.

Instructions:

Stage 1. The inner part of the sphere of transformation examines *human behaviour and action*. Can a new service, product or technology affect human behaviour in a desired or undesirable way?[62, 72, 73, 74]

Stage 2. In the middle part of circle, you examine the structures and systems of society. *Society can steer people's behaviour and activities by, for example, regulations and laws*. What means do the state or the EU, for example, have to support the green transition? What is the municipality's role?[62, 72, 73,74]

Stage 3. In the third circle, change is perceived on a personal level, based on personal thinking models. *How can people's thinking and beliefs change?* The slowest and most significant change happens at the level of values, ideals and worldviews. What is our relationship with the environment or with the community in our region? What kind of an event or action influences our thinking to change.[62, 72, 73, 74]

Stage 4. It is also worth considering what helps or hinders the implementation of the vision in this future image. What is possible for an individual, a company or a community?[75] Come up with three actions that could lead

towards the realisation of the vision: An action that influences thinking patterns? An action that affects structures (e.g. taxes, laws)? An action that affects our behaviour or activities?[62]

STEP 8. Clarifying the vision

Future-oriented work began with an outline of time, which helped to examine long-term changes in the operating environment. After this, you created a vision of the desired future, giving consideration to how the vision will be realised and achieved in the selected region. Next, you mapped and collected changes in the operating environment. You used selected driving forces to create scenarios that were ultimately visualised as Images of the Future.

These steps have helped to perceive different futures and the possible trends taking place there. Alternative Images of the Future help to challenge the way we think and reveal new opportunities. It is therefore appropriate **to review the vision of the first workshop**. Is the vision still attractive? Does it empower people, municipalities and organisations to work in the desired direction?

The final step therefore looks at the vision produced in the first workshop. The vision can be supplemented, rewritten, or left as it is if it already reflects the desired future.

ASSIGNMENT: CLARIFYING THE VISION

PREPARATION FOR THE ASSIGNMENT

You can redistribute empty Vision template 2 for the groups. Alternatively, groups can also complement their written vision if needed.

Instructions:

Stage 1. How can you attach to the Image of the Future through your own vision? The vision describes the agent's state of will and requires action in order to enter the world it describes. A vision is a description of a desired state.[59] When you take a new look at the vision of your group, consider the following questions. Does the vision encourage action? Does it give direction? Does it empower people, municipalities and organisations to work in the desired direction? Does the vision have a purpose?[64]

Stage 2. Now is the time to re-examine the vision! You can either rewrite it or refine your existing vision so that it reflects your future intent. If you want to rewrite your vision, you can use Vision template 2 (Figure 14).

Future intent

Vision: "The viability of Lapinjärvi in 2050 is based on the circular economy."

Does the vision encourage action?

Does it give direction for the action?

Does the vision have a purpose?

Vision:
"The viability of Lapinjärvi in 2050 is based on the circular economy."

Does it empower people, municipality or organisation to work in the desired direction?

VISION
"In 2050, (who/what/where)_____
(+verb)_____(+ what)_____"

Figure 17. In the figure, the vision is reviewed with the help of questions (Risu 2023).

Towards the future
The future-oriented work model can be used to co-create visions for the municipality on the desired futures as well as scenarios and Images of the Future on alternative futures. Future-oriented work can be used to discuss the opportunities provided by the future, thus broadening perspectives and making visible opportunities that would otherwise be left unidentified[46]. Future-oriented work also provides individuals foresight capabilities, such as the ability to question assumptions about the future and practice in imagining alternative futures.

The kind of future we end up having depends on the choices and actions we make today. Influencing the future requires an awareness of one's own actions and choices, challenging current assumptions, imagining and discussing desired futures, as well as perceiving wider change and joint action.[76] In other words, make use of the outputs of future-oriented work in, for example, building the municipal strategy or supporting decision-making. Remember to demonstrate the results produced in the workshops in the network meetings of the municipality-based Living Lab, so that the discussion on the desired future of the region can broaden, allowing actions towards a future intent to be taken.
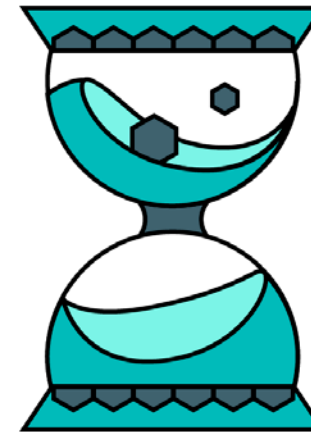
Authors: Emilia Risu, Sini Temisevä

Foresight

Foresight as a part of business activities

Foresight as a part of business activities

Thinking about the future is a basic feature of humankind. Everyone must engage in future thinking to see new things, observe their non-linear nature, perceive change in motion, and challenge our basic beliefs, which are based on history and previous experiences. With the help of foresight, we can link future thinking to goal-oriented activities. With foresight, future thinking and visionary development, you can learn to look past daily activities and develop sustainable solutions that for your organisation or company that stand the test of time.[58]

"The purpose of foresight is to provide justified outlooks of the future and the different development options as a basis for planning, decision-making and operations."[58]

Why should companies and organisations assess and foresight the future at all?

We all share the global, systemically complex operating environment, which makes it useful to monitor different sectors and the ways they carry out foresight. Foresight would not be necessary if the future was certain. Faster than ever before, the operating environment, technology, social systems, forms of work and the actors' values are constantly changing. Foresight is useful, as it makes it possible to change the future.[60]

The starting point for foresight is to try to expand **the number of visible choices and to give meaning to the choices you make in the present**. Foresight is done to examine different options for the future. What it requires is information on the matter or phenomenon being investigated and the related history, trends and objectives, wishes, fears and expectations of the future. It also requires imagination, courage, insight and vision, as well as the ability to perceive small things that have occurred in a time period which may be of great significance for the development of the matter under consideration.[60]

What are the benefits of foresight?
Foresight helps to shape existing views on the future, highlight differences between different perspectives and showcase completely new perspectives. The aim of foresight is not to predict the future, but **to make people structure, share and create ideas for alternative futures**. We can influence the future by trying to change the way people perceive things and behave.[60]

"If you have no time to think about the future, make sure you at least consider the megatrends and their significance for your industry." Elina Hiltunen, Futuristi[77]

Foresight uses the same methods and theories as in future research, and they share a common research and scientific community. Foresight enables the organisation or company to broaden its views and explore the future in order to identify new opportunities for action. The most common foresight methods used in Finnish organisations are the monitoring of changes in their industry's operating environment and future workshops. Foresight is carried out in organisations and companies as part of their strategy and development work. In Finland, foresight is most commonly carried out by organisations over a time span of 4 to 10 years, followed by a time span of 1 to 4 years. Foresight develops the foresight capabilities of one's organisation, and it is part of the development and correct direction of activities and preparedness for the future.[56,58]

According to the National Foresight in Finland 2020 Report[56], foresight is done on different time spans in organisations:
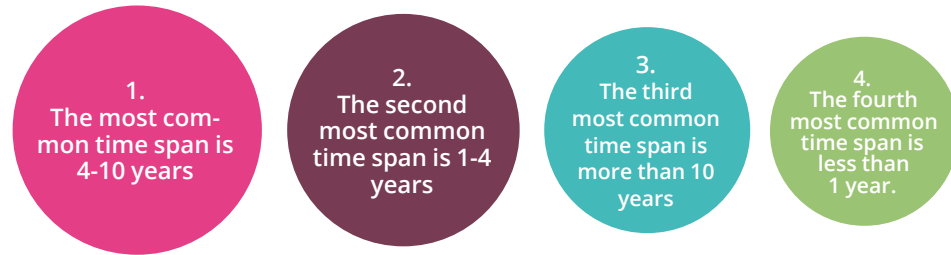

1.
The most common time span is 4-10 years

2.
The second most common time span is 1-4 years

3.
The third most common time span is more than 10 years

4. fourth most common time span is less than 1 year.

Figure 18. Different foresight time spans used by the organisations in Finland[56].

According to the National Foresight in Finland 2020 Report, the most commonly used foresight methods are:

Following the driving forces of one's own industry in the operating environment — 87 %
Future Labs — 73 %
Statistical data — 69 %
Following the operating environment outside own's own industry — 68 %
Creating alternative scenarios — 65 %
Expert enquiries (like Delphi) — 63 %
Modelling — 27 %
Gamifications and other methods — 17 %
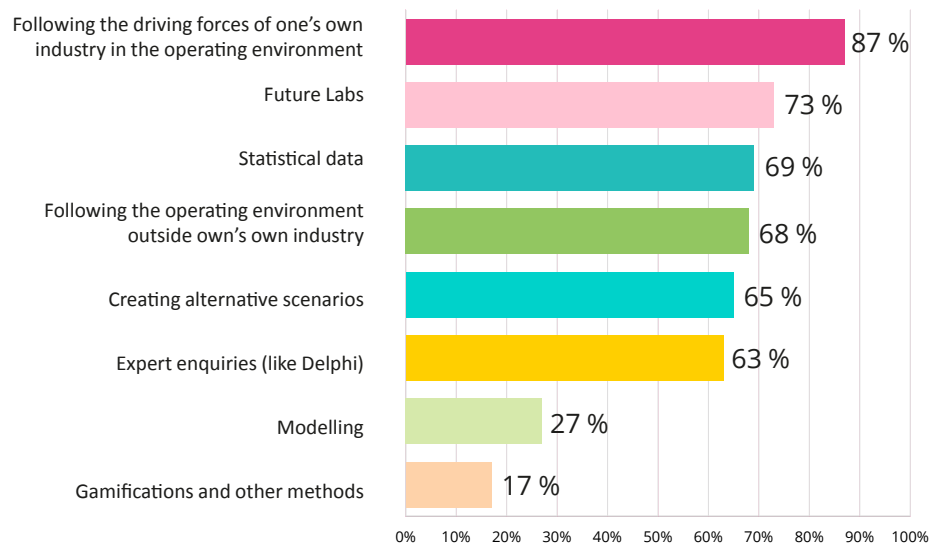
Figure 19. National Foresight in Finland 2020 Report[56].

Foresight methods for supporting business activities

What? Municipalities can support entrepreneurs' foresight skills by presenting them different foresight tools and methods, for example in connection with network meetings, and helping to practice them. This section showcases examples of network meetings at Lapinjärvi which covered foresight methods.

For whom? Municipal actors together with entrepreneurs in the region.

Utilising the Futures Triangle in foresight

Over the past few years, **Finnsight Forum** has been organised in Finland, bringing foresight to public debate in Finland. The event is part of the activities of a national foresight network, and in 2022, the organising committee included the primary organiser, Sitra, along with other actors in the public sector. Sitra is an internationally and nationally operating publicly funded future-oriented organisation. The Finnsight Forum consisted of a national webcast, followed by local studio broadcasts. Futures Triangle workshops were also held in connection with the studio broadcasts to summarise the Images of the Future.[78]

Lapinjärvi was one of the locations for one of these studio-workshops, to which entrepreneurs from the town and neighbouring regions were invited. The theme of the workshop was the future of rural entrepreneurship, which

Push of the Present

Current processes of change (economy, technology, environment, culture).

Pull of the Future

Images of the future, dreams, wishes, plans.

Plausible future

Weight of the Past

Continuities, belief systems, world views, obstacles to change.

Source Inayatullah 2008.
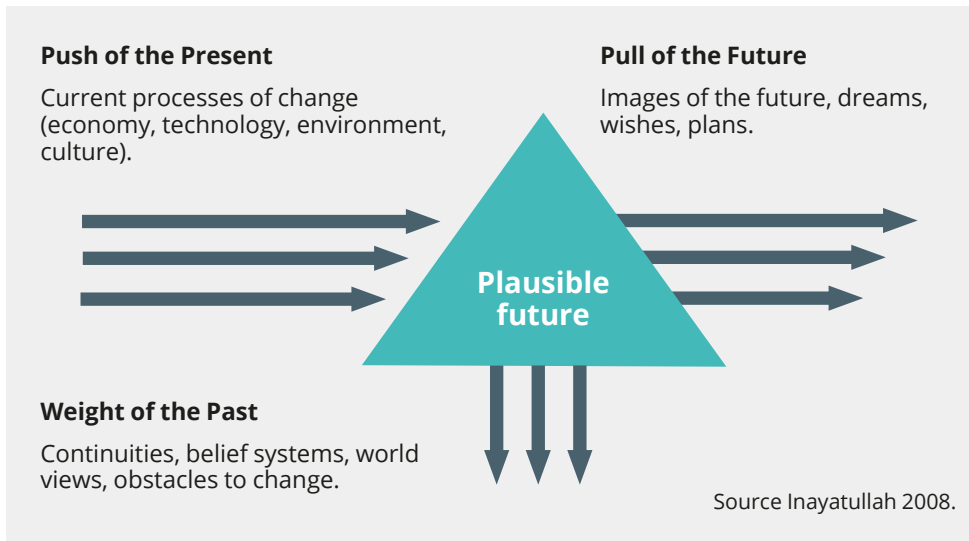
Photo 10. The workshop was based on Inayatullah's (2008)[79] Futures Triangle (Sitra 2023).

was discussed with the help of the Futures Triangle. The discussions ranged from the perspectives of the present, the future and the past.

Futures Triangle Workshop

The Futures Triangle (Photo 10) was developed by future researcher Sohail Inayatullah (2008)[79], and it serves as an analysis framework, which can be used to map **factors that affect the future** of the topic selected for analysis[80]. The Futures Triangle workshop is used to map out the factors that influence the future from three different perspectives: the push of the present, the pull of the future and the weight of the past[79]. The aim of the workshop is to highlight future visions that warrant further discussion. The Futures Triangle can be used to produce an idea of what the future of the topic selected in the workshop looks like.[78]

In the Lapinjärvi workshop, after the thoughts and ideas were written down from the three different perspectives, everyone created their own short

Photo 11. A workshop organised at Lapinjärvi that tested the use of the Futures Triangle in practice (Lyckan team 2022).

TIP

You can read more about Futures Triangle workshops on **Sitra's website**.

visions for the future by 2050. The visions were then discussed amongst the small groups and a unified vision was formed, for example how the municipality can support rural entrepreneurship. The groups got then to share the visions to others and discuss about them.

Future-oriented Living Lab network meeting

A future-oriented Living Lab network meeting was held at Lapinjärvi. The aim of the meeting was to continue to coach the participants about new foresight methods in a workshop. The starting point for the workshop was the idea that the future doesn't arrive, it's created. And in order for the future to be created, future-oriented and foresight skills must be made available to municipal residents and companies. In this way, foresight skills can be used for the development of business and the region, making it possible to build trust in the future and strengthen the region's willingness to innovate and invest.

The meeting took place at the premises of a local entrepreneur, which allowed the participants to get to know the company's operations. At the event, the mayor of Lapinjärvi gave a speech on the municipality's strategy and plans for the near future of Lapinjärvi municipality.

In the foresight workshop, participants got to know current phenomena and consider how they can affect business operations. The workshop consisted of two sections, and it used audio sketches about the future, trend cards and the futures radar and backcasting methods. The purpose of getting to know the foresight tools is to expand the number of visible choices and to obtain new information on the topic/phenomenon under examination[60].

Part 1. The Future Radar helps you anticipate the future

The aim of the Future Radar exercise is to examine phenomena and to jointly consider in small groups which trends or phenomena will affect the municipality's area or the activities of one's own company during the selected period.

Instructions

1. Tune in to the theme by listening the **Sitra future audio sketch(es)**. The audio sketches are short reports on assumed futures. Audio sketches helps to challenge participants assumptions about the future. The audio sketches are exaggerated versions of prevailing visions of the future, they're not intended to be forecasts or descriptions of preferred futures. Instead, they are meant to help the participants identify and think about the underlying assumptions of the visions.

2. After tuning into the future frequency, ask the small groups to examine trend cards, such as **Sitra's megatrend cards**, and **Ruralization project's Rural Trends cards**, which were created specifically for rural areas. Trend cards describe the underlying changes in megatrends and allow participants to broaden their thinking, brainstorm new ideas and envision what the future can look like[81]. You can also write down any driving forces or phenomena you have observed that cannot be found in the trend cards on notes.

   In the small groups, select 2-3 trends or driving forces/phenomena **that you believe to affect** economy of the region or the municipality.

3. By placing the selected trend cards in the Future Radar's time frames, it is possible to examine trends or change phenomena that the participants consider to be influential to, e.g. the region's business life. You can set the desired time period for the Radar's frames. This exercise outlines short-term events and trend outlooks for 1-3 years. In the template, the time closest to us is placed inside the circle.

• Together, decide on the time span you will use in the exercise.

• Everyone places the selected cards/notes on the Future Radar's time sphere, **when they believe that the impacts emerge** in the business life of the municipality or region.

- Present to each other the selected trends/driving forces/phenomena and justify your choices and the selected time span.

- You can also discuss whether these phenomena are surprising or challenging. Are they significant? For example, what would be the impact of the trends/driving forces/phenomena as they become more common.
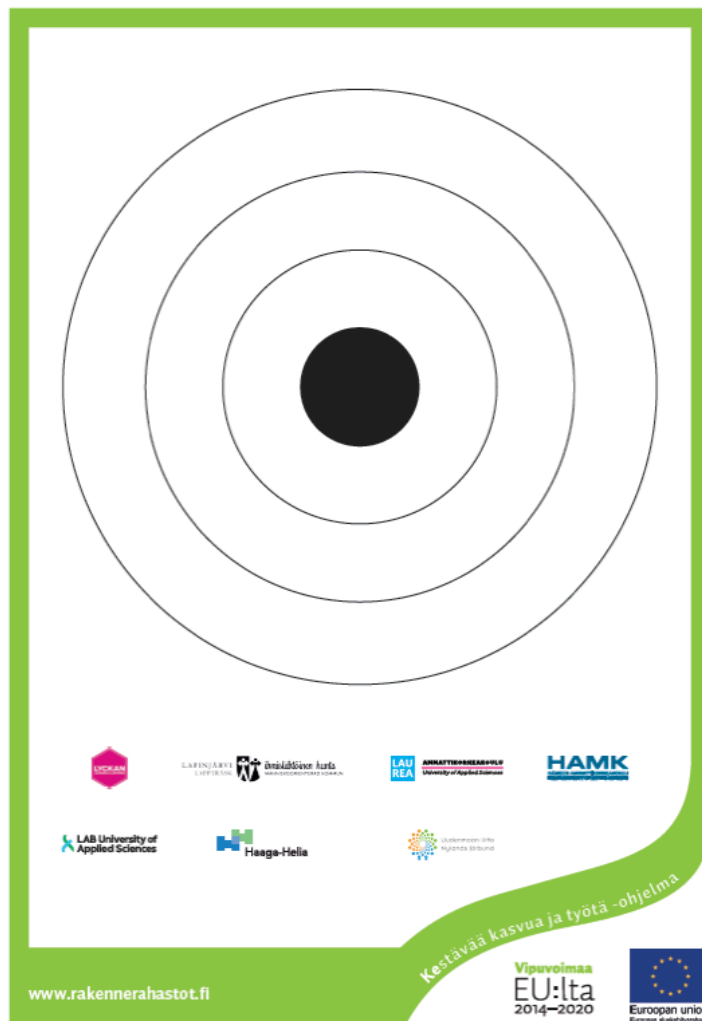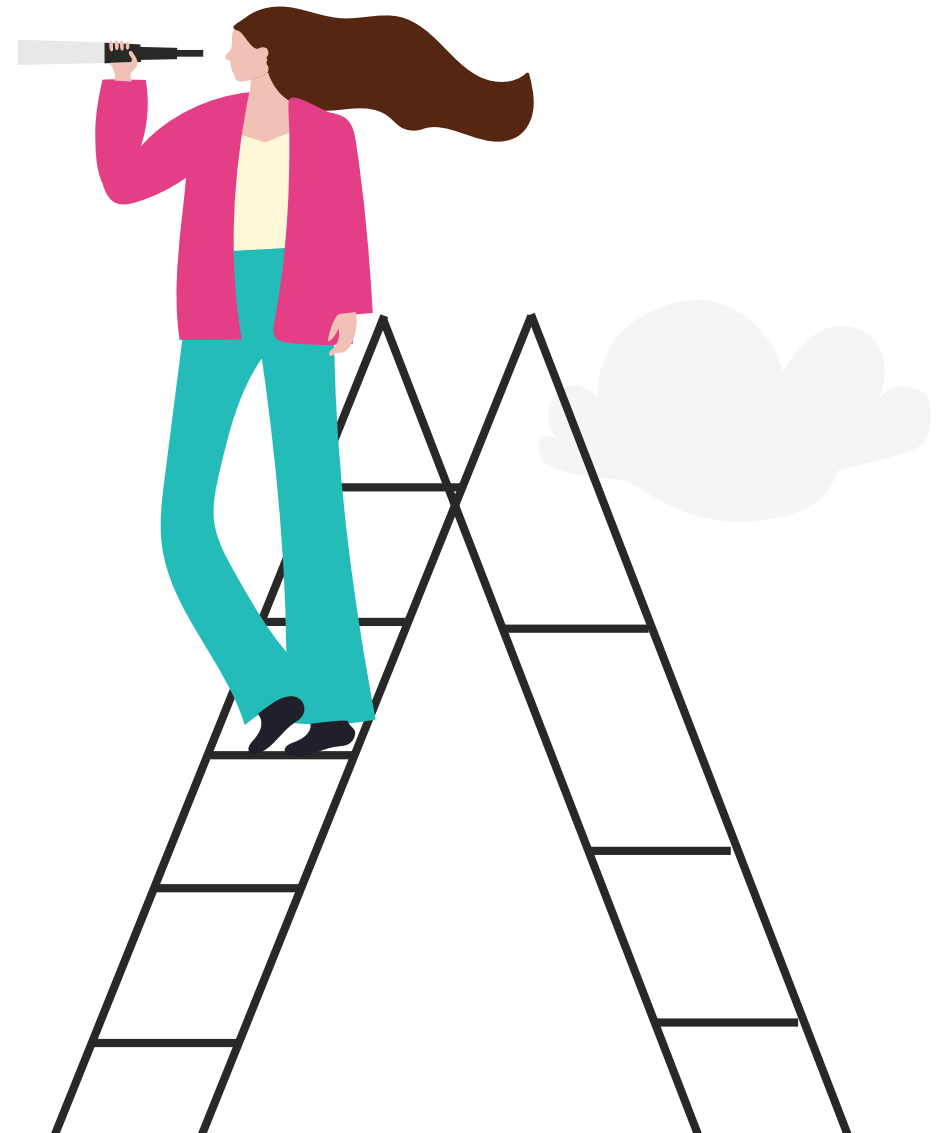

Photo 12. The template for the Futures Radar tool.

Part 2. Using the Backcasting method to reach for the future target state

The Backcasting method places us in the future, from where we move backwards in time towards the present day. In this method, you select the desired future state, which you turn into a driving force that affects the organisation's operations. The desired future state of the method, i.e. the trend chosen in this exercise, is modified into a driving force that affects the organisation's operations. After this, you set targets from the future, leading to the present. These targets create a path that determines how you reach your final target.[43]

Instructions
This assignment can be completed either in a group or individually. In the assignment, the group or individual records a goal/objective/vision based on the selected trend. The set goal/objective/vision can be far in the future or close, such as one year from now. The purpose of the assignment is to verbalise objectives that create a path from the future to the present.

Backcasting - from the future to the present

1. Select one trend that is likely to affect your company's industry or the activities of your municipality.
2. Specify briefly how the trend will affect your company/municipality and/or its activities in practice.
3. Create a step-by-step path from the future to the present. What must be done a moment before the future is achieved, such as 2 months before the set goal/objective/vision is realised? Continue recording activities, tasks or things in reverse order, so that you can move from the future to the present day.
4. Finally, review the steps from the present to the future. Is every step feasible? Is a step critical or a turning point in the pursuit of the future? Once you have gone through all the steps, you have created a plan that allows you to move towards your desired future.

Photo 13. Small group discussions on trends and the radar, in which the group's outlined change phenomena have been placed on a 1–3 year timeline (Risu & Sorjonen 2023).
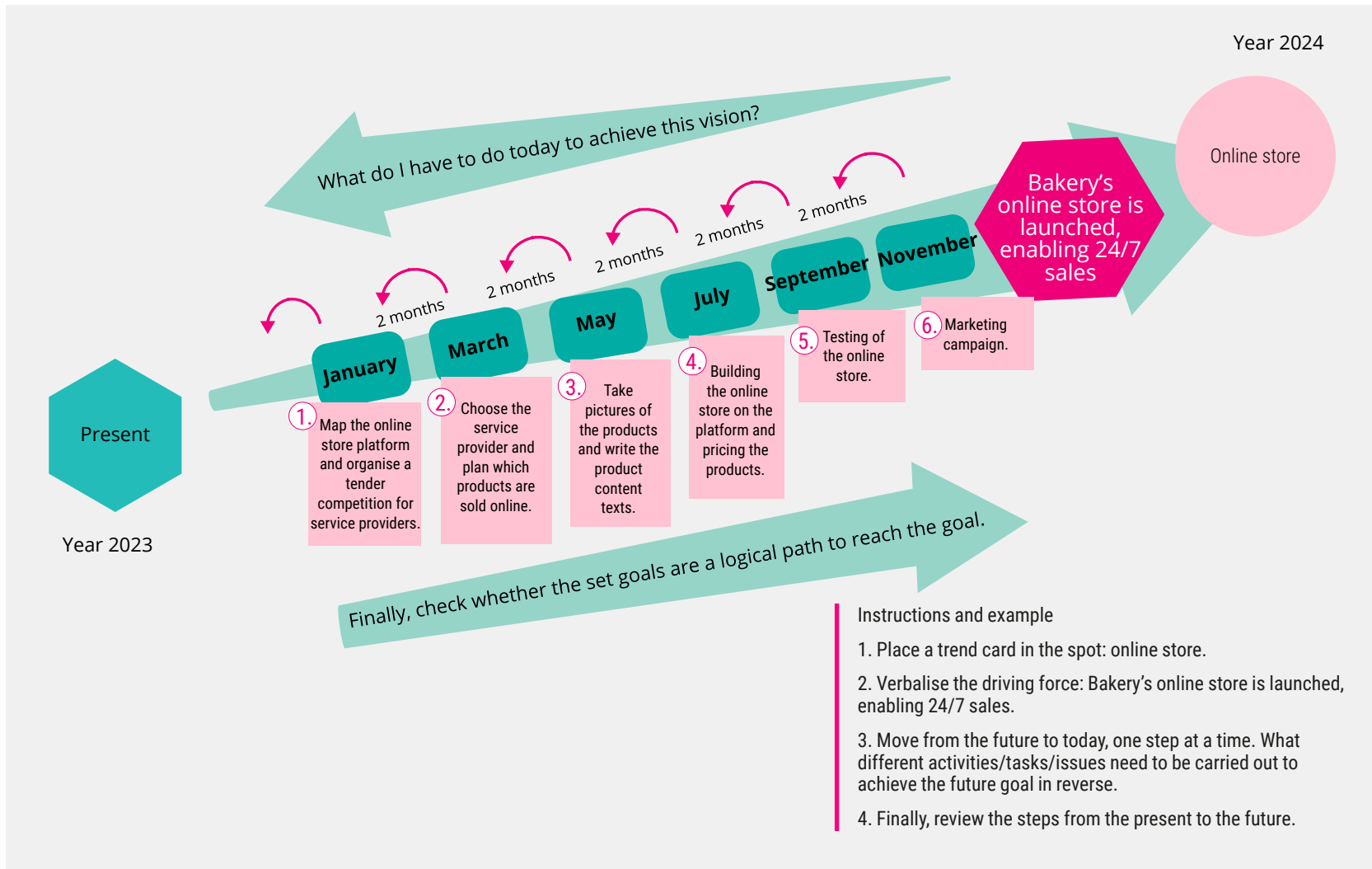
TIP

Sitra has created **a toolbox** for future makers in Finnish, Swedish and English, which provides more tools for increasing anticipatory capabilities.

Year 2024

What do I have to do today to achieve this vision?

Online store

2 months
2 months
2 months
2 months
2 months

Bakery's online store is launched, enabling 24/7 sales

January
March
May
July
September
November

Present

Year 2023

1. Map the online store platform and organise a tender competition for service providers.

2. Choose the service provider and plan which products are sold online.

3. Take pictures of the products and write the product content texts.

4. Building the online store on the platform and pricing the products.

5. Testing of the online store.

6. Marketing campaign.

Finally, check whether the set goals are a logical path to reach the goal.

Instructions and example

1. Place a trend card in the spot: online store.

2. Verbalise the driving force: Bakery's online store is launched, enabling 24/7 sales.

3. Move from the future to today, one step at a time. What different activities/tasks/issues need to be carried out to achieve the future goal in reverse.

4. Finally, review the steps from the present to the future.

Photo 14. Example of the Backcasting tool template used for the business planning in the short time period from the future to the present (Risu & Temisevä 2023).

Authors: Noora Arola, Katri Juva, Maritta Kymäläinen, Antti Kytö, Sara Syvälahti

Bioeconomy

Ecological vitality from the circular bioeconomy

Ecological vitality from the circular bioeconomy

The global population is expected to grow up to 8.5 billion by 2030 as a result of which food and energy needs are expected to rise by 50% and fresh water needs by 30%[82]. In addition, the decline in biodiversity is progressing alarmingly both in Finland and around the world. Our well-being, economy and health are directly dependent on nature, which requires that the loss in biodiversity must be stopped. In accordance with its principles, the tools of the circular economy are crucial for the environment because they aim to reduce the need for consuming natural resources.[83] In particular, the transition of the food and agriculture sector, the construction sector, the textile sector and the forest sector to the circular economy would mitigate the loss of global biodiversity. The greatest potential is in the food and agriculture sector, as they use approximately 50% of the world's livable land area.[84]

New business and new products from bio-based side streams in primary production and industry.

Create added value for side streams through innovative processing.

Develop smart use of resources and sustainable business.

Local material streams

Added value for business from side streams

Ecological vitality from the circular bioeconomy

Smart use of natural resources

Ecological sustainability for business
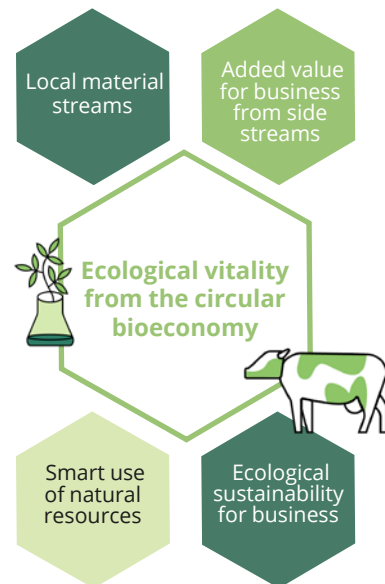
CORE CONCEPTS

Circular bioeconomy
The circular bioeconomy can be considered as a combination of the above. It focuses on the sustainable use of biomasses in production and services so that the biomasses already in use and the nutrients contained in them are utilised efficiently and sustainably, with the aim of a high degree of processing.[87]

Bioeconomy
A bioeconomy produces products, food and energy based on renewable natural resources. Instead of wasting natural resources, they are efficiently used and recycled. The reliance on fossil resources is reduced and the depletion of nature is prevented. At the same time, this creates new jobs and promotes positive economic development. In Finland, the most significant renewable natural resources are organic material derived from the forests, soil, fields and water bodies, i.e. biomass.[86]

Waste hierarchy
The waste hierarchy (Figure 20) describes the priority of waste management, which aims at minimising the negative impacts of waste generation and waste management and the sustainable use of natural resources. According to waste legislation, the waste hierarchy must be followed as far as possible in all activities. The waste hierarchy consists of 1) reducing and preventing waste 2) reuse of waste 3) recycling 4) energy recovery 5) final disposal.[88]

Waste prevention

Reuse

Recycling

Energy recovery

Disposal
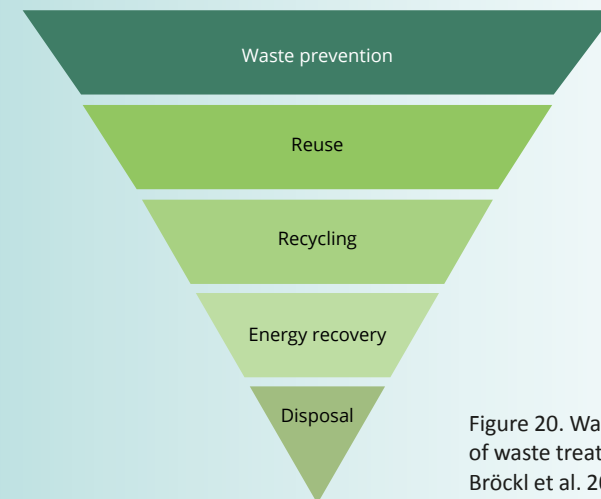
Figure 20. Waste hierarchy, i.e. priority of waste treatment (adapted from Bröckl et al. 2021[89]).

Circular economy

The circular economy is a system in which the use of resources, emissions, energy losses and waste generation are minimised. Sustainable construction, repair, renovation and reuse are what make up the circular economy. However, once the product or good has reached the end of its useful life, an effort will be made to reuse and recycle the materials contained in the item.[85] The material cycles of the circular economy are often presented with the butterfly diagram in figure 21. The biological cycles are shown on the left side of the graph. The utilisation solutions presented in the inner circles best preserve the value of the material.
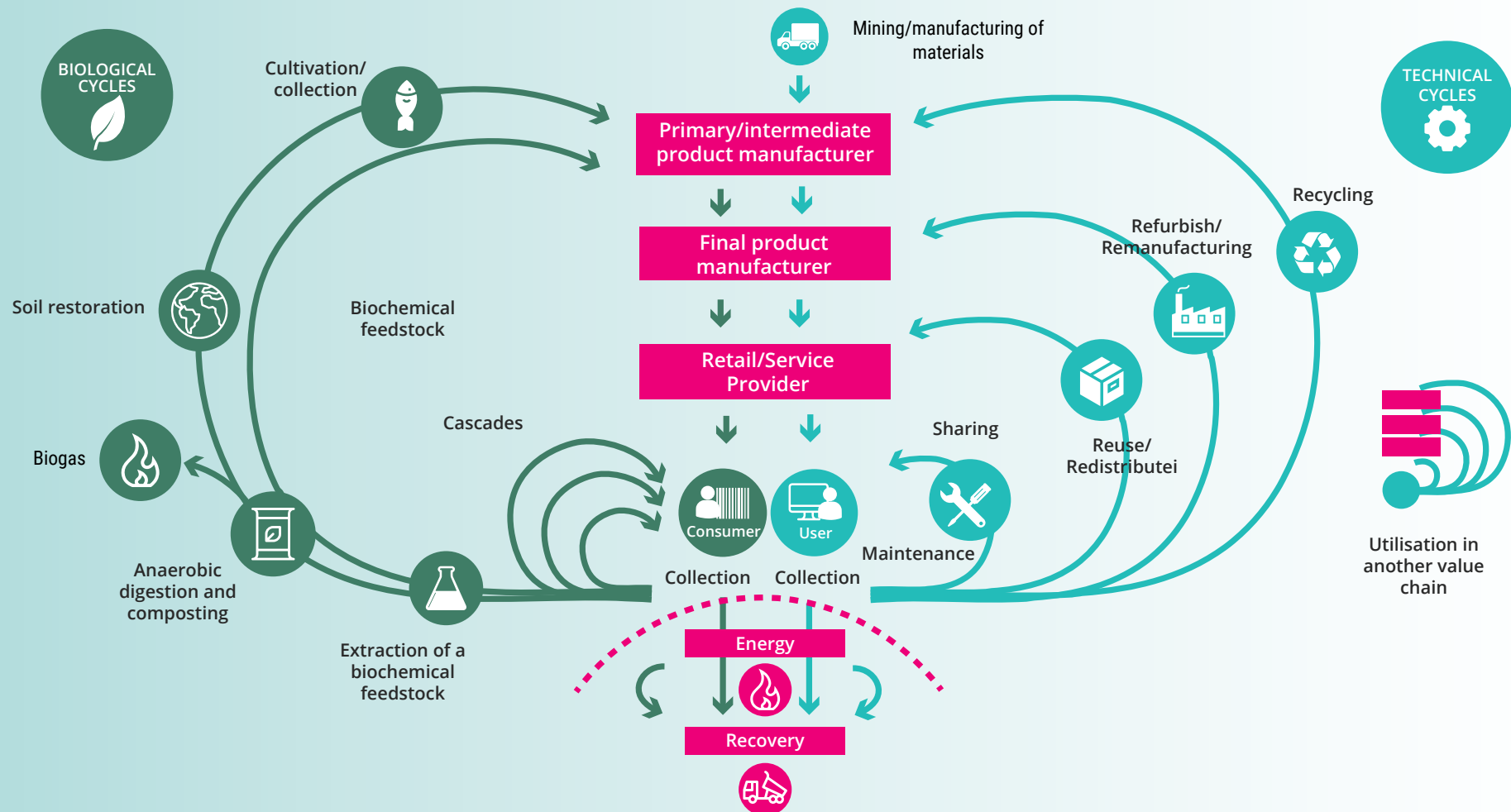
Figure 21. Circular economy butterfly diagram (adapted from Finnish Government 2021[86]).

Opportunities of the circular bioeconomy in rural entrepreneurship

"Tomorrow's achievers foresee changes and act accordingly today."
Confederation of Finnish Industries 2016[93]

The circular bioeconomy creates business opportunities for several sectors while also having a positive impact on the environment. In particular, there are apparent growth opportunities in the pharmaceutical, textile and construction industries. The importance of bio-based products is also expected to increase over the next decade.[90] Companies can benefit from the circular bioeconomy in different ways, and these benefits are presented below.

Prepare for the future with resource-efficiency in mind

The opportunities of the circular economy provide companies tools to produce more value with less resources and thus benefit from lower costs and risks[91]. Solutions for a circular economy are used to prepare for the anticipated scarcity of raw materials, price increases and risks arising from global supply chains. In other words, adopting new operating models can improve the self-sufficiency of your company. On farms, this is reflected as the recycling of nutrients, for example, which reduces the dependence on the global fertiliser market.[91,93]

Take advantage of new funding opportunities

Companies that operate with the circular economy mindset are attractive targets for investors and financiers, as these companies are better protected from the market risks of raw materials and climate change[94]. New circular economy financing instruments have entered the market and circular economy funds in the private market have increased up to tenfold[91].

Make a positive impact on the environment

Circular bioeconomy solutions promote the green transition, i.e. mitigate climate change, preserve natural resources, promote the preservation of biodiversity and the transition of the economy from the fossil economy to a bioeconomy. The transition to operate in the circular bioeconomy is therefore necessary in order to achieve the targets of the United Nations (UN) Sustainable Development and the Paris Agreement on Climate Change[82]. At the same time, you can create new business and well-being throughout society[87].

Operating model for promoting the circular bioeconomy

The operating model for promoting the circular bioeconomy describes in stages what a municipality can do to develop profitable business based on the circular bioeconomy in its region. The aim of the operating model is **to encourage** municipalities and companies in the region to collaboratively assess business development opportunities with the help of circular bioeconomy solutions. The operating model **promotes** knowledge of local bio-based side and waste streams as well as suitable further processing and utilisation solutions. Techno-financial assessment of the utilisation solutions provide the necessary information on the profitability of the investment to support business and investment decisions made by companies.

What?

Co-creation workshops and new ideas. Mapping, exploring and implementing potential business opportunities as well as new business partners.

For whom?

Coordinators (municipal) who want to promote the circular bioeconomy in their municipality in a business-driven manner. Companies that produce unnecessary biomasses and companies that are potential users of biomass are included in co-creation.

4 Assess utilisation solution options with partners

3 Obtain information and competence on the available side and waste streams and their alternative utilisation solutions

5 Identify business opportunities for utilisation solution options

2 Discover available bio-based side and waste streams

6 Enable observation or testing of a solution in a real-world environment

1 Ensure expertise in the circular bioeconomy

7 Make information and results collected during the development work available to companies and share experiences

Operating model for promoting the circular bioeconomy

Figure 22. An operating model created in the municipality of Lapinjärvi for municipal-based development of business that is based on a circular bioeconomy. A more detailed description of the implementation of the model's phases 1-7 as shown in the figure can be found on the following pages of the manual. (Arola, Juva, Kymäläinen & Syvälahti 2023).

1 ENSURE EXPERTISE IN THE CIRCULAR BIOECONOMY

Expertise in the field is necessary to promote the circular bio economy and to successfully implement the operating model. If necessary, expertise may be acquired in different ways:

More expertise through project funding
Project funding can be used to develop internal expertise at the municipality, hire a new expert or utilise the expertise of the project partners. Project funding can be applied for by a municipality or a company, or you can partner another party that has submitted an application. For example, the EU funds a variety of projects related to rural development (local development projects) and regional development (ERDF projects). These subsidies are managed by national or regional authorities.

Network with an expert organisation

Public expert organisations suitable for this need typically include higher education institutions and research institutes that provide teaching and research in the circular bioeconomy. It is a good idea to be in contact with organisations even if the municipality is not launching its own project. Various organisations may have ongoing circular bioeconomy project activities, to which regional analyses can be linked according to the municipality's needs.

Utilise student cooperation

In addition to the previously mentioned expert cooperation with higher education institutions and educational institutions, partnering with students is also possible. Students can help the company develop its operations by introducing new ideas, up-to-date information and competence to a company. Universities, universities of applied sciences and other educational institutions can cooperate with municipalities and companies through theses, internships and various project assignments. Do not hesitate to contact educational institutions.

Increase competence by training

Increasing the competence of municipal actors and companies will increase the municipality's capabilities for participating in the development of the circular bioeconomy, or even acting as a driver of a regional project. The need to boost competence can be linked to project activities in a more general sense or to a specific subject area in particular.

Study the current regulations

Achieving the objectives of the circular economy requires legislative steering with comprehensive regulation on the efficiency of material use. There is no law or directive on the circular economy in the EU. The circular economy is affected by, for example, waste legislation, regulation on product design and use, and regulation on product quality requirements.[95]

2   MAP THE AVAILABLE BIO-BASED SIDE AND WASTE STREAMS

The next step is to identify the current situation and collect information on local side and waste streams and their utilisation. Side and waste streams can be examined according to their volume, quality, composition, nutrient content, potential utilisation solution and value increase.

Bio-based side streams are generated from a wide range of activities in agriculture, horticulture and forestry, industry, production of services and the waste and water management sectors. Here are some examples of bio-based side streams generated by different sectors.

Agriculture and horticulture: The side streams in this sector include straw, fallow and grass from protection zones, manure, greenhouse biomasses, berry, fruit and vegetable production side streams such as plant leaves, stems and heads.

Forestry: The forestry side streams include, for example, crown and branch pulp from timber felling, which are, today, mainly used for energy purposes. Side streams from wood treatment include bark and sawdust as well as industrial black liquor, sediments and sludges.

Industry: In addition to the forest industry, bio-based side streams are created especially in the food industry.

Service production: Side and waste streams from service production are generated in restaurant and tourism, for example. Map service providers, for example, from business registers.

Construction, waste and water management: Bio-based side and waste streams are also generated in construction (e.g. wood waste) and municipal activities (biowaste, garden and park waste, sludges from wastewater treatment plants). The current situation and future prospects of these treatments are worth an examination by the waste management operator your region.

The best way to map local waste and side streams is to directly contact companies and other actors in the region, such as forestry operators. Local organisations, which can be used to provide information on surveys (e.g. e-mail newsletters) to companies in the sector, should also be used to reach actors in the agricultural and forestry sector. Direct contacts are what ensure the most up-to-date information and, at the same time, gauge the interest of the company or other actor in circular bioeconomy solutions. Actors may not recognise possible side streams suitable for further processing or their opportunities to utilise other side streams, so you can help them with the following questions:

- Where and what kind of waste is generated in production?
- Which side and waste streams are a cost for your company?
- Do you have a business idea, but not the necessary raw material you need?

TIP

Be prepared to do the groundwork in mapping local side and waste streams, as information may not be easily found in one place.

If you place requests for information to different registers, be sure to consider the current data protection practices.

3   OBTAIN INFORMATION AND COMPETENCE ON ALTERNATIVE UTILISATION SOLUTIONS FOR THE CIRCULAR BIOECONOMY

Get to know the various utilisation solutions for bio-based side streams that are being used and developed, acquire information and, if possible, also learn about the topic in practice. Focus on solutions that could, from some point of view, be suitable for utilising the side and waste streams available on the basis of the survey above. Plan compact information packages for a few potential solutions on your own or order them from experts, from which you can proceed to collaborative work with the actors in your region in the next section (step 4).

When utilising bio-based side and waste streams, it is advisable to aim for products with **higher added value**, in accordance with the value pyramid of biomass utilisation presented in Figure 23 (see also the inner circles of the circular economy butterfly diagram, Figure 21). Technological development began with products with lower added value, such as biofuels, but research aimed at new innovations and business is happening today, particularly on utilisation solutions with higher added value.

TIP

Make use of experts in the circular bioeconomy to map utilisation solutions for side streams. Experts in the field have up-to-date information on the possibilities of new utilisation solutions, which provides entrepreneurs with an opportunity to develop highly innovative business.

TIP

You should also listen to companies' wishes and views on which utilisation solution they would like to see examined. Use surveys directed at companies, for example, to map out their wishes in advance.

Figure 23. Value pyramid for the utilisation of biomass, such as bio-based side and waste streams (adapted from Stegmann et al. 2020[96]).

MICROALGAE

Microalgae enable products with high added value according to the value pyramid. Microalgae can be grown using nutrient-rich side and waste water from agriculture, industry and municipalities. Microalgae use nutrient for their growth and to produce algal biomass, thus purifying wastewater. Algal biomass **contains** valuable compounds such as proteins, fats, vitamins and pigments. This algal biomass can be used as such, e.g. as feed or fertilizer, or the valuable compounds can be separated for other use.

MUSHROOMS

Mushrooms decompose organic material and are one of the most carbon-neutral food sources. They also produce many valuable pharmaceutical compounds and bio-dyes for the textile industry. In addition to these **high added value** products, mushrooms are grown for food and feed use worldwide. Growing mushrooms in bio-based side and waste streams is a rising trend. Mushrooms are, thus, seen to have significant future potential for the circular bioeconomy.

INSECTS

The insect economy is also a growing trend that promotes protein self-sufficiency, sustainable production and the circular bioeconomy. It is believed to have great potential for growth, and research in this field has grown considerably in recent years. Insect breeding enables the processing of bio-based side streams into more valuable products, such as feed and pet products, and with certain restrictions, also for food use. Breeding residue can be used as a fertiliser. Black soldier flies, mealworms and house crickets are the most common species in the insect economy.

BIOCHAR

Biochar is a porous carbon-containing material, which can be made of almost any organic biomass, such as agricultural and forestry side streams, waste wood from construction and wastewater sludge. Biochar is made with pyrolysis, i.e. through heating biomass in the absence of oxygen. Biochar can be used in substrate, compost, manure processing or as a soil conditioner, feed additive, or filter material. It is also effective in **sequestering carbon** into the soil for several hundred years. Biochar operators can also sell carbon permits in voluntary emission compensation markets.

The benefits of biochar in agriculture and the possibility of additional income through carbon sequestration have attracted interest among farmers.

4   **ASSESS UTILISATION SOLUTION OPTIONS WITH PARTNERS**

At this stage, utilisation solutions for side streams will be assessed with the actors in the region. The recommended method for this is the creation of a collaborative circular bioeconomy **workshop**. The aim of such a workshop is to bring together actors throughout the circular economy value chain:

- Side stream producers, i.e. companies that produce bio-based side streams.
- Companies that provide solutions for processing side streams according to the utilisation solutions examined.
- Potential processors and users of side streams, i.e. companies with an interest in processing or utilising bio-based side streams.

The co-creation workshop presents the participants with suitable, processed information on the selected utilisation solutions for side streams and inspires the participants to reflect on them together. Presentations of the utilisation solutions encourage participants to consider these solutions from the perspective of their own business.

In the workshop, it is a good idea to encourage participants to also highlight other solutions of a circular bioeconomy that interest them. Through teamwork, the aim is to understand the local cooperation opportunities and needs that the solutions highlight. In terms of advancing the development work, it is important to find out the most significant questions on the actors' minds and the need for further review required by the utilisation solutions.

In the best-case scenario, the workshop will result in defining the most interesting circular bioeconomy solutions for the operators, which should be included in a case study (Step 5). The selection and definition of these solutions may require several meetings, in which the actors are provided with additional information on the questions and needs that have yet to be investigated.

Invite local participants to collaborate
Invite as many local actors linked to circular bioeconomy solutions to the workshop as possible:

- Local primary production actors (agricultural, forestry, horticulture).
- Local companies that produce bio-based waste and side streams. Also pay attention to companies whose operations generate excess heat or other inexpensive energy, which could be integrated into feedstock processes.
- Local entrepreneurs that might be interested in making use of side and waste streams or the opportunities of utilisation solutions.
- Municipal officials.
- Waste management operators.

Bring in expertise that supports the selected solutions to the workshop
There are various options for the implementation of a workshop. You can open the workshop with expert presentations on various utilisation solutions. After the presentations, small groups assess different solution options from the perspective of their own activities, identify opportunities for cooperation and needs for further investigation. In small groups, use brainstorming methods that are suitable for workshop work.

Organise facilitation for the workshop
Have a facilitator in the workshop to support the shared mindset and promote cooperation. The facilitator is not required to have expertise in the circular bioeconomy; instead, they need to have experience in collaborative inclusion methods. Read more about the practical arrangements of a successful workshop in the **Communications section**.

Implement a successful workshop
There are various options for the implementation of a workshop. You can open the workshop with expert presentations on various utilisation solutions. After the presentations, small groups assess different solution options from the perspective of their own activities, identify opportunities

for cooperation and needs for further investigation. In small groups, use brainstorming methods that are suitable for workshop work.

TIP

Carefully consider the best time to bring entrepreneurs to the workshop. During office hours, many entrepreneurs may be busy with their own company, so the most suitable time for the workshop may not be until evening hours.

TIP

Make sure that the experts are present in the collaborative workshop section. This way, you can provide immediate answers to the entrepreneurs' questions, save resources and speed up the development process.

TIP

Before working in groups, make sure that all participants know what the different side and waste streams and concepts mean. This makes it easier for participants to stay in their comfort zone and achieve fruitful results.

TIP

Ask the entrepreneurs if they have any wishes regarding the reviewed utilisation solutions. Make sure you consider the entrepreneurs' wishes.

5   IDENTIFY BUSINESS OPPORTUNITIES FOR UTILISATION SOLUTION OPTIONS

As a result of collaborative work, carry out targeted case-study examinations of the selected circular bioeconomy solutions. At this point, the producer(s) of side streams and possible operators interested in using the side streams are known. The business opportunities of the outlined circular bioeconomy solutions are examined with the help of a preliminary **profitability and feasibility study**. Assess the business conditions, risks and opportunities of the perceived solution from the company's perspective.

The aim is to develop solutions that companies are interested in developing and implementing further. This phase will be implemented in cooperation with companies and experts. Development can be carried out iteratively, such as by applying **the Design Sprint workshop method**. The profitability and feasibility studies resulting from this phase can be used to support the companies' business and investment decisions.

Refine initial information
Specify the side streams available for the case study, including their quantity, quality and availability. In addition, examine the current business activities of the participating companies, business objectives and the grounds and wishes for the company's participation in this circular bioeconomy partnership.

Assess the requirements of the operating environment
It is necessary to investigate the restrictions imposed by legislation, the need for permits and the possible need for protection. Determine social acceptability – what kind of current societal and cultural trends may affect the business? Also assess the market situation through the general economic situation, competitors and other stakeholders.

Determine the required resources
Examine the material resources and procurements needed to implement

the utilisation solution. What technology, material and equipment purchases, or new warehouses or production facilities are needed. Assess the logistics, investment and labour needs. Make an estimate of the variable costs, such as energy, material and labour costs. You may also investigate the possibilities of external funding (investment subsidies and project funding) at this stage.

Make calculations
Use the preliminary profitability calculation to examine if the solution option is economically viable with the operators in question. Based on the estimated resource needs, estimate the costs and revenues, and make preliminary profitability calculations based on them with, for example, the method for calculating the repayment period of an investment. It is also advisable to consider factors that increase or decrease value that are not measured in money, which may have an impact on the feasibility of the solution. The aim is to achieve a viable solution with business potential.

Present the results and evaluate the solution with companies
Based on the results, evaluate the utilisation solution in a discussion with the entrepreneurs and experts involved. You can use the "Four Lenses" design mindset method, developed by Tim Brown (2008)[97] and expanded by Shapira (2017)[98], in which the problems to be solved are examined from four different perspectives, to support the discussion. These perspectives are suitability, feasibility, desirability and sustainability. The tool is particularly suitable for brainstorming and developing sustainable solutions.

> Learn more about the **Four Lenses tool** and how to use it.
>
> For more detailed planning of business operations, you can use the Business Model Canvas. Read more about the **tool**.

It is important to assess business opportunities in cooperation with companies. The study is iterative, so you can always go back to a previous stage if you find that you need to correct or supplement a particular piece of information.

Bioinnovation sprint as part of the Living Lab
A case study of the selected circular bioeconomy solutions was launched in the municipality of Lapinjärvi using student cooperation. HAMK's biotechnology and food engineering students and Laurea's Bachelor of Business Administration and Hospitality Management students who participated in the Bioinnovation Sprint study module worked intensively on case-specific reviews for a week. During that week, the students worked on examining the utilisation solutions, taking into account the prerequisites for business operations.

The targets of examination, determined in connection with the workshop described above and further specified in cooperation with companies, were:

Energy and added value from dairy side streams
The purpose of the study was the utilisation of whey in biogas production and the related microalgae production. Its aim was to carry out a preliminary assessment of the feasibility of the processing concept.

Added value from the side streams of berry juice production
The study focused on the possibilities of using currently underused press cakes produced in juice manufacturing. The aim was to examine the added value achieved through utilisation and the profitability of the operation.

Use of agricultural and industrial side streams as a growth substrate for mushrooms and further processing of mushrooms
The target of the study was the utilisation of agricultural biomasses, sawdust and wood chips available in the region as a substrate for mushrooms and the further processing of the mushrooms produced. The aim was to determine which business model would result in a profitable operation between the actors in the chain.

Biochar production to improve resource efficiency as a farm-level solution

The study focused on farm-level biochar production and the use of biochar. The aim was to examine the possibilities of biochar production at a farm involved in the project, by integrating the biochar production plant into the heat network through the farm's existing chip boiler.

Before the sprint week, the students got to study the topic and went to Lapinjärvi on a corporate visit. The Design Sprint model was applied to the implementation of the bioinnovation sprint, in which solution ideas were tested with companies and further developed under the guidance of the feedback received. When planning and implementing the bioinnovation sprint, the partner institutions also contributed their expertise. After the sprint, cooperation continued with two companies for more detailed tech-no-financial and profitability assessments of the utilisation solutions.

Photo 15. Participating students and experts in the bioinnovation sprint visiting the dairy at Porlammi (Kymäläinen 2022).

TIP 💡

Communicate clearly with the companies, agree on the schedules and contents of meetings well in advance.

TIP 💡

Make use of the expertise of the multidisciplinary group and more advanced students to create unique ideas.

6 ENABLE OBSERVATION OR TESTING OF A SOLUTION IN A REAL-WORLD ENVIRONMENT

For entrepreneurs interested in the utilisation solution, provide an opportunity to observe or experiment with the solution in a genuine environment. The utilisation solution can be observed, for example, by organising a demonstration event at the facilities of a company interested in the solution. You can help with the practical arrangements of the demo days and provide information and marketing related to the event.

Provide the company an opportunity to try out new business through piloting. You can help with the practical arrangements of the pilot. Through piloting, the company can test the developed solution on a small scale and gain experiences of the functionality of the solution before more extensive implementation.

Demonstrations of circular bioeconomy solutions and pilots of new business often require arranging new technologies on site, which means that the entrepreneur incurs costs. If demonstrating and piloting the solution is challenging for the entrepreneur, for example due to the high cost, try to organise a company visit to see the solution in practice.

7 GIVE ALL INFORMATION AND RESULTS TO THE COMPANIES INVOLVED AND SHARE EXPERIENCES.

As a result of a successful circular bioeconomy development project, companies receive valuable information for developing their own business. The outputs that remain for the company's use include **the business ideas** developed in collaboration and tested by potential end-users, preliminary **profitability calculations**, suitability assessments and **information gathered on the utilisation solution**. It is essential that all this information and results accumulated during the study are made available to the companies to support their own business and investment decisions. Information,

Photo 16. Tuomo Leppänen presenting biochar production at a Demo Day (Arola 2023).

Photo 17. Completed wood-based biochar (Ikonen 2023).

results and experiences of new solutions and experiments should also be shared at the Living Lab network events, as this may open up new opportunities for cooperation or ideas for further development of the utilisation solution.

How we did it?
In the bioinnovation sprint, organised under the theme of the circular bioeconomy, the students produced preliminary techno-financial assessments of the utilisation solutions that were of interest to four companies (Case example: **Bioinnovation sprint**) and business ideas built around these solutions. These outputs were given to the companies. According to feedback received from companies, the working model of the bioinnovation sprint was considered good, and its observations provided entrepreneurs with valuable additional information for business purposes.

The entrepreneurs' experiences and feedback on both the biochar and mushroom pilots were collected with a separate feedback form. These experiences were shared with the Living Lab network in a panel discussion organised by the municipality of Lapinjärvi, which was streamed to a wider audience.
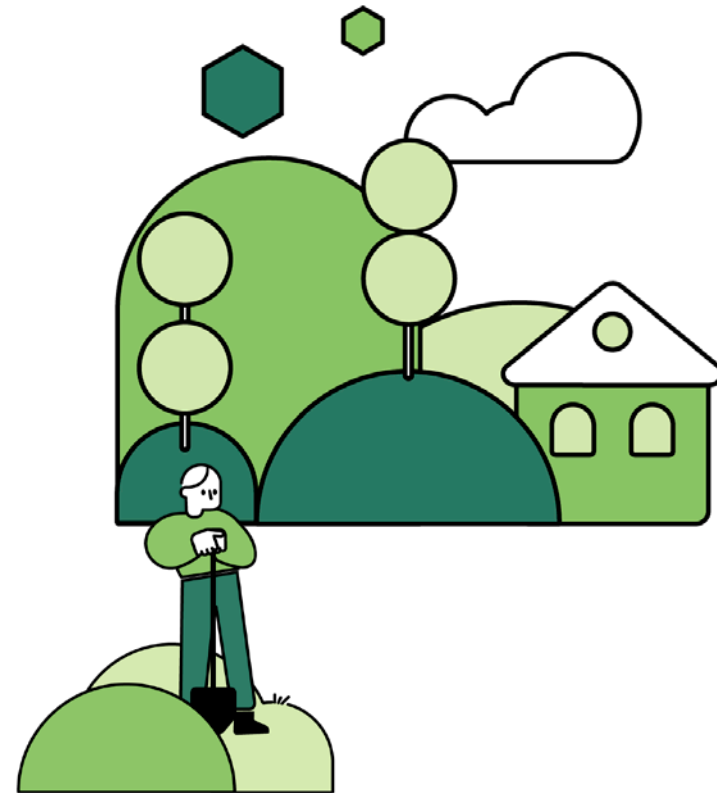
Living Lab case at Lapinjärvi: Preparation and organisation of the intensive bioinnovation sprint week

Background

Co-creation is an integral method for creating new innovations. Innovation work is smoothest when key actors settle and focus on the same challenge at the same time. The partners create, study and process information together. At the same time, they investigate the possibilities of applying the resulting information to solve the identified problem. The challenge is that the participants have limited time together. The Design Sprint model was created for agile and rapid service development. In practice, the participants have one week to define and limit a problem, propose draft solutions, select a solution option, form a rapid prototype and, finally, test the solution. The sprint model was originally created to be applied in a physical environment where the group can work on a whiteboard using post-it notes, paper and markers, making use of the wall area[99].

Need

The aim of the municipality of Lapinjärvi was to create a joint Living Lab to promote activities in line with the circular bioeconomy and to develop business cooperation in the region. Small entrepreneurs in the Lapinjärvi region, on the other hand, had a need to develop their own business to correspond to the activities of the circular bioeconomy, thus ensuring the company's future sustainability.

Objectives

The aim of the sprint was to develop a business concept for each of the four entrepreneurs in line with the circular bioeconomy, which the entrepreneur would be enthusiastic about and committed to further develop after the sprint week. In addition, the aim was to create partnerships between companies in accordance with the circular bioeconomy, for example in terms of the circulation of raw materials and nutrients and the sharing of resources.

Measures

In the name of location-agnostic post-pandemic collaboration, we tried applying the sprint as a hybrid in both a physical and a virtual environment. The organisation and facilitation of a virtual bioinnovation sprint requires a core team that is used to the technology (e.g. Miro and Zoom). Students from Laurea and HAMK were invited to participate: future hospitality managers, business officers and biotechnology and food technology engineers. A service design expert from Laurea was responsible for the implementation of this sprint together with a service design colleague and an assistant facilitator. The service designer prepared a sprint wall in Miro with daily tasks, planned the progress and use of time, scheduled the entrepreneurs' participation in suitable moments, familiarised students with virtual tools (e.g. the test track in Miro). At the beginning of the Sprint, they introduced the students to the coming week, coordinated key facilitation tasks with their colleagues, mentored the student groups and ensured progress during the week.

Results

The sprint week resulted in business ideas created by students in line with the circular bioeconomy that were tested by a potential future end user of a service or product or an expert in the field. The user feedback obtained from the tests was forwarded to the entrepreneur. In addition, entrepreneurs learned practical operating methods for co-creation and innovation as well as opportunities for the circular bioeconomy.

The participating students learned about practical service design, co-creation in a virtual environment, operation in the sprint model, the circular bioeconomy, as well as circular economy business models. The experience they gained is important from the perspective of future career competence. The students advanced their studies with five study credits.

The project actors and the municipality of Lapinjärvi accumulated experience by bringing entrepreneurs, experts and students together in a virtual environment to solve multidisciplinary challenges.

Implementers

The municipality of Lapinjärvi commissioned Laurea University of Applied Sciences to organise the bioinnovation sprint. The participants included students, lecturers and experts from Laurea University of Applied Sciences and Häme University of Applied Sciences.
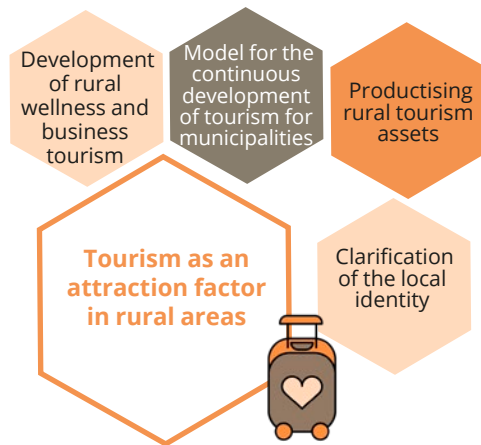
Authors: Sanni Aromaa, Annukka Korvenranta, Elisa Laatikainen & Marjaana Salomaa

Tourism

Tourism as an attraction factor in rural areas

Tourism as an attraction factor in rural areas

Development of rural wellness and business tourism

Model for the continuous development of tourism for municipalities

Productising rural tourism assets

Tourism as an attraction factor in rural areas

Clarification of the local identity

Develop new tourism business that is based on the region's strengths.

Create products from the advantages of rural tourism.

Harness growth potential of tourism as business activities through the model for the continuous development of tourism.

Develop business tourism to rural areas from the perspective of wellness tourism.

Tourism has been one of the fastest growing sectors, and it plays a major role in regional and industrial development. Tourism promotes **economic development, creates jobs and boosts regional prosperity**. In addition, tourism can promote intercultural understanding and improve the living conditions of local communities.[100] Therefore, there is enormous potential in the development of tourism, not only for the tourism sector, but also for society. This section of the handbook on tourism development focuses on this inspiring and challenging field and provides concrete instructions and perspectives for successful tourism business.

There is eagerness to develop and brave attitude in the tourism industry. Using the co-creation methodology, we created *a) a model for the continuous development of tourism, b) a model for productising rural tourism assets and c) an operating model for business tourism that supports well-being* together with tourism and tourism-adjacent entrepreneurs in Lapinjärvi and its neighbouring regions.

CORE CONCEPTS

Accommodation business
The tourist accommodation business involves the provision of temporary accommodation in a professional manner and with the aim of gaining financial benefits. Accommodation can be provided in the form of hotels, motels, agritourism, breakfast accommodation, or (for example) holiday homes.[101]

Business travel
Business travel (including work travel or work-related travel) refers to all **t**ravel related to work or professional activities. These trips are often paid by the employer, and the destination, travel time and travel duration are determined by the employer or work tasks. Forms of business travel include meetings, fairs, familiarisation and technical visits, incentive visits, tours for familiarisation trips for tour organisers and trips for staff well-being and recreation, as well as trips that combine business and pleasure (bleisure).[102,103] In business travel, what's important are accessibility of the region, high quality, clear packages and purchasability.

Combined tourism product
A combined tourism product is a combination of two or more services or products which have been formed into one, according to a pre-planned and agreed upon totality. A combined tourism product may be created by two or more tourism entrepreneurs, and it may also include products or services from other sectors.[100]

Experience tourism
Experience tourism combines tourism and a lived experience. Experience does not always mean adventure or risk-taking; it can be any activity that boosts the customer's enjoyment, pleasure, personal development or mental growth. Developing experience-based services often requires strong engagement of customers and users to achieve the best customer experience.[100]

Food tourism
Food tourism is a form of tourism in which people travel after local flavours and thus to find the spirit of the places they visit. Food tourism may also include guided cooking, eating in nature, and various events and programmes built around local food.[104,105]

In terms of the vitality of the municipality, each new service that successfully enters the market and finds its customers is a victory. Therefore, encouraging experimentation and making them easier is worthwhile – from the perspective of each entrepreneur, resident and visitor enjoying the services, as well as the municipality.

Opportunities for developing tourism in rural entrepreneurship

In recent years, domestic tourism and rural tourism have seen new growth, as people want to travel to less popular tourist areas[111]. Between 2020 and 2021, the growth in domestic tourism demand spread to practically every region of Finland, Uusimaa being the largest of them[112]. In Finland, the tourism sector has been chosen as one of our most strategically significant growth sectors due to its competitiveness and its features that enable economic growth[100].

Research shows that tourism also has an impact on the business operations of other sectors in the region. The tourism experience consists of **a service package** at the destination, which includes not only accommodation and restaurant services, but also shops and various experiences. These services are often provided by different entrepreneurs, which is why **network-like activities and cooperation between companies is crucial** for success.[100] In multidisciplinary farms, rural entrepreneurship consists of several types of business, and, for example, accommodation in a rural atmosphere or agritourism create new business opportunities, along with other entrepreneurship[113].

In recent years, not only the tourism business, but the tourists themselves have also found new operating methods. According to a trend study conducted by Haaga-Helia's Service Experience Laboratory LAB8, the new remote working culture that emerged with the coronavirus pandemic, offers rural areas opportunities to combine business tourism with leisure travel.

Tourism business
Tourism business is a business related to travelling and tourists, carried out by private entrepreneurs and companies[106]. The tourism business covers the implementation of services targeted at tourists before, during and after the trip[100].

Well-being at work
The concept of well-being at work includes occupational health, work ability and fluent daily routines[107]. The areas of activity that maintain work ability include promoting the individual's health and resources, professional competence, developing the work and working environment, and improving the functioning of the work community and work organisation. In Finland, work ability activities are based on legislation and thus require cooperation between the supervisors, employees and the work community. (Occupational Health and Safety in Finland.) From the 1990s onwards, the concept of work-related activities as recreational and physical activity-oriented activities became more common[107]. Many service products have emerged around the work ability, well-being and recreation days, which focus on physical activity, recreation and interpersonal relationships.

Wellness tourism
Wellness tourism refers to trips that are motivated by personal well-being, promoting and maintaining health and treating oneself. The tourist expects from their wellness trip a comprehensive physical and mental well-being, which continues even after the trip. Nature and the utilisation of natural resources as well as local culture with their customs and traditions play a key role in wellness tourism.[108] The Finnish wellness tourism product emphasises the sauna and a comprehensive sauna experience, silence, outdoor activities, water as a wellness element, well-being and pampering treatments that utilise traditional methods and Finnish raw materials, wellness cottages, and health and fitness activities[109].

Wellness travel for work is one of the sub-forms of wellness tourism. It focuses on promoting or maintaining physical and or mental well-being.[108] The wellness products offered by tourism companies for workplaces are mostly events for well-being at work, capability and recreation days, the content of which is mainly focused on physical activities that support recreation[110].

For example, there has been an increasing number of so-called "digital nomads," who are characterised by working around the world while maintaining their work-life balance.[114]Another new phenomenon in domestic tourism is micro-holiday, i.e., a short daytrip within one's own area or to a neighbouring area. **Food tourism may be emphasised with micro-holidays**, as the highlight of a short visit may be the lunch or dinner enjoyed at the destination.[104] This enables rural entrepreneurs to create new food tourism products based on the region's own identity, flavours and local culture.

Rural identity as a tourism asset
Rural areas offer an excellent opportunity to utilise nature and local identity as an attraction factor for tourism. This enables tourists to have unique experiences that are not available in the city, for example enjoying rural nature, peace, silence and local culture.[115]

Case example **A new combined tourism product**, **Tasty Travels with Marshall Mannerheim**, was piloted in Lapinjärvi, Finland. The pilot was a good example of how well a combined product supports the development of for **food tourism**. The pilot combined a thematic lunch that was built around the products and special expertise of several local entrepreneurs. Local products were introduced as part of the **thematic lunch concept, and the products were permanently sold** in the café-restaurant that organised the event. With the inclusion of the thematic element, the concept also had clear hints of **experience tourism**, which is characteristic of today's **experience-based service products that engage all the senses**. Products like this, combining food and other experiences, can be used to attract tourists to the region who are willing to experiment. The most interesting destination for tourists may well be one in which the main target group would appear to be the local population: **authenticity** is a significant asset in the tightening competition.
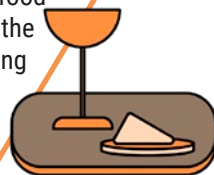
Customer experience at the centre of tourism product development
A common feature in the development of tourism products is that **the customer is always in the focus of the service**. Customers form their understanding of the operators in the area based on their own overall experience, and therefore it is essential to involve both the customers and a network of service providers in the development of products and services.[100] For this reason, in this manual, service design has been chosen as the method used, as its central idea is to place the customer and other users[116] at the center of the service development.

Innovation is an integral part of service design, and it is crucial in developing tourism industry in rural areas and small municipalities. Innovation helps companies to find new ways to serve their customers and develop new service processes. Brainstorming and testing make it possible to trial new ideas and to develop continuously, utilising service design tools.[116]

Tools to support continuous development
The models for tourism development make use of service design and business development tools. These have been selected and partly customised to function especially in the operating environment of small municipalities, and to respond to their characteristic challenges. The tools are suitable for the development of products and services in several sectors, but in this context the tools for tourism development have also been tested and validated as suitable for the development of the rural tourism industry and the productisation of tourism assets.

The tools are listed and presented in the following chapters of the handbook in connection with their intended use.

Piloting minimises risks and maximises benefits
The main objective of piloting is to support business development and to minimise the risks associated with the implementation of a new product, service or process. Piloting improves the company's customer satisfaction by collecting feedback on customer experiences and documenting user observations from all parties participating in a pilot.[117]

Especially in the tourism sector, introducing new products can be challenging, as **the tourism experience is often very personal**. Customers may have many types of expectations towards the services, and, for example, holidays can be quite unique and often once-in-a-lifetime experiences for the customers. As a result, the risk of having poor customer experience due to a new and untested service product is too high, leading to not introducing new product to the market at all.[118]

This manual presents later in this chapter an operating model for companies to pilot their products, validate their demand, and collect customer feedback before the products are officially published on the market.

Photo 18. Planning the implementation of a pilot with the tool in a tourism development workshop (Laatikainen 2022).

Model for the continuous development of tourism

The model for the continuous development of tourism is specifically intended to support municipal decision-makers and developers in the development of the municipality's tourism industry.

The model for the continuous development of tourism is based on collaboration that is inspiring, systematic and motivating, providing a consistent and long-term approach to the development of tourism services in rural areas and small municipalities. The model was developed in cooperation with tourism entrepreneurs and is designed to consider the special features of tourism and rural entrepreneurship.

The model for the continuous development of tourism in a nutshell

WHAT?

The model is intended for the continuous development of municipality's tourism business. The core idea of the model is to get to know other entrepreneurs in different meetings, which are either partly or fully facilitated. A coordinator can convene two types of collaborative meetings: idea workshops and tourism-related network meetings. In addition to the meetings, the development of the tourism industry is supported by on-demand activity, which the coordinator tailors to the companies on a case-by-case basis.

WHERE?

Network meetings and idea workshops included in the model for the continuous development of tourism can be organised both in the municipality's premises or at the entrepreneurs' premises, which provides an opportunity to present the company's own activities to other participants. Network meetings offer an opportunity to showcase the entrepreneurs' own development experiments and to spar with others for further measures.

FOR WHOM?

The model is designed to support the development of rural areas and small municipalities, drawing on their strengths in the tourism sector. The activities of the model are maintained by a coordinator in charge of developing economic activities in the region. Read more about **the role and activities of the coordinator**.

In addition, it is also important to note that local entrepreneurs and other stakeholders, whether directly or indirectly involved in tourism, are the real key persons in the implementation of the operating model. Entrepreneurs create new business, form new partnerships and make use of the region's resources for the benefit of both the companies and operators in other sectors. Involved local entrepreneurs can foster ongoing tourism growth, improving the region's economy and vitality.

Figure 24. Model for the continuous development of tourism in a nutshell (Aromaa & Laatikainen 2023).

Entrepreneur network

Relevant topics and content from entrepreneurs for meetings. The coordinator facilitates and invites, entrepreneurs brainstorm, implement and demonstrate.
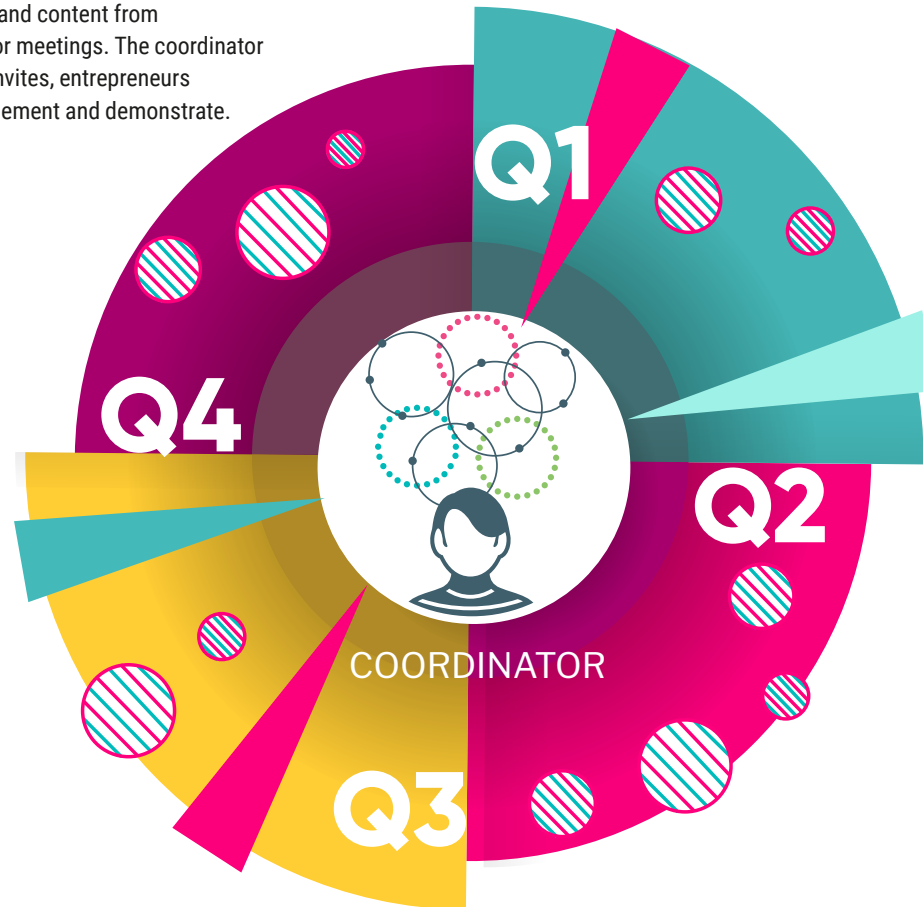
Model for the continuous development of tourism

BRAINSTORM!

Idea workshops 2/year
- Get to know each other and keep in touch.
- Brainstorm new business and imagine futures.
- Develop joint business and renew existing business.

DEMONSTRATE!

Network meetings 2/year
- Let's get to know each other and keep in touch.
- Be inspired and inspire others.
- Give and gain insights into ideas.

WORK TOGETHER!

On-demand activities
- On-demand activities.
- The coordinator meets entrepreneurs between the Idea workshops and Network meetings.
- Advancing entrepreneurs' development projects according to their wishes.
- Preparation of next meetings and topics.

Figure 25. Model for the continuous development of tourism, annual cycle (Aromaa & Laatikainen 2023).

In the model for the continuous development of tourism, the year is divided into four parts, during which **measures are implemented between workshops and individual development activities**. The model combines idea workshops and network meetings convened by the coordinator, in addition to company-specific and flexible on-demand measures.

The model for the continuous development of tourism follows a service design process called Double Diamond[119]. Idea workshops implemented according to the model operate in the open half of the diamonds (discover, develop), and network meetings discuss the work done during the closed half (define, deliver), as well as the results of the work (vision, solution). On-demand services tailored to the companies' needs enrich the work between workshop sessions. The arrows shown in Figure 26 describe the iterative nature of the process: the development often reverses to find the best path in the end.

The model for the continuous development of tourism:
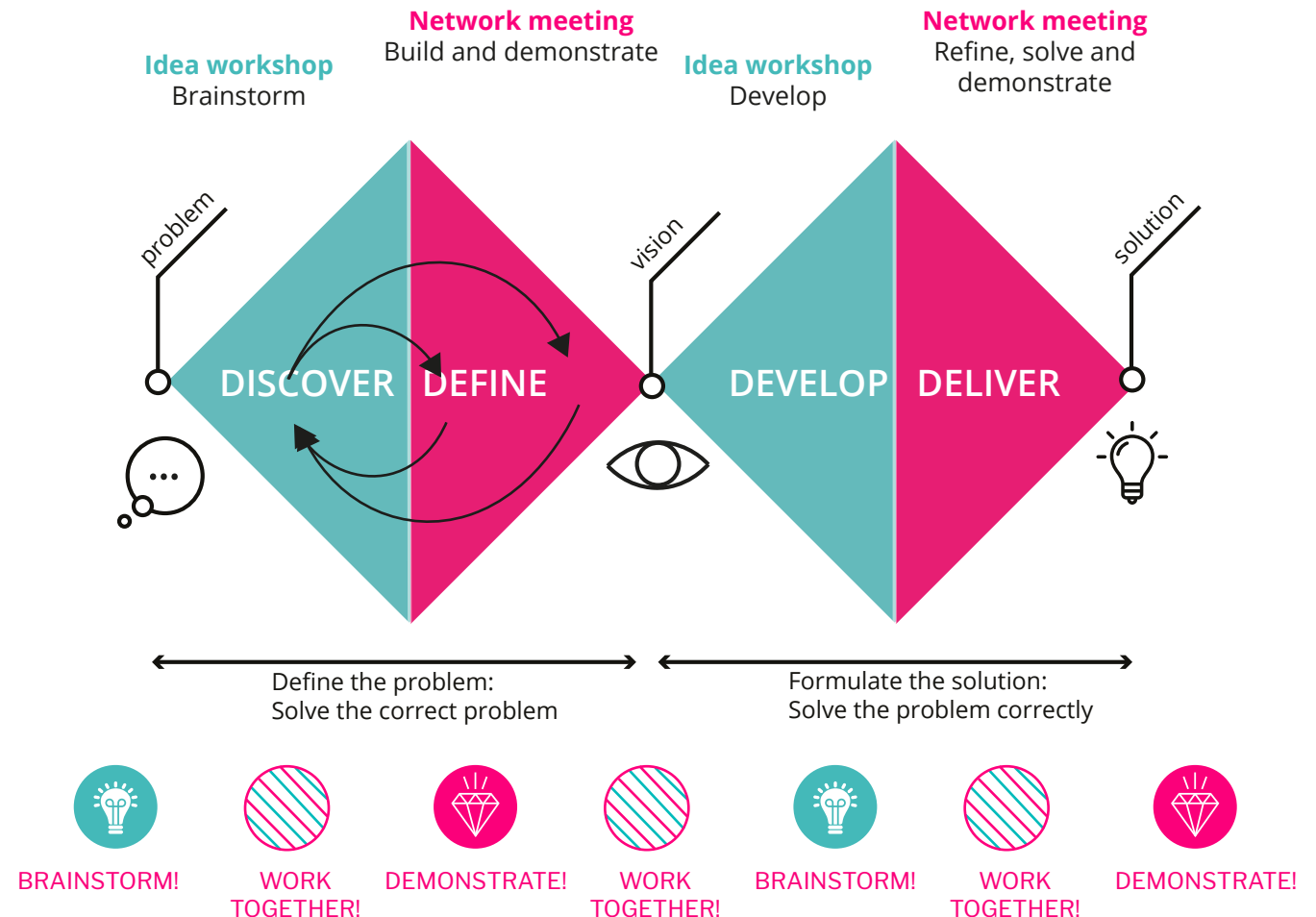
Figure 26. Progress of the workshop meetings in the model for the continuous development of tourism (Aromaa & Laatikainen 2023, adapted from the British Design Council 2019[119]).

BRAINSTORM!

Stage 1: Idea workshop is for exploration and brainstorming

In the model for the continuous development of tourism, systematic development of the tourism industry in a municipality begins with an **idea workshop**, which is convened by the coordinator and to which the region's tourism entrepreneurs and actors from other sectors are invited. The goal of the idea workshop is to support companies in brainstorming new business activities, and find new solutions to develop existing products and services.

The content of the idea workshops is built around **the model of productising rural tourism assets**, which supports the regional development through product development carried out by local companies. More detailed content of the model and the tools used in it are described in the chapter on the model for productising rural tourism assets

In addition to new products and innovations, the key objective of the idea workshops is also to support entrepreneurs in networking with each other. Entrepreneurs meet each other at the events, and it is advisable to also invite entrepreneurs from other industries. During the idea workshops, the coordinator leads entrepreneurs to examine and develop their existing products and encourages participants to find new business opportunities and forms of cooperation.

WORK TOGETHER!

Stage 2: On-demand activities support gaining insights from ideas

After the idea workshop, companies can concentrate on examining their own development targets, during which the coordinator supports them **on-demand** as necessary. The coordinator's objective is to encourage companies to reflect on their previous ideas, while leaving them sufficient room to manoeuvre in their daily operations and other measures.

DEMONSTRATE!

Stage 3: Network meetings specify and build

The tourism network meeting is a joint event, in which companies from the tourism sector and actors from other fields are invited, much like with the idea workshop. The coordinator convenes these meetings and facilitates the progress of the meetings.

The key objective of the network meeting is to promote the regional actors getting to know each other and each other's products, services and functions. Another aim is to encourage and inspire entrepreneurs to develop new types of tourism activities across sector boundaries by sharing views on the latest trends and new innovations in tourism.

As the activities become established, the participants share their progress on their previous development activities, as well as collaborate on joint tourism products under development. However, especially in the early stages, concentrating on previous development activities is not a priority, as it is appropriate to give companies sufficient time to implement development measures.

WORK TOGETHER!

Stage 4: On-demand activities provide support and time for development

During the second quarter of the model for the continuous development of tourism, companies will be given sufficient time to develop their own products and service innovations. During this period, the coordinator does not arrange separate cooperation workshops, but supports companies on demand. In on-demand activities, companies can agree on individual meetings with the coordinator, in which the coordinator can help companies to use the tools that are available in the **Model for productising rural tourism assets** section.

BRAINSTORM!

Stage 5: Develop the idea and formulate a solution at the idea workshop

After developing ideas further individually, the activities continue again in an idea workshop, which is convened by the coordinator. At this stage, the coordinator facilitates the course of the event so that the workshop focuses on developing product and service ideas that are already under construction. By this time the companies should have had time to get to know their selected development targets, and at this stage, they join forces to come up with solutions to the challenges that have emerged and to formulate complete solutions of the products.

WORK TOGETHER!

Stage 6: On-demand activities supports concrete changes

Between the workshops, the coordinator provides entrepreneurs with support in conceptualising new products and service innovations, planning practical steps for implementation and drawing up work plans. The aim of the activities is to finalise the implementation plans for the companies' development targets so that they can put them into practice and to test and pilot products either independently or in a network meeting.

DEMONSTRATE!

Stage 7: Products are processed, and solutions are piloted at network meetings

The network meeting in the third quarter, which is convened by the coordinator, focuses on refining products into deployable versions. At the meeting, the coordinator facilitates discussion and encourages companies to share their experiences and find solutions for producing optimal products together.

The network meeting can also be used as a pilot event for a new product or service. Read more about the benefits of piloting, especially in the context of tourism development, in **the model for productising rural tourism assets** section.

After the network meeting, the last quarter of the year is dedicated to developing the companies' operations and introducing new products. This aims to ensure that the companies have sufficient resources and time for both meaningful development work and to achieve the best possible end results.

> **The Low-tech Social Network** is suitable as a warm-up and familiarisation exercise when starting networking activities.
>
> **A feedback card from the workshop** helps you develop your own work as a workshop leader

Photo 19. The Tourism Development Workshop studied the development of Lapinjärvi's tourism sector together with companies and stakeholders (Laatikainen 2022).
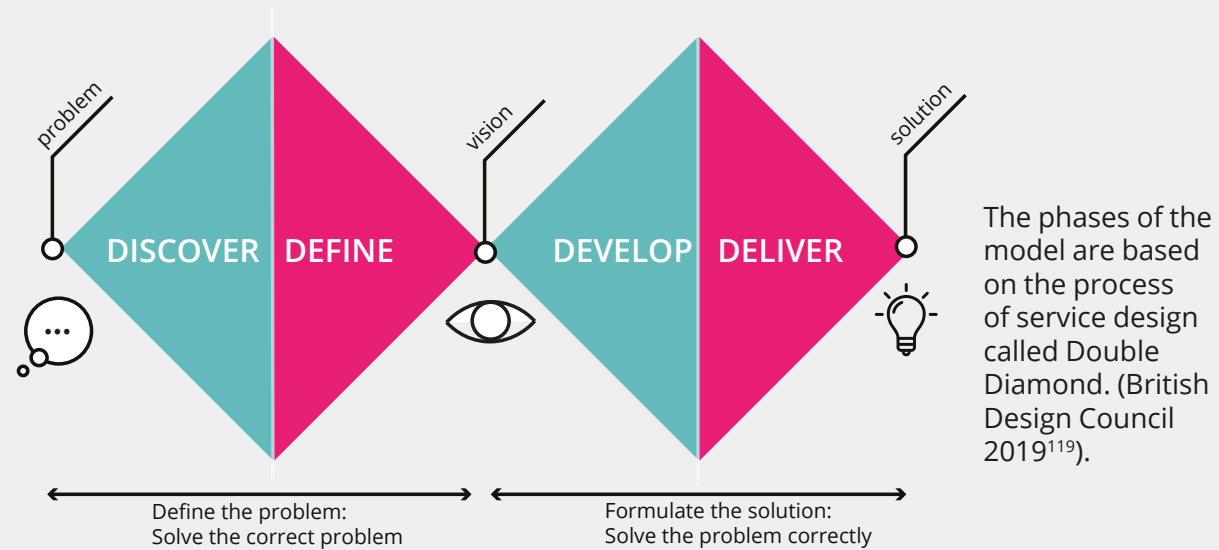
Model for productising rural tourism assets

In the previous section, we examined the model for the continuous devel-opment of tourism, which is intended to support municipal decision-makers and the coordinator of business activities, especially in the development of the tourism industries of small municipalities. We are now moving on to a model intended for companies to develop new tourism products and service innovations.

The model for productising rural tourism assets provides tourism entre-preneurs with tools for finding new business opportunities and develop-ing tourism products. The model focuses on product and service-specific innovations, and it is used to define, specify and develop them to meet the needs of an identified and profiled customer group.

The tools presented in the model can be used in several stages of the pro-ductisation process, as shown in Figure 27. Next, the tools are presented in more detail in one context.
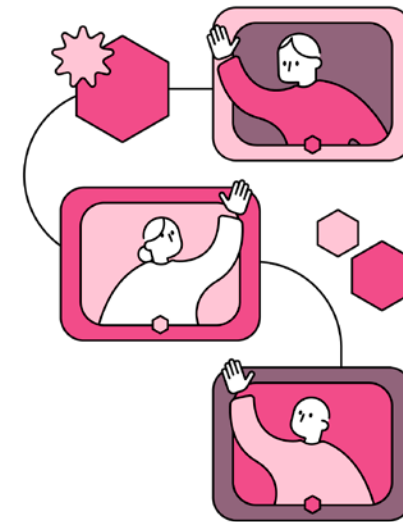
The double diamond process from service design is the basis of the model for productising rural tourism assets

problem

DISCOVER | DEFINE

vision

DEVELOP | DELIVER

solution

The phases of the model are based on the process of service design called Double Diamond. (British Design Council 2019[119]).

Define the problem:
Solve the correct problem

Formulate the solution:
Solve the problem correctly

Discover.

Understand, not presume. Listen, ask, observe and make use of existing information.

Develop.

Together, brainstorm and develop different solutions to the identified problem.

Define.

The collected information helps identifying and defining the actual problem.

Deliver.

Test solutions - find out what works and what doesn't. Improve the solutions.

(Aromaa 2023 mukaillen British Design Council 2019[119]).

Figure 27. The double diamond process from service design is the basis of the model for productising rural tourism assets (Aromaa 2023, adapted from British Design Council 2019[119]).

Model for productising rural tourism assets

1

WHAT
Brainstorm, expand and specify

- Know your customer: Gather customer insight based on the acquired information, don't assume.
- Study the operating environment, culture and trends. What does the future look like?
- How far will your own resources take you?
- Form partnerships with other entrepreneurs!

Tools:

- 5 x Why?
- Lotus flower
- Stakeholder map
- **Customer profiles**
- Trend cards
- Business Model Canvas
- Customer Journey
- Service Safari and/or Feedback Form
- LEGO® Play

2

HOW 1
Design and experiment lightly

- Map options and select the best for further development.
- Brainstorm and try out various simple solutions!
- Make sure you start solving the correct problem!

Tools:

- Customer Journey
- **Customer profiles**
- Idea prioritisation tool
- Business Model Canvas
- LEGO® Play

3
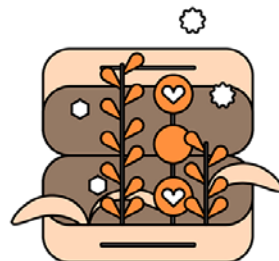
HOW 2
Test, verify and improve further

- Test: Plan and implement the pilot! Use the pilot checklist.
- Involve customers and collect feedback! Make your own solutions based on growing understanding.
- Ask the customers for how much they are willing to pay for the product.

Tools:

- Customer Journey
- Business Model Canvas
- Idea prioritisation tool
- Steps of Pilot cards
- Service safari and/or Feedback form
- LEGO® Play

4
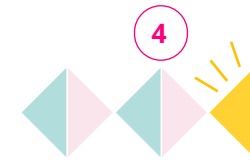
DEPLOYMENT
Introduce new product to market

- Prepare a (digital) marketing plan for the new product, focusing on the channels that are important to your target group. Use e.g. How To Create A Digital Marketing Strategy: **Eight Steps To Laser Focus Your Plan**
- Make sure that the new product is in line. Consider whether the brand, appearance or communication need to be refined as the services are renewed.
- Collect feedback and compare it with what exists: was the product development worth it? What could be improved further? Have customers found the product?

Tools:

- Customer Journey
- Business Model Canvas
- Service Safari and/or Feedback Form

Figure 28. Model for productising rural tourism assets (Aromaa 2023, adapted from British Design Council 2019[119]).

TOOLS

1

The Stakeholder Map helps to identify companies and communities that operate in the region, to identify sectors that are interesting for your company and to identify new potential partners.

Empathy Map helps to provide a comprehensive view of customer needs, wishes and ideas.

5 x Why? tool allows you to identify the real causes of the identified problems.

Idea prioritisation tool helps to come up with structured ideas and map out the different aspects of the matter.

2

Idea prioritisation tool helps you focus on the most relevant development targets and ensure that resources and time are used efficiently.

LEGO® Play method can be used to describe a product concept or Customer Journey, for example.

Business Model Canvas is used to design or develop a business model.

Customer Journey is a good tool for prototyping and increasing customer understanding.

3

Steps of Pilot cards guide the planning of the productisation path.

LEGO® Play is suitable for use with the Steps of Pilot cards.

Service Safari is used to assess the service, status and physical elements, personnel and communication of the product.

Customer Journey tool allows you to enrich and refine the understanding gained with the Service Safari.

Post-experience feedback form help to provide a comprehensive and versatile view of the service to be developed.

4
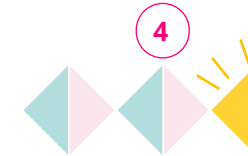
Several of the tools presented above can be used for product launch and feedback collection, such as the **Customer Journey**, **Business Model Canvas**, **Service Safari** and the **Post-experience Feedback Form**. For example, Forbes' article[120] **How to create a digital marketing strategy: 8 steps to laser focus your plan** can be used to support the preparation of a (digital) marketing plan.
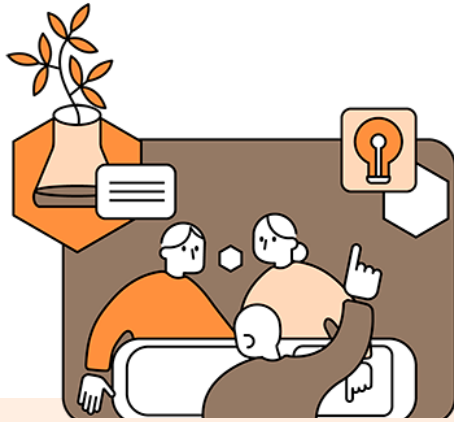
PILOT CHECKLIST:

1. Define a part of the product to be piloted. What is the most critical part of the customer experience?

2. Define what you will measure. Consider if you need comparable information and how to obtain it.

3. Plan and record the pilot's progress, roles and schedule carefully with all organisers.

4. Make sure the pilot package is as authentic as possible to achieve good results.

5. Plan the feedback collection process. Agree on who collects the feedback and how. Collect both quantitative and qualitative feedback.

6. Analyse the feedback and review it with the team. Think about the matters that arise from the material.

7. Prioritise improvements and agree on which ones will be carried out.

Figure 29. Pilot checklist (Aromaa 2023).

1

PRODUCTISATION: Step 1 Exploration and data collection initiate the activity

Rural tourism assets, such as silence and experiences of nature, local food culture, history and farm accommodation, can be utilised to create new tourism products. In the development of tourism products, it is also important to increase understanding of current and potential customers.

In the first phase of productisation, the focus is on **studying and collecting information from both the operating environment and the customers**. It is also important to increase understanding of the potential tourists: to explore their needs, interests and possible motives for travelling to the area. Understanding the tourism trends in the context of one's own region of operation also helps to tailor services to the needs of customers and to develop products with real demand for tourists in the region.

The aim of research and data collection is to support efficient and productive product development. The collected information can be used as a basis for brainstorming new products and developing existing products. Think about the observations you can make based on the collected information. Are there any identified needs that your region's tourism industry has not yet responded to? Are there potential partners among other producers in the region with whom you could develop joint tourism products?

Individual companies should also identify **new business opportunities in cooperation with other operators in the region, also crossing into different sectors**. Tourism-themed network meetings, held by the municipality, are ideal for this purpose. These are presented in the section **on the model for the continuous development of tourism**.

2

PRODUCTISATION: Step 2 Design and experiment lightly

After brainstorming new tourism products and development targets, you should specify **the plans for the measures to be taken and carry out light experiments** to ensure that you have located the correct development targets and are using the best tools.

The objective of this phase is to select a limited number of product or service innovations, from several different options, that will be chosen for practical implementation. Note also that none of the previous ideas will be wasted, as you can return to them once the first development measures have been successfully completed. The purpose of the tools you use at this stage is to help entrepreneurs prioritise their product development to ensure the adequacy of both personnel and other resources. The company can also carry out lightweight experiments, for example, by testing the service experience developed on its own from the customer's perspective.

3
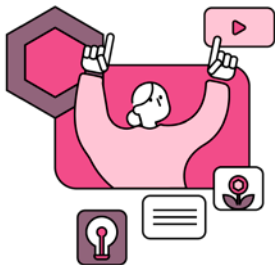
PRODUCTISATION: Step 3 Testing and piloting to polish the product into a diamond

Before the product is launched on the market, it is **tested and piloted** to ensure a smooth implementation and a comprehensive customer experience. Product piloting helps to determine which parts of the product are functional and which still need further development. The pilot process will also be used to confirm the profitability of the planned implementation and its suitability for the customer's needs.

A detailed implementation plan is drawn up for the pilot, in which the different phases of the pilot are divided into sections, with both factors and objectives defined. Once the plan has been completed, you pilot the product, i.e. test the whole product or a part of it in practice to make observations and collect feedback. You can utilise Steps of Pilot –cards presented later in this manual to plan your pilot phase.

TIP

Entrepreneurs can share their observations and experiences of lightweight experiments in tourism-themed network meetings, which are organised by the municipality. This allows the company to receive valuable tips and feedback from its own stakeholders.

4
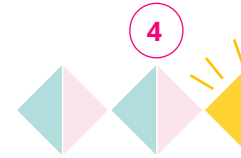
PRODUCTISATION: Step 4 Product launch and continuous collection of feedback

After the product has been piloted and tested, it is refined based on the received feedback, after which it is ready to be **launched on the market**. Draw up a (digital) marketing plan for the new product, which aims to make the product visible to the customer base.

In the development of tourism, it is essential to **continuously collect feedback** on products to meet the future expectations and needs of the customers. It is worth it to keep using the tools in this manual after the product has been launched to support the collection of feedback and the continuous development of the product.

TIP

Piloting plays a major role in the development of tourism products, but it also involves risks. To carry out a risk-free pilot, it is advisable to utilise tourism network meetings, in which you can harness a versatile but limited target group for testing the product. Read more about case **Tasty Travels with Marshall Mannerheim** -network pilot meeting.

Steps of Pilot

CORNER STONES
PRODUCTION PLAN FOR THE NEW
COOPERATION TRIAL: GOALS

Define **the long-term goal for the new product.**

CORNER STONES
PRODUCTION PLAN FOR THE NEW
COOPERATION TRIAL: TARGET GROUP

To whom is the product aimed at?
To which **needs** and **desires** of the customer is the product responding to?

CORNER STONES
PRODUCTION PLAN FOR THE NEW
COOPERATION TRIAL: MARKETING, CHANNELS

Which channels are potential and present customers using?
How can they be reached?

CORNER STONES
PRODUCTION PLAN FOR THE NEW
COOPERATION TRIAL: GOALS

Define **the goal for testing.**

CORNER STONES
PRODUCTION PLAN FOR THE NEW
COOPERATION TRIAL: MEASURING
THE PILOT'S SUCCESS

Make a plan for **testing** and **evaluation.**
Who is measuring, **what** is being measured and **how?**

CORNER STONES
PRODUCTION PLAN FOR THE NEW
COOPERATION TRIAL: PILOTING, PHASE 1

Make a plan for **testing the service by yourself,** without customers.
Make a schedule.

CORNER STONES
PRODUCTION PLAN FOR THE NEW
COOPERATION TRIAL: PILOTOINTI, PHASE 2

Make a plan for **testing the service with customers.**
Make a schedule.

ACTIONS
PRODUCTION PLAN FOR THE NEW
COOPERATION TRIAL

Make a **Business Model Canvas** of the service.

ACTIONS
PRODUCTION PLAN FOR THE NEW
COOPERATION TRIAL: TESTING, PHASE 1

Test the service by yourself, without customers.
Evaluate the experience utilising e.g. **the Customer Journey tool.**

ACTIONS
PRODUCTION PLAN FOR THE NEW
COOPERATION TRIAL: TESTING, PHASE 2

Make **improvements** to the product based on the testing.

ACTIONS
PRODUCTION PLAN FOR THE NEW
COOPERATION TRIAL: MARKETING, CHANNELS

Make **a (digital) marketing plan** and agree on how to implement it.
Make a schedule.

ACTIONS
PRODUCTION PLAN FOR THE NEW
COOPERATION TRIAL

Acquire the necessary **equipment** for the pilot.

PRODUCTION PLAN FOR THE NEW
COOPERATION TRIAL

Recruit testers.

PRODUCTION PLAN FOR THE NEW
COOPERATION TRIAL

Prepare **testing environment.**

ACTIONS
PRODUCTION PLAN FOR THE NEW
COOPERATION TRIAL: TESTING, PHASE 3

Customers test the service.
Customers evaluate the experience utilising e.g. the Customer Journey tool.

ACTIONS
PRODUCTION PLAN FOR THE NEW
COOPERATION TRIAL

Sparring meeting with the municipality development team.

ACTIONS
PRODUCTION PLAN FOR THE NEW
COOPERATION TRIAL

Share in a **Network meeting** what have you done in your development project**.**

Source : Aromaa 2022

Instructions

Print each card on its own sheet and arrange them on the table or on the wall in a chronological order. Write down answers and specifications on each card. Let participants use sticky notes to avoid waiting and group thinking. In the end, decide together how to proceed; what are the strategical dates and time periods to consider and who are in charge. Make sure that everyone understands their role and knows what is expected of them.

PREPARATION FOR THE ASSIGNMENT

You need:
- **markers**
- **all cards printed on their own A4-sized sheets**
- **sticky notes**

Green cards are the corner stones of productisation. Use the Business Model Canvas with the green cards. You can notice that part of the questions in the green cards are related to the basic questions in the Business Model Canvas. Check several times during the process how can the Business Model Canvas be updated when the understanding grows. Pink cards focus on the concrete actions and preparations of testing and productisation.

Goal

Utilise Steps of Pilot cards for your new product when you are creating a production plan for testing and entering the market.

Green cards will help you to plan and pink cards to implement the testing or productisation of the new or renewed product phase by phase. When you proceed on the path you've created, you will succeed in testing and make ideas come true without taking unnecessary risks.

Living Lab case at Lapinjärvi: Tasty Travels with Marshall Mannerheim

Background

Entrepreneurs in Lapinjärvi, Finland, and the surrounding municipalities wanted to network and develop new business together. During the project, the model for the continuous development of tourism and the model for productising rural tourism assets were developed together with the entrepreneurs as part of Lyckan-activities. In addition to product development, the thematic lunch concept and its pilot were part of the practical testing of thea above-mentioned models and the project experiment itself. During the project, entrepreneurs participated in co-creation workshops where the work progressed from ideas to concrete products. The Tasty Travels concept is one of the fruits of this work.

Need

The restaurants at Lapinjärvi and its neighbouring towns have focused on fast- and service station food services. This has led to many locals travelling to restaurants in Porvoo and Helsinki with their families and friends, especially on holidays. There was a demand on the market for high-quality home-style food, made from local ingredients, which would introduce a festive addition to Lapinjärvi's restaurant services.

Objectives

The aim of the pilot was to test the concept of a themed lunch and the food product with the participants, thus gaining an understanding of what works and what could be done differently. The first paid event was held roughly one month after the pilot. The long-term aim of this new product is to give local people an attractive alternative for celebrating holidays in the form of a lunch experience.

Measures

The idea for cooperation was born during the tourism development workshops. The team that came up with the idea began to develop a product idea, and over the next few months it was transformed into a product that was tested and piloted using the tools of the model for productising rural tourism assets. The Tasty Travels concept was piloted in a tourism network meeting as part of the municipality-based Living Lab, which was attended by a group of entrepreneurs, local residents, municipal representatives and the press. Participants evaluated the food and the overall concept and provided development suggestions. The product entity was further developed on the basis of the feedback of the pilot event. A marketing plan was drawn up for the final product. The working group also prepared a plan on how cooperation and similar events will take place in the future so that the event does not remain one time thing and to make sure that the benefits of the pilot process would be available in the long term.

Results

The pilot resulted in a new themed lunch concept, which was introduced to the Mother's Day market. During product development and the pilot, what improved was the cooperation between entrepreneurs, understanding of the benefits achieved by piloting, a customer-oriented experience concept, business renewal and an increase in customers.

Implementers

Mustila Viini/Maria Tigerstedt
Historical CafeBar Route 6/Lasse and Seija Kokko
Oy Havsö Ab/Tiina Reijonen

Operating model for business tourism that supports well-being

What?

The operating model for business tourism that supports well-being is a future-oriented operating model in which business tourism includes an aspect of well-being, providing companies an opportunity for efficient business development activities and well-being at work at the same time. The model was developed with the Finnish operating environment in mind. The aim of the operating model is **to develop a service concept aimed at international business groups that combines work and well-being**. The concept brings together meetings, accommodation, programme and well-being services produced by companies operating in rural areas (Figure 30). The implementation of the operating model is strongly linked to network meetings in accordance with the model for the continuous development of tourism and the municipality-based Living Lab; the services linked to the operating model can be developed with the help of the model for productising rural tourism assets.

International tourists' interest in well-being tourism has been growing for a long time. In 2015, the Ministry of Economic Affairs and Employment recorded making Finland a leading country in well-being tourism as one of the objectives in the Finnish Tourism Growth and Renewal Roadmap 2015-2025, as Finland has excellent opportunities for doing so.[121] In this operating model, the operating environment of tourism is the countryside, which offers an excellent setting for well-being tourism, as a calm natural environment with forests and water systems enables not only rest and relaxation but also a wide range of activities. In addition, clean food that supports well-being can be sourced in rural areas.[122] Rural tourism is also listed as one of the future trends, the driver of which is a slow and natural lifestyle (**Ruralization project trend cards**).

This operating model aims at a target group that particularly consists of international business groups. After the pandemic and the remote work period, companies want to invest in the well-being of personnel also
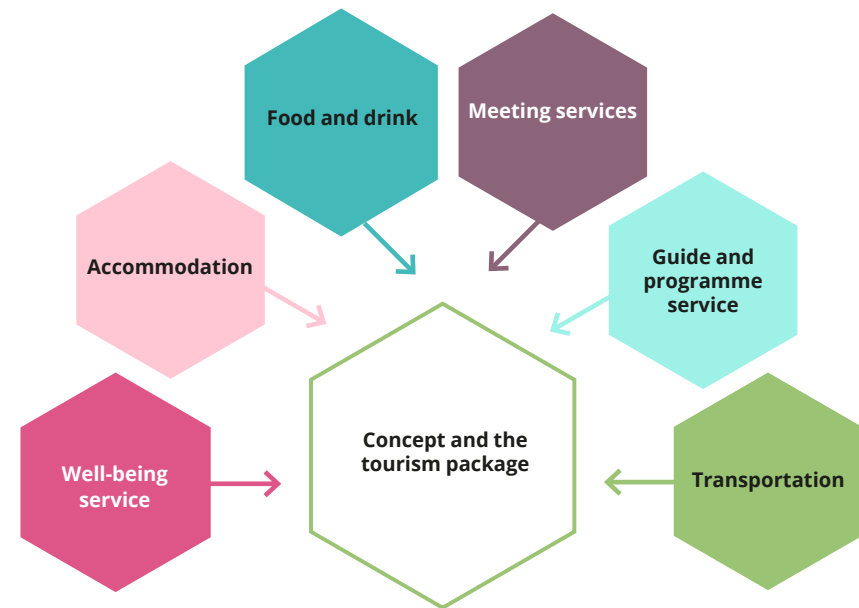
Figure 30. The service concept for business tourism that supports well-being combines services for meetings, accommodation, programmes and well-being (Salomaa 2022).

during work and meeting travel, which are mainly aimed at boosting the work community's team spirit. Bleisure tourism, i.e. combining work and leisure travel, is also an increasing trend. Quality is now a major factor in business tourism that companies are willing to pay for.[123] In the service concept for business tourism that supports well-being, quality should be seen above all as high-quality accommodation and a seamless service package provided by the companies in the network.

For whom?

The operating model is aimed especially at parties that support the development of small enterprises in rural areas, such as business trade secretaries, who are familiar with the tourism sector. The utilisation of the operating model requires an extensive network of entrepreneurs, the actors of which are interested in developing their services for international business groups in particular.

Phases of the operating model for business tourism that supports well-being

Phases of the operating model
The model consists of four phases that follow a service design process suitable for user-driven service development (Figure 31). The process begins with **mapping** and understanding **the customer and operating environment**, which is followed by **the brainstorming and modelling phases** with the aim of **conceptualisation**. However, the process is not straightforward, and the steps can be repeated.[124] The phases of the operating model can be implemented partly independently, partly with the entrepreneur network. The co-creation workshops, which are the core of the operating model, can be implemented as part of the idea workshops put forth in the model for the continuous development of tourism. It is therefore a good idea to include co-creation workshops at all phases of the operating model.

4 **Conceptualise and influence**

2 **Anticipate and brainstorm**

Gain an understanding of the operating environment and the target group by mapping, for example, the policies of the national tourism organisation, tourism trends, stakeholders operating in the region, the region's attractiveness to tourists, competitors in the region, their services and the needs of the target group.

Brainstorm ideas based on the region's attraction factors, actors, trends and the needs of the target group.

Model the service concept that combines well-being and business tourism and assess its feasibility.

Finalise the service concept combining well-being and business tourism and test the market potential of the concept.

3 **Model and assess**

1 **Map and understand**

Figure 31. Phases of the operating model for business tourism that supports well-being (Korvenranta & Salomaa 2023).

Phase 1: Map and understand

The purpose of the first phase is to gain an in-depth understanding of the operating environment and the needs of the target group[124]. You can implement the mapping phase partly independently, partly with the help of your entrepreneur network.

- To map the national tourism organisation's policies, study the national tourism strategy, target groups, marketing priorities and regional themes. The aim is particularly **to gain an understanding of the operating environment of international tourism**.

- Study the needs of international travellers, especially business travellers, and the tourism trends. The aim is **to gain an understanding of the** current and future **needs of the target group**. You can use the studies and trend reports of the national tourism organisation.

- Benchmark examples and see what kinds of meeting packages and recreation days are available for company groups, and where.

- Together with the entrepreneurs, make a list of the stakeholders and actors in your area and include the missing actors. Make use of the stakeholder map.

- Together with entrepreneurs, find out what kinds of services already exist in your area that are needed to create a network product for an international business group. These include transport services, accommodation, restaurant and other catering services, conference services, well-being services and guide and programme services. You can list each service (e.g. accommodation services in the region and in the neighbouring regions) and its providers on their own sheets.

- Find out what there is to see and experience in your region and what its strengths in terms of tourism are. With the entrepreneurs, make a list of the destinations, nature attractions, historical sites etc. in the area.

You can use a **stakeholder map** to list companies operating in the region that provide accommodation, catering, conference, programme, transport and well-being services and destinations.

Phase 2: Anticipate and brainstorm

The purpose of the Anticipate and brainstorm phase is to brainstorm new solutions as openly as possible based on the information and understanding acquired during the mapping stage[124]. At this phase, the primary method is **the brainstorming workshop**, so based on stakeholder surveys and a network of core companies, it is a good idea to expand the business network further and send an open invitation to the co-creation workshop. The aim of the workshop is to consider what a tourism centre or package that combines both well-being and work would be like: what services would it include, who could participate in its production and where would it be located? **Above all, the aim is to make use of what already exists in the region, but also to come up with new ideas**.

- Invite entrepreneurs to the co-creation workshop to come up with product ideas for international business groups that combine services that support both well-being and business travel.

- Initiate a workshop on international tourists, business tourism and its forms as well as well-being tourism to give participants an idea of the target group and its needs as well as the forms of tourism to be developed. It may also have an introduction by a lecturer in the tourism sector, a representative of an incoming/DMC travel agency that serves international business groups or another expert in the field.

TIP

It is a good idea to mark existing services on the map. This makes it easier for entrepreneurs to know what's available in their area. You can print a map of your area, for example, from Google Maps, in which you can mark locations manually, or you can mark them directly in the map application by searching for the item and saving it (Save: Starred places).

- In the actual brainstorming workshop, you can use trend cards and tourist profiles that reflect international tourists that come to your region (see more detailed instructions in the Tools section).

- Finally, group the ideas based on themes so that they can be used in future workshops.

> **Tips for brainstorming**
> For example, you can use the **trend cards** created in the Ruralization project and **ask your national tourism organisation for information about your country's traveller profiles.**

1. Quiet reflection: Ask participants to first study the materials (trend cards and traveller profiles).

2. Brainstorming in pairs: Ask participants to pick out interesting trend cards and a customer profile that represents a tourist in your region, and to brainstorm in pairs, a couple of products that would fit that trend and profile. Record the ideas you come up with on a large flip board, for example.

3. Changing the point of view: Ask participants to swap trend cards and traveller profiles or other perspectives from time to time.

4. Getting to know and supplementing ideas: Ask participants to get to know the other groups' ideas and complement them with their own ideas.

Phase 3: Model and assess
The purpose of the Model and assess phase is **to model and test the concept under development**. You can create a rough visual model or a visual image compilation of the concept, which concretises the concept, enabling **the collection of feedback and development ideas**.[124] There may also be several concept templates, of which you can vote for the best one. The easiest way to collect feedback and development ideas is through the co-creation workshop, so invite as extensive as possible a network of entrepreneurs to assess, vote on, and develop a suitable concept for your region.

- In the mapping phase, compile the understanding, benchmarking results and ideas created in the workshops into example concepts and present them to the entrepreneurs in the co-creation workshop. Write down and visualise the concept templates to concretise the content of the concept.

- Let the workshop participants study the example concepts independently and ask them to record one strength and one weakness for each concept.

- The participants can then vote on both the best and worst concept for the region.

- Select the concepts that received the most votes for further development.

- For further development, divide the participants into groups to discuss and decide on products that would be suitable for the concept and target group, and on what would be the best way to produce the services.
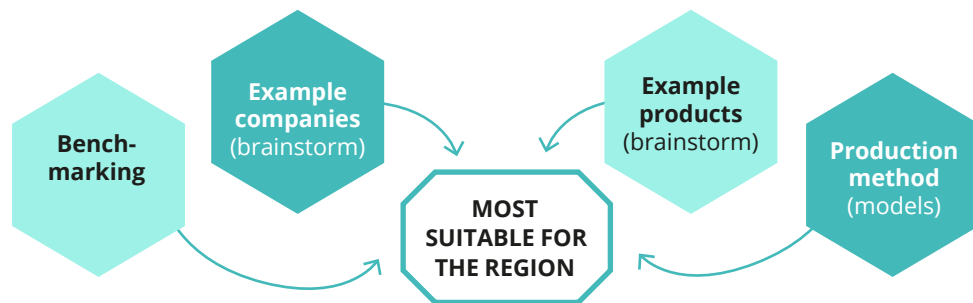
Figure 32. Building a concept based on benchmarked examples, example companies, products and the production methods that were used as models (Salomaa 2022).

TIP

Participants can vote on the best concept with stickers. For example, you can give three stickers to each participant (1 sticker = 1 vote) to attach them to the most suitable concepts.

TIP

Print the concept templates, which will allow participants to write notes or attach post-it notes directly on them.

Use the Network Models (p. 102) to reflect on how the collaboration can be executed in the region.

LEARNING & INSIGHTS

- It is good to encourage participants to see future opportunities so that they do not focus too much on current limits (e.g. insufficient capacity for accommodation).
- Working in groups requires determined facilitation, as people are eager to come up with new ideas instead of developing ideas that have already been created.

Phase 4: Conceptualise and influence

The purpose of the Conceptualise and influence phase is to finalise the conceptualisation of the service and to put it into practise[124]. It is also important to create a vision for the future of service development. At this stage, it is also a good idea to make use of the co-creation workshop, as the aim is **to create a common understanding of the concept** and also to discuss the schedule for its implementation, i.e. **to create stages for further development**.

- Describe the concept and products created on the basis of the workshops and present the concept in the workshop.

- Let the entrepreneurs study the concept independently and ask them to write comments related to the concept on post-it notes.

- Also ask them to consider how and on what schedule the concept could be implemented.

- Talk with the entrepreneurs on what would be the best way to produce the concept's services.

- Map the market potential of the concept created in the workshops, for example with the Incoming/DMC travel agency, as they know the target group. Discuss the attractiveness and development needs of the concept. Record the feedback for further development of the concept.

- If the concept is interesting, it is possible to start developing it further towards productisation. However, it should be noted that success in international markets requires long-term product development.

You can use **Business Model Canvas** (BMC) to describe the concept.

Network models

In this document you will find examples of different network models. You can use the document to support reflections when considering an appropriate model for the network collaboration.

Figure 33. Network models (Haapakoski [125]; Varamäki [126]; Kallioniemi [127]).
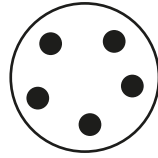
DEVELOPMENT CIRCLE
In the Development Circle type of cooperation, the entrepreneurs are meeting regularly at each others' premises and the hosting company actively showcases their operations. The participants are actively engaged in the discussion and the potential challenges of the hosting company. The activity is similar to benchmarking, and sharing knowledge and learning is an essential part of it. From the Development Circle, cooperation can be deepened through the project group into a form of Joint Venture-type cooperation.
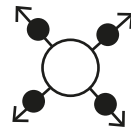
LOOSE COOPERATIVE CIRCLE
In the Loose Cooperative Circle, the companies have at least one commonly acquired resource, which everyone can use in their own business. It can be for example, facilities, equipment, a salesperson or an expert. The aim of this is to minimise and share the expenses. By combining resources, it is possible to get something that one single company could not acquire on their own. For example, companies can have a common stand at a fair event or regional marketing efforts directed abroad.
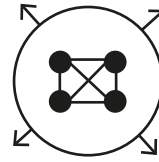
PROJECT GROUP
Project Group gathers together companies' resources and expertise in order to offer clients a comprehensive product/service solution through shared business activities. Client buys a product/service solution that utilises group's expertise. Project group's goals are on a more strategic level than for a single cooperating partner. The cooperation is based on agreement and requires strong mutual trust as the partners are committed to the cooperation and its maintenance. The group either succeeds or fails together.
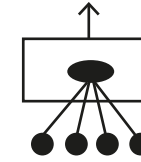
JOINT VENTURE
The goal of Joint Venture type of cooperation is to create new business together. Participating companies set up a new company, such as a company limited by shares. Investments are strategic, risky, and creative, and it can take a long time for them to materialise, requiring commitment. After accession, the Joint Venture cannot be disengaged without sanctions. The composition of the group and the internal division of labour are crucial, as each party must bring its special expertise to the Joint Venture to support the goals of the cooperation. Free riders are not allowed. A successful Joint Venture brings diverse benefits such as synergy benefits, cost and risk sharing, reaching critical mass, greater credibility, and learning from other parties.
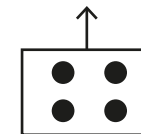
JOINT UNIT
Joint unit is the tightest and the most formal mode of cooperation for companies. The companies establish a joint "shell" in which they operate, perform and trade. The companies maintain their independence and are owner-driven. The goal is to create externally large unit and to increase credibility. Examples of this include law firms and engineering companies.

ALLIANCE
Alliance is a voluntary and stable form of cooperation, in which the partners can share resources, knowledge and develop new products or services. Alliance covers different interorganisational unions, including joint ventures. In multilateral business networks, companies can be at different levels of hierarchy, either in a network of top companies or in a network of equal partners.

HOTEL OF SMALL FIRMS
In a hotel of small firms, the companies operate in a fixed subcontracted relationship in the same building. The cooperation is close, but each company operates independently without any ownership connections. The participating companies are responsible for different parts of the value chain. An external customer may not even notice where the company boundaries are.

HUB FIRM
Hub firm is an enterprise that manages collaboration and usually has greater resources than others to cooperate. The companies involved in the collaboration should experience the activity as a joint business.

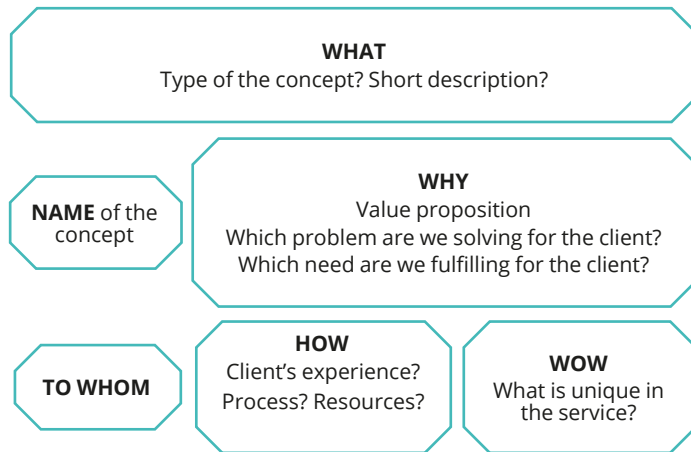Source: Haapakoski 2013; Varamäki 2001; Kallioniemi 2020.

Figure 34. Concept description template crystallises the description of the concept (Salomaa 2022).

Based on the BMC, you can summarise **the concept in the concept description template** (Figure 34).

You can assess the implementation of the concept with the help of the future steps (p.104) and consider what needs to happen and how it will be realised. Use the steps to reflect on the questions provided. Also consider how much time it takes to pass through each step and the entire path.

What do you need to consider in using the operating model

- Companies must be committed to development work and production with the network.

- The workshops should include both joint development and company-specific concrete development work.

- The organisation and coordinated development of tourism, especially for international tourists, needs the support of a tourism strategy.

- If the concept progresses to productisation, the production of the service requires a driving company that produces a significant part of the service and compiles a product-level business network.

- Selling travel packages might be regulated by national laws. For example, in Finland the organiser must fulfil the prerequisites for selling travel packages in accordance with **the Act on Travel Service Combinations**.

- If the region does not have the resources for direct international sales and marketing, the incoming/DMC (Destination Management Company) travel agency that packages the services may be used to sell individual products. At that time, the products must be priced for distribution channels (DMC – international tour operator), which both impose their sales margins. In the future, opportunities to cooperate directly with an international tour operator and/or incentive house may arise.

Future steps

Future steps tool helps you to prepare steps and schedule for the realisation of a future concept.

CONCEPT

What order will the development proceed in?

What resources are needed? Funding, actors, community?

What kind of expertise will be needed?

What do you need to consider?

Who takes part? Core team, partners, stakeholders?

What makes it possible?

What can block participation?
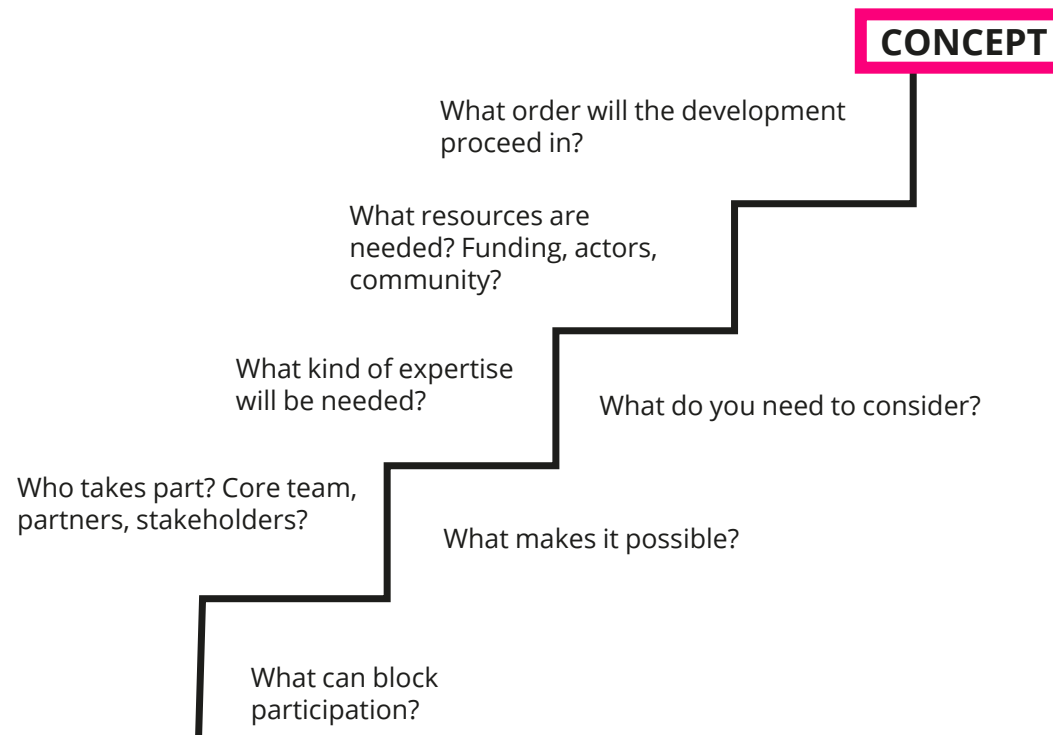
Figure 35. Future steps can be used to assess the implementation of the concept (Risu, Temisevä, Salomaa 2022, adapted from Meristö 2020[128]).

Creative industries

Creative industries in creating value for business

Author: Ville Huhtanen

Creative industries in creating value for business

The creative industries section of the handbook allows you to integrate art and design into the Living Lab model and, through it, into the innovation and development activities of rural business. You will receive instructions on how to build concrete, mutually beneficial partnerships between business and creative actors. Minna Haapasalo, lecturer in theatre arts at the Turku Academy of Arts, notes in her professional presentation that creativity is the most important of our future skills during complex global problems[129].

Tools for utilising creative skills

Creative industries in creating value for business

Strengthening the regional brand as culture-friendly

Promotion of culture and art in the region

Promotion of the creative industries operating conditions through networking, such as expert banks and organising of cultural events.

Integrate the network of creative industries into the Living Lab.

Solve business challenges with creative methods.

Boost the creative competence of actors in the region.

CORE CONCEPTS

Applied art
Applied art is the application of artistic methods and working methods for purposes other than artistic expression. The objectives of applied art are typically not artistic ones, but ones that produce various practical benefits. Applied art is thus the use of art for various purposes outside the arts. Practical examples of applied art include public art, political art interventions and art workshops that enable different encounters. One example of applied art are hospital clowns who help children to orientate to medical procedures.[130]

Artistic intervention, intervention art
Artistic interventions are processes implemented in an organisation using artistic working methods that improve working conditions, support change, develop skills or strengthen creativity in the work community. Intervention art is typically implemented by a professional artist who also promotes artistic goals in the process.[131]

Communal art, community art
Community art is art produced as, or with, a community and on its terms. The aim of community art is often to promote the objectives of the community and to strengthen the community. Practical examples of community art may include communal art projects, events or art workshops attended by the members of the community. The activities are guided by art professionals. They take place outside the arts and institutions. The key is for all members of the community to participate and the acceptance of their competence[132].

The **creative economy** is a business in which professionals from the creative industries play the main role. The creative economy is formed when the competence and activities of the creative industries are combined with the competence of other fields. Creative industries and their connection to other business sectors operate under the creative economy. The creative economy covers both horizontal activities that permeate all sectors and field-specific content in the creative sectors[133].

The **creative industries** or creative sector includes fields in which activities are based on cultural values, or artistic or other creative expression, individual or collective[134]. According to various definitions, the creative sector covers the following fields and activities[135]: architectural services, film and video production, experience-based learning, performing arts (theatre, music), amusement parks, toys, libraries, museums, cultural heritage, visual arts, photography, publishing and literature, marketing, advertising, tourism, fashion, industrial design, software production, radio and television, food, art and antiques markets, art schools, and the video

What can the creative industries offer businesses

Creative industries are important for the success of a business. They can help companies stand apart from competitors, improve customer experience and develop new products and services that better meet customers' needs. Regionally, they can strengthen the culturally positive and culturally rich brand of the region[142]. The municipality-based Living Lab should include training in creative skills and the involvement of creative experts in business processes. In the bigger picture, creative industries, as part of the economy, are as an essential part of ecosystem development approach that is needed to develop globally successful solutions.

Opportunities for creative industries in business development

For rural entrepreneurs, art and culture can provide brand and attractiveness benefits as well as support and new methods for marketing. Artistic and cultural methods can also help rural entrepreneurs to develop products and services, new innovations and customer experience.

The following are examples of concrete opportunities for creative industries in business development.

Brand development: Creative industries can help the company develop a recognisable brand that stands out from the competition. Brand development can include, for example, the logo design and graphic design as well as marketing communications, such as advertisements and websites. The Business Artist model can be used to develop a brand, for example, through participatory and community art. Works of art and artistic activities may create positive visibility for the target company. The creative industries participate in the

game industry.[136]

Creative skills
In practice, creativity is based on creative skills. You can learn and practise creative skills. Creative skills include the ability to create ideas, open-mindedness and creative problem-solving skills. Creative skills are common, general creativity that can be applied not only in business and art development processes but also in other areas of life[137]

Cultural well-being
Cultural well-being is well-being that is achieved through culture and art. Cultural well-being can be manifested, for example, as health impacts or social well-being. In practice, this manifests as improved mental well-being among art enthusiasts: feeling better about health, lower anxiety and depression, and a better perceived quality of life.[138]

Cultural well-being can refer to 1. the experiences of the individual on the connection between art and well-being, either personal or that of others, 2. phenomena in which art and culture are connected to well-being, and 3. research, development and education, which focus on the competence and operating methods of art, culture and well-being.[138]

Inclusive art
Inclusive art is an interactive and active artistic activity that is based on the participants' needs. In inclusive art, art is produced in an interactive process – the author of the work is a group or a community. The benefits of inclusion and participation, such as learning or empowering a participant, may be key objectives. In other words, when making inclusive art, the artist strives to involve other people in the creation of art and make them into fellow artists.[139]

Innovation
Innovation means to bring forth a new idea or operating method. Business innovation is a new kind of idea, product or service that provides practical added value[12]. The concept of innovation is explained more in the "Values and principles of a Living Lab" section of this manual.

Network of creative industries
A network of creative industries is formed of creative sector actors. Such a network enables the sharing of information and cooperation between its members and showcases their competence. Networks of creative industries are cooperation and partnerships between different actors. They can form into structures and hierarchies or be freely organised. Networks of creative industries can combine the competence of creative industries and other sectors. The more competence and resources are shared within these networks, the better. Network activities generate synergies when, for example, information, inputs and production tools are combined or shared reciprocally within the network.[140,141]

strengthening of a culturally oriented, culturally active and perhaps also culturally friendly regional brand, either indirectly or directly in the locality.[143]

Development of products and services: The creative industries can help companies develop new products and services. Designers can design new products or solutions. Service designers can help develop services, for example, by providing tools to improve the company's customer insights.[143]

Marketing: The creative industries can help companies market their products and services. There may not be a marketing agency in town, but an individual graphic design or marketing professional can create ads that are visually effective and communicate the company's message effectively. Individual creative professionals often also have competence in, for example, general creative skills, and cooperation with creative experts can be a source of many brand and visibility benefits.[143]

Customer experience: Actors in the creative industries and creative skills can help the company improve the customer experience. For example, an industrial or graphic designer can help a company create a better user experience for customers on its website or in a physical business space.[143] With the tools of service design, the Customer Journey is directly tailored to the development of the customer experience by increasing customer understanding.

Innovations: The creative industries can help companies develop new innovative solutions to business challenges. Creative experts can help a company find new ways to enhance processes or improve product quality. These roles may also be given to designers or artist-developers.[144]

Intrinsic value of art and culture

It is not easy to put the value of culture and the benefits it brings into words. Art and culture build meanings from our surrounding reality and make these meanings visible. Art is used to illustrate, tell stories of, or otherwise interpret life. Culture is how we structure our experience of the world and perceive what is valuable in it. Art and culture also build parallel thinking on generally accepted assumptions, or paradigms. In this way, culture creates new perspectives.[147,148]

Known impacts of the creative industries (!)

The benefits of art and culture include:

- Learning: cognitive skills, such as critical thinking, have been found to develop with the help of cultural hobbies. Creative skills, learning skills and emotional skills develop as a result of cultural and art activities.

- Health: art and culture can promote health. They have studied effects on public health. Art and culture have also been shown to have direct impacts on perceived health and quality of life as well as on different aspects of mental health.

- The environment: art can be used to influence the sustainability of the environment, for example by making nature visible and thus meaningful.

- Social well-being: art and culture prevent marginalisation and increase social inclusion.

- Cultural sustainability: art and culture strengthen and maintain co-existing cultures, the existence of which supports their sustainability.

- Economy: the creative economy and the cultural sector are key economic components and employers. Culture and art support regional development and tourism. They have significant spillover and multiplier effects on the economy. In the current situation, supporting culture pays itself back many times also from the perspective of creating economic value.[145,146]

The importance of creating a community of creative industries

This section of the handbook also provides guidance on what is a local **network of creative industries**, how to activate the network and how to help integrate the network into the Living Lab.

Supporting the development of the creative community's organisation is seen as an important part of **the Living Lab concept**, through which art and design can be made a structural part of the development of business activities for micro-enterprises and SMEs. SMEs often do not have the resources to utilise art in developing their own business. The operating model makes it possible to create a network that provides the relevant structures and operating methods.

In the model, artists, designers and other creative professionals support companies in the development of new products and services with the help of a formalised network. Supported by a network of creative industries, SMEs can also build a new way of developing their business with the help of new operating models for art and design.

In other words, the Living Lab operating model for creative industries supports business activities in the creative sector by strengthening the prerequisites for their activities.

Practical networking may include a joint, entrepreneur-oriented and participatory art project between local artists and entrepreneurs. In connection with such a project, you can naturally contact actors in the region's creative sector and strengthen the network of creative industries.

Why does a creative actor want to live and work in rural areas?

Reasons for the creative experts interviewed in Lapinjärvi during the Lyckan project to live in rural areas can be divided into two categories: economical and living environment. **The rural way of life is perceived as an opportunity, for example, to be inspired by the surrounding nature and the experiences it provides**.[149] Previous studies have also landed on the same impression[150]. A low cost of living attracts creative workers to rural areas. **An active cultural scene and suitable facilities** also attract people to move to or stay in the town. Rural housing can provide flexibility in the varying economic situation – for example, there may not be as great a need to do work that you haven't got the training for as you would in a city. Visibility in the cultural sector is increasingly achieved online, and networks of creative industries have also become strongly web-based. As a result, the importance of one's place of residence has decreased in the networking and career development of experts in the creative sector.[149]

Operating model for creative industries to develop rural business and the region

What?
The Living Lab operating model for creative industries is intended to support the role of the creative sector as part of the value creation of businesses in rural municipalities. It offers opportunities for strengthening the network of creative industries, stimulating cultural activities, strengthening the regional cultural-friendly brand, increasing cooperation between companies and creative industries, product development, developing customer relationships, creating innovations: for example, in responding to business challenges and with inclusive and applied art projects.
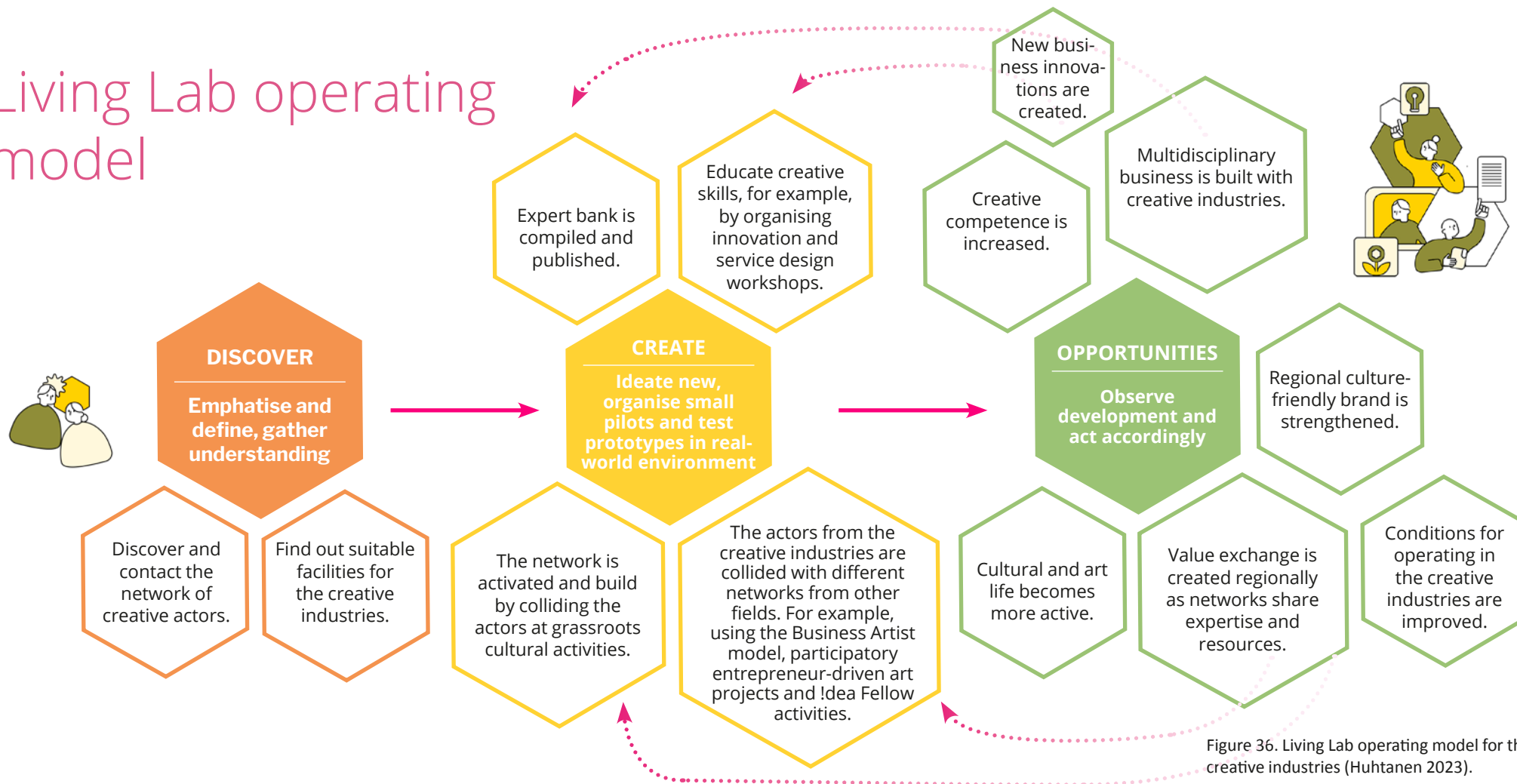
Living Lab operating model

Figure 36. Living Lab operating model for the creative industries (Huhtanen 2023).

1. DISCOVER – emphatise and define, gather understanding

- Discover and contact the network of creative actors.
- Find out suitable facilities for the creative industries.

2. CREATE – ideate new, organise small pilots and test prototypes in real-world environment

- The network is activated and build by colliding the actors at grassroots cultural activities.
- The actors from the creative industries are collided with different networks from other fields. For example, using the Business Artist model, participatory, entrepreneur-driven art projects and !dea Fellow activities.
- Expert bank is compiled and published.
- Educate creative skills, for example, by organising innovation and service design workshops.

3. OPPORTUNITIES – observe development and act accordingly

- Cultural and art life becomes more active.
- Creative competence is increased.
- New business innovations are created.
- Multidisciplinary business is built with creative industries.
- Regional culture-friendly brand is strengthened.
- Conditions for operating in the creative industries are improved.
- Value exchange is created regionally as networks share expertise and resources.

For whom?

The Living Lab operating model for creative industries is intended for professionals that develop rural municipalities. The municipal trade secretary, or the person responsible for the municipality's cultural activities, can utilise the operating model in the development of the municipality's creative sector. Actors in the creative industries and entrepreneurs in other sectors can also utilise the model in their own activities.

> 27% of companies in Finland are looking for new development methods, but 78% of companies are not aware of the possibilities in art-based methods. In addition, 33% of companies said that they do not use art-based methods because they do not know where to find these services. One third felt that the solutions are too 'out there' for the challenges in their sector. 62% of respondents who considered career life skills important could not say whether it might be possible to use art-based methods to develop skills in companies.[151]

In the Living Lab operating model for creative industries, **innovation and service design workshops** are arranged for companies. The workshops aim to increase the competence of business operators in creative skills and service design methods.

The model provides guidance for **strengthening and activating a regional network of creative industries**. Creative professionals and cultural actors are guided to meet each other and cooperate. This can be done, for example, at a network meeting organised in connection with an exhibition opening ceremony or a music evening. The structures of the network of creative industries are strengthened with the help of a bank of experts or a similar structure if there is not yet one in the area.

The **Business Artist concept**, which is based on creative methods and co-creation, can also be used as a method for creating value for business. As business artists, the creative professionals work in the company's working environments, practising their profession and supporting the company's operations. Work methods are developed together with a micro-enterprise or SME using the low-threshold co-creation model of the Business Artist concept.

The model is iterative and it applies **design thinking**. This means that the model is process-like – for example, it may involve mapping new network members at different stages, and on the other hand, as a development process, it does not have to end. In the Lyckan project, however, the timeframe was about 18 months. A time limit may help to acquire work resources and condense operations over time and thus make it more prominent.

Take advantage of this model to a varying extent to suit the activities of your region and community. The activities and actors can be changed according to the type of expertise and experts available in the municipality. The model is easy to implement and makes it possible to achieve impacts on the development of regional culture and art and their link to the business of companies in the region.

1. MAPPING THE EXISTING NETWORKS

The development of the network of creative industries begins with mapping the existing networks.

Find out if there is an artist association in the town or region. Does the town have a summer theatre or choir? Are there any local bands or musicians who occasionally pop up? Also find out places where art exhibitions have taken place. Who has arranged these exhibitions and which artists' works were displayed? Do libraries or museums organise cultural events, workshops or reading circles?

Who does graphic design in your town, whose photographs are in the local newspaper? Are there companies in the region that produce events? What kind of cultural associations are there in your region? Such as a film club, town associations, music associations or art associations.

How have the municipality's cultural services been organised? Is there someone like a cultural secretary, or does the business secretary also manage culture? Also map out the people that run courses at adult education centres and folk high schools.

Does the town have an annual cultural event?

2. BUILDING THE NETWORK

1. Meet culturally oriented people either face-to-face or on the phone, and present your project for building a creative network. You can highlight the existing **ideas from cultural experts on cooperation and business** when you present the idea of building a Living Lab network that supports the cultural sector. With these meetings, you can also find out what kind of cultural activities and expertise there are in your town.

2. Based on these ideas, you can start building grassroots activities for the network and support existing cultural activities. Base the activities you build on local expertise in the creative sector and its special features. Be sure to find out now what kind of culture and art are already being created in the town. Support these existing networks and cultural activities in your communications and arrangements. Examples of these kinds of events include gigs, improvisation jams, exhibitions and their opening ceremonies. Market the activities to the entire network.

3. Organise an event where creative professionals and culture-oriented people can get to know each other. At the meeting, offer lunch or coffee and arrange **a speed dating exercise** where all participants get to meet each other.

Events can be implemented by supporting local creative professionals or people otherwise oriented towards culture. Consider the professional competence of the creative actors in the activities. For example, you can support musicians by organising jam nights that are open to the public. You can also offer free exhibition space to local artists in the same space. The

Photo 20. Inclusive creative industry event at Lapinjärvi Park Festival (Huhtanen 2022).

municipality can freely support the event arrangement by providing space, for example, for jam nights or the activities of a theatre group. Easy ways for the municipality to support grassroots culture also include paying performance fees to performers, exhibition fees and exhibition compensations for visual artists, and by distributing scholarships.

Grassroots cultural activities do not need to reach for large audiences, but rather focus on finding people who already work with culture. Small financial investments can benefit the network in this way. In Finland, the law requires municipalities to provide cultural activities, and these types of grassroots activities support this duty naturally and in a resource-smart manner.[138,152]

Through organising events and the encounters that take place there, members of the network get to meet and the network develops naturally through

Photo 21. Cigar box guitar workshop at a summer event (Huhtanen 2022).

increased trust and familiarity. Ideas like workshops for sharing vocational competence and other peer learning events can emerge from meetings with experts in the creative sector. Be present at meetings to listen to the ideas and, if the municipality has the resources, offer to support this type of professional peer learning through rewards, expense allowances, facilities and marketing assistance to workshop leaders.

It is worth making use of existing networks and structures, such as associations and mailing lists. The aim is not to replace old structures, but to activate, strengthen and combine their activities. Even the small acts of cultural support

Stakeholder map for the creative industries in rural municipalities
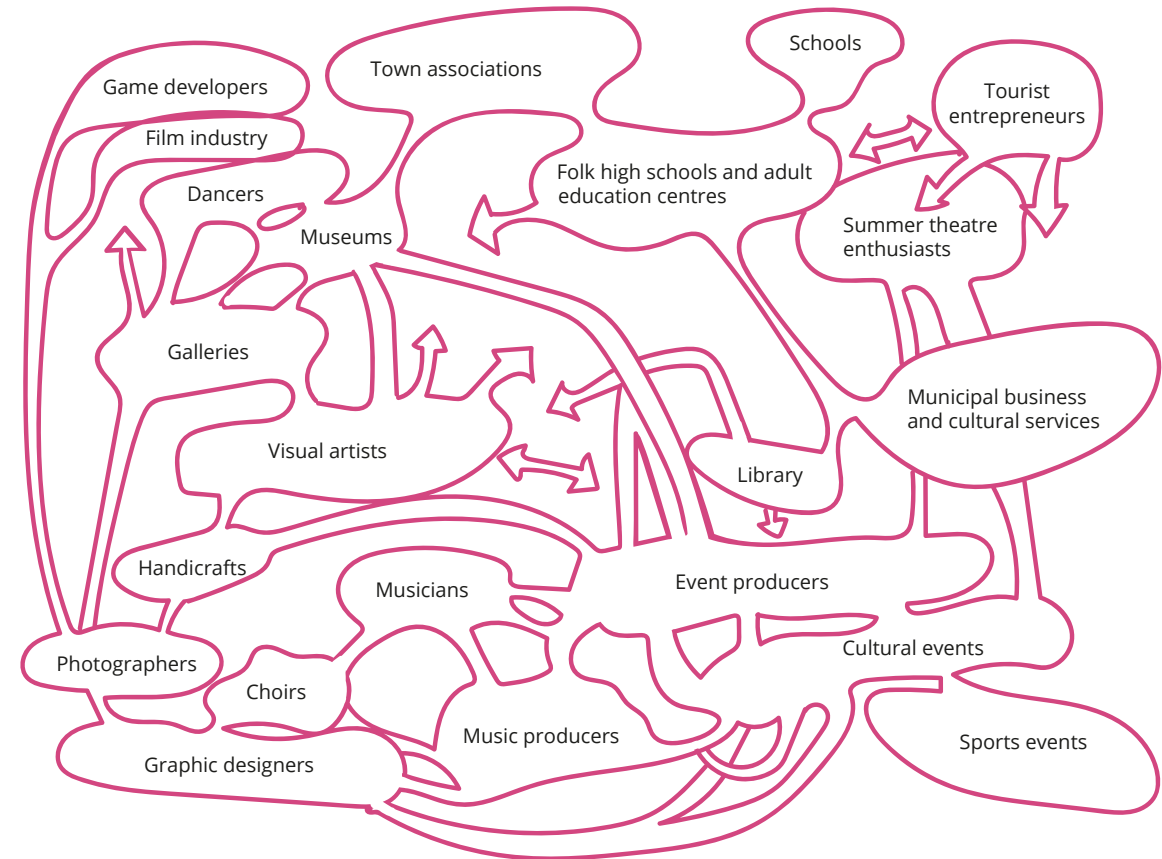
Figure 37. Stakeholder map for the creative industries (Huhtanen 2023).

implemented by a municipality may increase the attraction and retention power of the municipality for actors in the arts and cultural sector. In other words, these acts create the feeling that we, our work and our role in the community are valued here.[149]

Information on the network's actors and their competence can be collected at grassroots events and other encounters. Based on this information, you will be able to build an expert bank for the creative sector, which showcases the creative experts of the region and their skills.

Expert bank
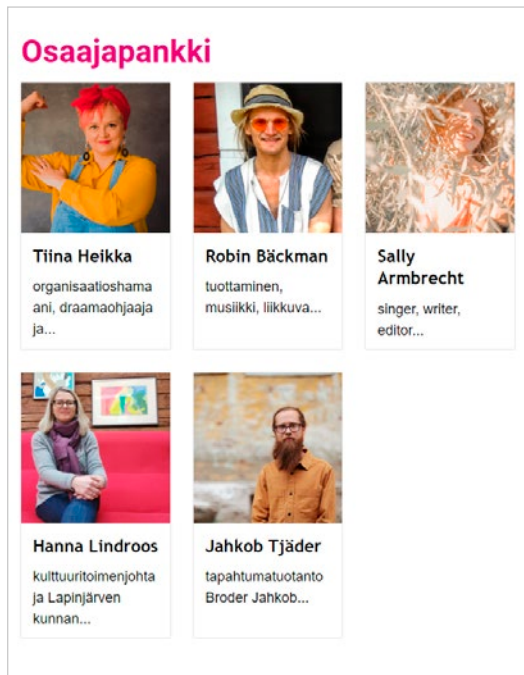
Photo 22. Expert bank created in the Lyckan project, presenting actors from the creative industries in Lapinjärvi region (Lyckanhub.fi 2023).

It may be necessary to create a structure for a network of creative industries if the town does not yet have one. And if one does exist, it can be supported with structure. However, it is not advisable to create duplicate networks. **An expert bank is a model of a light network structure that is located online and that presents people and their competence**.

Experts in the creative industries - professionals or enthusiasts - can be found on a website that presents their competence and specialisation.

The expert bank aims to create network benefits. For example, companies, associations and public organisations can find experts and competence in the creative sector in the expert bank for forming business and other partnerships. The expert bank can also serve as an identity booster for the creative experts in the region and as a sign that they are not alone with their creative expertise. In rural areas, contacts with other people in the creative sector may not happen naturally. The expert bank can help strengthen the sense of belonging to a community with creative competence, specialisation and identifying in creative activities.

In Lapinjärvi, the materials for the expert bank were collected from the creative industry actors contacted during the project. An interview template for gathering information on personal competence was sent to the creative actor by e-mail, or the interview was conducted on the phone. An informal profile picture was also uploaded to the expert bank, which was asked to showcase their creative professional identity.

In order to succeed in building an expert bank, you need to encourage the creative experts to participate. Some of the participants felt that even though their competence was at good level and they had long-term history of work in the creative industries, it was still not professional due to, for example, the lack of vocational education and training in the arts sector. The long-term theatre producer, choir leader or music hobbyist can still identify as a cultural hobbyist. These feelings were encountered once building the expert bank and it was hard to come side to side with the professionals as an expert.

The aim was to make it easier for the participants to produce material for their own profile in the expert bank. This was done by offering the interview template about their competence (see interview questions in the expert profile p. 115), by photographing the participants and by providing instructions for the photographs. Participants in the creative sector expert bank were also supported in building the profile by interviewing them directly and creating personal presentations on their behalf.

Interview questions that can be used to create an expert profile

Identity:

1. Who are you and what are you like?

2. Where are you from, or where do you feel like your roots are?

3. In what kinds of jobs or hobbies do you feel that you can express yourself? Competence and professional identity:

4. What kind of creative methods or working methods do you use?

5. Which field would you say you belong to?

6. What do you want your creative activities to express or achieve?

7. What about creative activities interests and inspires you?

8. What kinds of cooperation opportunities can you offer to companies in the region through your creative competence?

(Source: Huhtanen 2022[146])
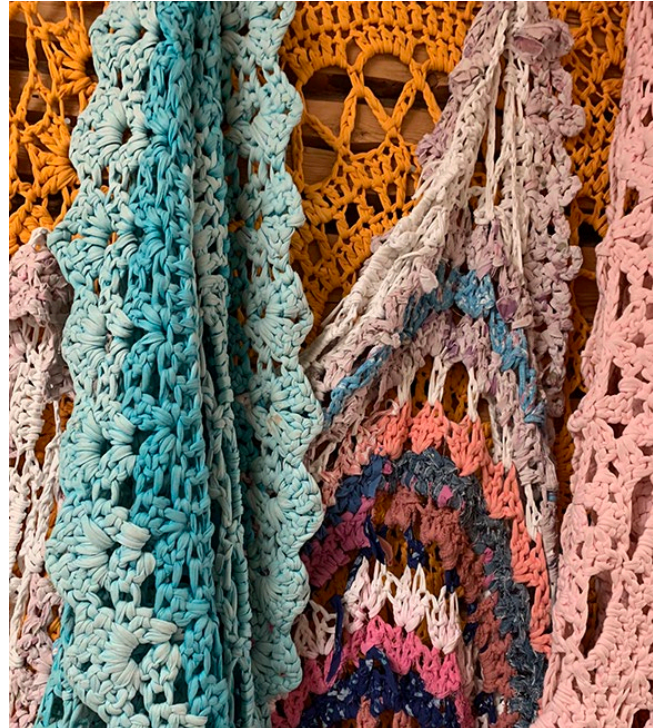
Photo 23. Rug installation in the Business Artist pilot (Lyckan team 2022).

TIP

Remember that the expert bank requires a person to maintain its website and a small budget.

Name the expert bank in an attractive manner. A good name garners interest.

Photo 24. In the creative industries' workshop, we got to know the local creative actors and their expertise (Sitomaniemi 2022).

The Business Artist concept

The business artist concept is a model aimed at enabling simple cooperation between SMEs and creative experts. In the model, a creative expert supports the development of, or create added value for, a company through their professional competence. Planning of the activity is carried out on a case-by-case basis through co-creation, using creative methods.

A business artist is a creative actor who uses the Business Artist concept to utilise their professional competence in the creative sector for a target company. They develop the company and support the business with the help of the Business Artist concept.

Actors in the creative industries have untapped potential in creating value and supporting changes in small companies. New models for partnership between the creative industries and other businesses are needed as the operating environment changes and the demand for creative competence increases.[153]

Companies face increasing pressure to change, and in changing operating environments, they face new kinds of challenges. The opportunities for creative skills to support solving these challenges have been identified.[154]

On the other hand, the holistic changes in business environments make it more difficult for creative experts to earn their livelihoods, but they also offer opportunities for new types of employment. Creative products and services have rapidly moved online and become digitalised, and streaming services have revolutionised the revenue logic for the creative sector.[155]

Small companies do not usually have the opportunity to hire creative experts for extended employment relationships. Designing applied art to suit the company's needs is usually also time-consuming. The time-consuming planning phase may be the threshold for implementing art-based cooperation.[155]

There is a need for models that are suitable for collaboration between creative professionals and small enterprises. They help to create multidisciplinary business projects on the small scale. One such model is the Business Artist concept.[155]

Business artists can utilise art to support the company's relationship with the community, such as through participatory and community art projects. Art can support well-being at work, for example from the perspective of cultural well-being. Artistic methods can also be an effective tool for developing the interaction in the organisation, to which the methods of drama are well suited, for example.[155]

PHASES OF THE BUSINESS ARTIST CONCEPT:

1. **Contact an entrepreneur and present your concept** on the phone. Submit the presentation material of your work and the Business Artist template.

2. Schedule **a co-creation workshop for creative work**. At the workshop, map out the company's strengths, the competences of its personnel and the creative actor, as well as the opportunities for developing the target company using creative methods.

3. **Compile the information gathered in the workshop** and use it to develop **a proposal for creative services** that you can offer for cooperation with the company.

4. **Have a telephone or video meeting, in which you agree on which** creative services you propose to implement as a Business Artist and on **what schedule.**

5. Arrange a scheduling meeting about 1 month before the work period, in which you agree on the exact schedule and flow of your work.

6. **Your working period** is one month.

7. After the working period, hold a one-hour **meeting to discuss the creative work period that you implemented and to agree on further cooperation.**

Figure 38. Business Artist concept (Huhtanen 2023).

Living Lab case at Lapinjärvi: Business Artist at Lapinjärvi Pharmacy

Photo 25. Knighting of a business artist as the "wool sock knight" (Sitomaniemi 2022).

Living Lab case at Lapinjärvi: Business Artist in the Lapinjärvi Pharmacy

Background

The Business Artist concept was piloted at the Lapinjärvi Pharmacy from May 2022 to May 2023. Lapinjärvi Pharmacy is an idyllic pharmacy operating in the small rural town. The activities of the small company highlight an approach that focuses on the community and its people. Pharmacist Suvi Savolainen has worked at the pharmacy for a couple of years. The pilot was carried out by visual artist Ville Huhtanen.

Need

There was a need to test how the Business Artist concept works to enable simple cooperation between SMEs and creative experts. A benefit for Lapinjärvi Pharmacy was believed to be found through the support of a creative expert in the development of the pharmacy or by creating added value for the company through creative methods. The aim was to make the company's values visible, to increase the visibility of culture in pharmacy activities and to examine the possibility of developing a small work community using creative methods.

Objectives

In the Business Artist concept, utilising creative skills and methods was tested in the pharmacy business activities. During the pilot data was gathered for modelling the concept.

Measures

This pilot tested the model for creative methods and co-creation, the measures of which were mainly methods of creative work. Dialogue and various brainstorm and mind map methods were used to draft the actions and process of the Business Artist in the company. During the pilot, what emerged from the co-creation process was the implementation of a participatory community artwork ("Villasukkapörssi", the Wool Sock Stock Market), which showcases the company's values. The pharmacy personnel also helped to create an artistic intervention in the form of an experimental music workshop. A rug installation piece was built in the pharmacy from the woven rugs made by a pharmacy employee. The entrepreneur and artist visited in a podcast for the pharmacy field, talking about the Business Artist activities. The Business Artist curated a festive exhibition in the atrium of the pharmacy. The exhibition was compiled from the photographs of a retired pharmacy employee, who had a long history of amateur photography. In addition, they developed the business with versatile creative methods: an update for the logo and visual identity of the pharmacy, designs for promotional bags, public street painting and the work community's photo collage, which ultimately resulted in a photo exhibition at the pharmacy. Also marketing text for the social media channels were created.

Photo 26. A poster of Siv Enqvist's photo exhibition in Galleria Villasukka: Landbygdens pärlor - Maaseudun helmet (Huhtanen 2023).

Results

The work resulted in increased visibility in local and social media, such as stories about the participatory community artwork "Villasukkapörssi". Also, the pilot was featured in professional pharmacy media, for example in a podcast. Promotion of the clearer business brand and customer relationship took place through deeper and expanded interaction created with the artistic activities. For example, the rug installation and other art-based work displayed at the pharmacy created new kinds of discussions between the staff and customers. The customers also reported an increased feeling of community. A redefinition of the roles in the work community and development of its conversational culture were observed during the pilot. The personnel described experiencing improved teamwork as a result of the artistic interventions in the everyday work of the pharmacy and the community artworks in the pharmacy.[155]

A key observation was that the existing values of the pharmacy that were already in place in the pharmacy's activities were made visible through the artistic efforts. Pharmacist Suvi Savolainen felt that the value generated by the pilot was very cost-effective.

Implementers

Lapinjärvi Pharmacy personnel and customers
Ville Huhtanen, visual artist

Innovation and service design workshop

Creativity is needed in all industries, as it can be used to create products and services[136]. In a changing business environment, creative skills are vital: innovation can generate new types of activities. Open innovation is a continuous process in product and service design and challenge resolution. In innovation and service design workshops, training can be held for entrepreneurs in the region on creative skills and service design competence. Make use of local creative experts as trainers in the workshops and use the tools in this manual.

Invite participants, for example, through the Living Lab network, entrepreneurs' associations, the public business services' mailing lists and through social media. The purpose of the workshop is to learn and experiment with innovation and brainstorming methods in business development. The aim is to boost the entrepreneurs' creative skills for application in business operations and in the renewal and development of other activities.

Municipal actors can find and train creative experts to lead workshops. In this operating model, the municipality is also responsible for informing and marketing to the entrepreneur networks in the area. The municipality may also provide a space for these workshops. Compensation paid to the workshop leader will be agreed in the entrepreneur network, and the share of an individual entrepreneur will diminish with multiple participants.

The !dea Fellow concept is aimed at local creative experts. It is a low-threshold consulting model for the creative sector. In the model, a participant in an innovation or service design workshop receives personal guidance on the use of creative skills on developing their company's processes or services after the workshop. The consultation takes two hours and takes advantage of the creative skills tools presented below in this manual. The consultation will preferably take place at the premises of the target company. The !dea Fellow model enables a creative actor to support the activities or services of small companies in the role of a creative consultant or as an artist-developer[131]. It allows artists or other creative experts to market themselves as creative consultants to companies.

!dea Fellow utilises the design thinking process[97] in consulting when outlining the company's development targets and the choices of development tools for each target. !dea Fellow advises entrepreneurs in utilising the creative design thinking process diagram in business development. The creative process diagram includes tools that correspond to the different stages of the development process. These tools are listed below with links to the websites explaining the tool in detail. With these development tools, !dea Fellow helps entrepreneurs find areas for development, such as in business and organisational activities. After that, !dea Fellow provides advice on how to work on these development areas with the tools.

Inclusive, business-oriented art

Seeds of cooperation between entrepreneurs and creative experts can be planted through art projects. Encounters in business cooperation using creative work methods and contents boost employment in the creative sector as well as generate network benefits across industries.
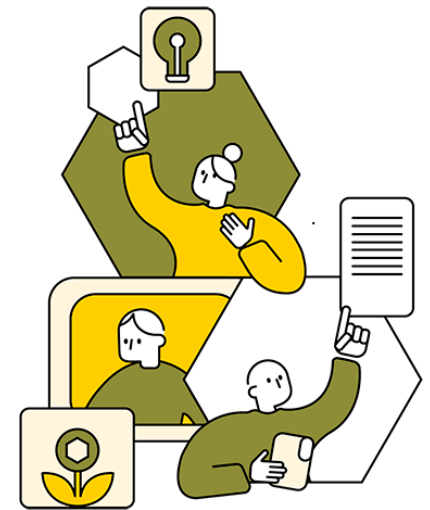
!dea Fellow

The !dea Fellow concept allows a creative professional to act as a creative consultant for small companies.

The concept provides guidance on how creative methods can be utilised in the company's operations in different development processes.
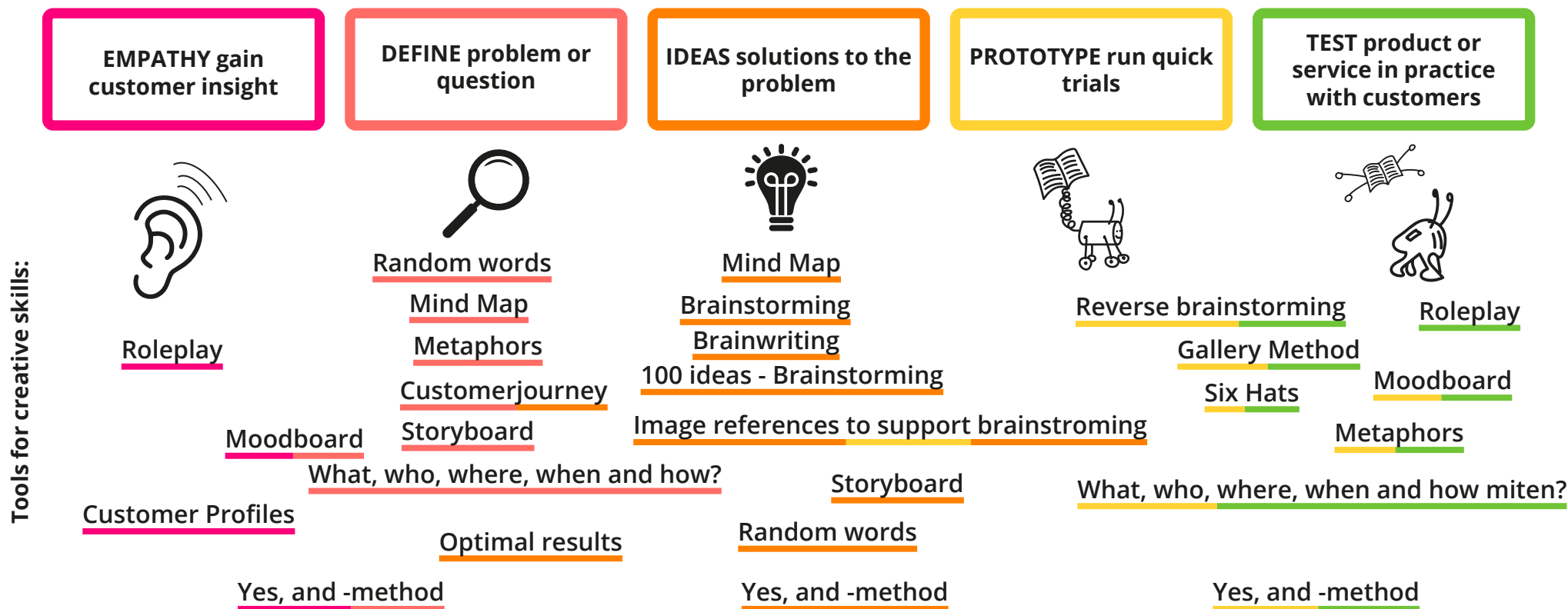
Creative process diagram:

EMPATHY gain customer insight	DEFINE problem or question	IDEAS solutions to the problem	PROTOTYPE run quick trials	TEST product or service in practice with customers

Tools for creative skills:

EMPATHY gain customer insight
- Roleplay
- Moodboard
- Customer Profiles
- Yes, and -method

DEFINE problem or question
- Random words
- Mind Map
- Metaphors
- Customerjourney
- Storyboard
- What, who, where, when and how?
- Optimal results

IDEAS solutions to the problem
- Mind Map
- Brainstorming
- Brainwriting
- 100 ideas - Brainstorming
- Image references to support brainstroming
- Storyboard
- Random words
- Yes, and -method

PROTOTYPE run quick trials
- Reverse brainstorming
- Gallery Method
- Six Hats
- What, who, where, when and how miten?
- Yes, and -method

TEST product or service in practice with customers
- Roleplay
- Moodboard
- Metaphors

Figure 39. !dea Fellow - concept for creative consulting (Huhtanen 2023, adapted from Brown 2008).

For example, visual artists often have competence in implementing community and inclusive art projects. Art may highlight values and attitudes or the positive tone in customer relationships. The pieces can also be practical – for example, a painted construction site barrier – while containing artistic content and values. They can be beautiful, surprising, or tell a story. Art projects that are planned and implemented together communicate a cultural-friendly brand. An artwork can be a powerful attraction factor for a company or an area. Communal and inclusive art projects can also provide a powerful tool for deepening the customer relationship.

Inclusion in the creation of a piece of art engages its makers. When an entrepreneur and an artist work together on the development and implementation of a piece, it is possible to establish a trust-based relationship. Together, you started a creative process, even though you don't know where it will lead.

In the Living Lab operating model for creative industries, the entrepreneur is responsible for the costs of an inclusive business-oriented art project. Visual artists can easily invoice the costs of the artwork process through a cooperative, even without a business ID. Municipalities can support the activities, for example, by offering artists a place to make art or by supporting companies and artists in acquiring funding for the development of the region.

The regional impacts of inclusive business-oriented art projects may be the development of multidisciplinary business, new business opportunities, regional brand development, increased attraction and retention, and the development of new employment.

At Lapinjärvi, accommodation business Villa Ullakko and visual artist Antonio Arosa carried out a cooperation project, in which the entrepreneur and visual artist jointly brainstormed and developed a piece of art that utilises recycled materials. The piece also serves as a visual and noise barrier between the company and the highway.

Tools for creative skills

1. **Brainstorming** technique, which is designed to generate as many ideas as possible in a short period of time. (e.g. **https://servicedesigntools.org/tools/brainstorming**)

2. **Reverse brainstorming** helps identify challenges in the development process. (e.g **https://online.visual-paradigm.com/knowledge/brainstorming/what-is-reverse-brainstorming/**)

3. **Brainwriting** technique helps you brainstorm and work in groups. (e.g. **https://unalab.enoll.org/brainwriting/**)

4. **Image references to support brainstorming** complements brainstorming through images.

5. **100 ideas – Brainstorming** (**https://www.innovationtraining.org/100-ideas-exercise-activity/**)

6. **What, who, why, when, where, how? technique** is good for defining issues related to the development process (e.g. **https://www.mycoted.com/Five_Ws_and_H**)

7. **Random words** are suitable for making abstract problems more concrete. (**http://www.brainstorming.co.uk/tutorials/randomwordtutorial.html**)

8. **Gallery method** helps to strengthen individual ideas and create new perspectives. (e.g. **https://www.mycoted.com/Gallery_method**)

9. **Mind map** is suitable for the brainstorming phase of the process and for comprehensive perception of the issues. (e.g. **https://unalab.enoll.org/mindmap/**)

10. **Moodboard** is a tool for visualising the ideas and their timeline. (**https://www.haaga-helia.fi/fi/mood-board**)

11. **Role play** techniques aims to understand the customer or user. (e.g. **https://servicedesigntools.org/tools/role-playing**)

12. **Yes, and method** is suitable for co-creation and supports free brainstorming. (**https://openpracticelibrary.com/practice/yes-and/**)

13. **Metaphors** help you understand complex and difficult issues. (**https://andyeklund.com/metaphors/**)

14. **Six hats** helps to specify the idea and define the problem. (**https://unalab.enoll.org/6-thinking-hats/**)

15. **Storyboarding** is a tool for strategic planning. (e.g. **https://unalab.enoll.org/storyboard/**)

16. **Optimal results** is a technique that helps clarify goals and actions. (**https://www.rikon.ie/tool-wishing/**)

Closing words

Rural areas and small towns have potential for innovation and development that has not necessarily been utilised. This handbook aims to provide municipalities with an operating model and tools that can be used to create opportunities for developing the competence of the municipality and its entrepreneurs.
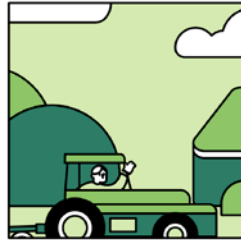
Innovation in rural areas can be promoted, for example, through the municipality-based Living Lab. When actors in different sectors are able to meet through the Living Lab, resources for promoting their own business activities will become available to the sole entrepreneurs and SMEs that operate mainly in small municipalities, which also supports the creation of new business in the region.
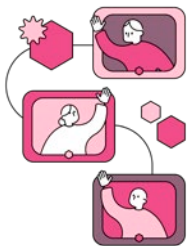
The municipality-based Living Lab in Lapinjärvi has resulted good experiences. From the entrepreneurs' perspective, the networked and multifaceted activities were considered fruitful. Entrepreneurs felt that they had received new ideas and different perspectives on their business activities from network and workshop meetings as well as information on the activities in their own area. Information sharing and the creation of new connections were considered valuable.

The municipality-based Living Lab operating model includes four different lines of development: future, circular bioeconomy, tourism and creative industries. As society is changing at a fast pace, we need methods to handle the operating environment and its complex challenges. By increasing future-oriented work and foresight skills, municipalities can promote the building of a sustainable future for the coming generations. Future-oriented work allows you to create alternative Images of the Future and visions to start the discussion and support decision-making in the municipality. Promoting the foresight skills of the region's actors will enable municipalities to better prepare for the future and promote the competitiveness of the companies in the region, which will ensure the future vitality of small municipalities.

Building a sustainable future for a growing population that consumes more and more natural resources requires smart utilisation of those natural resources. At Lapinjärvi, we showed that even small municipalities can respond to this challenge and strive to strengthen their vitality by developing new business around resource-wise circular economy solutions. Based on the experiences of the Lapinjärvi Living Lab, we built an operating model for promoting the circular bioeconomy, which can be used by municipal actors interested in promoting the circular bioeconomy in their own development work. In this development work, it is crucial to acquire expertise in the circular bioeconomy and to work closely together with local companies.

In Lapinjärvi, a rural municipality, companies involved in agriculture and the food industry had in their productions untapped side streams. Companies welcomed the new side stream solutions, which were created with the help of the Living Lab, as well as the pilots of the selected solutions implemented as part of the Living Lab. Experiences showed that the municipality-based Living Lab created innovations in the circular bioeconomy for rural enterprises. Innovations in the circular bioeconomy may lead to new business, but starting new circular bioeconomy business often requires investments, which take time. The emergence of circular bioeconomy business strengthens the ecological vitality of the region and promotes the green transition, and for these reasons, its promotion can be seen as a topical development target in many municipalities.

The model for the continuous development of tourism provides a practical approach to the development of the tourism sector. It will help organisations and stakeholders achieve sustainable growth, improve tourism experiences and promote regional development. The model for productising rural tourism assets, on the other hand, focuses on individual companies' product development. It provides a clear framework for utilising the potential of rural tourism and helps companies to productise their unique strengths.

Both models were developed in cooperation with regional stakeholders and tourism entrepreneurs. In this way, we have ensured the optimal functioning of the models among tourism entrepreneurs and businesses in small municipalities. Both the models and the tools presented in the manual have been tested and strengthened in cooperation with tourism development workshops, and the best practices can be found in this manual.

Creative skills are widely seen as key skills in a changing world, and rural areas are not protected from change. While representatives of the creative industries are often sparse in rural areas, they are carriers of significant potential for businesses and regional development. The operating model, examples and tools in this handbook can support your vision and work in developing the operating conditions and participation of creative industries in business. The experience gained during the Lyckan project at Lapinjärvi gave rise to the belief that even small resources can have a meaningful impact on strengthening creative industries. Creative experts were happy to join our project and network naturally. We hope you'll see these opportunities and take advantage of the handbook to promote creative industries in your region.

Emotions, impressions, images, stories and myths are the playground of culture and arts. These people are the ones that build the foundations of human experience and seem to be sometimes hidden, but ultimately, these are the things that our identity is built on at individual and community level.

This handbook is intended to be a user-friendly guide for the operating models. It is a clear and approachable tool that provides concrete instructions and examples for implementing different lines of development.

We hope that the operating models will help you develop your municipality and support the region's business activities. Boldly start putting the tools into practice and promote a culture of experimentation to create a vibrant countryside of the future.

Thank you from the Lyckan team

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A vibrant countryside is part of a vibrant municipality, and the development of the region applies to all actors therein, such as the municipality, entrepreneurs and residents. The aim of development is to ensure that small municipalities in rural regions have good conditions for many types of business and housing. Promotion of innovation activities requires new kinds of investments and approaches: Living Lab, co-creation and, for example, future-oriented work. The best way to innovate is for actors in different fields to meet each other.

A municipality-based Living Lab operating model was developed to support innovation and inspiration activities in rural areas, which helps to boost cooperation between companies and the creation of new business in the region. The operating model enables municipalities to strengthen future-oriented and foresight skills, regional development of tourism and the circular bioeconomy, and the integration of creative sectors into the business development. The handbook is a concrete and clear set of guidelines to support development work.

With the *Living Lab Handbook for Small Municipalities – Designing a vibrant countryside of the future*, you can get to know the principles of a Living Lab and co-creation as well as to get tips on design tools for different lines of development (future, circular bioeconomy, tourism, creative industries). The operating model is intended for small municipalities both nationally and internationally. This handbook will help you identify and promote the potential of your region with the help of the municipality-based Living Lab concept.

The project was implemented in cooperation between the municipality of Lapinjärvi, Laurea, Haaga-Helia, Häme and LAB Universities of Applied Sciences. The project received funding from the European Regional Development Fund through the Regional Council of Uusimaa.

ELIMÄKI

MUSTILA VIINI

LAPINJÄRVI

PORLAMMIN MEIJERI

SILFVASTAS HOLIDAY HOMES

CAFE BAR ROUTE 6

NYGÅRDIN TILA
OY HAVSÖ AB

KUNNANTALO

APTEEKKI

ULLAKKO TUOTTEET

KAL'S SEPCIALITY FOODS:

ROBBE'S LILLA TRÄDGÅRD AB