

THINGS+ project



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**Helping manufacturing companies become more
competitive by introducing service innovation.**

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THINGS+ outcomes

1

SERVICE INNOVATION METHODOLOGY (SIM):

tools & methods that manufacturing small and medium-sized companies (SMEs) can use to design and deliver new services.

2

SERVICE INNOVATION INCLUSIVE POLICY:

a full set of recommendations for Central European policymakers to encourage service innovation.

3

SIM EXPERTS:

trained entrepreneurs and business experts, ready to guide SMEs in their servitization transition.

THINGS+ in a nutshell

128

involved SMEs in
pilot actions

94

new service
concepts



220

trained entrepreneurs
and managers

70

workshops

9

CE regions

10

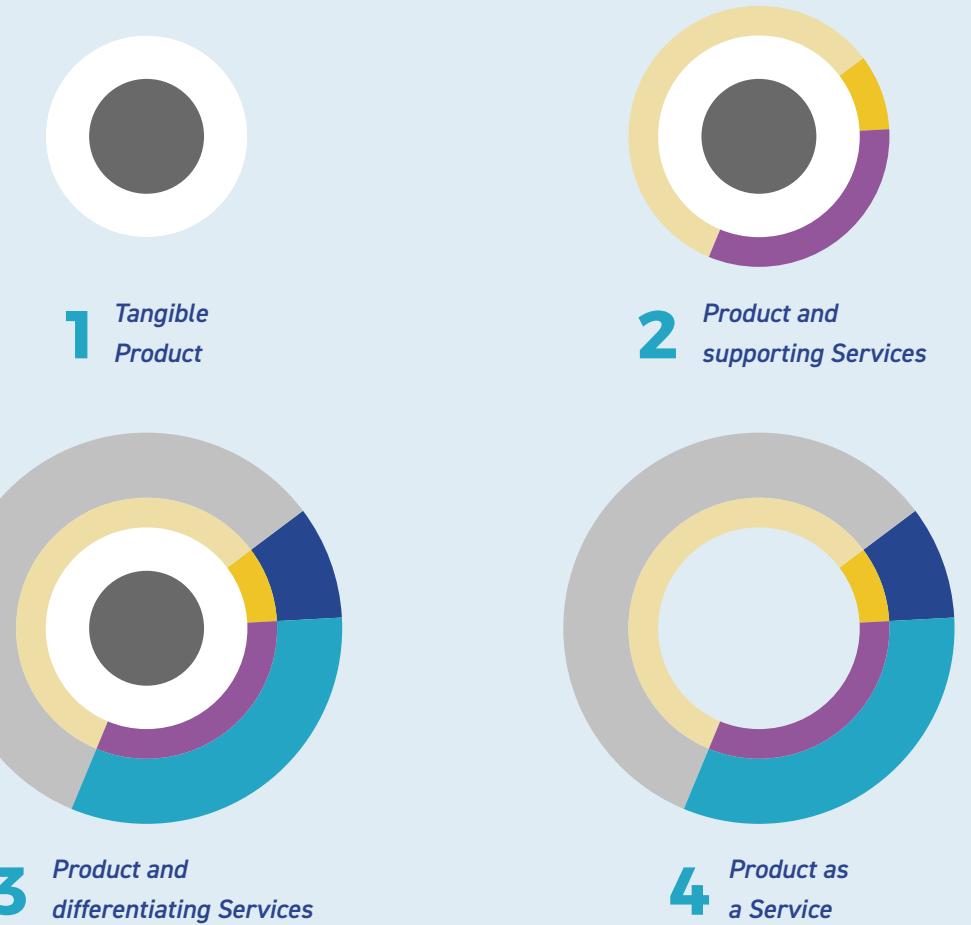
project partners

The importance of servitization

Many industries in Central Europe (CE) still focus solely on product manufacturing. Customers today, however, expect more customization and choice – selling products alone is often not enough. Moreover, low-cost competition from non-EU countries further challenges the competitiveness of small and medium-sized companies (SMEs) in CE.

THINGS+ partners believe that by upgrading portfolios with new services and service-based business models, manufacturing SMEs could provide additional value and more easily overcome market challenges.

Servitization opens a range of diverse product-based services that SMEs can adopt. They can, for instance, add supporting services (consulting, repairs, monitoring) or adopt more advanced services that include pay-per-use and licencing.



Servitization has the potential to transform manufacturing companies into regional engines of innovation. The challenge of transferring the idea to manufacturing sector, however, requires significant efforts. To make these investments easier, most SMEs would require external support, both at the national and regional level.

QUOTE OF SBA EXPERT
 "Manufacturing companies that have successfully implemented service innovations and can be seen as best practices achieve 50 to 80 % of revenue through services."

Jaroslav Huľvej
EXPERT

Service Innovation Methodology: a guide to servitization

THINGS+ members developed a comprehensive business development methodology that SMEs can use to design and commercialize their new product-based services. The five-step process takes up to six months to finish. It also comes with a full set of free tools available in nine languages and guidelines for servitization manager training.

FIVE PHASES OF SERVITIZATION PROCESS

- 1 Inside-out:** assessment of the company's capabilities, existing products & services and opportunities for upgrading them. Companies start to conceptualise their servitization potential based on internal know-how.
- 2 Outside-in:** an in-depth analysis of the targeted customers and the problem they are trying to solve. The aim is to introduce companies with "outside" knowledge and to recognize the most valuable servitization opportunities.
- 3 Product-based service:** development of the services according to the management habits and capabilities of the company. It's important to recognize the changes in the business model, organization and capabilities in general.
- 4 Implementation:** focus on the commercialisation of the servitized product, domestically and internationally.
- 5 Product-service system:** a formulation of a servitization initiative to make service-design part of the company's strategic management activities



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The early adopters of service innovation

More than 120 SMEs from Central Europe have been involved in the pilot actions of the THINGS+ project. Here is what some of them have achieved:



ITALY

Galdi develops filling line machines such as food processors. During THINGS+, they came up with a platform to bring together all their digital services in one place.

CROATIA

Alarm Automatika provides integrated solutions for electronic security and protection. As part of the project, the company designed a new service for private customers, based on smart automation.

HUNGARY

Micro-Kerfém produces metal structures and metal parts. Thanks to THINGS+, the company now offers additional services: it delivers and installs custom-made components and provides maintenance.

POLAND

AWP Nordic develops and installs technologies that clean impurities in water. During the project, they developed a concept of long-term rental with pay per use model.

SLOVAKIA

Nosha makes biodegradable school backpacks, designed to meet ergonomic standards. Their new services include minor repairs and impregnation as well as extended warranty.

SLOVENIA

MyWater produces a refill station that offers clean filtered water. During the project, they began developing services such as device installation, tele-maintenance and repairs.

AUSTRIA

Messermacher Kappler produces high-quality designer knives. As part of THINGS+, Kappler defined an online configurator that supports customer service and integrates the data.

GERMANY

Rematch Data Technologies is developing a B2B platform for matching suppliers and customers along the pharmaceutical value chain. During the project, the company redefined the perception of its customers.



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Recommendations for policymakers

THINGS+ encourages policymakers in central Europe to seize the potential of service innovation, address the main barriers and provide business incentives for developing product-based services.

We believe that service innovation has to become part of the mainstream support schemes – that's why we compiled a comprehensive list of recommendations as well as specific tools and measures that policymakers can adopt.

RECOMMENDATIONS TARGETING SMES

- Increase awareness of the servitization benefits.
- Stimulate SMEs to develop solutions combining products and services.
- Push leading regional manufacturers to implement service innovation.
- Increase the export potential of product-based services.
- Organize logistics support through support organization's infrastructure.

RECOMMENDATIONS TARGETING BUSINESS SUPPORT ORGANIZATIONS (BSOs)

- Encourage capacity building for new Knowledge-Intensive Business Services focused on servitization and new business models.
- Support BSOs in developing a network of contacts to provide better quality services to SMEs.
- Engage BSOs in the creation and monitoring of ERDF Regional Operational Programmes.

TOOLS & MEASURES SUGGESTED

- Incubation programmes for developing product-based services
- Incentives to boost service design
- Small grants for the implementation of servitization concepts
- Dedicated programme for financing the digitization of manufacturing companies
- Dedicated calls for service innovation within the framework of ERDF ROP 2021-2027
- Revolving fund for pilot servitization projects
- Creation of a Service Innovation Academy
- Capacity building vouchers for Business Support Organizations

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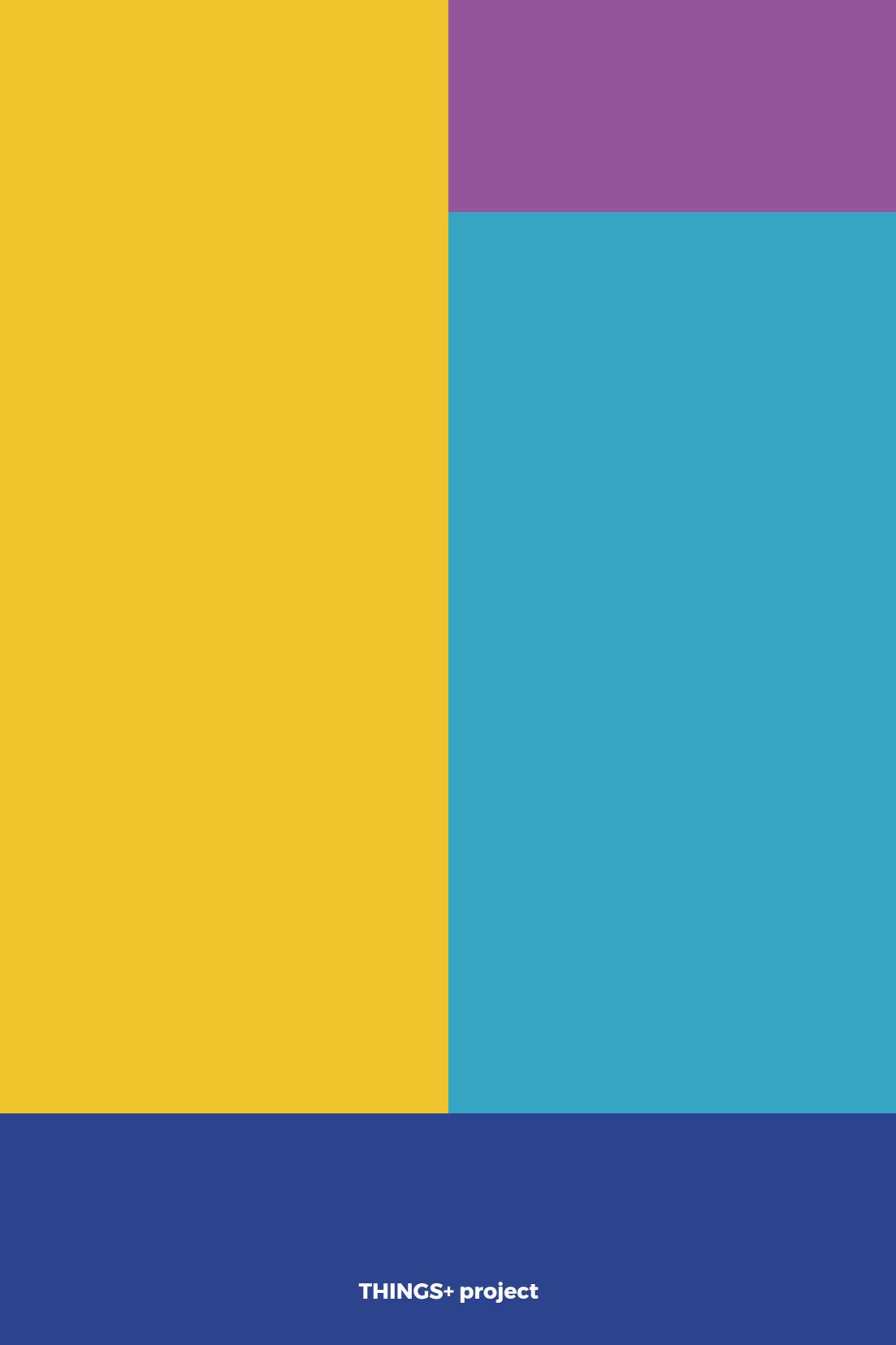
The project has been implemented by 10 organizations from 9 Member States and made possible by the Central Europe Interreg programme.

LEAD PARTNER



PARTNERS





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