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# **ACTIONS AND VISIONS FOR SOCIAL CHANGE: SITRA'S EVALUATION 2002–2011**



# TABLE OF CONTENTS

## PREFACE

<b>1.</b>	<b>INTRODUCTION</b>	<b>1</b>
1.1	Assignment and objectives	1
1.2	Evaluation methods and materials	2
1.3	Organisation of the project	3
<b>2.</b>	<b>SITRA'S DEVELOPMENT IN 2002–2008</b>	<b>5</b>
2.1	2002 evaluation and follow-up	5
2.1.1	The role and main tasks of Sitra	5
2.1.2	Cooperation and networks	6
2.1.3	Internal processes (fluency) and the administrative model	7
2.2	First-wave programmes 2005–2008	7
2.3	Meta evaluation of the first-wave programmes 2005–2008	14
<b>3.</b>	<b>SITRA'S STRATEGIC DEVELOPMENT IN 2009–2011</b>	<b>17</b>
3.1	Programmes as tools of change	17
3.2	Development programmes	21
3.3	Evaluation of activity performance by content theme	21
3.3.1	Brand, reputation and communication	22
3.3.2	Communication and network management	24
3.3.3	Renewal ability and strategic agility	26
3.3.4	Support for decision-making	29
3.3.5	Management	30
3.3.6	Competence renewal and allocation	32
3.3.7	Endowment capital, venture capital investments, and their profit and added value	33
	<b>APPENDICES</b>	<b>37</b>

Appendix 1:	Executive summary
Appendix 2:	Executive summary in Finnish
Appendix 3:	Literature
Appendix 4:	Interviewees
Appendix 5:	Resource information of programmes
Appendix 6:	Benchmarking summaries
Appendix 7:	Indicator comparison
Appendix 8:	Structural renewal of society
Appendix 9:	Summary of the survey
Appendix 10:	Sitra's strategy in brief

## PREFACE

The report is an overall evaluation of Sitra's activities and development in the first decade of the 21st century. The goal is to describe as comprehensively as possible how well Sitra has provided added value for society. In addition to impact evaluation, the report covers the strengths and development themes of Sitra's activities.

In June 2010, the Supervisory Board of Sitra made a decision to commission an overall evaluation of Sitra's activities. The goal was to obtain an expert evaluation of whether Sitra does the right things and whether Sitra does them correctly. The review period focuses on Sitra's activities after the previous evaluation, completed in 2002.

The evaluation was required to be transparent and independent. It was also required that the evaluation would provide a basis for focusing Sitra's activities and for introducing more effective operating methods, while accounting for other actors in our innovation system. In addition to the evaluation by external experts, the report includes comments by Sitra. The goal is to address the development themes identified in the evaluation as soon as possible.

In a competitive tendering process, Net Effect Oy (Ramboll Management Consulting Oy as of 1 March 2011) was selected to perform the evaluation. Kaisa Lähteenmäki-Smith (Head of Department, Ph.D. [Pol.Sc.]), Petri Uusikylä, (Director, Lic.Pol.Sc.), Katri Haila (Senior Consultant, D.Sc.) and Elina Auri (Consultant, M.A.) worked with the project from late August 2010 all the way to the end of May 2011. Petri Virtanen (CEO) and Marja-Liisa Niinikoski (M.Ed., LL.B.) also contributed to the evaluation work.

The evaluation team was supplemented with a team of experts: Luke Georghiou (Manchester Business School), Professor, involved in Sitra's evaluation 2002; Hannu Olkinuora, Editor-in-Chief and CEO of Hufvudstadsbladet; Katja Rouru, Director at the World Economic Forum; Jarkko Virtanen, Senior Advisor at CapMan Oyj; and Pekka Ylä-Anttila, CEO of Etlatieto Oy.

From Sitra, Tapio Anttila, Vice President, and Mirja Gröhn, Lead Specialist, and Tuula Tiihonen, Lead Specialist, participated in the project. Tuula Ahtinen, Specialist, was responsible for proof-reading the report.

On behalf of the Supervisory Board of Sitra, I would like to warmly thank everyone who contributed to the evaluation work. I am confident that the work will help evaluate the performance of Sitra's activities in the recent past and also provide focus areas for developing Sitra's activities in the future.

Helsinki, August 2011

Ben Zyskowicz  
Chairman of Sitra's Supervisory Board

# 1. INTRODUCTION

## 1.1 Assignment and objectives

As commissioned by Sitra, the Finnish Innovation Fund, Ramboll Management Consulting has implemented an overall assessment of the fund's project activities from September 2010 to April 2011.<sup>1</sup> The period of assessment begins from 2002 and ends at the end of April 2011.

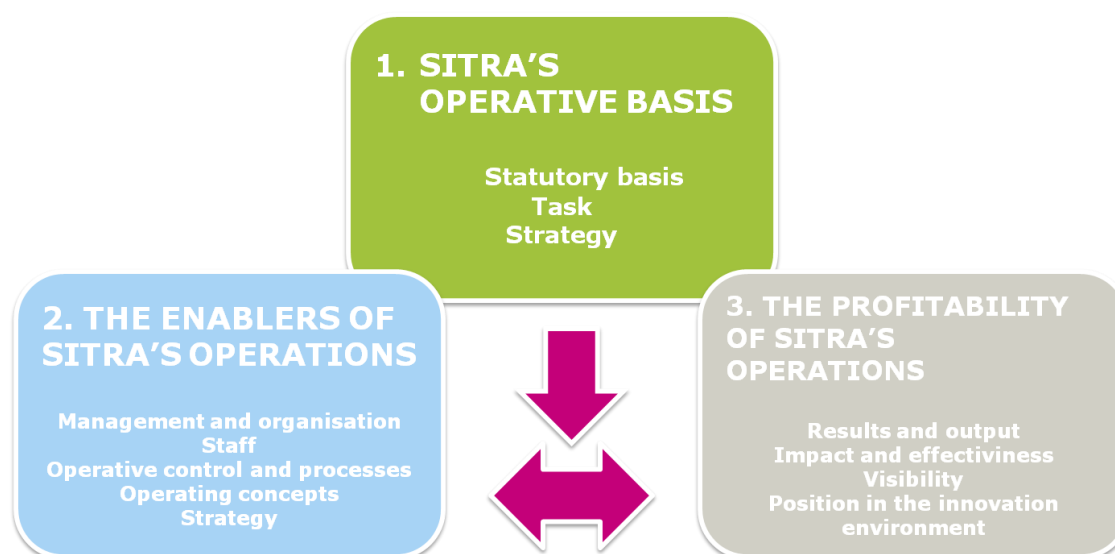
The success and impact of Sitra's operations rely on how well the fund is capable of organising and combining its operative basis, i.e., its statutory role and strategic choices with the enablers of change, such as competence, human resources (HR) and management, and provide directly utilisable results for different actors in society, for Sitra's own partners, and ultimately for tax-payers.

Sitra's duty is to promote stable and balanced development in Finland, the qualitative and quantitative growth of its economy and its international competitiveness and cooperation. The purpose of the evaluation is to determine how well Sitra has performed in its duty, what the role of Sitra is in Finnish society and its innovation system, and how Sitra is regarded as a partner in Finland and abroad. The assessment also focuses on Sitra as a workplace, i.e., what its employees think of Sitra and what Sitra's appeal as an employer is. The three key themes in the assessment are 1) Sitra's operative basis, i.e., statutory basis, tasks and strategy, 2) Sitra's enablers of change and 3) the profitability of Sitra's operations, i.e., the results and output, impact and effectiveness, visibility and position in the innovation system.

The assessment answers the following three questions:

1. Is Sitra capable of securing its position as an independent force for change and developer of Finnish society monitored by Parliament (i.e., does Sitra fulfil its statutory role in the best way possible through its projects)?
2. Are the enablers of change organised as well as possible? Are the competencies, management and related processes and operating methods appropriate? Do they provide added value for projects and do they support profitable operations?
3. Do Sitra's operations achieve results and impacts? Are there signs of Sitra's operations also causing added value in the long term (i.e., effectiveness, and socially useful results, such as increased well-being, entrepreneurship, visions required by social change, and operating methods for achieving permanent added value which results in positive changes)?

Figure 1. Positioning Sitra's overall evaluation.<sup>2</sup>



Sitra has assessed its operations throughout the first decade of the 21st century and introduced elements of a learning organisation in the operations. This evaluation report is an overall evaluation of the development during the aforementioned period, and is based on assessment operations carried out by Sitra and commissioned by Sitra to external specialists. The evaluation has resulted in an idea of Sitra's impact as well as its areas of strength and those in need of improvement.

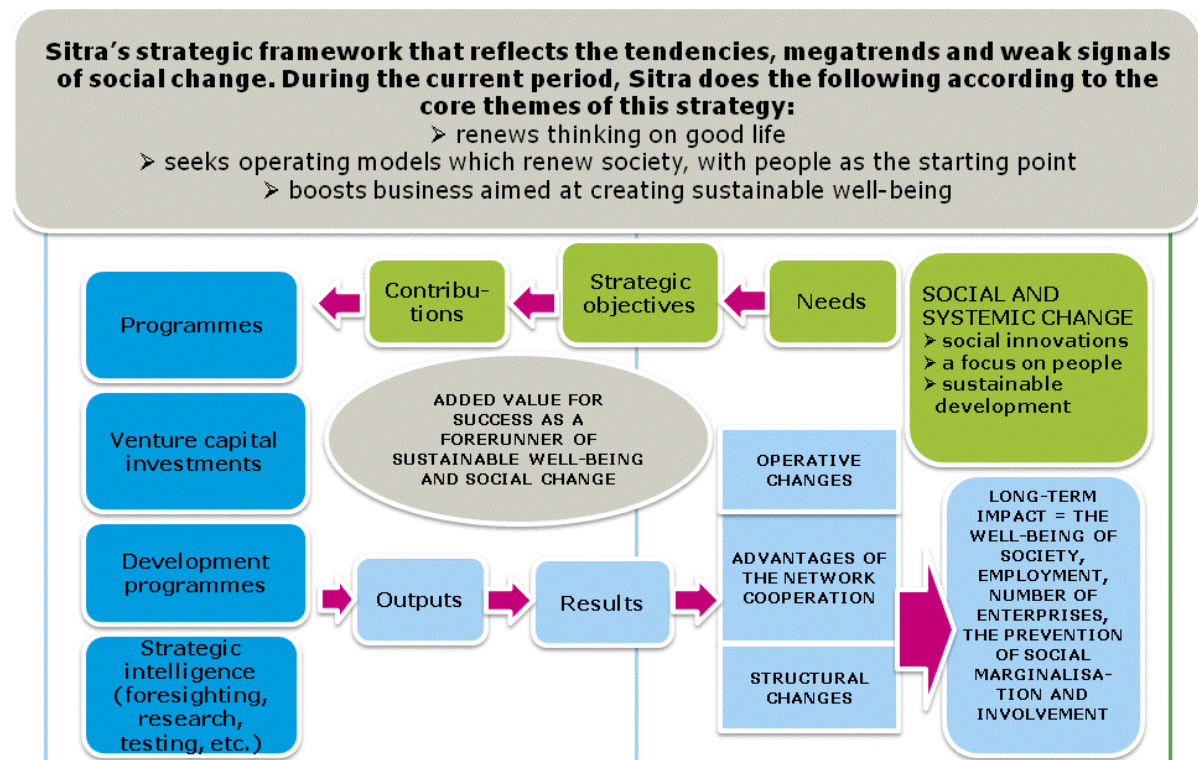
The evaluation report issues proposals on how Sitra should develop its operations in the future. The assessment has provided input for updating Sitra's strategy and developing its organisation. Some of the development proposals were already introduced during the assessment process.

Reporting was carried out interactively so that the evaluation team used the electronic survey, document analysis and interviews as the basis for preparing basic material for an external group of experts who convened in February 2011. Over two days, the management of Sitra, assisted by consultants, engaged in a dialogue with the expert group. After this, the main conclusions of the expert group were analysed with the key observations and conclusions drawn on the basis of the rest of the material compiled during the assessment. Sitra's management team and Board of Directors were provided with a summary including further questions and an option to give comments. Finally, the entire report was submitted to Sitra's Board of Directors and management team for commenting. The purpose of the sequential process is to ensure that the assessment information is utilised, to form a shared view and to promote dialogue.

## 1.2 Evaluation methods and materials

The diversity of Sitra's operations involves specific challenges in the assessment. The assessment team has applied methods that survey paths of impact, and has used them to achieve direct results and benefits, indirect results and changes, as well as benefits and resources created in the long term to promote social change in the selected areas and target groups.<sup>3</sup>

Figure 2. Impact framework of the assessment.





The evaluation has used several different materials and data sets in parallel to obtain a sufficiently comprehensive picture of Sitra and its operations. The following data gathering methods were applied in compiling information on the different themes of assessment: document analysis, interviews with Sitra employees and representatives of Sitra's stakeholders, an extensive electronic survey<sup>4</sup>, programme-specific workshops, workshops of Sitra's Board of Directors and Supervisory Board, and an international panel of experts. In addition, a comparative analysis was conducted between Sitra and two similar organisations, the UK-based NESTA and the Chile-based Fundación Chile. The evaluation material was partially compiled in parallel and partially in the aforementioned sequence of further specifying and testing the hypotheses based on accumulated assessment of the materials and related initial observations during the course of the evaluation.

The basis for the assessments was established by literature analysis focusing on the key written documents, such as Sitra-related legislation, Sitra's annual reports, material produced by Sitra's programmes (e.g. publications, such as studies, reports and assessments), Sitra's evaluation report drawn up in 2002, Sitra's programme evaluations and reports compiled as part of the international evaluation of the Finnish innovation system. A list of the document analysis material is attached.

The evaluation material and previously drafted reports were utilised in outlining the logic of project operations and their impact paths. Regarding the impact of programme-oriented development, the goal is to promote change amongst the target groups and network members. Another goal is the promotion of interaction within the innovation system, including enterprises and public sector actors. When surveying all this, primary new data sets were compiled, but previous information sources were also used in order to better understand the impacts and changes described below.

After the document analysis, over 3,000 representatives of Sitra's stakeholders received an electronic survey where they were requested to answer questions concerning Sitra's operations. The survey was taken by 498 people, and the most active respondents were representatives of enterprises, municipal administration and the central administration of the government. The personnel of Sitra also had the opportunity to take the survey, and it was possible to analyse their answers as a separate unit on the basis of background questions.

In addition, the assessment involved semi-structured interviews with around 60 representatives of Sitra and its stakeholder groups, and others thought to have relevant knowledge concerning the development of Sitra's role in the future. 40 of them were personal interviews, and the rest were organised as focus group meetings. For personal interviews, a sample was selected to cover the main stakeholder groups and to provide new perspectives and content-related views on the future themes identified as important during the assessment, such as well-being, creative sectors and innovation activities. In addition to the interviews, workshops were arranged for Sitra's ongoing programmes. The programme directors were given the opportunity to invite cooperation partners to these meetings and workshops (21 persons attended in total). Sitra's staff members were involved at three meetings, open to everyone at Sitra. A list of the interviewees is attached to the report. The participants of the programme workshops are not identified here because they were assured anonymity reporting the evaluation outcomes.

In addition to the aforementioned methods of compiling information, the evaluation involved dialogue with Sitra's Board of Directors and Supervisory Board. To ensure that the assessment findings and proposals for future action are relevant and up-to-date, an interactive dialogue process was established to directly integrate the results and proposals to support decision-making and management within Sitra.

### **1.3 Organisation of the project**

The evaluation project was implemented in close cooperation with a project team appointed by Sitra. Sitra's Supervisory Board acted as the steering committee of the project. The results were introduced to the Board, and the Board was heard three times during the evaluation. The evaluation results were also introduced to Sitra's management team at different stages of the evaluation process, ensuring an optimally interactive, open and discussion-oriented process. The evaluation team of Ramboll Management Consulting Oy was supplemented by an expert team with Luke Georghiou (involved in the Sitra evaluation of 2002), professor at Manchester Business

School; Pekka Ylä-Anttila, managing director of Etlatieto Oy; Hannu Olkinuora, editor-in-chief and managing director of Hufvudstadsbladet; Katja Rouru, director at the Switzerland-based World Economic Forum (WEF) and Jarkko Virtanen, senior advisor at CapMan Ltd as the expert for venture capital investment. After the meeting of the expert team, Jarkko Virtanen has also contributed to the evaluation as an independent expert of venture capital investment activity.

## 2. SITRA'S DEVELOPMENT IN 2002–2008

Since its establishment in 1967, Sitra has developed as an independent and free reformer of Finnish society, while the surrounding society and Sitra's networks have changed. Examples of significant reforms include innovation system changes, such as the establishment of Tekes – the Finnish Funding Agency for Technology and Innovation, which has directly affected the mission and role of Sitra in society and the innovation system.

The historic scope of this evaluation report is limited to time after 2002. The delimitation of the scope was in part determined by the previous comprehensive evaluation of Sitra, undertaken in 2002. The historic background is naturally essential to Sitra's current role in many respects. Sitra was after all the actor who brought venture capital investment to Finland and acted as the prime mover in technology development, for example, before Tekes was established.<sup>5</sup>

### 2.1 2002 evaluation and follow-up

This section of the report is based on literary sources, an electronic survey, as well as interviews. With regard to methods, the findings and conclusions of the 2002 evaluation have been compared with those at the end of the current assessment period: Have the assessments made by the stakeholder groups changed? Is there proof of Sitra having put recommendations of 2002 into action? How have the findings and recommendations been implemented in Sitra's operations?

#### 2.1.1 The role and main tasks of Sitra

The overall conclusions of the 2002 evaluation were very positive: Sitra had succeeded well in its mission. It was a leading actor in venture capital investment and had filled a significant market gap in biosciences in particular. This was considered particularly important as this is an area requiring a patient investor and long-term commitment. The knowledge transfer role between universities and companies was found to be successful.

At this stage, Finnish investors did not consider Sitra as a competitor, and its good reputation and reliability enabled it to operate as a partner of Finnish investors.<sup>6</sup> However, Sitra had not performed equally well in appealing to foreign investment, and further efforts in this area were required. Changes to practical operating methods were also proposed, particularly to the role and work distribution of investment managers, and to the use of external experts.

The evaluation also highlighted the promotion of an entrepreneurship because Finland needed a new, more entrepreneurship-oriented approach, and Sitra was in an excellent position to provide individual entrepreneurs with moral support.<sup>7</sup>

Regarding substantive themes, the 2002 evaluation emphasised industrial reform and the prevention of social marginalisation. Project activities were found to be high-quality and well-organised as such, but process management stirred some criticism related to how work launched by Sitra is reassigned to other actors. It was also requested that the networks be involved more extensively in priority area selection and the flexibility of the process management. In this area, the Sitra brand was seen as underdeveloped, and the foresight and development projects required as strong a profile as had already been developed for investment matters.

The evaluation also stressed the role of Sitra in promoting social change. Sitra was supposed to communicate its intent to other organisations early enough for them to be able to accept Sitra's initiatives upon Sitra exiting the initiatives. Sitra's role between the Parliament and other societal actors was also emphasised, but it was not clearly specified what this role was and how it was supposed to develop.

Sitra's role in the innovation system was considered to be supplementary. Possible overlap was not seen particularly harmful, taking into account Sitra's small size in relation to the funding needs of the market. The situation was dynamic, therefore requiring continuous follow-up.



### *Measures and changes after 2002 as compared to 2011*

Stakeholder views in the 2010–2011 evaluation seem to be surprisingly similar to those in 2002. Amongst the conclusions of the external team of experts that convened in February 2011 was seeing Sitra as a significant Finnish actor and a change agent, a think tank and an investor that has a suitable position for promoting the role of Finland as a pioneer of social change. Sitra's strategy is seen as appropriate because it caters to the global trends of a people-oriented, sustainable service society better than it did before. In order to be implemented, the strategy needs to be specified and communicated more clearly and consistently than before by Sitra and its networks.<sup>8</sup>

The low level of foreign investment continues to be a cause for concern. In recent years, foreign investors' interest in Finland has in fact further decreased. In addition to Sitra, there are a number of other public sector actors in the field, such as Invest in Finland and Finpro.

Entrepreneurship has emerged as a key policy theme in recent years and particularly in the field of industrial policy throughout the first decade of the 21st century. From the standpoint of many stakeholder groups, Sitra's role in the entrepreneurship theme has diminished, which perhaps is a natural step as the theme has become more mainstream. If Sitra is expected to find entirely new areas and to challenge the status quo, open new perspectives and ask critical questions, Sitra's role should not be particularly central in already well established mainstream themes, such as entrepreneurship. On the other hand, despite several efforts, the promotion of entrepreneurship has not been effective, and this is something that could require the open-minded and independent expert thinking represented by Sitra. Social entrepreneurship is a leading theme for Sitra's UK-based counterpart NESTA, for example.

Sitra's current position in the Finnish innovation system is largely similar to that in 2002. The Evaluation of the Finnish National Innovation System, for example, found that Sitra remains quite distinct from the main hub of Finnish innovation policy. Sitra however was seen to have played an important role in piloting and testing activities related to policy initiative development while contributing to the diversification of the system. Sitra was also found to have introduced significant added value in innovation operations through risk taking and the questioning of uniform solutions.<sup>9</sup>

#### 2.1.2 Cooperation and networks

Cooperation was also highlighted in the 2002 evaluation as a theme where Sitra was supposed to develop its operating methods to eliminate administrative overlapping and to carry out closer cooperation and partnerships with investors in particular. Sitra was considered as an actor providing more balance because the Finnish market had so few international investors at the beginning of the 21st century.

The 2002 evaluation emphasised Sitra's unique role in research and reporting operations: Sitra is not an organisation that conducts basic research, nor should it aim to be one, rather it should continue to focus on academically credible strategic research. Sitra should not provide funding for academic research not closely linked as part of the content of Sitra's operations. Sitra's role here, as well, was considered to filling the gaps of socially relevant research. Another important aspect was network management, i.e., Sitra does not conduct the research on its own but gathers the best resources for close cooperation. It was also stated that Sitra should reinforce its think tank operations, gather experts and decision-makers and promote their networking as well as to also provide relevant information for the public.

### *Measures and changes after 2002 as compared to 2011*

Sitra has carried out consistent cooperation throughout the 21st century. However, conveying essential information (with regard to citizens) between different social actors has only actually been ultimately confirmed by the strategy for 2011–2016. When compiling information for the evaluation, many stakeholder groups stated that Sitra still first and foremost aims to provide solutions. Instead, Sitra should open up new perspectives for where solutions can be found, and guide different social actors to such solutions. The citizen perspective is only now being formed through methods that are more dialogue-oriented than before.

### 2.1.3 Internal processes (fluency) and the administrative model

The 2002 evaluation also stated that integral synergy should be strengthened between innovative projects, training activities and investment. Forums for intellectual development were proposed to enable a closer dialogue between training and other activities. Regarding the training themes, entrepreneurship was highlighted and the assessors also pointed out the significance of using external experts. The diversity of the background and competences of the trainers and those obtaining training was deemed valuable. The evaluation experts stressed that Sitra should aim to diversify its networks by establishing new networks rather than reinforcing the old ones, by increasing the representation of the third sector and cultural organisations, for example.

Regarding the organisation and the administrative model, the 2002 evaluation pointed out the need to strengthen industry and science know-how in Sitra's Board of Directors. At the same time, however, it was necessary to keep the number of Board members small enough to prevent excessively heavy organisational burden.

An example of the less significant proposals concerning the administrative model was the proposal to replace the title of President with "Director General", which is more commonly used by similar organisations. It was also proposed that comparative development and analysis, i.e. benchmarking activities, be included as an integral part of Sitra's operations.

The challenge of becoming a global actor was a key conclusion in the 2002 evaluation. It was considered that one method of doing this would be to establish an international advisory board or similar expert body.

#### *Measures and changes after 2002 as compared to 2011*

The model of programme-oriented development eventually introduced an organisation-based solution to communication and processes. There have been concerted efforts to improve the fluency of the internal processes by introducing the steering panel, for example, though at least during the initial stage, this seemed to put too much focus on functions or units.

The representation of the third sector and cultural organisations has been strengthened in Sitra's networks, such as the Helsinki Design Lab, the Landmarks Programme and the Wellsprings of the Finnish Vitality forums. That said, this stakeholder group is clearly less represented than the more traditional public-sector stakeholder groups or companies.

The share of research expertise and representation of the business sector have been recently increased in the work processes of the Board of Directors, while the Board has been kept suitably small and agile. The work of the Board of Directors has also aimed to further promote internationalisation. The challenge of internationalisation and being a global actor is still relevant in the current evaluation period data. This is addressed in more detail in Section 2.3.

## **2.2 First-wave programmes 2005–2008**

This section reviews the performance of Sitra's operations in 2005–2008, i.e., a period of time when programme-based development was the main development mode both at Sitra and in Finnish society at large.<sup>10</sup> Sitra has successfully utilised monitoring and evaluation when developing the quality and impact of its operations. Studies have shown however the challenge of using a programme-based approach in societal reform work.<sup>11</sup> Implementing the operating models resulting from the development work in society and network is a long process affected by several factors, behaviour models, operating cultures and paradigms. Many kinds of obstacles for change pose a challenge to reforms. Some of them are described in the figure on structural renewal (Appendix 8).

Sitra promotes social change by eliminating inflexibility that may have negative effects on propensity to change, and supports preconditions for dealing with such rigidities. Such rigidity may relate to lines of thought, finance, social circumstances or the operating mechanisms of the system, but it may also be cultural inflexibility related to operating methods and daily procedures. Examples include the typical tendency of Finland to be consensual, engage passively in dialogue, honour boundaries excessively and strictly abide by norms and sectoral boundaries (i.e. "silos") in the development of the public sector. At its best, Sitra has achieved new kind of cooperation in

its networks, providing means for eliminating such obstacles. This has required considerable effort and network competence, which will have to be pursued further.<sup>12</sup>

Strategic change has also led to new content and positioning of project activities. Throughout Sitra's existence, its role has been to make new initiatives and to launch reform support processes by acting as a pioneer in social innovation. At the same time, it has become essential to abandon old operating models and content, as other actors have entered the fields opened up by Sitra ("exit strategy"). However, implementing change through programme work or investments is a slow process. Preparations of Sitra's programme work have often been assessed as positive and open, and choices by Sitra have mainly been regarded in a positive manner. In many cases, Sitra has been capable of choosing content and focus areas that have eventually become mainstream, through becoming incorporated as focus areas of Government programmes for instance.

There is a summary below of the first-wave programmes launched in 2005. Programme resource data is included in Appendix 5 to the report. The purpose of the summary is to highlight the goals and operating methods of the aforementioned period and to briefly address the achievements and added value of the activities, including what has been established through the programmes. A key question is how a pioneer and an organisation promoting innovation and social change best ensures that the successful measures initiated by it are included in daily work after the initial piloting and development stage. Minimising the overlap with other organisations, while maximising the input Sitra provides through its networks best ensures Sitra's added value.

<b>Health Care Programme 2005–2009</b>	
<b>Goal</b>	<p>The general goal of the Health Care Programme was to achieve an optimal productivity and impact of health care resources to provide customers with services of as high a quality as possible. The programme sought a positive development trend for at least some fields of health care.</p> <p>The goal of the programme was to:</p> <ul style="list-style-type: none"> <li>• bring together key actors and decision-makers in health care</li> <li>• develop services and practices in the field</li> <li>• promote the identification, implementation and spreading of best practices in health care</li> <li>• improve cooperation between the private and public sectors in developing and implementing health services</li> <li>• support the reform of the health care sector with investments</li> <li>• promote internationalisation in the sector.</li> </ul>
<b>Implementation</b>	<p>The programme implemented research, training and experimental projects in the key areas of the programme. In addition, the programme targeted venture-capital investments in health care enterprises.</p> <p>Examples of projects in the programme:</p> <ul style="list-style-type: none"> <li>• Electronic Health Care Services Concept (SAINI)</li> <li>• Health Coaching Programme, treatment of long-term conditions (TERVA)</li> <li>• Treatment of long-term conditions (HyväHoito)</li> <li>• MAISEMA projects.</li> </ul> <p>Investments were directed at enterprises whose activities are primarily in the following sectors:</p> <ul style="list-style-type: none"> <li>• paperless seamlessness</li> <li>• networking health services.</li> </ul> <p>The programme also founded the Terveysrahasto Oy fund to accelerate the structural change in health care. The fund was founded in September 2006.</p>
<b>Follow-up</b>	<p>Sitra's Municipal Programme includes many new ideas related to electronic commerce and service processes. The eServices and eDemocracy project (SADe) of the Ministry of Finance will continue until February 2014. The goal of the project is for the electronic services of citizens and companies to cover all key services by 2013. The work distribution should still be clarified further because there are very many actors and extensive overlapping.</p>
<b>Assessment</b>	<p>Based on the evaluation data, the programme as a whole was found to be good. One of the strengths of the programme was that Sitra has met health care challenges appropriately by selecting focus areas for the programme which are found to be significant. The weaknesses included an inconsistent implementation of the programme and slow initiation of cooperation with other stakeholder groups. The cooperation improved during the programme, and the programme did promote networking successfully.</p> <p>Many weaknesses of the programme were related to communication: its quality was inconsistent. The communication should also have been more open and interactive. Hearing the partners would have built trust and preconditions for utilising the programme. The programme succeeded better in initiating debate.</p> <p>After the implementation one can conclude that the programme should have set its goal more clearly, and choices should have been made earlier between a wide programme with a discussion-oriented approach or a narrower programme that intends to create new business models.</p>
<b>Comments by the Board of Directors and management of Sitra</b>	<p>The assessment matches Sitra's views.</p>

<b>Food and Nutrition Programme, ERA, 2005–2008</b>	
<b>Goal</b>	<p>The ultimate goal of the Food and Nutrition Programme was to develop and commercialise healthy nutrition i.e. smart food. The sub-goals were to promote cooperation between actors in the field, to allocate research activities and to more efficiently commercialise nutritional know-how. A further goal was to establish a Strategic Centre for Science, Technology and Innovation (SHOK).</p> <p>The projects in the programme had these goals:</p> <ul style="list-style-type: none"> <li>• to reinforce international competitiveness</li> <li>• to develop the sector of small and medium-sized companies</li> <li>• to develop concepts that promote health.</li> </ul>
<b>Implementation</b>	<p>The programme brought actors together, established discussion forums and implemented development projects. The programme also carried out background work to obtain the status of a strategic centre of excellence.</p> <p>Mini-clusters related to the raw material for berry products, Russian business and coeliac know-how were established to develop the SME sector.</p> <p>Examples of projects in the programme:</p> <ul style="list-style-type: none"> <li>• Follow-up of the food and nutrition industry strategy</li> <li>• The food and nutrition sector's R&amp;D&amp;C strategy</li> <li>• Strategic Centre for Science, Technology and Innovation in the field of food and nutrition</li> <li>• Hygiene passport</li> <li>• Smart Snacks research and pilot projects.</li> </ul> <p>The programme also invested in three companies that supported the goals of the programme. The programme also had an impact on the establishment of a strategic centre of excellence in health and well-being (SalWe Oy).</p>
<b>Follow-up</b>	<p>The cooperation launched during the programme to develop the food industry will continue in the Promotion Programme for Finnish Food Culture managed by the Ministry of Agriculture and Forestry. In addition to improving the image of Finnish food, the programme promotes the development of school meals i.e. the Taste Classes and Hygiene Passport projects. The Smart Snacks trademark and related communication were transferred to the Finnish Heart Association.</p> <p>Food and nutrition issues have recently garnered extensive social attention. The Landmarks Programme indirectly covers the same themes that are related to local food or venture capital investments, for example.</p>
<b>Assessment</b>	<p>The programme was particularly successful in bringing actors together and also introducing smart food and specifically school meals in public debate. The Smart Snacks project and the SME development projects achieved particularly good results. One of the goals – establishing the SHOK centre – was not realised, but it has been possible to utilise the network cooperation established in the programme for other development measures in the food and nutrition sector.</p>
<b>Comments by the Board of Directors and management of Sitra</b>	<p>The key practical goal of the programme, establishing the SHOK centre, failed. After this, a solution should have been considered where the Smart Snacks project would have been continued as an independent project unit and the rest of the programme would have been discontinued in a controlled manner.</p>

<b>India Programme 2005–2008</b>	
<b>Goal</b>	The key goal of the India Programme was to increase India-related knowledge in Finland by providing new information on the "India phenomenon". The second goal was to develop the exchange of skilled people, i.e., increase the number of postgraduate students, teachers, researchers and experts moving from India to Finland, and partly also the number of those going from Finland to India. The third goal was to establish networks and contacts between Finnish and Indian people.
<b>Implementation</b>	The first stage of the project involved preparing a basic report and networking Finns and foreigners. At the second stage, special reports were prepared on themes deemed the most important as per the basic report. Several publications were produced and related seminars and workshops were arranged in 2005 and 2006. The third stage focused on promoting the exchange of skilled people between India and Finland.
<b>Follow-up</b>	The programme is not really continued by anyone, although the Centre for International Mobility (CIMO) has continued the scholarship programme launched by the India Programme for Indian postgraduate students and researchers who come to Finland. Indirect continuity appears in the following projects, for example: as an export product to India, Tekes develops and promotes the health kiosk concept implemented in Sitra's Municipal Programme, and the FinNode network, established by Sitra and other Finnish innovation actors, has also expanded to India.
<b>Assessment</b>	<p>India is a significant and topical theme for Finland. The timing of the programme was successful indeed as the low level of knowledge and expertise on India provided a clear justification for the programme.</p> <p>In practice, the social impact of the programme is created by means of cooperation between Finnish and Indian researchers established through publishing activities and the medium utilising them, as well as through the networking of Finnish India experts among themselves and with Indian actors.</p> <p>Some of the programme's measures, such as the exchange of skilled people, or more generally, establishing cooperation between universities, are basically significant, but it is too early to assess their social impact. At the same time, it should not be forgotten that individual measures by national actors, even if they are well-coordinated, can only develop the India know-how of Finns to a certain extent.</p>
<b>Comments by the Board of Directors and management of Sitra</b>	When Sitra launched the programme, Finnish know-how on India was very narrow. The programme's timely knowledge production created a basis for expanding the cooperation between Finland and India. The status of knowledge production and communication is now considerably better. Innovation cooperation between Finland and India has also received a boost as the FinNode network has expanded to India. The programme also started the internationalisation of Sitra's operations.



<b>Russia Programme 2005–2007</b>	
<b>Goal</b>	<p>The purpose of the Russia Programme was to grow and extensively diversify the business of Finnish companies, to establish a comprehensive network and to develop the economic relationship between Finland and Russia. A further goal of the programme was to increase general Russia know-how in Finland and to strengthen a realistic approach of entrepreneurs towards the Russian market. The projects in the programme especially dealt with advanced technology and innovation, construction and the forest industry, as well as logistics.</p>
<b>Implementation</b>	<p>The programme consisted of three sub-programmes: Strategy, Integration and Forum.</p> <p>The goal of the Strategy sub-programme was to establish the "From Trade to Partnership" economic strategy for 2010–2015. The strategy outlined the goals, identified the measures and the responsible parties and actors for achieving the programme's financial goals.</p> <p>The goal of the Integration sub-programme was to network Finnish SMEs in Finland and Russia as well as to bring the business sectors of the countries closer to each other. A further goal was to generate a new subcontracting industry in Russia.</p> <p>The goal of the Forum sub-programme was to find new cooperation opportunities between Finland and Russia and to engage in an open dialogue on drawbacks and obstacles to trade. In 2006–2007, the sub-programme arranged six meetings for invitees. The meetings were related to different themes, and each meeting was attended by approximately 30 invitees.</p> <p>Examples of the programme's practical achievements include the economic strategy and the Russia strategy for the construction industry. The programme also tailored Sitra's internal cooperation with the Environmental Programme by establishing environmental clusters for waste management and independent energy production.</p>
<b>Follow-up</b>	<p>In the evaluation data, the programme is an example of valuable work that was unfortunately not continued by anyone after the programme.</p>
<b>Assessment</b>	<p>The programme achieved its goals well. Regarding the sub-programmes, the Integration sub-programme was the most successful. However, it should be considered to what extent achieving the goals is explained by the goals being loose and extensive. As the goals have been defined loosely enough, it is also easier to identify achievements.</p> <p>The biggest social significance of the programme originated from Finland's economic Russian strategy drawn up in the Strategy sub-programme. The programme's strengths included the establishment of flexible networks and cooperation across sector boundaries. However, achieving a positive impact was slowed down or even prevented by Sitra's role being quite unclear.</p>
<b>Comments by the Board of Directors and management of Sitra</b>	<p>The East Office company was one of the most important and sustainable achievements of the programme. The company was founded by Sitra and 20 major Finnish companies involved in Russian trade. The company is still active.</p>

<b>Environmental Programme 2005–2007</b>	
<b>Goal</b>	<p>The main goal of the Environmental Programme was to accelerate the development, internationalisation and integration of the environmental sector. Another goal was to promote investment in the sector and to develop internationalising business networks. The programme also intended to establish a national operating programme to support the export growth of environmental technology.</p>
<b>Implementation</b>	<p>The operating methods of the programme included reports, working with stakeholder groups, the development of business networks, venture capital investment, strategy preparation and implementation as well as communication and events.</p> <p>The programme implemented a total of 44 research and development projects and reports. The programme made strategic investments in promising SMEs that are seeking to expand their networks into international markets, as well as in networks formed by such enterprises. In addition, together with its stakeholder groups, the programme drew up a national action programme (Cleantech Finland – improving the environment through business) to enhance the prerequisites for exporting environmental technology and know-how.</p> <p>Examples of projects carried out in the programme:</p> <ul style="list-style-type: none"> <li>• The national action plan for environmental business in Finland.</li> <li>• Best practices in eco-innovations</li> <li>• Cleantech investment activities and related follow-up in Finland</li> <li>• Funding for cleantech companies: funding models and markets.</li> </ul> <p>Investments are directed at enterprises whose activities are primarily in the following sectors:</p> <ul style="list-style-type: none"> <li>• clean, energy-saving technologies</li> <li>• water, waste water and waste management</li> <li>• measuring and monitoring the environment.</li> </ul>
<b>Follow-up</b>	<p>Sitra continues investment activities in the environmental sector in its venture capital investment, the Energy Programme and as a fund investor. At the beginning of 2008, the investments made by the Environmental Programme and new investments in the sector were reassigned to the then Sitra Ventures team, excluding AW-Energy Oy which was reassigned to the investment portfolio of the Energy Programme.</p>
<b>Assessment</b>	<p>As a whole, Sitra implemented the programme very well when taking the resources into account. The most significant merit of the programme was that it gathered different actors of the environmental sector in Finland together and promoted the establishment of networks. The programme brought the business sector and public administration mutually closer and highlighted the business perspective in environmental matters. The Cleantech Finland brand is a prime example of the programme's achievements.</p> <p>The programme themes were topical, but the programme should have launched its activities sooner because it focused on promoting environmental business. The strategy process was a key element of the programme, and the process was not entirely successful.</p> <p>The programme evaluation stressed that Sitra should develop the cooperation between different investors in the future. That is the best way to secure diverse funding in the research and innovation activities of an extensive innovation policy.</p>
<b>Comments by the Board of Directors and management of Sitra</b>	<p>Sitra predicted the growth of the environmental business accurately at the beginning of the 21st century. The programme successfully attracted the interest of the business sector. The public sector committed more slowly to the change, and the incentives requested by cleantech companies were not processed as expected. The programme showed that a small, effective team can achieve a visible change. The themes and functions of the programme have progressed well in the projects of the Cleantech Finland cluster, the environmental forum for businesses founded by the Confederation of Finnish Industries, the Finnish Environmental Cluster for China programme and the Lahti Science and Business Park.</p>

### 2.3 Meta evaluation of the first-wave programmes 2005–2008

The impact and success of Sitra's programmes and activities should be assessed against their goals and criteria. The impact of the programme activities were considered on the basis of the following selection criteria:<sup>13</sup>

- **Competitiveness:** The programmes have promoted reforms that have improved and will improve the operations of the public sector. Several projects are at a maturation stage, and likely to have a positive impact on Finnish competitiveness.
- **Impact:** The social impact has not yet been significant. The prospects are promising and the expectations are high, perhaps too high in comparison to the resources available.
- **Proactivity:** All programmes have been proactive and future-oriented.
- **Innovativeness:** The programmes have not produced new product, process and service innovations, neither has this been their purpose. The programmes have made some venture capital investments in innovative companies, but the number of investments has been small. The innovativeness of the programmes has mainly emerged through the launch of new reform and development processes.
- **Across sectors:** The combining of different actors, sectors, viewpoints and approaches has been implemented well in all programmes.
- **Correct timing:** Sitra needs to improve this. There are major differences in the implementation readiness of development proposals and measures, and in the time required by the development. Surprises will be avoided when the differences are acknowledged and taken into account.
- **Acceptability:** The acceptability of a reformer is easily questioned, especially when the reformer is considered as an outsider in some way. However, Sitra's programmes have found their role among established actors surprisingly well and have gained a generally accepted position.
- **Controllability:** There has been no uncontrolled risk-taking in the programmes. The scarcity of Sitra's resources specifies limits to what Sitra itself can do – not to mention how it can affect what others do and what they do not do. At best, Sitra is only one actor among others, and it is typical of Sitra to influence through networks.

#### **Brand, reputation and communication**

There were similar findings of Sitra's role and strengths throughout the entire programme period: autonomy, "a suitable image", esteemed, generally accepted, unbiased and well-resourced are attributes linked to Sitra in programme evaluations time and again. A positive view of Sitra emerges from the materials: Sitra was considered a dynamic actor, a catalyst of reforms and an agent of change – this was stated in the assessment of the Health Care Programme, for example.

The objective-setting of the programmes were commended and deemed appropriate. It is justified to say that Sitra "did the right things" during its programme development period. In addition, to relevant content, competence and correctly allocated resourcing, the following were commended the most frequently: fluent practical arrangements, usefulness and the promotion of forums and interaction. For several years now, Sitra has had its finger on the pulse, bringing together specialists, decisions-makers and experts in themes that are still bubbling under. Energy, Russia, social innovation and globalisation, for example, used to be such themes.

Sitra also has a good reputation as an investor, and Sitra's role in early-stage investments appeared to be important. Those involved in the activities have often found that Sitra provides very high added value: the participants have found that the measure, pilot or similar would not have been implemented without Sitra. However, in the end, it is difficult to assess the final level of this added value, but the level of customer satisfaction was significant.

Most of the criticism was related to the promotion of public debate. It was assessed that Sitra had performed more poorly in the promotion of public debate than in networking its own, more traditional partners.

## **Cooperation and network management**

Most of the programme assessments said that Sitra had access to good, extensive and profound networks. Although it was regarded that Sitra's competence is of a high quality in general, the significance of network competence was stressed. According to the assessments, Sitra does not itself need to take care of coordination if it is capable of coordinating and encouraging the spear-heading companies in enterprise projects, for example, to take the helm – and this precisely is network competence at its best.

Many programme evaluations put forward the idea that Sitra should set an example of activating and encouraging all parties to communicate as openly as possible. It was also requested that better information be provided to assess the impact and significance of networks. For example, how is the role of Sitra monitored and verified in regard to the national and international promotion of the usability of the results obtained? What is the "value" of communication and networks? However, networking was the most important added value. The skill to control and support networks is a core competence of Sitra. As the intermediate evaluation of Sitra's programmes says, it is not easy to be an agent for reform, and network maintenance and administration is necessary.<sup>14</sup>

Sitra's methods and interaction (e.g. workshops and forums) were regarded as useful across the board, but in some cases, it was requested that the goals and results of interactive processes be specified and communicated more clearly. The participants should be clearly told what they are participating in and what the participation will result in, i.e. what the output will be used for. However, providing the framework for interaction was regarded as valuable as such.

## **Reform capacity**

The ability to implement reforms, and act as an agent of change, were the key roles of Sitra during the programme period. It was assessed that promoting change was one of the main impacts of Sitra's programme activities. In many cases, this was a challenging task. The programme assessments also emphasised that the challenges are so significant and the resistance to change was so predictable that Sitra should also be capable of preparing better for the task. The key question in early-stage programme work should be how to prepare for the resistance to change and sector disputes in day-to-day programme work, as stated in the evaluation of the Health Care Programme, for example. When implementing a productivity-driven approach to health care for instance, a long-term effort and criticism were unavoidable.

Many programme, project and theme evaluations raise the issue of impact mechanisms as an object of further investigation. Considering, identifying and modelling the mechanisms are indeed noteworthy goals. Regarding the Health Care Programme, it was said that it should be considered whether Sitra acts as a catalyst of service reforms or as a promoter of the social and health care business. It was also requested that resource allocation and the resolving of tasks and their possible conflicts of interests be considered in more detail. For a better impact, more attention should also be paid to how individual projects can be integrated with a more extensive operating model.

Well-defined rules were a recurring theme in the programme evaluations. In particular, the Health Care Programme emphasised the importance of well-defined principles when Sitra acts both as a national developer organisation and as a profit-seeking venture capital investor. It was requested that the functions be separated from each other to avoid a negative impact on Sitra's credibility and unselfishness. Similar themes were also highlighted in the assessment of the next period, as indicated in Chapter 3.

## **Support for decision-making**

Many first-wave programmes were found to have supported or implemented the government programme or public policies (e.g. the Health Care Programme). On the other hand, if Sitra's mission is to pose difficult questions and introduce new themes for analysis and reporting, this is perhaps not ambitious enough. Sitra should investigate questions that decision-makers have not yet found or identified. Some evaluations also suggested that the target groups should be defined more specifically: the programmes should provide information and support for the interaction of parties whose views and expertise are required in decision-making (this was highlighted in the assessment of the Energy Programme, for example).

## **Management**

The first programme period paid rather little attention to management and supporting it or finding success in it. The significance of management has perhaps been understood quite late, and it seems that the development of public management has only been heavily contributed to in the last few years. In this regard, Sitra has really had its finger on the pulse, and the reception has been positive. The evaluation data contained very few notions concerning management during the programme-based period.

## **Competence**

Sitra's competence and expertise received particularly positive assessments during the programme-oriented period. As stated in the evaluation of the Environmental Programme, the programme work created nothing "new" as such but combined and gathered leading expertise together, and this should be a key element in Sitra's operating model.

## **Investor role**

During the first programme period, Sitra still had a key role in professionalising, assembling and internationalising venture capital investment activities. Although it was considered that the networking of Finnish investors provides added value, some assessments suggested that international investors should be attracted more intensively. Internationalisation was not a key goal of Sitra, and was not particularly successful either. Since other actors also achieved very few results, strengthening the role of Sitra could have been expected. However, the evaluation reports paid very little attention to this because most of the assessments, in a well-justified manner as such, started from the stated goals of the programme instead of the more extensive needs analysis.

### **Comments by Sitra's Board of Directors and management on the assessment of the 2005–2008 programmes**

The level of concrete activities varied to a great extent in the first-wave programmes. Many programmes had very little contact with the public. The level of cooperation between key decision-makers and civil servants varied. There were also major differences between the international networks and the performance levels of the programmes.

As working methods, the programmes were rather inflexible (e.g. launch, redirection and completion). The programmes operated very independently, which means that Sitra was bothered by a lack of a shared strategy and shared operating models. Therefore, measures were launched to tone down the "pure" programme strategy.

### 3. SITRA'S STRATEGIC DEVELOPMENT IN 2009–2011

The social challenges of Finland are particularly related to the ageing and retiring population and a crisis in the service structure. Similarly, industrial and business structure changes, requiring active innovation, and the profound impact of internationalisation and globalisation are extensive challenges to Finland in the next few years. There is also increasingly frequent public debate on the problems of the youth and the risk of their becoming excluded from society. All these factors require organisations, individuals and communities to be ready for reforms in many ways. Sitra has done this in part and addressed this challenge by updating its strategy.

The key themes of Sitra's new strategy:

- Updating the idea of the *good life*. This includes expanding the concept of well-being and identifying the dimensions of the *good life*. New methods of promoting, monitoring and measuring the *good life* of Finns are also tested.
- Operating models which renew society and have people as the starting point. This includes such changes in social structures, which encourage individuals, organisations and enterprises to adopt sustainable operating methods, and which help identify the different needs of people and enable diversity in public service production, business activities and the daily choices that people make. Sitra also develops a new kind of Finnish leadership thinking, and operating models building upon it.
- Accelerating business that aims for sustainable well-being. There is a particular focus on developing and introducing business models that create well-being, and on promoting the emergence of new service business operations.

#### 3.1 Programmes as tools of change

Below is a summary of the key content of the programmes ongoing when preparing the assessment. The added value of the programmes is also assessed.



## Summary of ongoing programme activity

Energy Programme 2008–2012	
<b>Goal</b>	<p>The Energy Programme intends to</p> <ul style="list-style-type: none"> <li>• enhance Finland's rapid progress into a more energy-efficient society, and to encourage all Finns to save energy</li> <li>• create new, growing markets and viable business to advance the efficient use of energy and sustainable energy production</li> <li>• aim, in collaboration with cooperation partners, to turn the upward trend in energy use and greenhouse gas emissions into a downward one in the entire society.</li> </ul>
<b>Implementation</b>	<p>The programme has dozens of ongoing projects, such as the Low2No block of sustainable construction in Jätkäsaari, Helsinki; the energy-efficient Skaftkärr residential area in Porvoo; and projects that investigate industrial renovation and the reduction of emissions.</p> <p>The programme also aims to have a direct impact on citizens' choices and to make them more low-carbon by encouraging citizens to find out more about energy and save more energy on a daily basis. Examples of related projects include organising energy counselling in Finland and the Peloton project that provides training for different energy gatekeeper groups.</p>
<b>Assessment</b>	<p>The added value of the programme especially originates from supporting the energy-efficient choices of individual people. Here, the programme is an example of Sitra being near individual citizens. Important added value is created through training (e.g. building managers and the project managers of construction sites) and distributing inspiring examples. It is also significant that in light of the assessment survey, among all of Sitra's ongoing programmes, the Energy Programme has the biggest impact on companies.</p>
<b>Comments by the Board of Directors and management of Sitra</b>	<p>The programme and its concrete projects have attracted a lot of publicity. It is believed that this has had a significant impact on the debate on the energy-efficiency and emissions reduction of built environments. Through the programme, Sitra has extensively promoted zero-energy construction and related debate in Finland. The programme has focused on the climate emissions of construction materials, for example. Timber construction has been highlighted by funding an international wooden apartment building competition of the City of Kouvola and Puuinfo in the development of standards, and by introducing Swedish wooden construction to stakeholder groups in the sector.</p>
Public Leadership and Management Programme 2010–2013	
<b>Goal</b>	<p>The Public Leadership and Management Programme intends to:</p> <ul style="list-style-type: none"> <li>• promote well-being by increasing citizens' opportunities to influence policy and freedom of choice</li> <li>• develop multi-provider models which increase productivity and create new business</li> <li>• strengthen cooperation and decision-making across different sectors in the public administration</li> <li>• create a more humane and efficient public administration through leadership and management development.</li> </ul>
<b>Implementation</b>	<p>The activities of the programme in the municipal sector particularly focus on people-oriented service development i.e. new methods for involving citizens in the development of public services. Practical pilot projects are being carried out with several municipalities. The focus of state administration is on corporate steering and group management. Sitra's proposal for a Finnish corporate steering model was published in December 2010.</p> <p>Practical applications are developed in cooperation between several ministries and Sitra. Examples include the Effective Legislative Drafting project managed by the Ministry of Justice, and the Innovation Management project managed by the Ministry of Finance. The Traffic Revolution development programme supports the development of corporate steering in community and traffic policy. Management and leadership are developed in municipal and state administration. The goal is to link this perspective to all pilot projects. The pilot projects address empowerment, job rotation, incentives and the development of leadership and management training, for example. The programme develops a new kind of Finnish leadership and management thinking on the basis of pilot pro-</p>

	jects, reports and workshops.
<b>Assessment</b>	The programme received very positive feedback in the survey and the interviews. The stakeholder groups find that the content, methods and procedures of the programme promoted being a social forerunner, thinking in new ways and establishing new networks. It was also believed that the advantages are permanent, i.e. it can be assumed that the achieved changes will continue after the completion of the programme. The programme has attracted extensive visibility in public debate concerning the state's corporate steering and multi-provider models.
<b>Comments by the Board of Directors and management of Sitra</b>	During the programme's first year (2010), a project portfolio, covering the goal areas, was quickly created with active municipalities and ministries. Measures for 2011 have already been allocated in municipal and state administration. The novelty value and correct allocation of the projects will be further emphasised in the future. The significance of communication and distributing the results becomes higher as the completion of the programme draws near. The goal has also been to globally distribute the most innovative examples. The corporate steering model, for example, has attracted interest. Examples of activities implemented in the programme: increasing the amount of leadership and management training, introducing the concept of job rotation in public administration and making the concept more efficient, as well as systematising career thinking.
<b>Growth Programme for the Mechanical Industry 2008-2011</b>	
<b>Goal</b>	The Growth Programme for the Mechanical Industry intends to: <ul style="list-style-type: none"> <li>• as an investor and active owner, enable the establishment of three to five international systems suppliers</li> <li>• provide new, concrete information on future operating models between customer and supplier companies, and on technology development in the global market</li> <li>• increase the amount of genuine cooperation between Finnish and international actors in the sector.</li> <li>• promote the internationalisation of SMEs' business operations and emphasise the significance of design and product development</li> <li>• communicate the structural change that has taken place and is taking place in the sector.</li> </ul>
<b>Implementation</b>	Venture capital investment in selected target companies is a key tool of the programme. The programme also develops the operating models between companies in supplier networks and increases the amount of interaction between Finnish and international actors in the field. The aim of country-specific information seminars and trips has been to establish an idea of the selected countries' opportunities as customers and as suppliers for subcontracting. The programme's publications have communicated change and related challenges and opportunities.
<b>Assessment</b>	The programme has major added value because no other actor supports a similar renewal process. Competence, successful investment, and networks established through the programme are regarded as particularly important.
<b>Comments by the Board of Directors and management of Sitra</b>	The programme has specified the scope of communication according to the target group, i.e. SMEs in the mechanical and metal products industry. Change has been communicated through presentations by the investment targets and through many events and meetings. It is believed that this has accelerated change because other parties and speakers have also adopted the message of the programme.
<b>Municipal Programme 2009-2013</b>	
<b>Goal</b>	The Municipal Programme intends to: <ul style="list-style-type: none"> <li>• increase municipal residents' freedom of choice and influencing opportunities</li> <li>• significantly improve the productivity of municipalities, update the service production structures and optimise costs and resources</li> <li>• support change management</li> <li>• distribute and forward international best practices.</li> </ul>

<b>Implementation</b>	Examples of the programme's projects include service vouchers, the Municipal MBA degree programme, health kiosks, the new health care financing and steering system and the health record, the Municipal Service Centre and the Kuntamaisema model i.e. the renewal of the accounting and steering system.
<b>Assessment</b>	Based on the assessment survey, the Municipal Programme and the Landmarks Programme are considered as the Sitra programmes that are the closest to the public. It can be concluded from all the data that the programme has a significant reform force in the development and testing of concrete operating models to support structural change. The programme promotes social debate by also pointing out difficult themes, and this is a significant achievement that suits the role of being an agent of change.
<b>Comments by the Board of Directors and management of Sitra</b>	<p>In its seven key areas, the programme has taken concrete measures that are achieving the intended change. Each key area is at an early development stage, and a more detailed analysis can be carried out in 2013 i.e. the last year of the programme.</p> <p>Five million euros has been spent in the Municipal Service Centre project in 2009–2011. The goal of this investment is to improve the productivity of municipalities by a total of three billion euros by 2015. The assumption is based on the fact that the number of residents in the municipalities participating in the project accounts for 40% of the entire population of Finland, and the figure is already as high as 50% when writing the assessment report.</p>
<b>Landmarks Programme in 2010–2014</b>	
<b>Goal</b>	<p>The Landmarks Programme intends to:</p> <ul style="list-style-type: none"> <li>• accelerate the renewal of rural thinking</li> <li>• seek and test new ways for Finns to obtain more vitality from the countryside</li> <li>• develop green economy structures and business based on ecologically smart local solutions.</li> </ul>
<b>Implementation</b>	<p>The programme prepares studies and reports based on the information needs according to the programme goals, compiles regular prediction data with its partners, seeks international examples and aims to communicate fresh ideas and initiate a discussion on the new meanings of the countryside. The network creates channels for stakeholder groups for open interaction and teamwork.</p> <p>Through innovative pilot projects, the programme aims to identify and test new social and commercial operating methods that could accelerate social change. The programme also imports new best practices to be tested in the Finnish context.</p> <p>The business development projects find out the essential (from the perspective of the programme goals) obstacles for sector development and how they can be eliminated. In addition, new business models are developed to suit rural business operations and venture capital investments are made in innovative SMEs that operate in the programme areas and seek growth.</p>
<b>Assessment</b>	As is the case for Sitra's Municipal Programme, the Landmarks Programme is near the public. Added value is created through establishing a shared vision, supporting networking and involving new participants in the dialogue. Developing and providing concrete solutions also brings important added value ("from best practice to next practice"). However, the change in the way of thinking is a major challenge for the programme, and a resistance to change is evident. Due to the programme's diversity and major challenges, the field still requests that the focus of the operations be specified more clearly.
<b>Comments by the Board of Directors and management of Sitra</b>	The programme has specified its main activities during 2011 as two key areas: the countryside in the society of meanings, and local solutions of the green economy. The programme implements aggregate strategic projects concerning the development of innovation and business activities as well as communication and networking.

### 3.2 Development programmes

In addition to programmes described above Sitra has implemented development so-called "development programmes". Development programmes are shorter than the actual programmes, and their goals have been defined on a case-by-case basis. They have typically been introduced as a response to a specific need identified in assessments and by stakeholder groups that could operate more flexibly and in a more agile way than the more pre-defined programme activities do. In fact, development programmes cater well to highlighted information and change needs.

Examples of development programmes completed by the end of the assessment period include the National Natural Resources Strategy, Wellsprings of Finnish Vitality and Helsinki Design Lab 2010. The Synergise Finland development programme will be implemented in 2011–2012, continuing the work started by the Wellsprings of Finnish Vitality development programme. The purpose of the development programme is to come up with new ideas and operating models. The programme arranges annual network meetings for decision-makers, establishes an open virtual network, organises training forums and launches new projects. Through these activities, Sitra's aim has been to encourage debate across society.

No separate assessment has been prepared of the development programmes, but in general, they have received positive feedback from the stakeholder groups. The development programmes have been regarded as valuable operating methods and interactive processes. It has been requested that the decision-maker forums would continue. However, the interviews have highlighted a need for a practical approach. Since the content of the themes is challenging, promoting social debate and gathering the actors are already accomplishments as such. The feedback indicates that meetings arranged by Sitra are of a high quality and well-organised, but when taking into account the abundance of different networks and the number of competing seminars and workshops in the schedules of many stakeholder group representatives, the interviewees have emphasised the need to operate more interactively. On the other hand, the interviewees requested that the speakers and the preliminary speakers would question the prevailing "truths". The stakeholder groups stress the need for unexpected elements and diversity in the development programmes.

#### **Comments by the Board of Directors and management of Sitra**

Through the development programmes, Sitra has made its operations more flexible and, according to its role, has established social debate across sectors. The feedback has been positive. For the National Natural Resources Strategy development programme, Sitra received first prize in the Management series of the Finnish national competition of the European Business Award for the Environment competition.

The National Natural Resources Strategy is an example of Sitra's activities that establish new ideas and a new approach. The key elements of the natural resources report submitted to Parliament by the government in December 2010 were based on policies defined in Sitra's strategy process. The practical implementation of the policies will be monitored. The Synergise Finland development programme is currently attempting to combine learning processes with practical piloting.

### 3.3 Evaluation of activity performance by content theme

Below, we present a summary of the key evaluation observations for 2009–2011. Each observation has been addressed in an interactive process between the evaluators and Sitra to obtain optimally direct advantages from them in Sitra's own management and operational development. The content themes of the section have been selected after the work by an expert team that convened in February 2011, and through discussions with Sitra's management team, Board of Directors and Supervisory Board.

### **Summary of the evaluation's main message**

The evaluation data shows that Sitra's updated strategy is regarded positively: it is socially important and relevant. The strategy focuses on the following: 1) Sitra boosts business aimed at sustainable well-being, 2) Sitra seeks operating models which renew society, with people as the starting point, and 3) Sitra renews thinking on the *good life*.

The evaluation finds the promotion of the *good life* courageous, but also challenging. Defining the *good life* and providing results have traditionally been tasks of social policy experts and institutes, which include the Ministry of Social Affairs and Health, universities and research institutes, and, indirectly, Finland's Slot Machine Association (RAY), the Finnish Federation for Social Welfare and Health and other associations. In some interpretations, this theme requires Sitra to have an approach that is considerably closer to citizens. On the other hand, the current operating model where Sitra has established comprehensive and diverse networks, also makes it possible to indirectly involve and empower citizens through networks, such as the active and diverse association field in Finland. Sitra's national mediator and network role is not enough for creating added value, but it has to be capable of introducing extensive international networks to support the development of society and to also be a forerunner in this regard.

The role of venture capital investment activities needs further clarification and jointly communicated rules. Improvements are also proposed for network management in regard to operating methods and interaction, network participants, employee turnover and communication.

#### 3.3.1 Brand, reputation and communication

##### **What is the basis of Sitra's brand and reputation?**

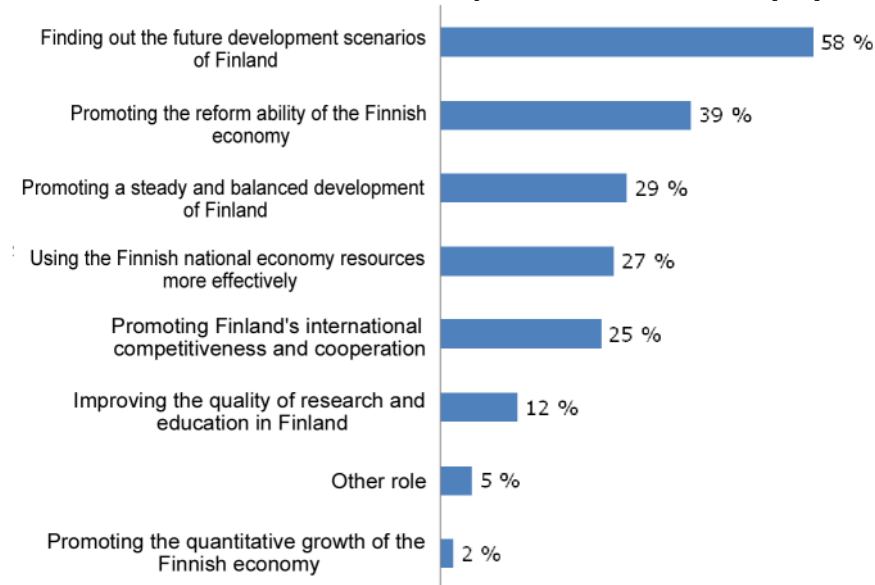
Sitra's essential abilities as defined in Sitra's competence strategy: 1) *money*, the ability to use and invest money, 2) *brand (reputation)*, the ability to operate independently and autonomously as a visionary and an actor, 3) *change*, the ability to introduce new ideas, renew oneself and take risks.

The Sitra brand is particularly related to Sitra's history and unique position as an independent promoter of social change. Based on the evaluation data, Sitra has a strong brand that is closely linked with Sitra's history and reputation. The Sitra brand ensures a specific level of quality, such as high-quality seminars and publications. Sitra extensively protects the Sitra brand and related area. Sitra pays close attention to its visibility, and the flipside of this is that Sitra does not always appear as equal with its partners.

However, the role of Sitra is regarded as very pivotal, especially in identifying future development alternatives and in promoting the ability to introduce financial reforms. The figure below (from the results of the electronic survey) sums up this view of the stakeholder groups.

Figure 3. Sitra's key roles.<sup>15</sup>

**3 . Which are Sitra's two most important roles in society? (n = 494)**



Sitra's ability to operate independently and autonomously is extensively highlighted in the interviews undertaken during the evaluation process. Sitra's autonomous position means that Sitra can take swift measures and operate in areas where others cannot react equally rapidly. Sitra's unique role and position in the Finnish innovation system are also regarded as advantages. Based on the assessment data, however, the positioning of Sitra involves some ambiguity. The public, for example, does not clearly understand the work distribution of Sitra and other actors, such as Tekes and Finnvera, in the innovation system. Sitra's role in the Finnish innovation system is most aptly described by the terms "innovative", "network builder" and "proactive", which come across as key notions in the electronic survey. The respondents found that "trainer", "investor" and "a promoter of internationalisation" matched Sitra's role the poorest. On the other hand, it was pointed out by interviewees that the trainer role is very important: for example, many interviewees requested that economic policy training for decision-makers be made available again, and Sitra's training and decision-maker forums also otherwise have added value, and they are important. Sitra's role is also to increase awareness and to distribute information and knowledge.

Although Sitra is considered to have a good reputation, Sitra's operations are not regarded as visible enough. Sitra's detached role is considered as the reason for Sitra and the Sitra brand being mostly unknown outside the organisation. The interviews and the electronic survey highlighted Sitra's appearing as elitist, distant from the public and difficult to approach. A certain self-sufficiency and sometimes also arrogance is attributed to Sitra's operations. Sitra often tries to guide the activities of others and to give answers, although it should more actively ensure that answers are found. Although Sitra is criticised for being elitist, it has, on the other hand, been closer to the public in the last few years. The operating models, based both on involvement and also direct activating of the public, are regarded as good.

**Conclusions**

It is considered that Sitra has a good reputation and a strong brand. Sitra's ability to operate independently and autonomously provides it with a unique role in the Finnish innovation system. Sitra's strategic goals are to find operating models that renew society and have people as the starting point, and to renew the thinking concerning *the good life*. Both themes are considered as important in the evaluation data.

According to the evaluation, Sitra should appear more as an involving, networking and enabling actor, at the level of action and as a sparring partner instead of an actor that guides or independently undertakes operations. The establishment of the Sitra brand has a good story, "The gift of the Finnish people to celebrate the 50th anniversary of Finland", but this has not been used well enough in brand and reputation building. Using the story in a better way would natu-



rally bring Sitra closer to the public.

### **Recommendations**

Sitra should more extensively build its brand on its unique story and good reputation. From now on, too, the best way to increase awareness of Sitra is to do it indirectly i.e. through active associations and other stakeholder groups who have a direct contact with the public. In regard to training, there is clearly a demand for Sitra's services, and the economic policy training organised by Sitra for decision-makers and stakeholder groups is considered as part of the Sitra brand, and the training will also be needed in the future.

### **Comments by the Board of Directors and management of Sitra**

Sitra's communications department has investigated the establishment of Sitra's reputation based on a report prepared in 2011. The report confirms the view of Sitra being a distinguished actor, but Sitra's stakeholder groups still consider Sitra's reputation to be contradictory. According to the report, key elements of Sitra's reputation include being a forerunner, a promoter of active cooperation and profitable partnership and a provider of responsible funding. Among the adjectives associated with Sitra are open, courageous, agile, competent, and visible. Strengthening Sitra's reputation is one of Sitra's strategic goals, and the implementation of this goal is monitored on the basis of an indicator specified further according to the report. One focus area for communications is to clarify communication related to Sitra's venture capital investment functions and to communicate the content with the "less is more" principle.

The Sitra brand is developed as part of reputation building. In 2011, a project will be launched to update the brand instructions and to create and distribute the Sitra story. The development of communication focuses on impact, which means that added value is provided for society in cooperation with key partners and stakeholder groups.

Sitra's role as a finance policy trainer will be investigated in the 2011 strategy process. The workgroup will investigate the training need, different implementation alternatives and Sitra's potential role in social training.

## 3.3.2 Communication and network management

### **Is Sitra's communication successful, and open and clear enough?**

Sitra's communication is very successful, but it could be more open. Through the new strategy, Sitra has reinforced the status and role of communication. Sitra has made communication more open and transparent through social media, for example. Based on the evaluation data, Sitra's communication is regarded as topical, clear and active – and also, to some extent, as providing added value. However, it is considered that communication is not very interactive and it does not create much of a dialogue.

Sitra's communication and its emphasis have an important role in establishing Sitra's reputation and increasing awareness of Sitra. The "distant" attribute related to Sitra's reputation is particularly highlighted in assessing the nature of communication. Sitra is not regarded as visible enough from the perspective of ordinary citizens: most Finns are not familiar with Sitra at all. Clear and understandable communication is also regarded as important in communication related to Sitra's venture capital investment activities because that communication is not clear enough from the perspective of Sitra's autonomy.

It is also important to share and communicate success stories. The Growth Programme for the Mechanical Industry, for example, considers that improving awareness of the programme will indirectly ensure the impact of the programme: it indeed deals with communicating a shared matter in networks and also to a more extensive network of decision-makers.

Even though Sitra's communication is not close enough to the public, it has also been considered how close to the public Sitra should get. Is it enough that Sitra is a well-known actor and only communicates clearly to decision-makers and that Sitra establishes contact with the public through close, well-functioning connections to associations? However, the evaluation interviews indicated that Sitra should focus more on doing tangible things rather than issuing statements.

## **What kind of partner is Sitra regarded as? How does Sitra manage its networks?**

Based on the evaluation data, Sitra is regarded as an interesting, extensively networked partner, as well as a proactive and independent actor in its own right. Sitra has a compact, diverse network and it is also able to network various actors. The programmes have also resulted in a diverse thematic network for Sitra as a whole. However, there is a risk that the networks are too person-oriented and will disappear after programme completion. Sitra's international networks in particular are excessively linked to people and programmes: e.g. almost all of the Russia Programme's networks disappeared after programme completion. Regardless of its comprehensive and distinguished networks, Sitra has not successfully taken the network cooperation to a level that is operative enough.

Sitra's networks are also criticised for being too safe: the networks include too many people who see eye to eye. The gender perspective and age are also highlighted: the majority of those in Sitra's networks are middle-aged, and men are over-represented in comparison to Sitra's expert and activity areas. Women are under-represented in executive posts in particular, and the voice of youth should be more powerful. When taking into account future challenges, the youth target group is pivotal for the content and networks of Sitra's operations.

Although Sitra's mission is a national one, Sitra needs international vision and know-how. In fact, Sitra aims to make its operations more international, but its international networks are still quite narrow and very person-oriented. The evaluation has highlighted Sitra's potential role as an exporter of know-how, but this would require another kind of mandate for Sitra's operations. The mandate to work to the benefit of society is clearly national, but implementing it in a well-functioning and effective way will require very deep and comprehensive international know-how and networks. International networks should be reinforced in China, Latin America or Africa, for example, as it is believed that extensive development, also significant for the Finnish economy, will take place there in the future.

The interviewees have emphasised that it is absolutely impossible to work for the best of Finland without looking elsewhere and that the overall well-being of Europe is very important for Finland and is something that needs to be investigated and supported.

In fact, Sitra should organise its international networks more efficiently and establish a small group of international advisors, for example, which would help establish the networks. In addition, international experts should be used more efficiently in the activities of virtual Sitra communities. Sitra should also prepare a compact, functional internationalism strategy to use networks more efficiently than just as an executive tool and resource. When necessary, Sitra's experts can provide their expertise for international export activities (e.g. training export), but Sitra itself should not start exporting know-how.

### **Conclusions**

Sitra is a very networked and interesting partner, a proactive and independent actor. Sitra has a compact, diverse network and the ability to network actors. Sitra has obtained a diverse theme network through its programmes. However, there is a risk that the networks are too person-oriented and will disappear after programme completion. In particular, Sitra's international networks rely too much on people and programmes and they should be developed more consistently and also to the functional level.

### **Recommendations**

Sitra should prepare a compact, functional internationalism strategy to use networks more efficiently than just as an executive tool and resource. To more efficiently use international competence and networks at the functional level, Sitra should establish an international team of experts to support its operations.

### **Comments by the Board of Directors and management of Sitra**

The management of expanded and increasingly diverse networks, and a sensible internationalism management that promotes Sitra's operations, are Sitra's challenges in the current and the next strategy period. In the launched strategy work, one team focuses on the development of Sitra's national and international network activities. Sitra has also launched cooperation with similar or-

ganisations in other countries. Sitra also considers establishing an international benchmarking team.

When assessing the diversity of Sitra's networks and the extent of Sitra awareness and Sitra's connection to the public, it is important that when systemic change is implemented, the actual actors, such as municipalities, receive positive publicity concerning their pilots and that the information on the pilots and the pilot brand is distributed further. Examples include the publicity of health kiosk experiments at the pilot locations and the over 40,000 members of the Facebook page of the Service Voucher.

An update of Sitra's external website (sitra.fi) will be finished by autumn 2011. The website will be interactive. The aim is that the website will provide information on Sitra's key activities in an understandable way at an early stage. The aim is also to summarise the knowledge resulting from Sitra's activities and to popularise it to benefit stakeholder groups and the public.

### 3.3.3 Renewal ability and strategic agility

#### **How well does Sitra promote Finland's agility and renewal ability?**

For Sitra, strategic agility is the main enabler of its change agent role. Agility is a skill to adjust to new circumstances and openly interpret the surrounding world by means of strategic sensitivity. This will ensure sufficient resource mobility and will enable a flexible organisation and the ability of the organisation's management to make collective commitments that have a common goal; i.e., partial optimisation will be avoided. The agility skills needed to address changes in the operating environment has been deemed important in a country review of Finland conducted by the OECD. The OECD assessment stated that strategic agility is required to be able to address diverse, rapidly evolving future challenges. The assessment by the OECD also considered agility to be a prerequisite for retaining the Scandinavian model since the success of the model has particularly been based on the utilisation of globalisation and collective sharing of risks.<sup>16</sup>

Sitra has successfully promoted agility especially by providing alternatives and courageously introducing new ideas. Sitra is also expected to have a similar role in the future. Sitra's main mission has often been defined as challenging the status quo. The mechanisms that Sitra uses to implement its role of an agent of change are related to influencing through key actors and piloting, and do not directly target the public or the grassroots level. The voice of the citizens/service users is heard in Sitra's piloting. Sitra should also use state-of-the-art methods, such as the methods of involving customers and the public (and this has been done in the information society process, development programmes and strategy work, for example).

The key stakeholder groups of future needs should consider Sitra as an independent actor that specifies its own agenda. Sitra should not carry out mainstream tasks that others do. In challenging the status quo and established operating methods, Sitra should be capable of specifying alternatives with an open mind. If Sitra does not initiate social debate, Sitra's mission has failed. The debate should be related to content instead of Sitra as an organisation (cf. the communication section). At its best, the role of Sitra is a combination of a think tank and practical testing, which means that it breaks the traditional activity boundaries. This role also requires familiarity with the international operating environment, having global networks to pick and using the most interesting and useful lessons from throughout the world, not only from Anglo-Saxon countries that the stakeholder groups have often regarded as the main influences.

According to the evaluation, reinforcing the future perspective in Sitra's networks requires that three perspectives are refined further. It is about the generation issue, perceiving the geographical market and the future market, and about steering and management tools and using them. First of all, the voice of the future is reinforced as a generation-related issue: Sitra should more efficiently reach the voice of the youth and future decision-makers. Through its different processes and meetings, Sitra should ensure that future decision-makers and young people are involved. Here, companies and associations can provide channels for dialogue. Secondly, the future perspective should be addressed in regard to geography and growth markets. Future-related answers and questions are presented to an increasing extent from outside Europe and the Anglo-Saxon world, and in regard to future knowledge, it is important to cover this information and knowledge. Thirdly, Sitra should utilise its steering and management tools to strengthen information and follow-up that are relevant for the future. Steering panel information and the methods of

peer learning and development should be made more available for future-related work. In the steering panel, a mechanism can be created for benchmarking between the programmes in relation to taking the future perspective into account. By strengthening all these perspectives, Sitra will also from now on be capable of introducing courageous ideas as an independent and critical actor of social influencing, separate from the future-related work carried out by political parties.

Practical measures in the development and testing of new operating models are taken in all programmes, and this is a valuable asset for Sitra. For example, the results and insights of the Public Leadership and Management Programme and the Municipal Programme should be utilised as quickly as possible, particularly in state administration and municipalities where the need to do so is the most urgent. Sitra's activities in the development of new health services (e.g. the health kiosk<sup>17</sup>) are valuable. This is also part of Sitra's statutory mission for which Sitra is appreciated: in finding out Finland's development alternatives and promoting its reform ability. This means that Sitra is an agent of change, implementing that role through its networks and testing and piloting activities, and particularly by allocating reform capacity to companies it invests in.

From the stakeholder group's perspective, the role of a social forerunner has been realised particularly well in the Energy Programme, the Public Leadership and Management Programme, and the Landmarks Programme. Likewise, the courageous new ideas of the Municipal Programme in the testing and development of operating models are significant (the Municipal Service Centre is a good example of this). According to the interviews, the target groups in need of more attention are those whose voice has not yet been heard that well in Sitra's activities: young people at risk of being marginalised, or people left aside in working life and society, whose input a sound, tolerant and open society will need in the future (e.g. the disabled and immigrants).

### **Are Sitra's activities and operating methods agile and appropriate?**

The partners have not yet fully grasped the concept of Sitra's strategic agility: it is not known, and agility is not considered as a particular characteristic of Sitra. Programme-based development as such is perhaps no longer a particularly innovative, dynamic method. To some extent, alternatives for it were requested, which would be in the form of training and dialogue processes. Based on the evaluation data, Sitra's programmes and intelligence activities are well-known operating methods and both are very suitable for meeting Sitra's strategic goals. However, the development programmes, such as the National Natural Resources Strategy, are a less known concept but a very successful operating method. With the aforementioned methods, Sitra is capable of operating in an excellent way in creating visions and implementing them. The small amount of international cooperation is a disadvantage of Sitra's programme activities.

Key questions related to Sitra's activities include objective-setting, cooperation and timing. The evaluation found that Sitra's stakeholder groups are not aware enough of what Sitra aims to do with its programmes. Sitra should clarify the goals of its programme activities and publish the goals, and also develop the programme selection process and criteria so that they are more transparent. It is justified to ask whether Sitra's programmes have the right timing and whether Sitra proactively operates in the forefront by predicting and introducing new ideas. On the other hand, Sitra should alternatively consider the themes where the programmes should also operate reactively by addressing the current situation.

The programmes particularly receive negative feedback for their preparation not being open and for that stage not promoting the commitment of the stakeholder groups in the cooperation. In the programme activities and programme preparations, it is important that Sitra reinforces its cooperation with associations, funding organisations and actors implementing information and normative control (e.g. Tekes, the Academy of Finland, ministries and the Association of Finnish Local and Regional Authorities). This is important in order to have a correct timing of programmes, to avoid overlapping and to have different actors extensively utilise the results.

Venture capital investment activities are one of Sitra's most important working methods as an agent of change. Notions and recommendations related to this are compiled in Section 3.3.7.

In the future, Sitra should become more active in youth matters, the prevention of marginalisation and in taking social responsibility, for example. In the field of social entrepreneurship, Sitra could also find itself a natural role through its solid enterprise know-how. The interviews particularly highlighted that from now on, all know-how and resources should support the prevention of the current, alarming marginalisation of the youth from the labour market. Our society cannot af-

ford this, but Sitra as an agent of change could provide totally new perspectives and operating methods to help solve this issue.

Enterprises are the main target group of only a few measures of Sitra (exceptions include the Growth Programme for the Mechanical Industry, the Energy Programme and the Landmarks Programme). Instead of enterprises, the main target groups are the public sector and its organisations. However, changes usually originate from the private sector, which means that being familiar with enterprises and having good contacts and a comprehensive understanding of the operating logic of the public sector are Sitra's key competence as an agent of change. The next stage of programme work, i.e. key areas, should be effectively launched and implemented in practice. Here, extra attention should be paid to improving the understanding of the private sector and the business sector in society.

### **Conclusions**

Practical measures in the development and testing of new operating models are taken in all programmes, and this is a valuable asset for Sitra. For example, the results and insights of the Public Leadership and Management Programme and the Municipal Programme should be utilised as quickly as possible, and particularly in state administration and municipalities the need to do so is the most urgent. Sitra's development activities in the development of new health services (e.g. the health kiosk) is a valuable part of Sitra's statutory mission for which Sitra is appreciated: to investigate Finland's development alternatives and to promote Finland's reform ability. This means that Sitra is an agent of change, implementing that role through its networks and testing and piloting activities, and particularly by allocating reform capacity to companies it invests in.

Key elements related to Sitra's activities include objective-setting, cooperation and scheduling. The evaluation found that Sitra's stakeholder groups are not aware enough of what Sitra aims to do with its programmes. Sitra should not only clarify the goals of programme activities and increase awareness of them, but also develop the programme preparation process and selection criteria in order to make them more transparent.

From the stakeholder group's perspective, being a social forerunner is implemented during the current period particularly in the Energy Programme, the Public Leadership and Management Programme, and the Landmarks Programme. Programme-based development work as such may perhaps no longer be a particularly innovative and dynamic method, and alternatives to it are requested, such as training and dialogue processes. Youth matters, the prevention of marginalisation, and social responsibility are themes where Sitra should be more active in the future. In the field of social entrepreneurship, Sitra could also find itself a natural role through its solid enterprise know-how. The interviews especially highlighted that from now on, all know-how and resources should be allocated to decreasing the alarming marginalisation of the youth from the labour market. Our society cannot afford this, and Sitra as an agent of change could provide totally new perspectives and operating methods to solve this issue. With the current methods, Sitra is capable of operating in an excellent way in creating visions and implementing them. However, the small amount of international cooperation is a disadvantage of Sitra's programme activities.

### **Recommendations**

In preparatory work, carrying out a dialogue and promoting involvement are the most efficient ways of avoiding unnecessary doubts and overlapping. For better timing and work distribution, there should also be a closer dialogue with the actors in the innovation system.

Sitra should also from now on operate outside the mainstream and question the established, deadlocked operating models. Sitra's active input is also needed in working life and especially in ensuring that all those of working age are involved in the active working life, perhaps primarily young people at risk of being marginalised but also the aged and the disabled. Social responsibility is a natural activity theme for Sitra whose special expertise is precisely related to the interfaces between the private and public sectors.

### **Comments by the Board of Directors and management of Sitra**

The summary and recommendation are very consistent with Sitra's strategy and plans.

Sitra develops the process of strategic portfolio management to cater to the needs of selecting, managing and discontinuing key areas. To be further addressed, this process selects content themes that provide the best support for strategy implementation. From now on, the stakeholder

groups will be closely connected to the selection and preparation processes, as has already been done in the most recent programme selections.

Sitra continuously assesses how much resources it allocates to new ideas and how much to practical change work. Recently, there has perhaps been an excessive emphasis on the latter.

Among the themes proposed, youth matters are addressed by many Sitra projects: for example, the youth and work is a key theme of the currently ongoing Vitality forum.

Sitra aims to improve its strategic agility through the aforementioned key area reform, the implemented organisation change and internal piloting.

#### 3.3.4 Support for decision-making

##### **How does Sitra support excellent, evidence-based decision-making?**

Sitra supports decision-making particularly by introducing new ideas, information and measures to support decision-making through its own input and in its networks. Sitra has been successful in this role. On the other hand, Sitra and its programmes, such as the Energy Programme, should be utilised more efficiently when making decisions. On the other hand, Sitra should find future key areas that others have not yet identified and the interfaces that have not yet been brought closer to each other. Sitra has significantly affected innovation thinking and policy emphasis, and changes from technical to social innovation. This has also contributed to observing energy efficiency in decision-making. For public health care and management decision-making, Sitra has introduced new content and emphasis areas, and Sitra has also faced up to criticism.

According to the electronic survey, Sitra has been the most successful in introducing new public service ideas to public debate, taking open-minded initiatives, reinforcing the know-how of decision-makers and in providing prediction data.

To be able to secure Sitra's important and socially unique role, the message should be clear and the interaction should be continuous. Work distribution should be discussed in more detail with Tekes, the Academy of Finland and the Research and Innovation Council, for example. In the research field, there should not be a misconception of Sitra itself trying to act as a research organisation, but Sitra should know how to utilise national (and also international) research consistently and effectively. Supporting decision-making requires that the existing actors and their roles are taken into account. The promotion of new roles is appropriate for Sitra's role, particularly through network management and network-based activities.

Sitra is still particularly considered as a promoter of new operating procedures and more efficient research activities that provides better support for decision-making (not as an individual actor, but as a partner that mediates and promotes networking). In addition to the Parliament and central administration, decision-making support for municipalities is emphasised. The *good life* is a bold move in this regard – defining the *good life* and providing the evidence has traditionally been a task of social policy experts and institutes. It is important to engage in a closer dialogue with research institutes in the well-being sector, the Ministry of Social Affairs and Health and associations, and to select natural roles and content as the focus of Sitra's activities. In the future, Sitra should also carry out cooperation and product development related to the indicators of well-being and sustainable economic growth with Statistics Finland and the research field, for example, so that Sitra could better point out alternative methods that question the consumption-oriented operating model of measuring the development of society and the national economy.

##### **Conclusions**

Sitra is still particularly regarded as a promoter of new operating procedures and of more efficient research activities that provide better support for decision-making. Sitra should not act alone but as a partner, mediator and networker. In addition to the Parliament and central administration, decision-making support for municipalities is emphasised. The *good life* is a bold move, and a closer dialogue there is important because the *good life* has traditionally been defined by and the evidence has been provided by social policy experts and established institutes (the Ministry of Social Affairs and Health, universities and research institutes, and also indirectly Finland's Slot Machine Association (RAY), the Finnish Federation for Social Welfare and Health and other associations. It is also important to carry out a closer dialogue and more intensive

networking with this field and to select natural content for Sitra's activity focus. In the future, Sitra should also carry out cooperation and product development related to the indicators of well-being and sustainable economic growth with Statistics Finland and the research field, for example, so that Sitra could better point out alternative methods that question the consumption-oriented operating model of measuring the development of society and the national economy.

#### **Recommendations**

The opportunities of the *good life* and its framework, alternative operating methods and indicators are a theme where Sitra should operate actively and with an open mind while carrying out national and international cooperation with leading experts.

#### **Comments by the Board of Directors and management of Sitra**

The recommendation matches Sitra's goals very well. Sitra currently updates its stakeholder group strategy, and this recommendation should be taken into account there. Through piloting, Sitra's goal has been to build an evidence-based foundation for social decision-making.

### 3.3.5 Management

#### **Has Sitra been successful in its strategy choices and strategy implementation?**

Sitra's strategy has been updated well. The new strategy and its new strategic focus areas are relevant and correspond well with the more extensive global trend that emphasises a service society and a demand-oriented approach. Although the strategy is relevant, the extensive strategic goals are a challenge. It can be asked whether the existing strategy is Sitra's strategy instead of "a strategy for Finland" and whether the strategy and the focus of activity reflect Sitra's organisation enough when taking into account the staff of about one hundred employees. It is necessary to allocate Sitra's operations, utilise predictions in making strategic choices and to define the strategic focus areas in more detail than now. For example, Sitra should specify in a concrete manner how it updates its thinking on the *good life*.

Based on the evaluation data, Sitra's challenge is that the fixed-term staff may not be committed enough to the organisation's common goals and the development of the organisation. There is still a gap between talking about the strategy and implementing it, and Sitra receives negative feedback for this. In fact, Sitra should do more to ensure that all staff members are committed to implementing the strategy. It is a positive thing that Sitra has introduced the steering panel to strengthen strategic leadership and management. Sitra's goal should be to ensure that the staff are also committed to using the steering panel and that the panel is refined to a sufficiently comparable and consistent steering tool instead of being an additional tool for continuing the process of being in "silos".

#### **Is Sitra's operative management well-functioning and encouraging?**

Sitra has been led professionally and actively. When writing this report, Sitra's President was responsible for both strategic and operative management. Management has developed positively in recent years, but the organisation should still improve operative management. Based on the feedback given at staff meetings, operative management is well-functioning and the workplace climate is positive.

In practice, Sitra's operative management is based on the work by the President and the management team. However, the current 13-member management team is too large for operative management. Sitra should strengthen operative management by partially separating operative and strategic management. Sitra should consider whether a new post should be established for the operative management of the organisation (e.g. an administrative executive post, such as Chief Operating Officer), in which case the President would be responsible for strategic management. In addition, Sitra's management team should be reduced to six or seven members, for example, to ensure fluent operations. Some of the work by the management team can be opened for joint working, which has already been done when updating the strategy.

A key challenge for operative management is that there is no systematic communication within the organisation. The staff find that information is conveyed on that floor of the tower building where the staff member is working, but the communication within the organisation is otherwise insufficient. Communication between the Sitra office's different floors and functions should par-

ticularly be improved. It is also important that information on management team meetings is conveyed systematically to the staff.

Staff meetings arranged during the evaluation process indicated that the staff find that they do not usually get enough feedback for their work. It should be noted however that different working practice (across units and programmes for instance) create differences within Sitra. Sitra should develop the organisation's feedback and commendation sharing procedures.

### **Conclusions**

Sitra has been led professionally and actively. However, staff turnover involves certain challenges. A major challenge is that the fixed-term staff is not committed enough to the organisation's common goals and the development of the organisation. There is still a gap between talking about the strategy and implementing it, and Sitra receives negative feedback for this. In fact, Sitra should do more to ensure that all staff members are committed to implementing the strategy. It is a positive thing that Sitra has introduced the steering panel to strengthen strategic leadership and management. Sitra should ensure that the staff are committed to using the steering panel.

The working climate at Sitra is positive, but feedback should be given more extensively. Communication has already been considerably improved, but it should still be ensured that the management tools, such as the steering panel, are introduced comprehensively. However, the steering panel should not establish a silo because specific silos have already been established at Sitra due to the premises. Communication can be further improved here, too.

The current 13-member management team is perceived to be too large for operative management.

### **Recommendations**

Sitra should strengthen operative management by partially separating operative and strategic management. Sitra should consider whether a new post should be established for the operative management of the organisation (e.g. an administrative executive post, such as Chief Operating Officer), in which case the President would be responsible for strategic management. In addition, Sitra's management team should be reduced to six or seven members, for example, to ensure fluent operations. Some of the work by the management team can be opened for joint working, which has already been done when updating the strategy.

### **Comments by the Board of Directors and management of Sitra**

Operative management and strategic management have been separated in the management team's work during the evaluation process. In addition, the strategic management part in the management team's work has been opened for the staff to improve shared participation and communication. The management team material concerning strategic management has been made fully available for the staff, and the efficiency of communication related to operative management team work has been improved.

During the evaluation process, the staff have provided very positive feedback on the introduction of the steering panel. From now on, attention will be paid to reinforcing the procedures as recommended. For a more collective approach, there will be an assessment of opportunities to open the Sitra-level steering panel view and the function-specific steering panel views for all Sitra staff members.

The organisation was reorganised on 1 May 2011 by establishing an administrative executive post and centralising strategy matters in one unit and business development in another.

The recommended reduction of the management team to six or seven members has not been planned for implementation. Sitra's acting management finds the 10–14-member management team justified on the basis of the current strategy and operating model. The only way to reduce the size of the management team would be to establish a new hierarchy level between programme management and executive management. Internal development in the near future will emphasise empowering management aiming to give encouraging feedback, for example.



### 3.3.6 Competence renewal and allocation

#### **Is Sitra's competence sufficient and appropriately allocated, i.e. does it match the current needs?**

Sitra is a strong expert organisation whose skills match the current needs well. Sitra's advantage is that it has successfully recruited experts that it needs in different programmes. As a result of programme activity, for example, leading experts of many fields work for Sitra, and Sitra has performed well in allocating their competences. Expertise and expert-based debate are advantages of Sitra. Sitra's staff are highly educated (12% of the staff have a doctoral or a licentiate degree, 55% have a higher academic degree, 24% a lower academic degree and 9% have some other degree). The diverse professional and educational background of the staff is a further advantage of Sitra. Based on the evaluation data, the competence of the acting management and the programme staff is commended by the stakeholders, whereas the market-based investment and international competence is seen in a more critical light.

Sitra should not however cater to all of its competence and knowledge needs by itself. The interviewees emphasised the utilisation of external expertise to particularly ensure the global perspective and international expertise. Utilising theme-specific expert teams and forums would complement Sitra's competence and ensure its diversity.

Sitra should analyse the organisation's competence profiles to better contribute to competence management, development and maintenance. Based on the evaluation data, the problem is that competence awareness, sharing and utilisation within Sitra are insufficient. This may have an impact on the efficiency of the organisation. It is a good thing that Sitra has recently addressed competence-related questions. The HR director recruitment, the competence strategy and the steering panel, for example, provide additional tools for competence management. Sitra should consider various options for competence development and the transfer of information and network assets. Among the options needed for further developing the competence of the existing staff are job rotation, recruiting new employees or using external experts for different tasks when necessary. Teamwork across programmes should also be encouraged. One can also ask whether Sitra has sufficiently used the steering panel and the competence strategy for competence updating, for example, selecting essential core competence in the bonus system.

A key challenge for Sitra's competence is related to staff turnover because the proportion of fixed-term staff is high (41%) due to the programme activities. On the other hand, the fixed-term approach means that competence is significantly renewed in the organisation. Through staff turnover, competence leaves the Sitra organisation. In addition, the assessment says that competence accumulation and, in some cases, documentation in the organisation's "institutional memory" is poor. To tackle this challenge, Sitra should contribute significantly to competence transfer and to the transfer of knowledge and network assets within the organisation in different ways.

The interviews conducted during the evaluation indicate that the staff would like to have more user-friendly data systems. In fact, Sitra should also ensure through information systems that the staff continuously store data in the organisation's data systems so that the data can be used more extensively at Sitra once fixed-term staff members, for example, have left the organisation. In addition, the follow-up, documentation and transfer of network assets established in the programmes should be ensured to retain the established cooperative relationships as Sitra's networks after programme completion, for example.

#### **Conclusions**

The staff and their competence are the most important assets of an expert organisation. The methods and tools for securing competence are particularly important in an organisation where a quite large proportion of the staff have a fixed-term employment contract. Knowledge and competence sharing and documentation should be developed further.

#### **Recommendations**

Sitra should analyse the organisation's competence profiles to better contribute to competence management, development and maintenance. Information management and user-friendly docu-

mentation models should ensure information transfer and documentation within the organisation.

**Comments by the Board of Directors and management of Sitra**

Sitra's competence strategy was defined in autumn 2010 for the first time. The next goal is to identify the differences between the existing and intended status of the main competences. Practical measures for improving the competences will be taken after this.

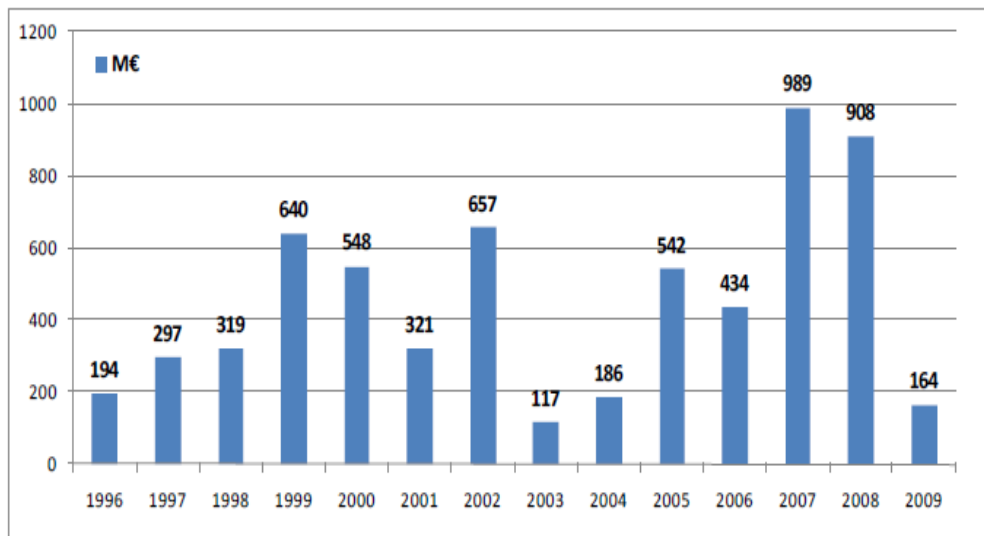
A need to establish person-bound competence as the organisation's competence has been identified. Therefore, a key goal of the Strategic Design function, for example, is to conceptualise strategic design<sup>18</sup> competence as part of Sitra's competence. The user-friendliness of the information systems has been contributed to in recent years.

3.3.7 Endowment capital, venture capital investments, and their profit and added value

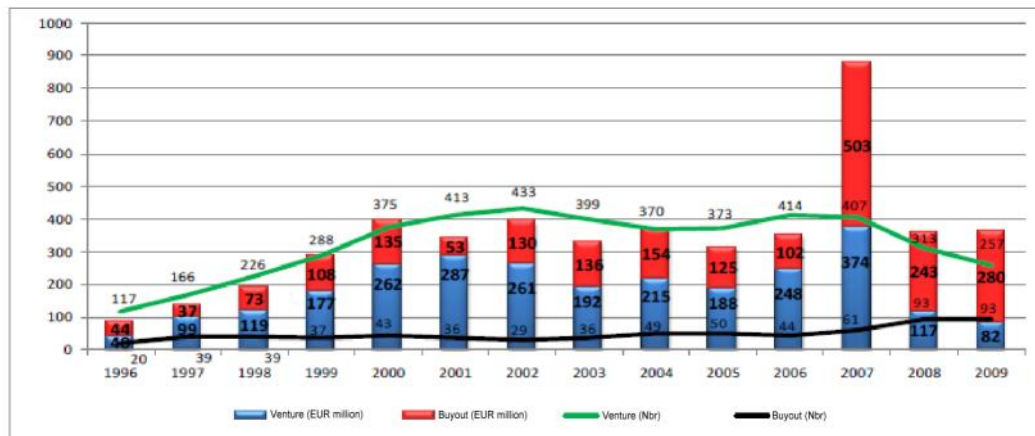
In all its activities, including investment, Sitra's goal is to carefully ensure that Sitra's role creates added value and there is no overlapping that would jeopardise market activity. In this regard, changes in the operating environment are noteworthy.

In 2009, Finnish venture capital investment companies made a total of EUR 362 million of venture capital investments in Finnish and foreign target companies. In all, 230 companies received venture capital funding on 350 different instances of investment. There has been a decline in the number of venture capital investments in Finland, and in this market situation, there is a demand for Sitra and its investments. Figures 4 and 5 indicate the development of venture capital investments made in Finland in recent years.

**Figure 4. Venture capital investments in Finland.<sup>19</sup>**



**Figure 5. Investment activity development 1996–2009.<sup>20</sup>**



The fact that investment activity has also otherwise been in decline before 2010 should be taken into account when assessing the role of Sitra in the venture capital investment sector and the investment sector more generally. The market needs an actor like Sitra.

### **Is Sitra's endowment capital investment acceptable and successful?**

Sitra has invested its endowment capital profitably, and that is also its duty. Sitra has systematically benchmarked its investments' profit development with employment pension companies whose investment activities can be regarded as relevant and valid points of comparison. In a time span of over a decade, the average profit of Sitra's investments has been good in comparison to the profit development of the investments by Finnish employment pension companies. In this regard, Sitra has performed well in its asset management task. However, in the first decade of the 21st century, there have been three negative annual exceptions (2001, 2002 and 2008). According to the evaluation, it is clear that Sitra should continue investing its endowment capital to enable a favourable profit development and further investment.

### **Is Sitra's investor role well-defined?**

The interviewed public Finnish risk investors, Sitra's stakeholder groups and Sitra's staff found that Sitra's role as a venture capital investor is unclear. Sitra's investments in individual companies involve doubts over whose interests Sitra ultimately promotes. This has particularly been highlighted in cases where Sitra makes venture capital investments in enterprises operating in the programme areas. When preparing the evaluation, the link between programmes and investment activity was unclear. Therefore, Sitra's investor role should be comprehensively clarified. Firstly, Sitra should define its investor role (direct investments in enterprises and investments in venture capital funds) clearly and unambiguously communicate the role to the Sitra staff, external stakeholder groups and the public. Secondly, Sitra should further specify its investment criteria and make them known and transparent. Thirdly, Sitra should identify and eliminate any overlapping with other actors. In fund investing, Sitra should coordinate cooperation with Finnish Industry Investment. In each programme, the role of Sitra's investment activities should be understandable throughout the organisation by, for example, defining the role in the investment charter.

Naturally the significance of a venture capital investor in the development of an enterprise is not only related to money, rather the investor also provides other added value for the enterprise. Examples of such added value include competence in creating strategies, overall funding arrangements, corporate reorganisation, board work, budgeting, marketing, management systems development and sector know-how. The venture capital investor also makes the company more credible in regard to the enterprise's other stakeholder groups and considerably improves the opportunity to obtain other funding. The target company also has access to the venture capital investor's Finnish and international network of contacts.<sup>21</sup> All these roles are important as Sitra's roles, but the evaluation shows that the principles of developing and applying the roles should be clarified.

Many interviewees and survey respondents find that organising venture capital investment activities in conjunction with Sitra's programme activities causes debate because the programme also provides funding for enterprises partly owned by Sitra, and the programme staff of Sitra may simultaneously be board members of the enterprises. Although this as such is usual in venture

capital investing, where business development is a key task, the suspicion related to an operating model like this may jeopardise Sitra's reputation of being independent. Outside Sitra's organisation, there is no clear idea of how Sitra combines operating as a market-based, profit-seeking venture capital with activities that have more extensive social goals.

The interviews indicated that there is variation in Sitra's investment decision preparations regarding how investment proposals are justified when they are submitted to Sitra's Board of Directors for a decision. Particularly for fund investments, justifications were requested to indicate how the investment serves the programme. According to the interviews, venture capital investments are criticised for being too ad hoc, for example. The interviews also highlighted staff competence: the people have been recruited to prepare investment proposals at a time when Sitra's operating method was different.

Based on the assessment of evaluation findings, maintaining reliability and independence is emphasised as Sitra's primary goal and its most important asset. To avoid compromising this independence, the role of Sitra staff in participating in the operations of enterprises should be clarified. External board members should be used when necessary. The principles of good governance related to the enterprise's operating principles should be agreed in an investment activity guidance charter and communicated openly to the staff and external parties. In appointing investment companies' board members, the participation of Sitra staff in corporate boards should be carefully justified and the possibility of their being legally incompetent should be analysed because legal incompetence is a major risk to Sitra's credibility. This means that an unambiguous policy should be specified regarding the criteria for appointing people to board posts.

Sitra should pay more attention to investment decision preparation, follow-up and a systematic approach. This also extensively deals with communication: clear communication requires transparent rules, and decreases – even if it would not fully eliminate – misunderstanding and suspicion.

#### **Conclusions**

Sitra has invested its endowment capital profitably as required by Sitra's duty. There also seems to be a need and demand in the market for Sitra's venture capital investments as the market has slowed down due to the financial downturn. Sitra should continue this role while clarifying its operating principles and communication to eliminate the doubts and ambiguities related to the investment activities. This clarification role is also partly consistent with the educational and cultural role of Sitra: the public, or even decision-makers in the public sector, are unfamiliar with venture capital investment activities. In fact, Sitra should communicate more actively in this regard.

Sitra's investor role is unclear. Sitra's investments in individual companies involve doubts over whose interests Sitra ultimately promotes. This has particularly been highlighted when Sitra makes venture capital investments in enterprises operating in the programme areas. The principles related to the investment activities and that entire process should be specified as unambiguously (investment charter) and transparently as possible.

#### **Recommendations**

Sitra should prepare an investment charter that covers the operating principles of venture capital investment activities, and increase awareness of the charter. Such principle policies should also be available on Sitra's website.

#### **Comments by the Board of Directors and management of Sitra**

Sitra's role as a venture capital investor has been unclear in recent years, and this has been acknowledged. Therefore, clarifying the venture capital investor role and related communication was a key strategy work theme in 2010. A comprehensive communication plan will be drawn up in June 2011 and it will be implemented in practice in the autumn. In addition, Sitra has already launched communication as per its strategy by giving presentations at the annual meeting of Finnish venture capitalists and at different interviews.

A decline in competence was also already identified during the 2010 strategy process. The goal is to amend the missing competences by recruiting personnel through natural wastage and through the use of external experts.

As part of clarifying Sitra's role, the management provided the Board with a report on what Sitra's active ownership in direct investments means and how this shows to target companies, for example. Feedback was received based on this work, and on the basis of the feedback, the management of all target companies will be invited at least once a year to attend a workshop in order to share information and promote common themes. Sitra's goal has also been to clarify what the combining of social impact and a reasonable profit means. According to its strategy, Sitra as an investor does not maximise its profit but operates on market terms, particularly in areas with reasonable profit expectations. The primary social impact precisely results from correctly selecting the investment objects.

For the target companies to better understand the goal of Sitra's investment activities, a 2003 report concerning board work in target companies was thoroughly updated during winter 2010–2011. It is also possible to publish the report and Sitra's strategy principles on the updated sitra.fi website. The sitra.fi website also generally makes investment activities more visible.

The majority of the proposed corrections have already been implemented based on the 2010 strategy work.

## **APPENDICES**

1. Executive summary
2. Executive summary in Finnish
3. Literature
4. Interviewees
5. Resource information of programmes
6. Benchmarking summaries
7. Indicator comparison
8. Structural renewal of society
9. Summary of the survey
10. Sitra's strategy in brief

## APPENDIX 1: EXECUTIVE SUMMARY

### Summary of evaluation questions and answers based on the report

- 1. Is Sitra capable of securing its position as an independent force for change and developer of Finnish society monitored by Parliament (i.e. does Sitra fulfil its statutory role)?** At the moment, yes. Based on the evaluation findings and assessments, Sitra fulfils its role quite well, with its independent status deemed its most important competitive advantage. Sitra's strategic agility enables it to act as an agent for change. Sitra has succeeded in this by providing alternatives and creating new, bold ideas. This is expected of Sitra also in the future. Sitra's primary task is to challenge the mainstream and prevailing conceptions. As a strategic goal, renewing the thinking related to quality of life and the *good life* themes in particular requires that Sitra also better takes into account social enterprises, social responsibility and groups at risk of exclusion.
- 2. Are the enablers of the operations organised in the best way possible? Are the competencies, management and related processes and operating methods appropriate? Do they provide added value for projects and do they help support profitable operations?** Partially. Sitra is a strong expert organisation whose skills mainly match the current needs well. It is particularly important to combine the competences of the public and private sector, but third-sector competence may require extra attention. Sitra's management is of a high quality, albeit operative and strategic management could be separated more clearly. Management tools, such as the steering panel, help carry out corrective measures regarding operations, including allocating resources, selecting focus areas, giving internal feedback and rewarding good performance. Sitra has successfully recruited experts with excellent educational background, expertise and networks.

Sitra should not itself cater to all of its competence and knowledge needs: the interviewees emphasised the need to utilise external expertise. Particular attention should be paid to the global perspective and securing international expertise in a geographically wider area by introducing influences and competence from developing economies. Arranging and utilising theme-specific expert groups and forums would supplement Sitra's know-how. Many staff members have a fixed-term employment contract, which causes challenges to the accumulation and transfer of know-how and silent knowledge: network management tools should be used more effectively to retain the networks and expertise obtained through Sitra's programmes, for example.

- 3. Do Sitra's project operations achieve results and impacts? Are there any signs of Sitra's operations also resulting in added value in the long term?** Yes. Sitra's impact is based on both its results and the actual benefits achieved through the results from the perspective of companies and the public sector, and on Sitra's way of promoting other actors' readiness to change (Sitra establishes networks). Sitra has succeeded in its programmes when it has boldly ventured into areas where there are no other key actors, or where Sitra's operations have a unique content, emphasis or nature, or they provide special added value. Sitra's added value has been created by building networks, promoting public debate and carrying out actual investment activities in areas where there is a market need, even in areas where one has not been fully identified.

In recent years, Sitra has influenced the position of energy efficiency in decision-making, questioning the operating models of the public sector, and the systematic testing and introduction of social innovations (e.g. health kiosks and municipal service centres), to mention a few. In public healthcare and management, Sitra has introduced new emphases in decision-making and has faced up to criticism. To ensure Sitra's unique role in society, Sitra should have a well-defined message and continuous interaction. Regarding practical measures, Sitra's different forms of operation, ranging from research to piloting, and from testing to business development, involve dozens of projects that directly affect the daily lives of citizens. The Energy Programme, for example, influences citizens' decisions, promoting a low-carbon approach.

Through its research, piloting and investment activities, Sitra encourages the increase of energy awareness and promotes daily energy saving. Examples of related projects include the organising of energy counselling in Finland, the Peloton project for training energy gatekeeper groups, and the ECO 2 (Eco-efficient Tampere) project of the City of Tampere, in which Sitra is a development partner. Sitra's added value also describes its operating method more specifically in this programme: together with selected cooperation partners, Sitra investigates, develops and applies new kinds of solutions that also individually support responsible decisions (the target groups of the training include building managers and the project managers of construction sites). Many other programmes and functions, such as the health kiosk and the municipal service centre model, also involve activities that are visible to citizens.

Sitra should discuss work distribution issues more intensively with Tekes, the Academy of Finland, the Research and Innovation Council, and actors in the well-being sector. In the research field, there should not be a misconception of Sitra itself trying to act as a research organisation, but Sitra should know how to utilise national and international research consistently and effectively. Support for decision-making requires that the existing actors and their respective roles are accounted for and included in the networks.



### Tiivistelmä arviointikysymyksistä ja raportista nousevista vastauksista

- 1. Kykeneekö Sitra toiminnassaan turvaamaan asemansa riippumattomana, eduskunnan valvonnassa olevana suomalaisen yhteiskunnan muutosvoimana ja kehittäjänä (= täyttääkö Sitra lainsäädännöllisen roolinsa)?** Nykyisellään kyllä. Arvioinnin valossa Sitra täyttää roolinsa varsin hyvin, ja sen riippumattomuutta pidetään sen tärkeimpänä kilpailutekijänä. Sitran strateginen ketteryys mahdollistaa muutosagenttina toimimisen, missä Sitra on onnistunut tarjoamalla vaihtoehtoja ja tekemällä rohkeita avauksia. Sitralta odotetaan tällaista roolia myös tulevaisuudessa. Sitran ensisijainen tehtävä on haastaa valtavirtaa ja vallitsevia käsityksiä. Strategisena tavoitteena erityisesti hyvän elämän ajattelun uudistaminen edellyttäisi, että Sitra ottaisi toiminnassaan aiempaa paremmin huomioon myös sosiaaliset yritykset, yhteiskuntavastuun ja syrjäytymisuhan alaiset ryhmät.
- 2. Onko toiminnan mahdollistajat organisoitu parhaalla mahdollisella tavalla? Ovatko osaaminen, johtaminen ja näihin liittyvät prosessit ja toimintatavat kohdallaan? Tuottavatko ne lisäarvoa hankkeisiin ja auttavatko ne toiminnan tuloksellisuuden tukemisessa?** Osittain. Sitra on vahva asiantuntijaorganisaatio, jonka osaaminen vastaa pääosin hyvin nykyisiin tarpeisiin. Erityisesti julkisen ja yksityisen sektorin osaamisen yhdistäminen on tärkeää, mutta kolmannen sektorin osaaminen saattaa vaatia lisähuomiota. Sitran johtaminen on laadukasta, joskin operatiivinen ja strateginen johtaminen voitaisiin eriyttää selkeämmin. Johtamisen välineet, kuten ohjauspaneeli, auttavat toiminnan korjausliikkeissä, kuten voimavarojen kohdentamisessa, painopistevalinnoissa sekä sisäisessä palautteenannossa ja palkitsemisessa. Sitra on onnistunut rekrytoimaan asiantuntijoita, joilla on erinomainen koulutustaso, osaaminen ja verkostot.

Sitran ei tule itse kattaa kaikkia osaamis- ja tietotarpeitaan: haastatteluissa korostettiin tarvetta hyödyntää ulkopuolista asiantuntemusta. Erityisesti tulisi huomioida globaali näkökulma ja kansainvälisen asiantuntemuksen turvaaminen nykyistä maantieteellisesti laajemmalta alueelta, muun muassa tuomalla vaikutteita ja osaamista myös kehittyvistä talouksista. Temaattisten asiantuntijaryhmien ja foorumien järjestäminen ja hyödyntäminen täydentäisivät Sitran osaamista. Henkilöstön määrääkaisuuskien suuresta osuudesta seuraa haaste, miten osaamista ja hiljaista tietoa kertyy ja siirtyy: muun muassa ohjelmissa syntyvien verkostojen ja osaamisen säilyttämiseksi on entistä tehokkaammin hyödynnettävä verkostonhallinnan välineitä.

- 3. Syntyykö Sitran hanketoiminnasta tuloksia ja vaikutuksia ja onko merkkejä siitä, että sen toiminnasta syntyisi myös pidemmällä tähtäimellä lisäarvoa?** Kyllä. Sitran vaikuttavuus syntyy sekä sen tuotoksista ja tuloksista syntyvistä konkreettisista hyödyistä yritysten ja julkisen sektorin kannalta että sen tavasta edistää muiden toimijoiden muutosvalmiutta (verkottajarooli). Ohjelmissaan Sitra on onnistunut silloin, kun se on tehnyt rohkeita avauksia alueilla, joilla ei ole muita merkittäviä toimijoita tai joilla sen toiminta on sisällöltään, painotuksiltaan tai luonteeltaan ainutlaatuista tai erityistä lisäarvoa tuottavaa. Sitran lisäarvo on syntynyt verkostojen rakentamisesta, julkisen keskustelun edistämisestä ja konkreettisesta sijoitustoiminnasta alueilla, joilla markkinatarvetta esiintyy, vaikkei sitä olisi vielä täysin tunnistettu.

Sitra on viime vuosina vaikuttanut muun muassa energiatehokkuuden huomioimiseen päätöksenteossa, julkisen sektorin toimintamallien kyseenalaistamiseen sekä sosiaalisten innovaatioiden systemaattiseen testaukseen ja käyttöönottoon (esimerkiksi terveystioskit ja kuntien palvelukeskukset). Julkisessa terveydenhuollossa ja johtamisessa Sitra on tuonut uusia painotuksia päätöksentekoon, eikä se ole pelännyt kritiikkiäkään. Sitran yhteiskunnallisesti ainutlaatuisen roolin turvaamiseksi sen viestin on oltava selkeä ja vuorovaikutuksen jatkuvaa. Käytännön toimenpiteiden kannalta Sitralle on eri toimintamuodoissaan tutkimuksesta pilotointiin, testaukseen ja liiketoiminnan kehittämiseen toteutuksessa kymmeniä hankkeita, jotka vaikuttavat suoraan kansalaisten arkeen. Esimerkiksi Energiaohjelmassa vaikutetaan kansalaisten valintoihin ja lisätään niiden vähähiilisyttä.

Tutkimuksillaan, pilotoinnillaan ja sijoitustoiminnallaan Sitra kannustaa lisäämään energiatietoisuutta ja edistää energian säästämistä arkielämässä. Tähän liittyviä hankkeita ovat esimerkiksi Energianeuvonnan järjestäminen Suomessa, energiaportinvartijaryhmien koulutusta tekevä Peloton ja Tampereen kaupungin ECO 2, Ekotehokas Tampere, jossa Sitra on yksi kehittäjäkumppaneista. Sitran lisäarvo kuvaa tässäkin ohjelmassa sen toimintatapaa laajemmin: yhdessä valittujen yhteistyökumppanien kanssa tutkitaan, kehitetään ja sovelletaan uudenlaisia ratkaisuja, jotka tukevat yksilötasollakin vastuullisten valintojen tekemistä (koulutuksen kohderyhmiä ovat muun muassa isännöitsijät tai rakennustyömaiden projektipäälliköt). Kansalaisen tasolle näkyviä ja vaikuttavia toimia on monissa muissakin ohjelmissa ja toiminnoissa, kuten terveystioskissa tai kuntien palvelukeskuksissa.

Sitran on syytä tiivistää työnjakokeskusteluaan esimerkiksi Tekesin, Suomen Akatemian ja tutkimus- ja innovaationeuvoston sekä hyvinvointikentän toimijoiden kanssa. Tutkimuskentällä ei tule muodostua käsitystä, että Sitra pyrkii itse toimimaan tutkimusorganisaationa, vaan Sitran tulee osata hyödyntää kansallista ja kansainvälistä tutkimusta johdonmukaisesti ja tehokkaasti. Päätöksenteon tukeminen vaatii nykyisten toimijoiden ja niiden roolien huomioimista ja saamista mukaan verkostoihin.

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Sitran Eurooppa 2020-ohjelman loppuarviointi, keskustelutilaisuus: Net Effect Oy (Petri Uusikylä, Ville Valovirta, Risto Karinen 23.5.2005).

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Tavoitteena kehittyvä ja luova innovaatioympäristö – Kilpailukykyinen innovaatioympäristö-kehittämishojelman arviointi (Soile Kuitunen 8.9.2005).

## **APPENDIX 4: INTERVIEWEES (in an alphabetical order)<sup>22</sup>**

### **SITRA STAFF MEMBERS**

Tapio Anttila  
Timo Hämäläinen  
Jorma Jaalivaara  
Kirsi Jyly  
Mikko Kosonen  
Ossi Kuittinen  
Paula Laine  
Jari Pasanen  
Lari Rajantie  
Marco Steinberg  
Tuula Tiihonen  
Teppo Turkki

### **SITRA'S BOARD OF DIRECTORS**

Anu Bradford  
Anne Kovalainen  
Harri Skog  
Erkki Virtanen

### **OTHERS**

Matti Alahuhta, KONE  
Sari Baldauf, Professional Board Member  
Mikael Fogelholm, the Academy of Finland  
Henri Grundsten, Finnish Industry Investment Ltd  
Pauli Heikkilä, Finnvera  
Leo Houtsonen, Avera  
Tapani Hyvönen, Ed-Design  
Harri Jokinen, the Federation of Finnish Technology Industries  
Mirjam Kalland, the Mannerheim League for Child Welfare  
Petri Kalliokoski, the Technical Research Centre of Finland (VTT)  
Timo Kekkonen, the Confederation of Finnish Industries (EK)  
Lauri Lyly, the Central Organisation of Finnish Trade Unions (SAK)  
Teemu Malmi, Aalto University  
Markku Mattila, the Academy of Finland  
Mikko Mäenpää, the Finnish Confederation of Professionals (STTK)  
Sirpa Rinta, Pharma Industry Finland  
Veli-Pekka Saarnivaara, Tekes – the Finnish Funding Agency for Technology and Innovation  
Juhani Salovaara, Desigence  
Niilo Saranummi, the Technical Research Centre of Finland (VTT)  
Jari Stenvall, University of Lapland  
Ilkka Turunen, Research and Innovation Council  
Anna Valtonen, Umeå University  
Kari Välimäki, Ministry of Social Affairs and Health  
Pekka Ylä-Anttila, Etlatiето Oy

**APPENDIX 5: RESOURCE INFORMATION OF PROGRAMMES**

	Project funding costs million €	Target enterprise investments' contractual sums, million €	Target enterprise investment refunds million €	Average number of team members	Programme duration in years
<b>Information throughout the programme duration</b>					
Health Care Programme	7.2	2.4	2.8	10	5
Food and Nutrition Programme	3.8	1.7	0.5	5	4
India Programme	1.1	0.0	0.0	2	4
Russia Programme	1.9	0.0	0.0	4.5	3
Environmental Programme	2.7	3.9	0.0	6	3
<b>Information from the programme launch to 31 March 2011</b>					
Energy Programme	6.1	6.1	0.0	10	5
Public Leadership and Management Programme	1.1	0.0	0.0	8.5	4
Growth Programme for the Mechanical Industry	0.8	5.6	0.0	4.5	4
Municipal Programme	9.8	0.1	0.0	8	5
Landmarks Programme	1.0	0.9	0.0	8	5
<b>Total or average</b>	<b>35.4</b>	<b>20.8</b>	<b>3.3</b>	<b>6.7</b>	<b>4.2</b>

## APPENDIX 6: BENCHMARKING SUMMARIES

### NESTA – the National Endowment for Science, Technology and the Arts (founded 1996, Head office in London)

Legal Base: The National Lottery Act 1998 and the Financial Directions, issued by the Secretary of State for the Department for Innovation, Universities and Skills (DIUS) under the National Lottery Act 1998.

Annual Budget: Original endowment GBP 250 million.

Assessment criteria	Analysis / Interpretation	Lessons learned
<p><b>Governance model</b></p>	<p>In addition to the chief executive, NESTA has five executive directors responsible for, respectively: NESTA Investments, Policy &amp; Research, Innovation Programmes, Communications and Corporate Services. NESTA is governed by an independent Board of Trustees, who meets quarterly.</p> <p>Trustees are appointed by the Secretary of State for Business, Innovation and Skills. The Board's decision-making is assisted by four Committees of the Board who meet regularly throughout the year and have delegated authority: Investment, Innovation Programmes, Finance, Audit &amp; Remuneration, and Endowment.</p> <p>In addition, NESTA has set up advisory groups to provide specialist expertise and guidance on specific pieces of work.</p>	<p>Various committees and advisory boards of NESTA form a broad network of expertise that can be utilised when setting new priorities and programs as well as making judgements on existing activities. That is something that Sitra might also consider in addition to its existing program stakeholder groups.</p>
<p><b>Strategic goals</b></p>	<ul style="list-style-type: none"> <li>➤ Policy and research</li> <li>➤ Early stage investment</li> <li>➤ Programmes</li> <li>➤ Creative industries</li> <li>➤ Social challenges</li> <li>➤ Economic challenges.</li> </ul> <p>Advisory committees play an important role in bringing new expert knowledge from various fields of society.</p> <p>The Board is responsible for strategic direction, policies and procedures. Strategic goals</p>	<p>Programme activities and investments strategies are inter-linked as in Sitra. NESTA has been actively involved with social welfare matters and charity activities.</p>

	are fixed for mid-term and they will be reformulated during the strategy process. Information from follow-up reports, audits and evaluations is utilised when making go/no-go decisions whether to continue with the existing strategic priorities.	
<b>Other priority areas</b>	Sweet spots: areas that have lots of interest and little knowledge (innovation vouchers, crowd-sourcing, charity work).	Actively seeking new innovative areas, e.g. social media and crowd-sourcing.
<b>Investment strategy</b>	In 2009-2010 NESTA made 15 direct investments totalling GBP 4.9 million. Its portfolio consists of 44 investment companies.	Investment strategy supports policy programmes.
<b>Performance review</b>	<p><b>Indicators:</b> Are the models invented being adopted?</p> <ul style="list-style-type: none"> <li>- Scorecards</li> <li>- Framework how to measure NESTA's own activities</li> <li>- VC work can be easily measured</li> <li>- Systematic media monitoring – only a partial picture.</li> </ul>	Similar monitoring and evaluation model to Sitra.
<b>Future challenges</b>	In the future: aims at launching more EU-projects (e.g. Framework Programs).	
<b>Other observations</b>	New CEO: Geoff Mulgan is responsible for creating a new strategy. Expectations are high.	



## Fundación Chile (founded 1976, Head office in Santiago)

Legal Base: Agreement between the Government of Chile and the ITT in 1974. 2005 BHP-Billiton – Minera Escondida became a co-partner.

Operational Budget 2011: USD 42.9 million

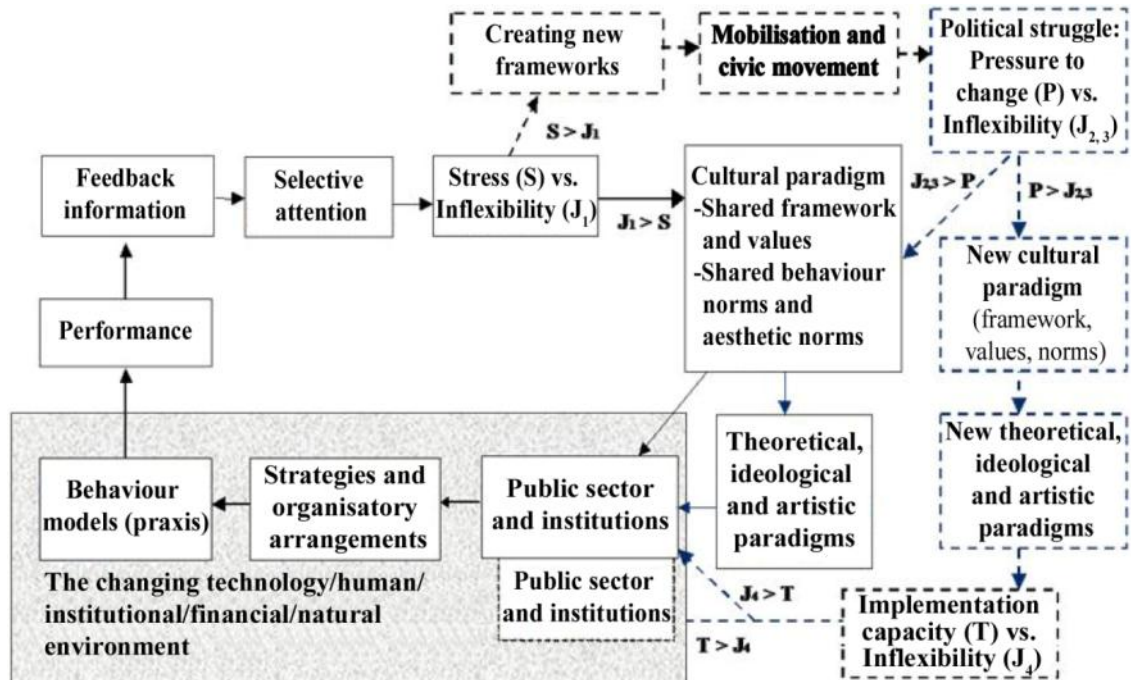
Assessment criteria	Analysis / Interpretation	Lessons learned
<b>Governance model</b>	<p>Fundación Chile is a non-profit private corporation whose partners are the Government of Chile and BHP-Billiton – Minera Escondida.</p> <p>Activities are based around the Technology Center (TC), the operational structure concentrates over 100 projects annually. The board of FC is the main decision-making authority. The President of Chile nominates the Chairman of the Board whose nomination is ratified by the Board. Currently, members of the Board are pulled from the business community (40%), from government (40%)*, and from research universities and trade associations (20%).</p> <p>*All Board members from the government previously belonged to the private sector.</p>	Active involvement of local business community supports FC activities. Independence from politics is important source of legitimacy. Universities and research institutions are well connected.
<b>Strategic goals</b>	<p>Fundación aims at introducing high impact innovations and empowering human capital, in order to increase Chile's competitiveness, by promoting and developing the economy, through technology transfer in alliance with local and global knowledge networks.</p> <p>Fundación has chosen four thematic areas as strategic priorities:</p> <ul style="list-style-type: none"> <li>- Biotechnology and food</li> <li>- Human Capital</li> <li>- Digitisation</li> <li>- Sustainability</li> </ul>	Strategic priorities are well focused. Board decides on priority setting. Strong emphasis on human capital and digitisation creating a comprehensive information society framework – a potential niche for Sitra in the future?
<b>Other priority areas</b>	<p>Enabling platforms:</p> <ul style="list-style-type: none"> <li>- Energy efficiency <ul style="list-style-type: none"> <li>o Self-finance</li> <li>o Schools (finance: mining companies)</li> <li>o Virtual applications</li> </ul> </li> </ul>	Matrix between strategic priorities and other guiding principles.
<b>Investment strategy</b>	<p>Investment strategy</p> <p>Currently, FC manages a portfolio of 25 companies. Large BA network (never the leading in-</p>	Solid portfolio and long-term investment strategy.

	<p>vestor of the team) generally 30% of the company.  It is able to leverage its investments.  FC financial investments:  Equity USD 18.1 million  Loans USD 2.7 million  Partners:  Equity USD 10.5 million  Loans USD 2.9 million</p>	
<b>Performance review</b>	<p>Performance monitoring is based on annual review procedures together with audit functions. Media monitoring is also carried out regularly.</p>	<p>Similar procedure with Sitra.</p>
<b>Other observations</b>	<p>Economic development in strategic priority areas is critical for FC success in the future.</p>	

**APPENDIX 7: INDICATOR COMPARISON**

<b>Organisation</b>	<b>Turnover/ budget</b> EUR million	<b>Capital</b> EUR million	<b>Personnel</b>	<b>Corporate invest- ment</b> EUR million	<b>Fund in- vestment</b> EUR million
Sitra	50	698	120	38 (including fund)	Included in enterprise invest- ments
Tekes – the Finnish Funding Agency for Technology and Inno- vation	633	N/A	295	-	-
Finnvera	215	569	400	-	-
Finnish Industry In- vestment Ltd (Tesi)	-	537	26	51	115

## APPENDIX 8: STRUCTURAL RENEWAL OF SOCIETY

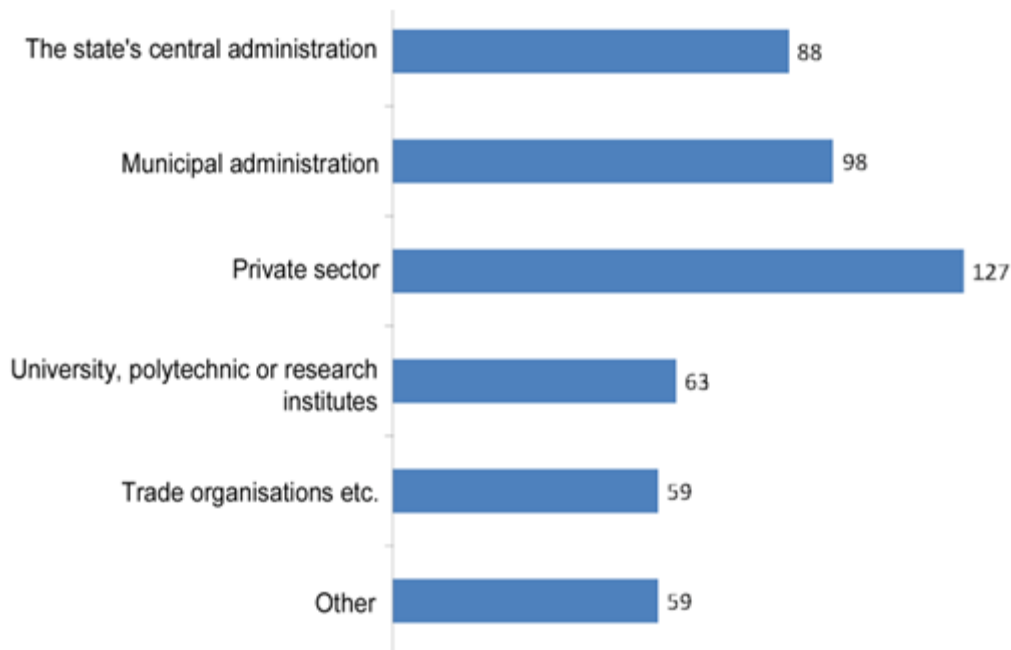


**Source:** Hämäläinen & Heiskala (2004).

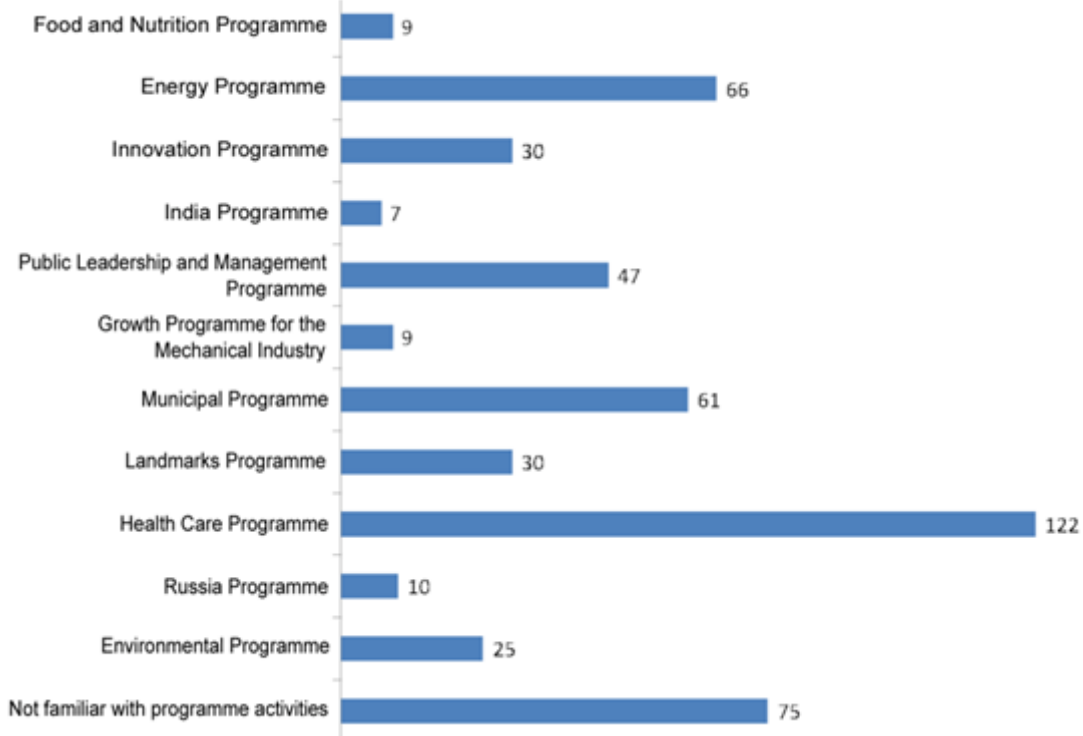
## APPENDIX 9: SUMMARY OF THE SURVEY

The electronic survey, implemented as part of the evaluation in January 2011, received a total of 498 responses. Not every respondent answered all questions, which is why the number of respondents is provided separately for each question. The number of respondents is not provided separately for questions where the responses are presented by employer group or programme, but are indicated in the figures below.

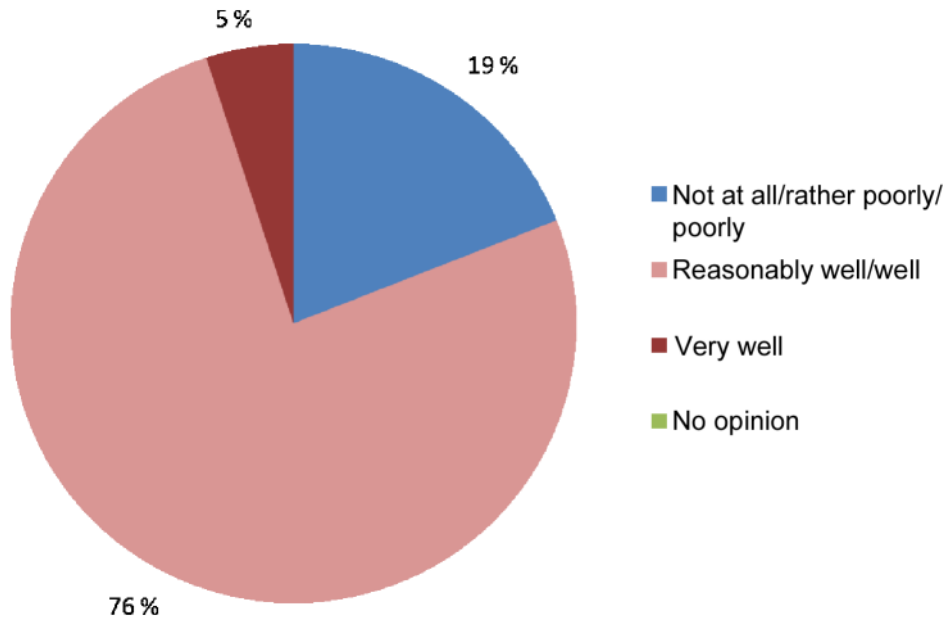
### Number of respondents by employer group:



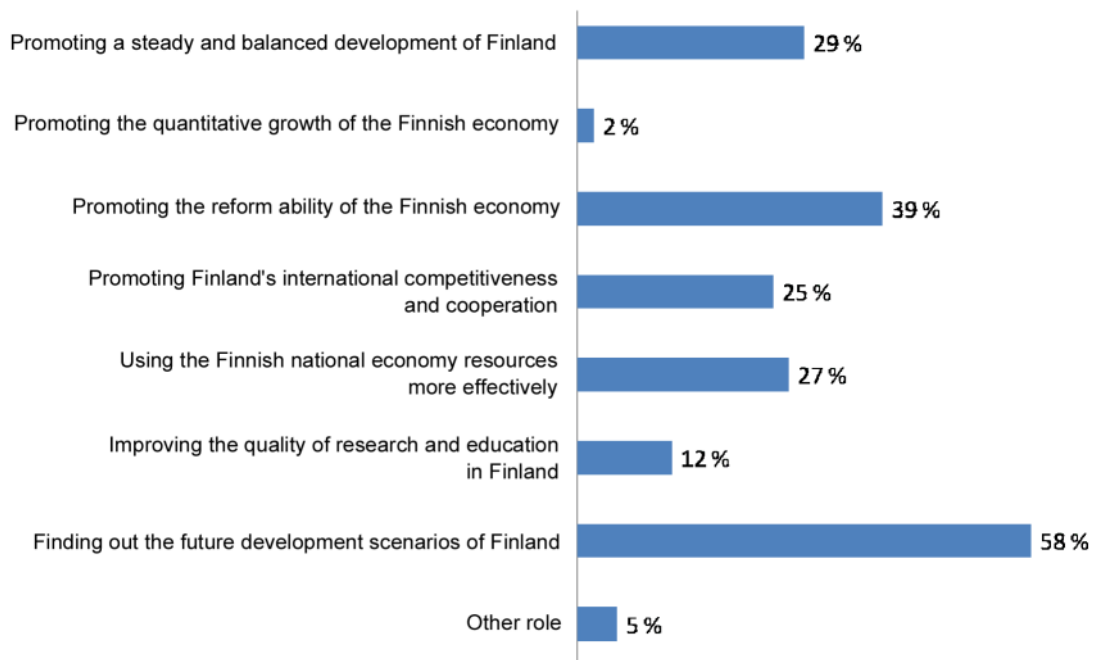
### Number of respondents by programme:



**1. How familiar are you with Sitra and its activities? (n = 493)**



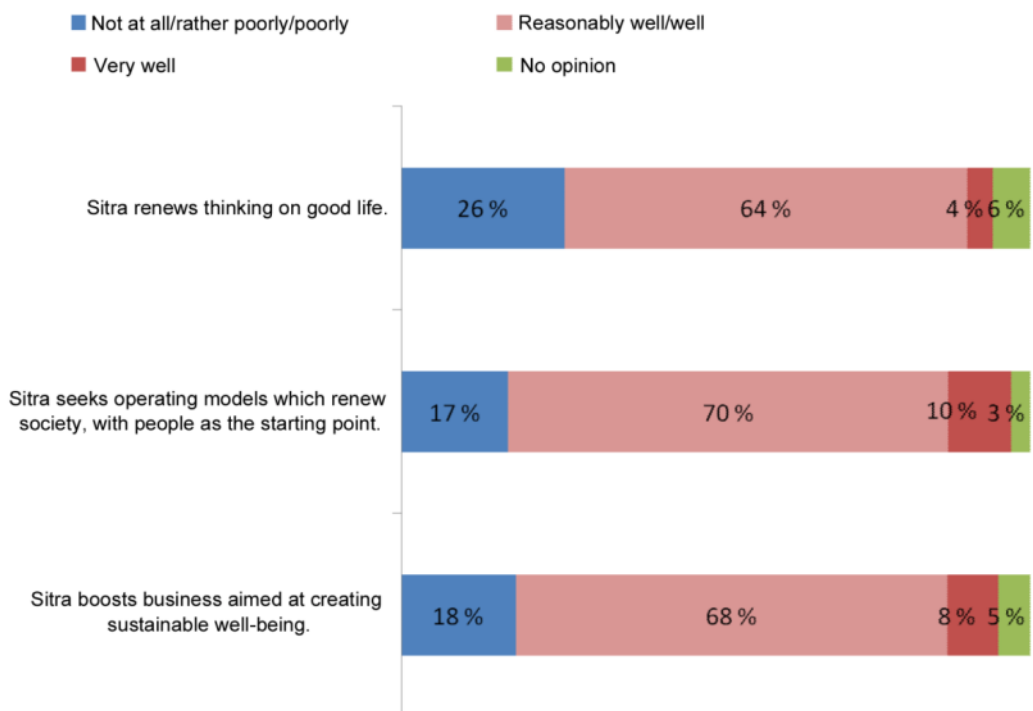
**2a. Which are Sitra's two most important roles in society? (n = 494)**



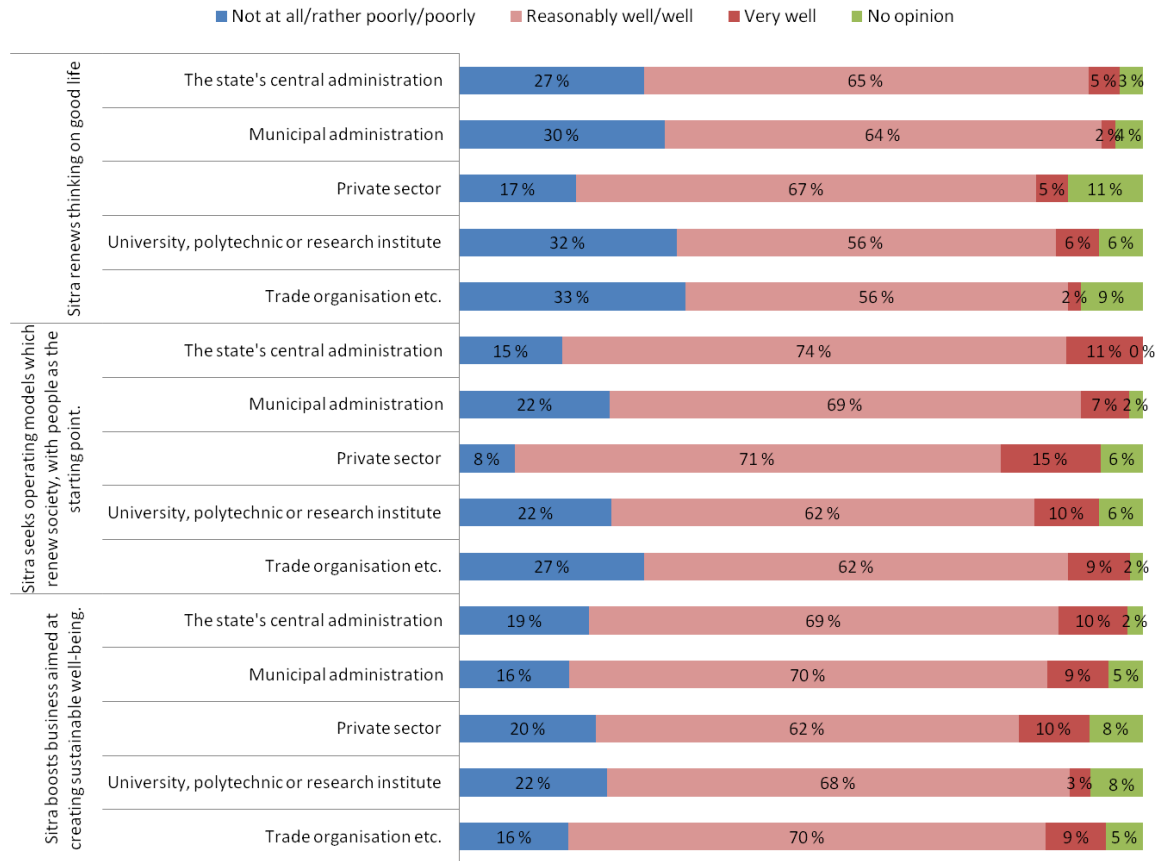
## 2b. Which are Sitra's two most important roles in society? (by employer group)



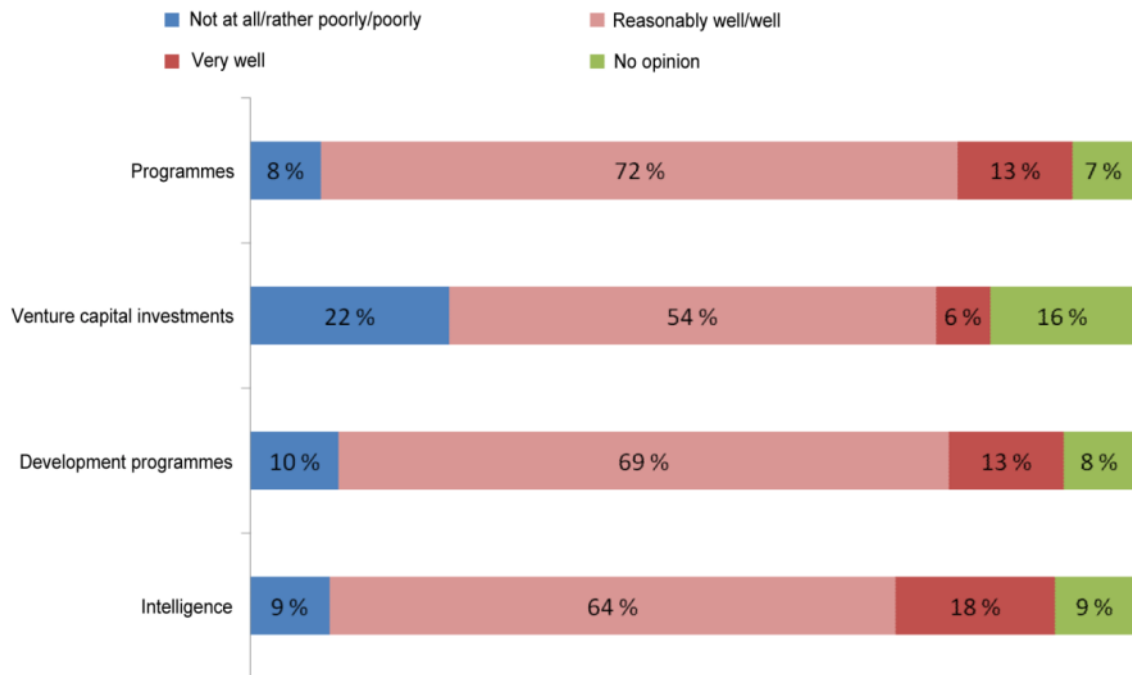
## 3a. How successful do you find the following strategic goals of Sitra? (n = 493)



**3b. How successful do you find the following strategic goals of Sitra? (by employer group)**

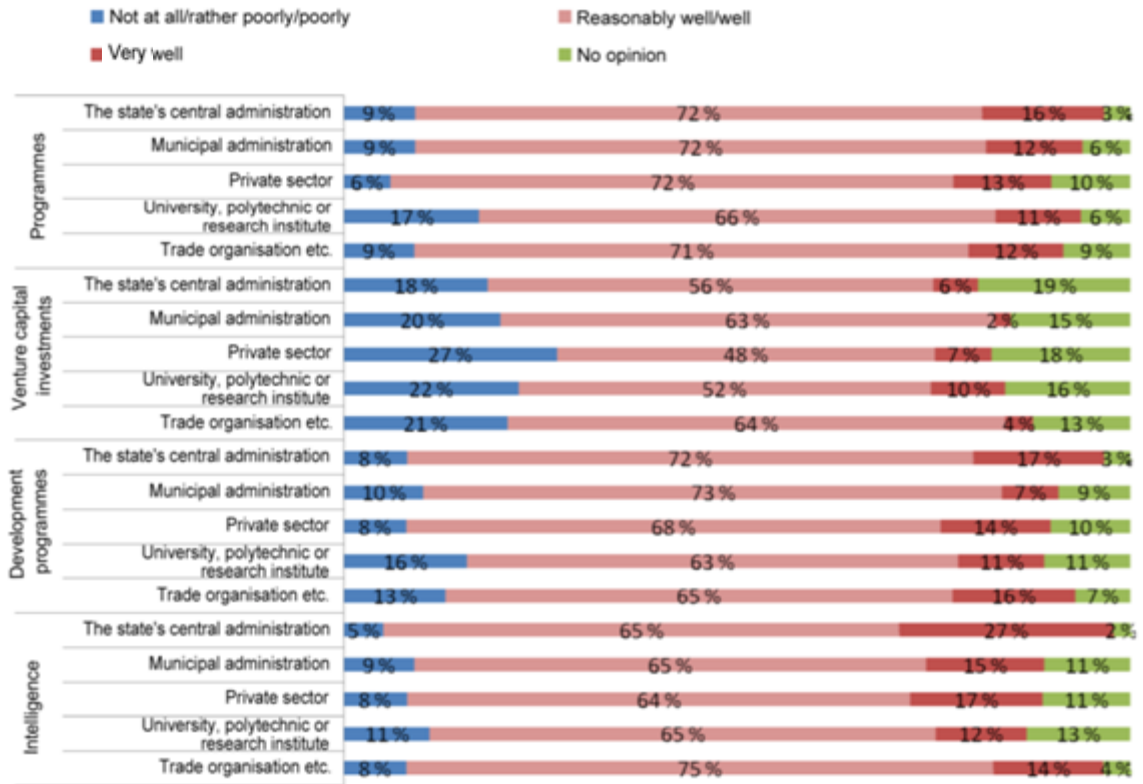


**4a. Please assess how appropriate Sitra's different operating methods are for achieving Sitra's strategic goals (n = 493)**

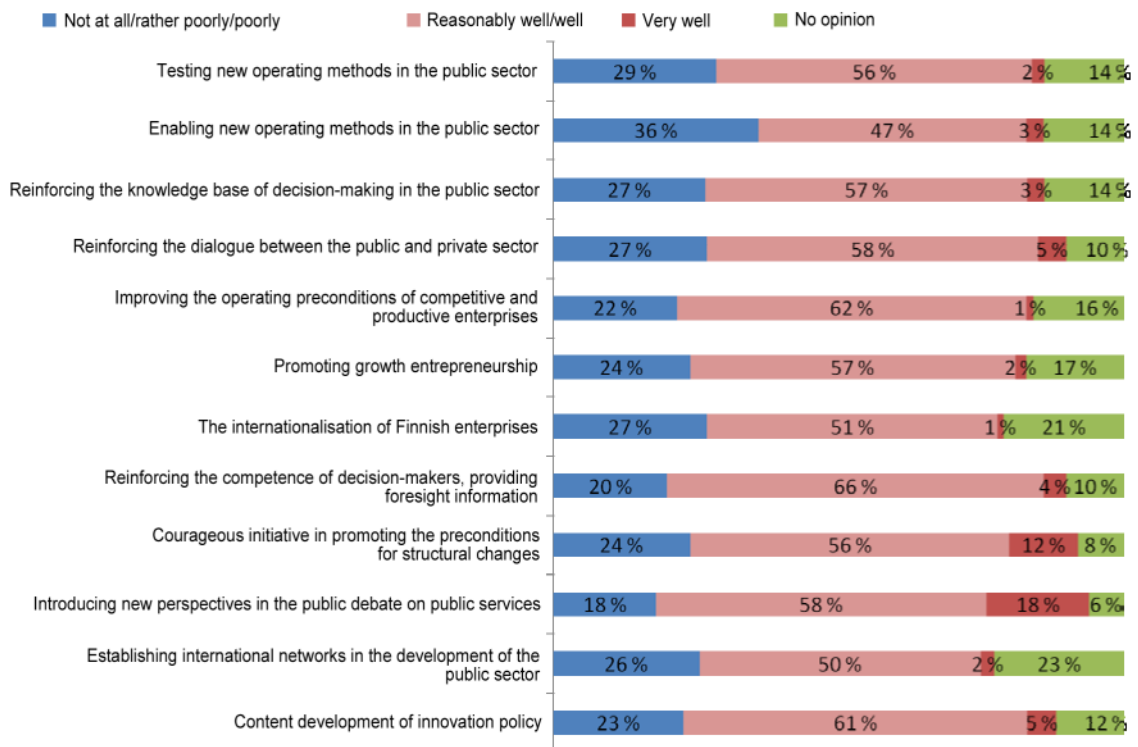




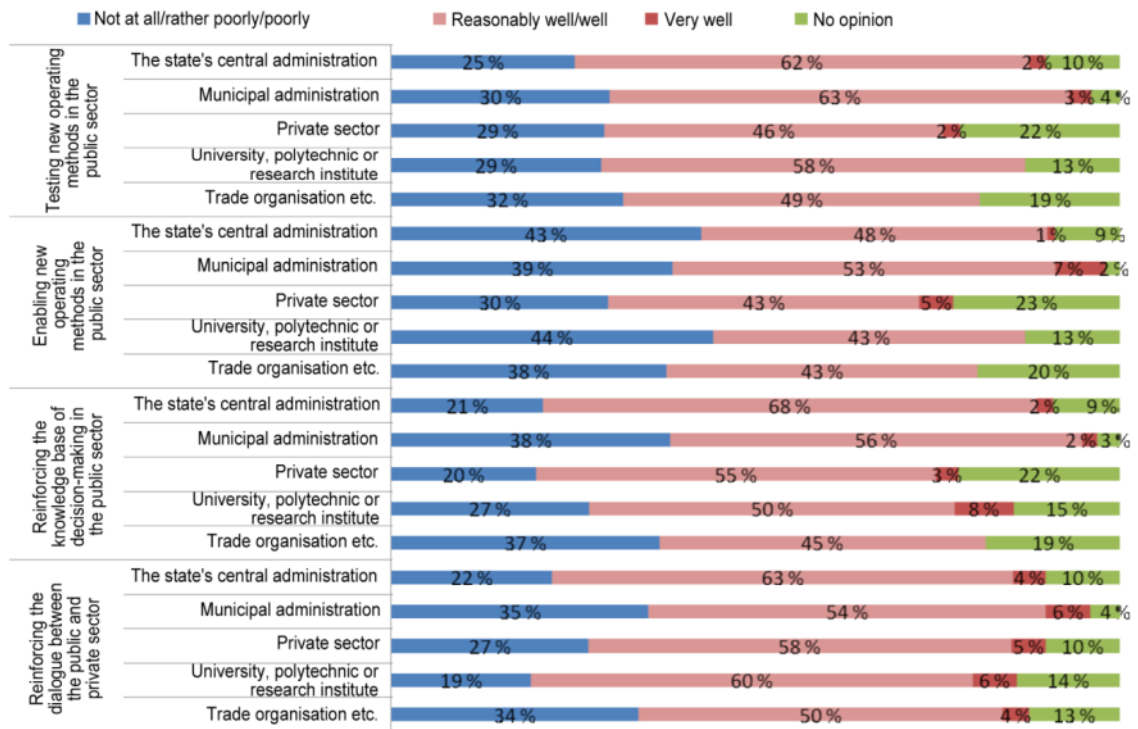
**4b. Please assess how appropriate Sitra's different operating methods are for achieving Sitra's strategic goals (by employer group)**



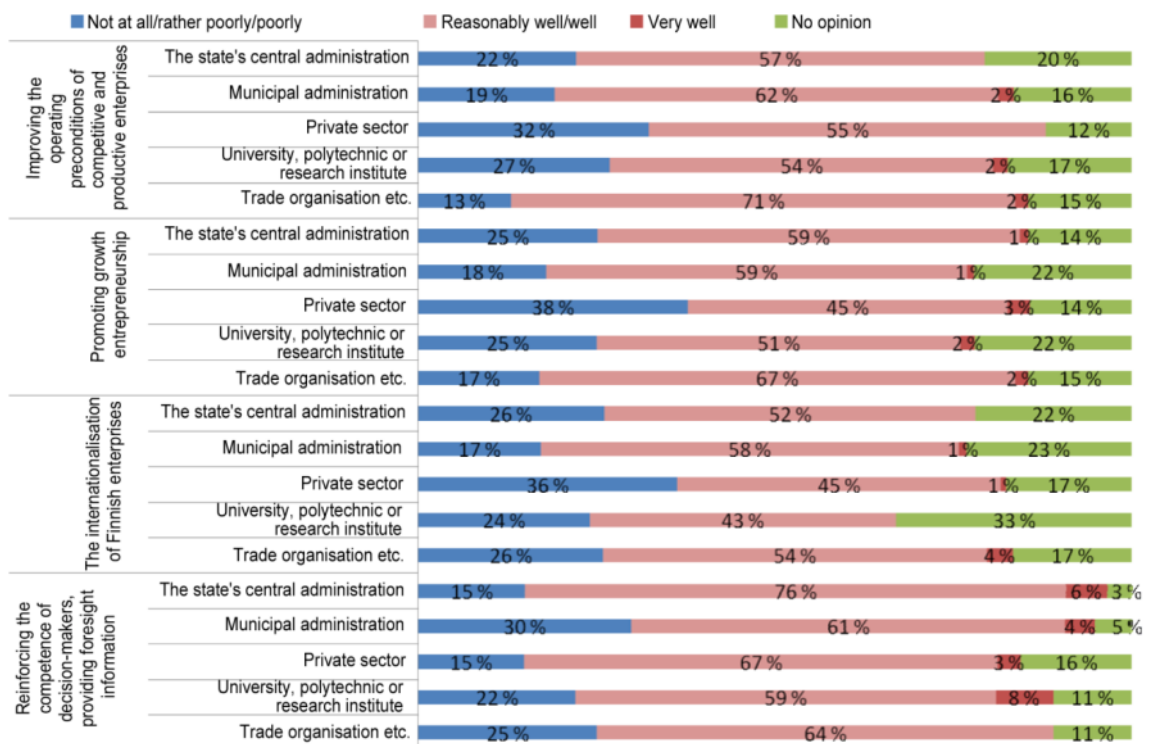
**5a. How well has Sitra performed in the following themes so far? (n = 492)**



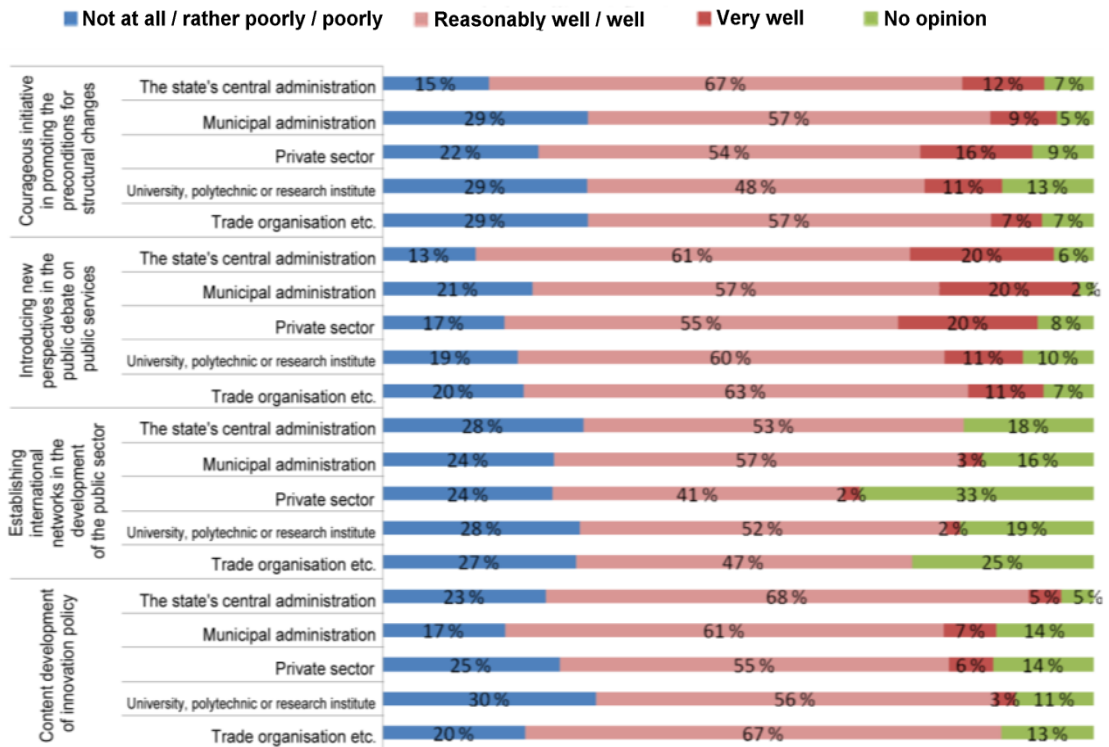
### 5b. How well has Sitra performed in the following themes so far? (by employer group 1)



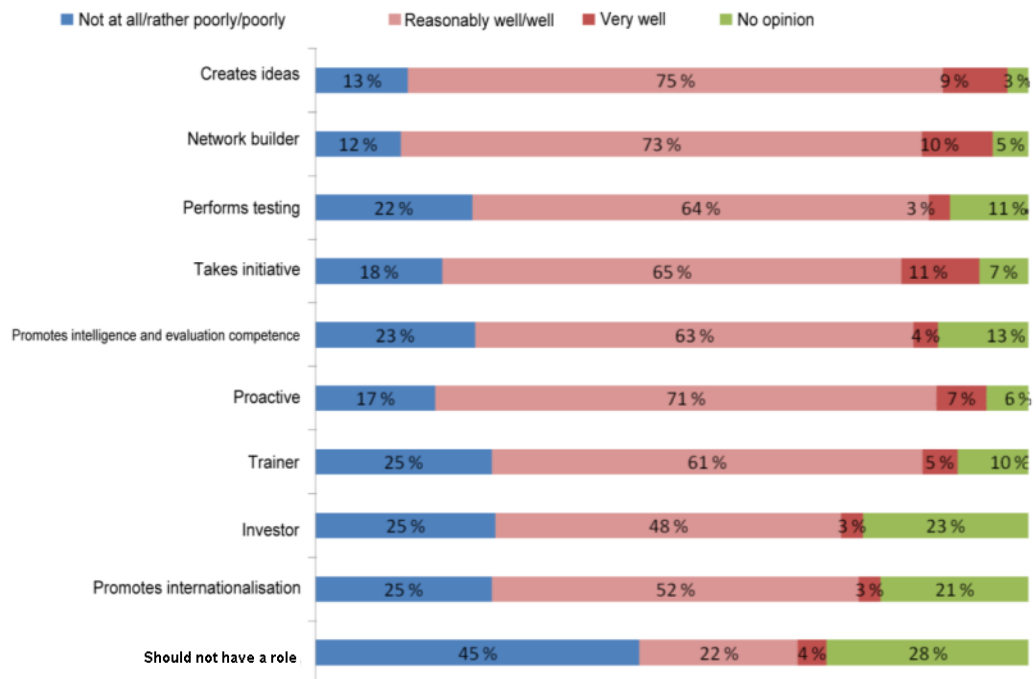
### 5c. How well has Sitra performed in the following themes so far? (by employer group 2)



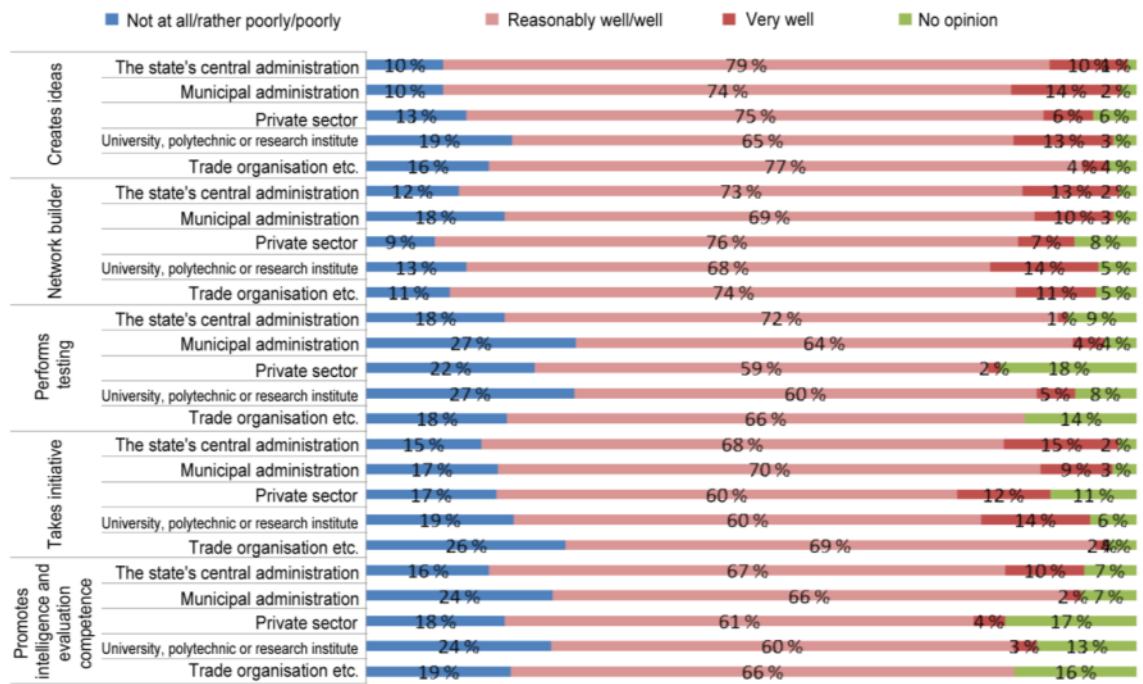
**5d. How well has Sitra performed in the following themes so far? (by employer group 3)**



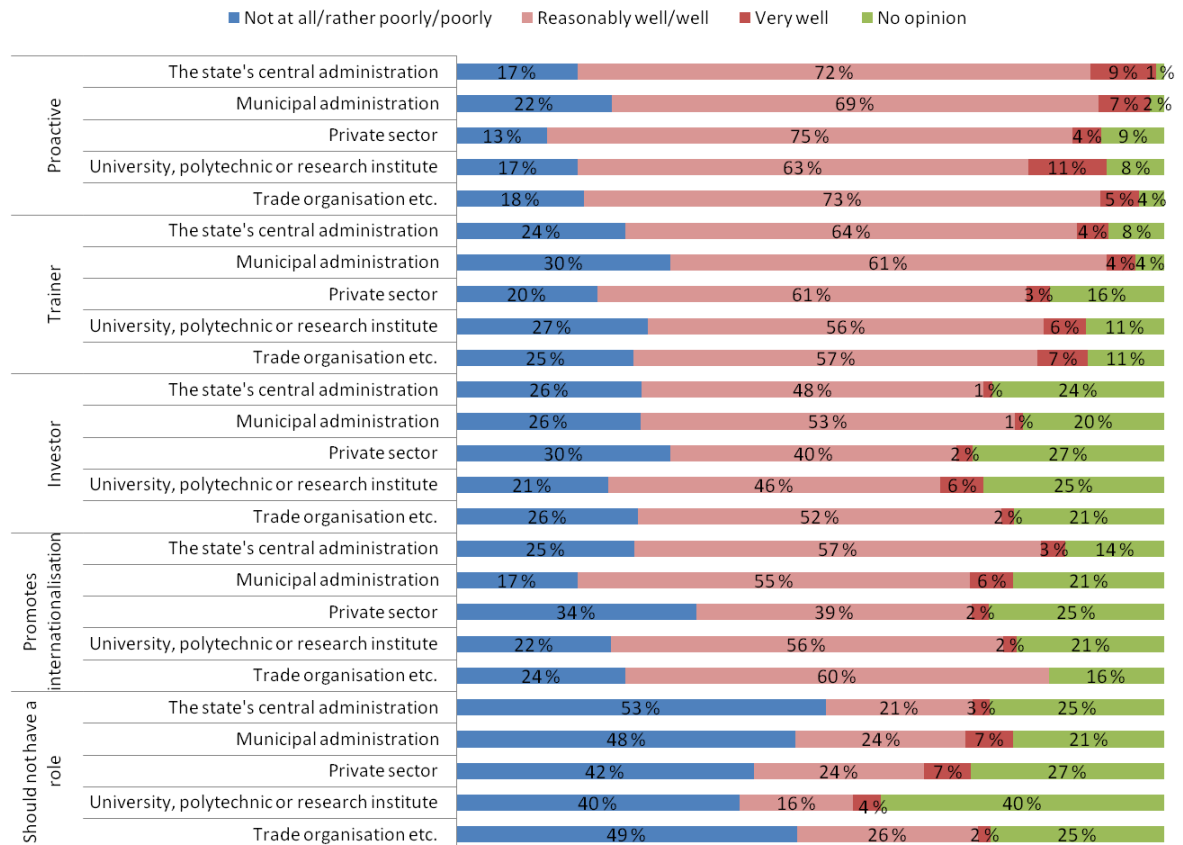
**6a. How well do the following features/roles describe Sitra in the Finnish innovation system? (n = 491)**



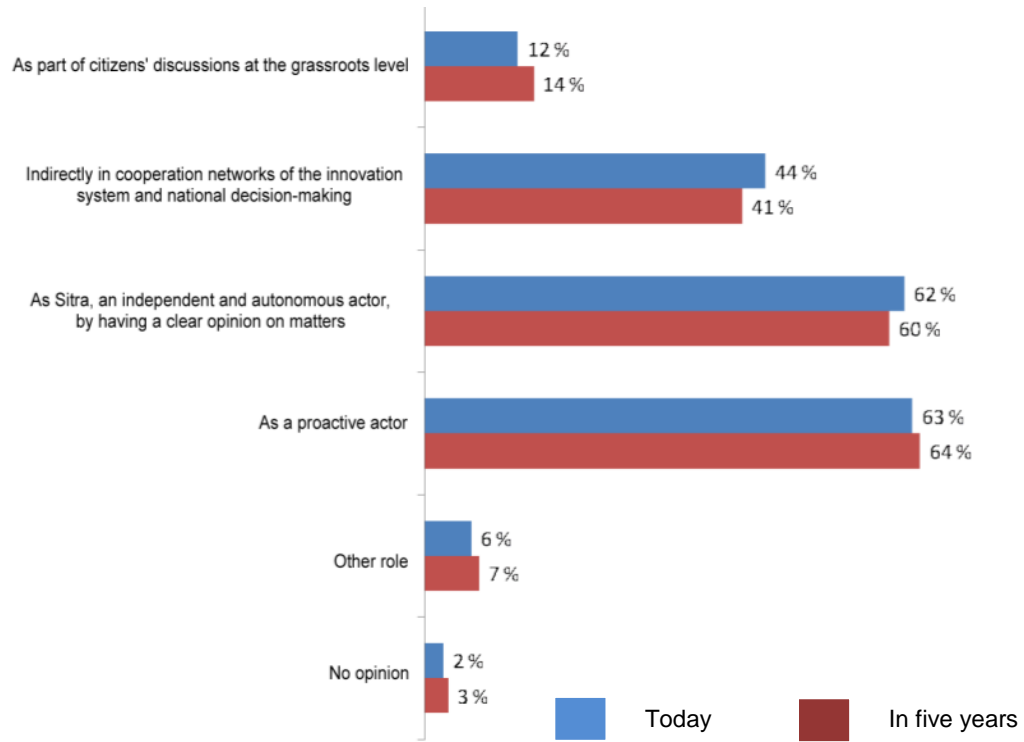
### 6b. How well do the following features/roles describe Sitra in the Finnish innovation system? (by employer group 1)



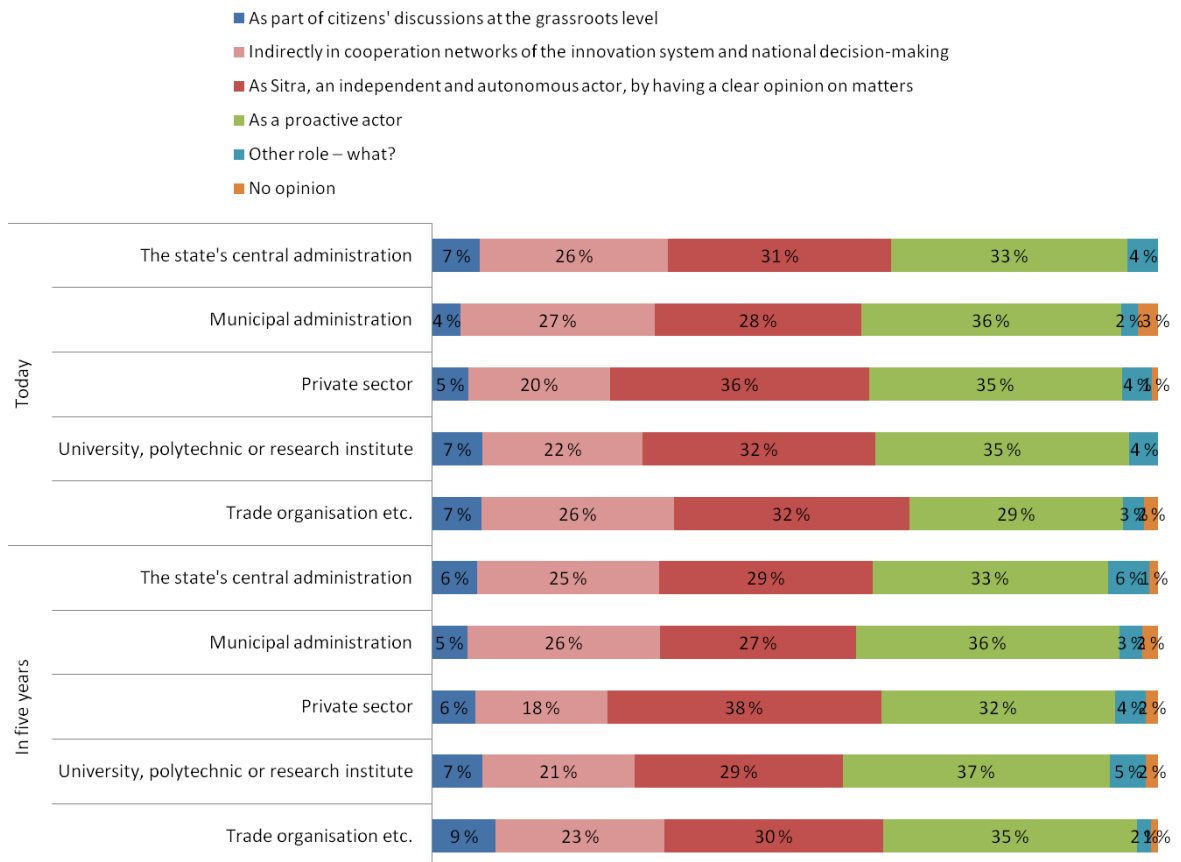
### 6c. How well do the following features/roles describe Sitra in the Finnish innovation system? (by employer group 1)



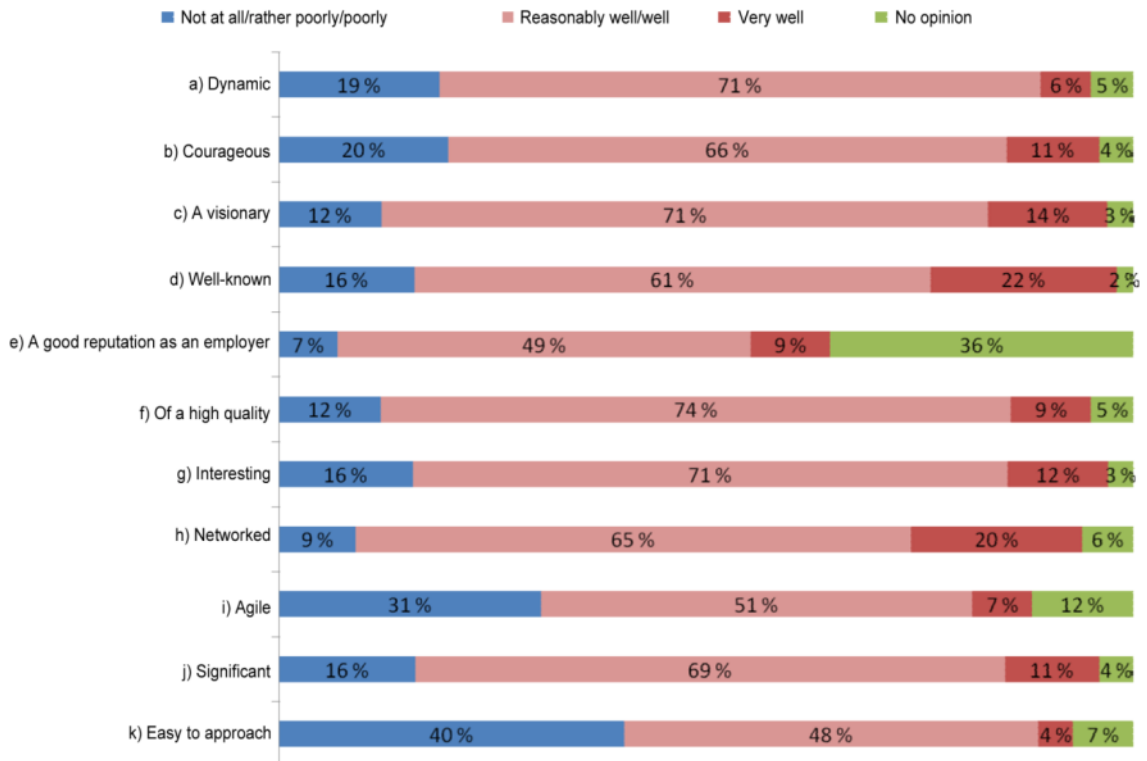
**7a. How should Sitra appear in society now/in five years? (n = 483/486)**



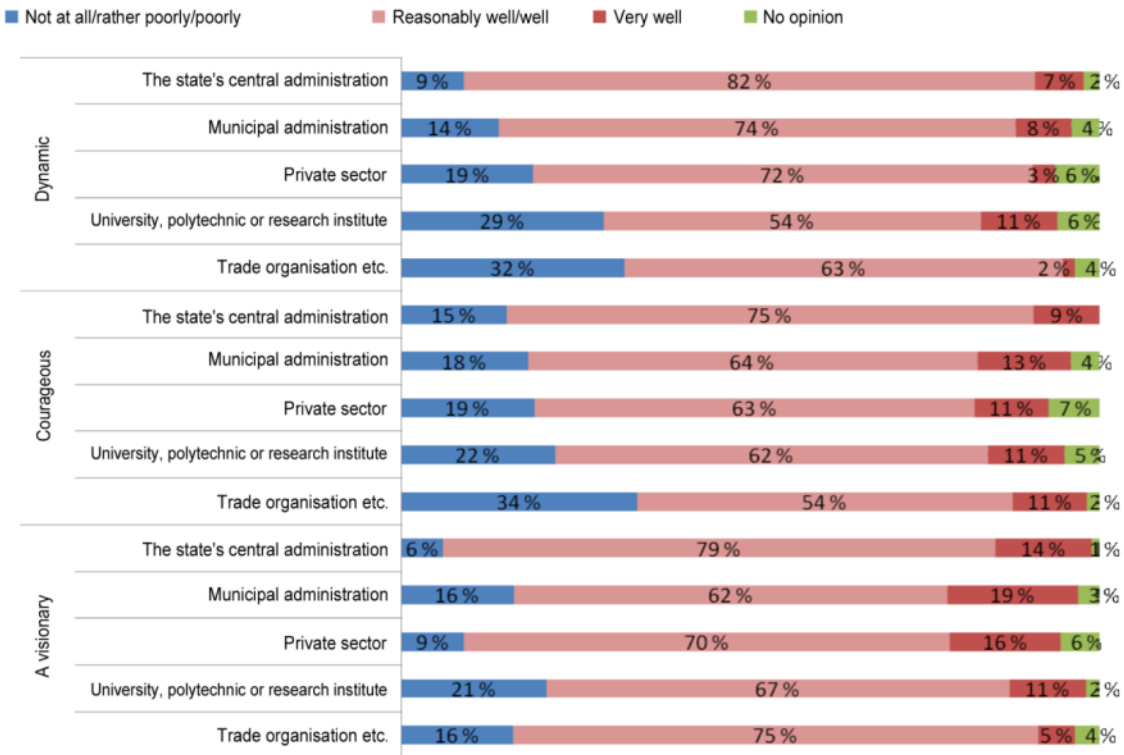
**7b. How should Sitra appear in society now/in five years? (by employer group)**



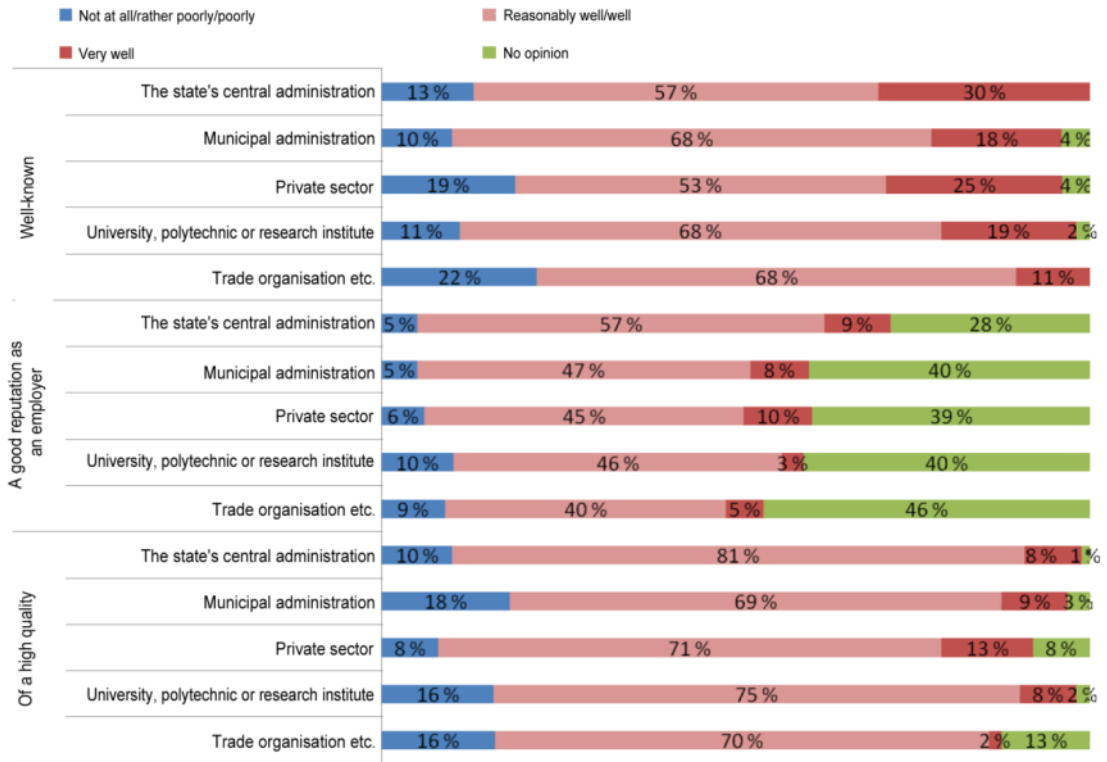
### 8a. What words describe Sitra the best? (n = 490)



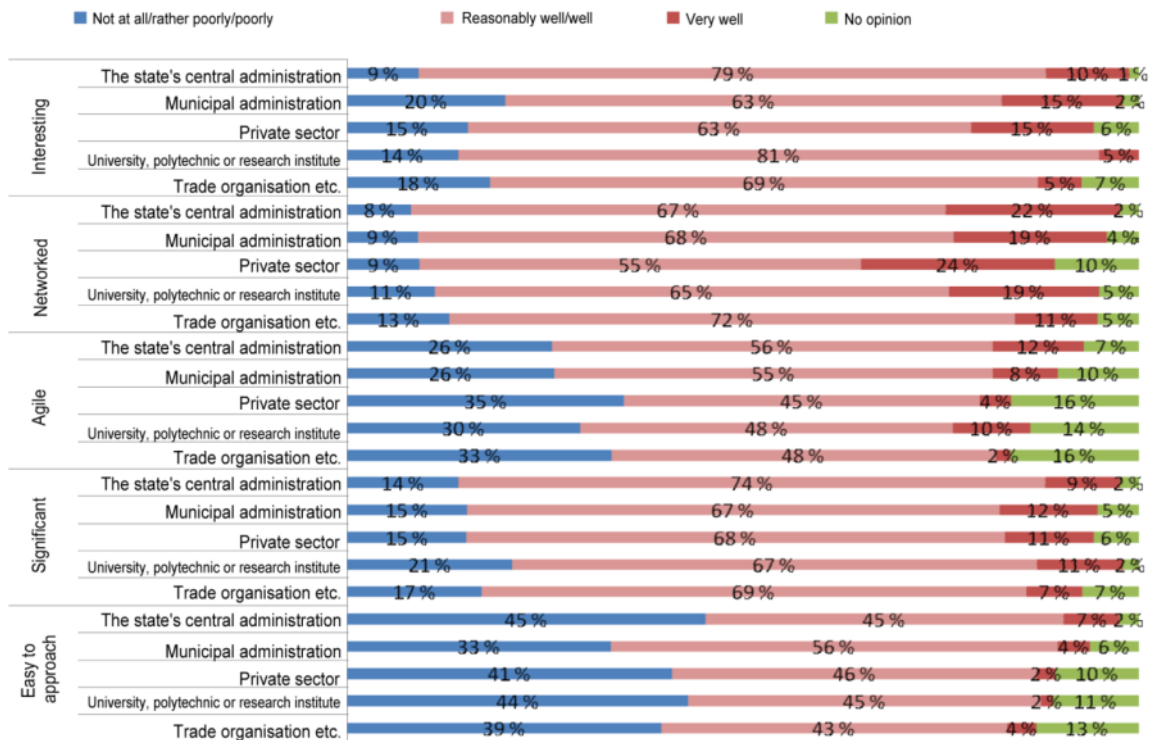
### 8b. What words describe Sitra the best? (by employer group 1)



### 8c. What words describe Sitra the best? (by employer group 2)

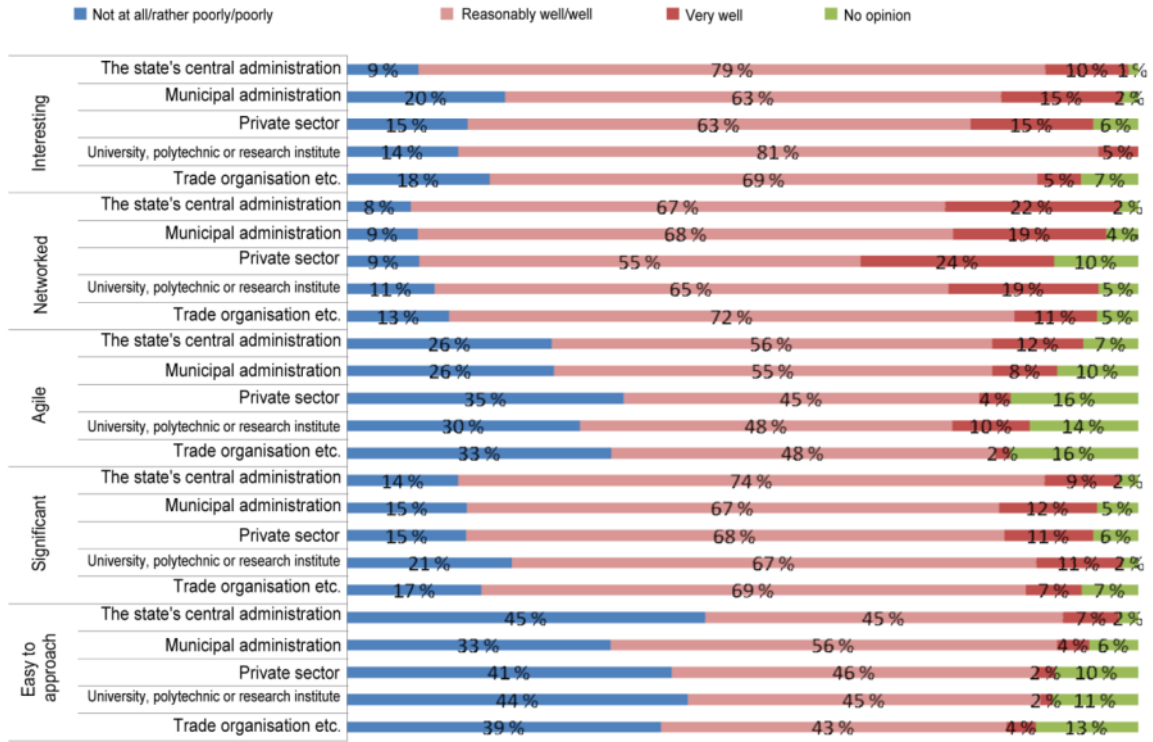


### 8d. What words describe Sitra the best? (by employer group 3)

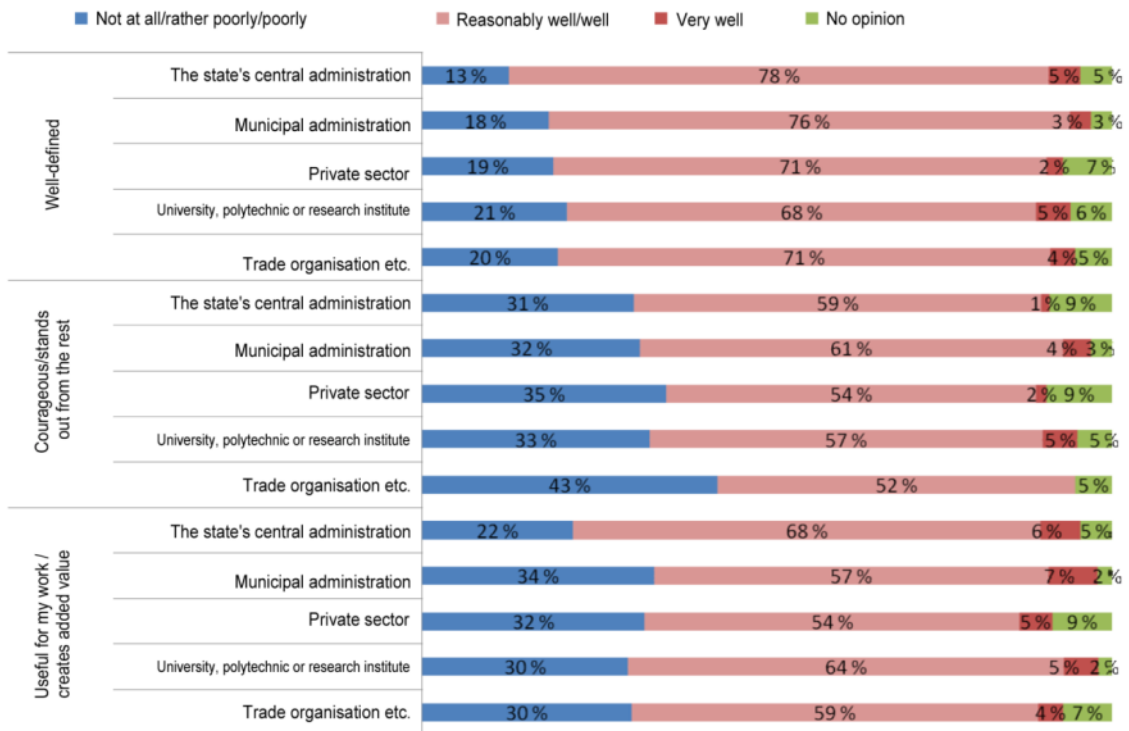




### 8e. What words describe Sitra the best? (by employer group 4)

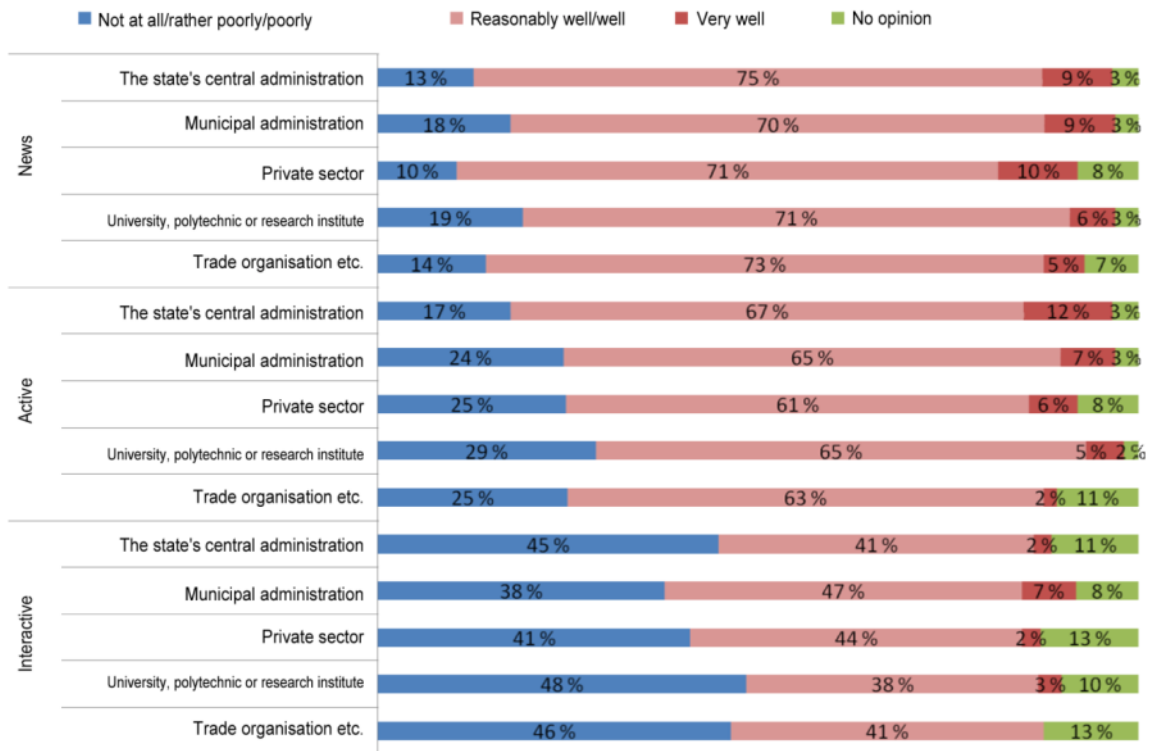


### 9a. How well does the following describe Sitra's communication? (by employer group)

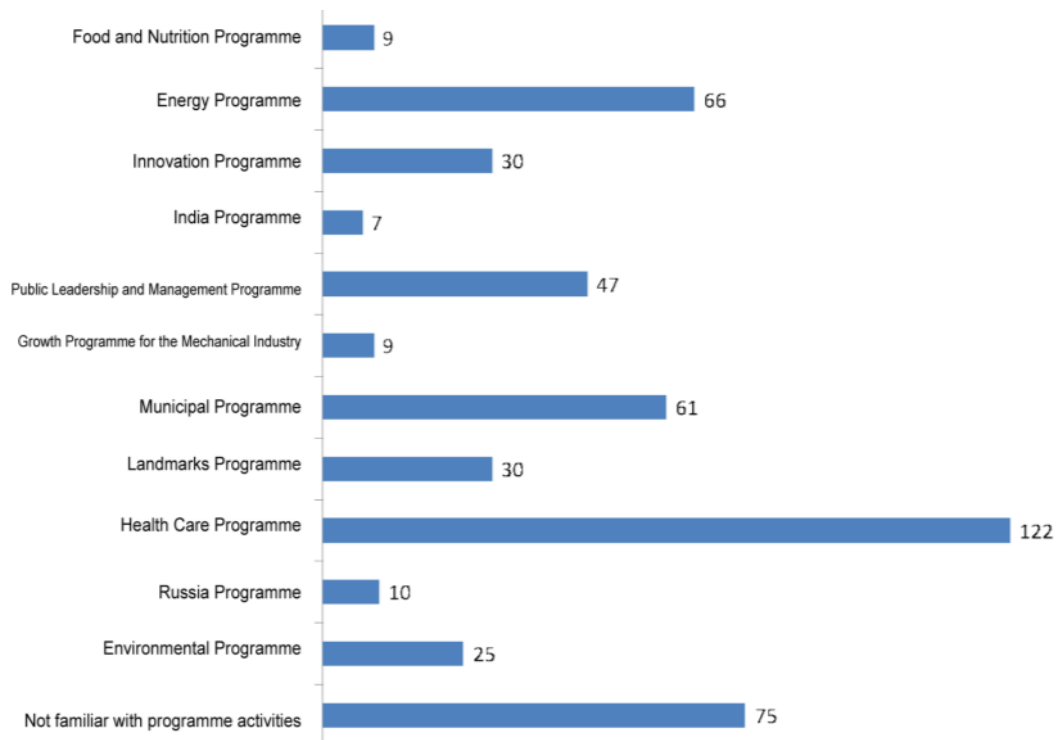




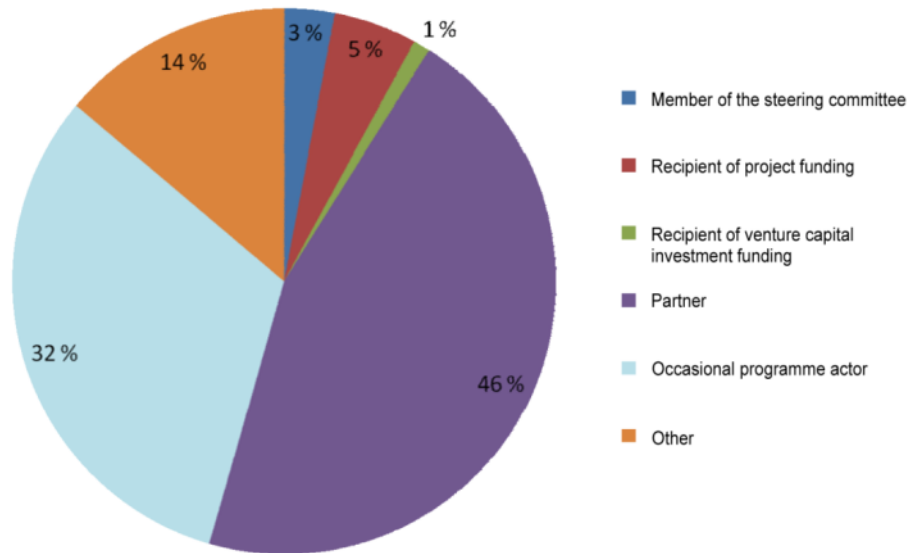
**9b. How well does the following describe Sitra's communication? (by employer group 2)**



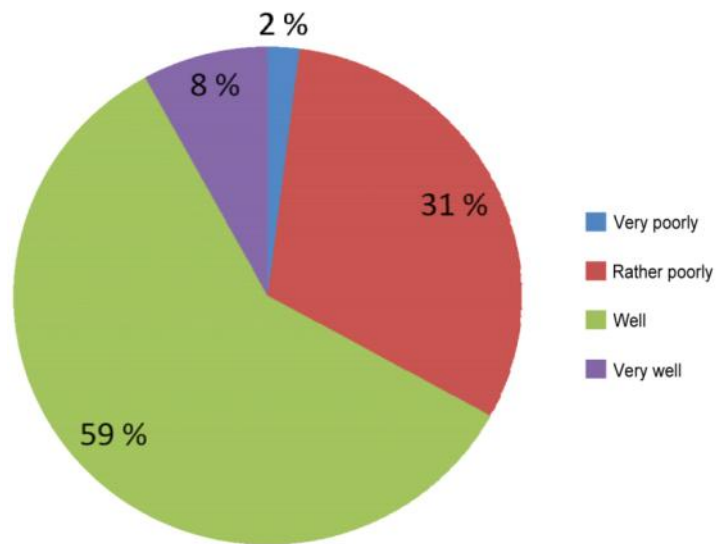
**10. Which of Sitra's ongoing or completed programme are you the most familiar with? (n = 491)**



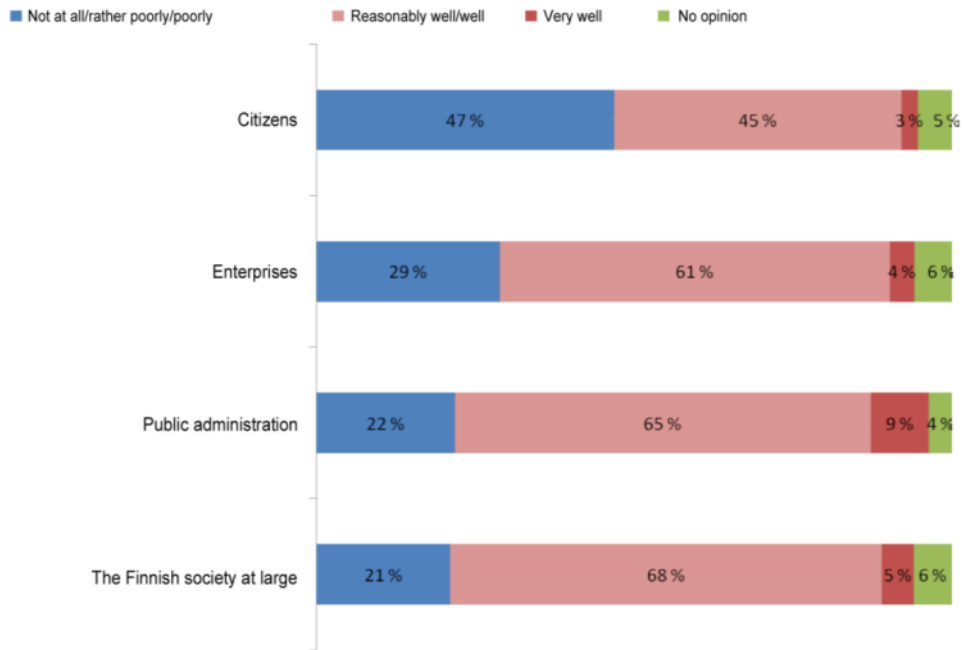
**11. What has been your primary role in regard to the programme?**



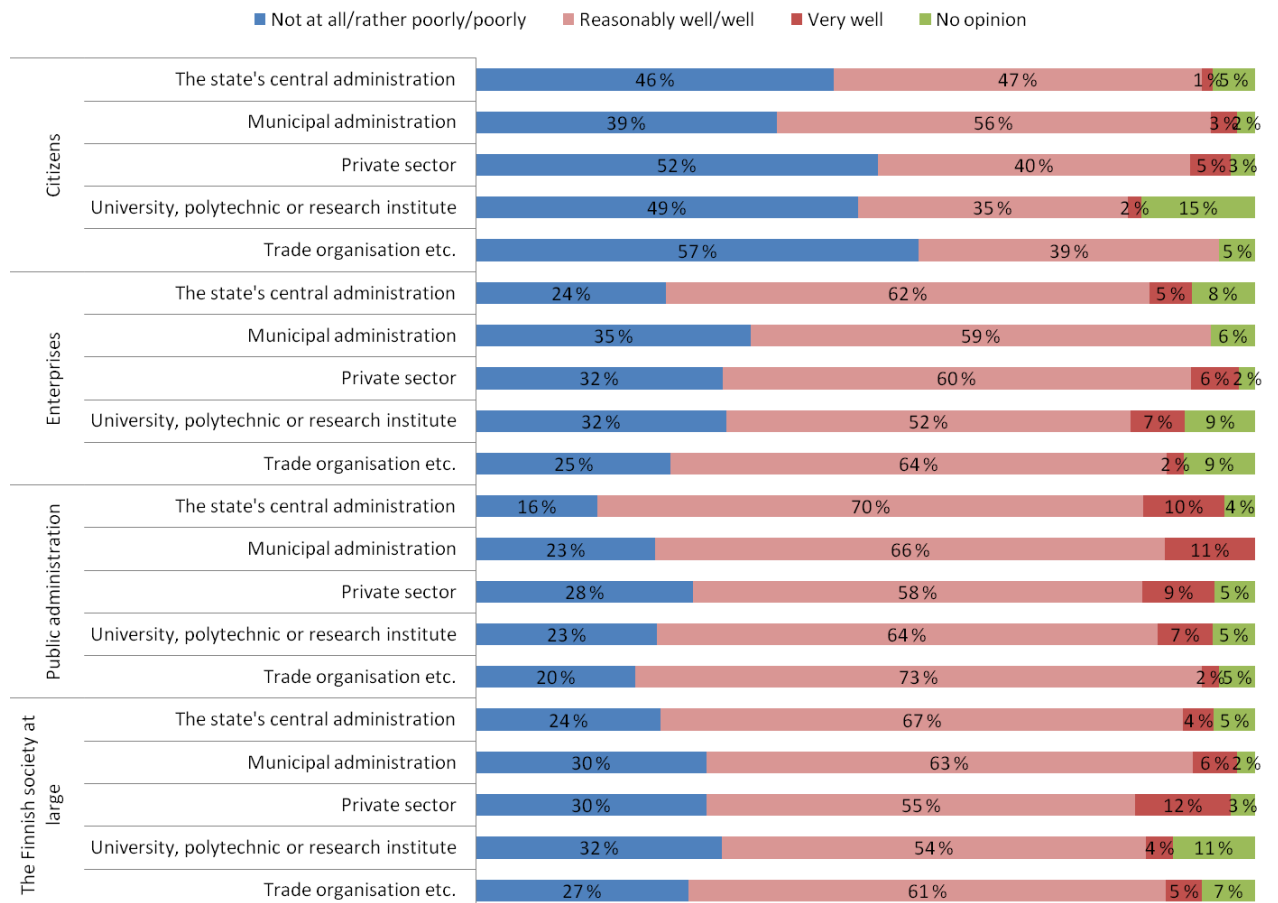
**12. How familiar are you with the programme? (n = 425)**



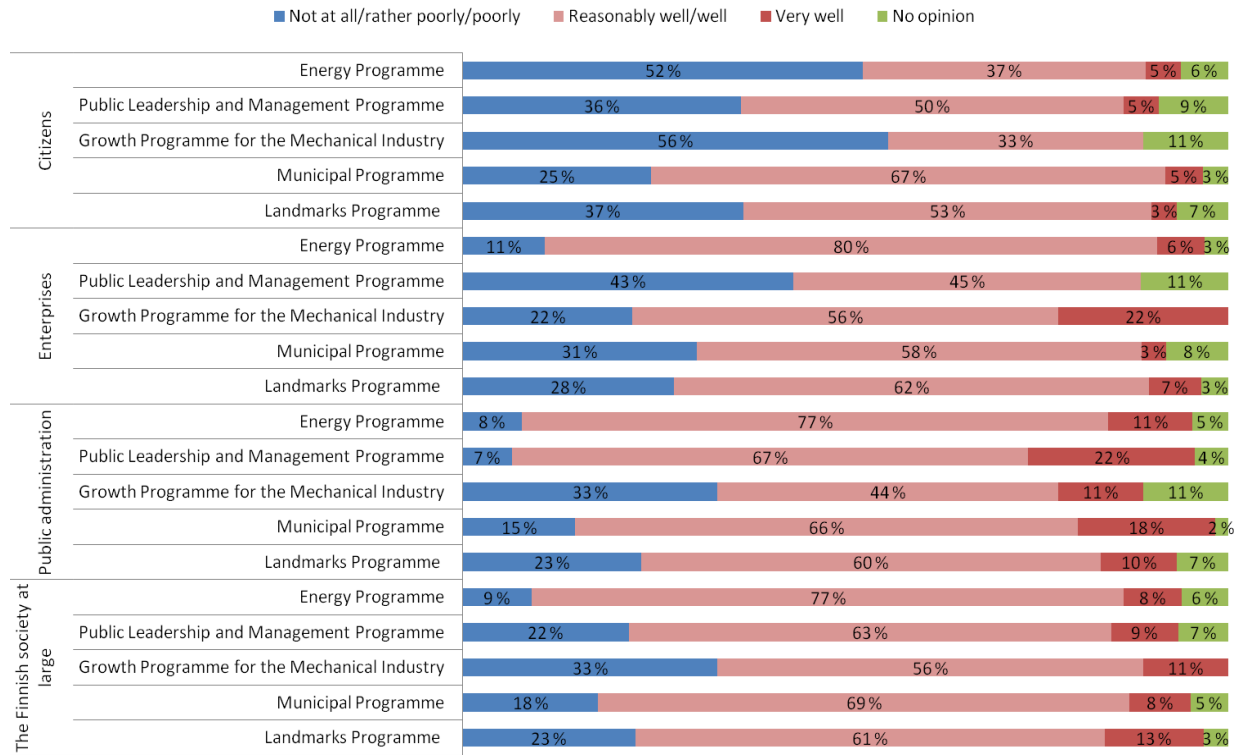
**13a. How would you assess the impact of the programme from the perspective of the following target groups? (n = 413)**



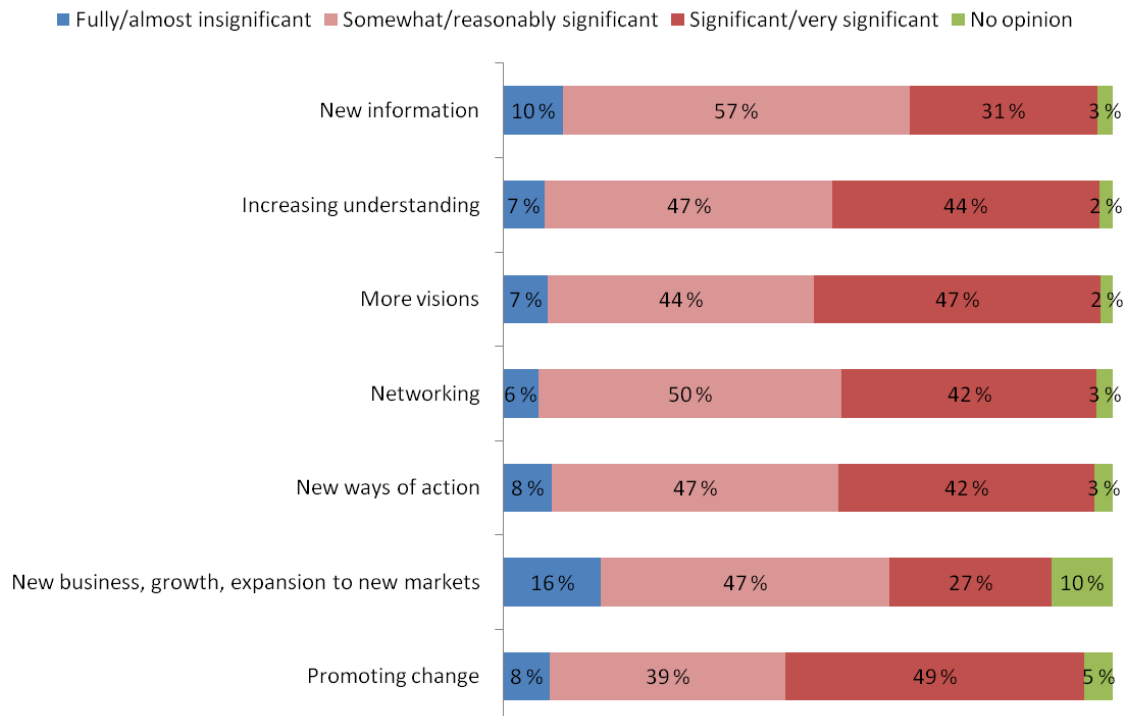
**13b. How would you assess the impact of the programme from the perspective of the following target groups? (by employer group)**



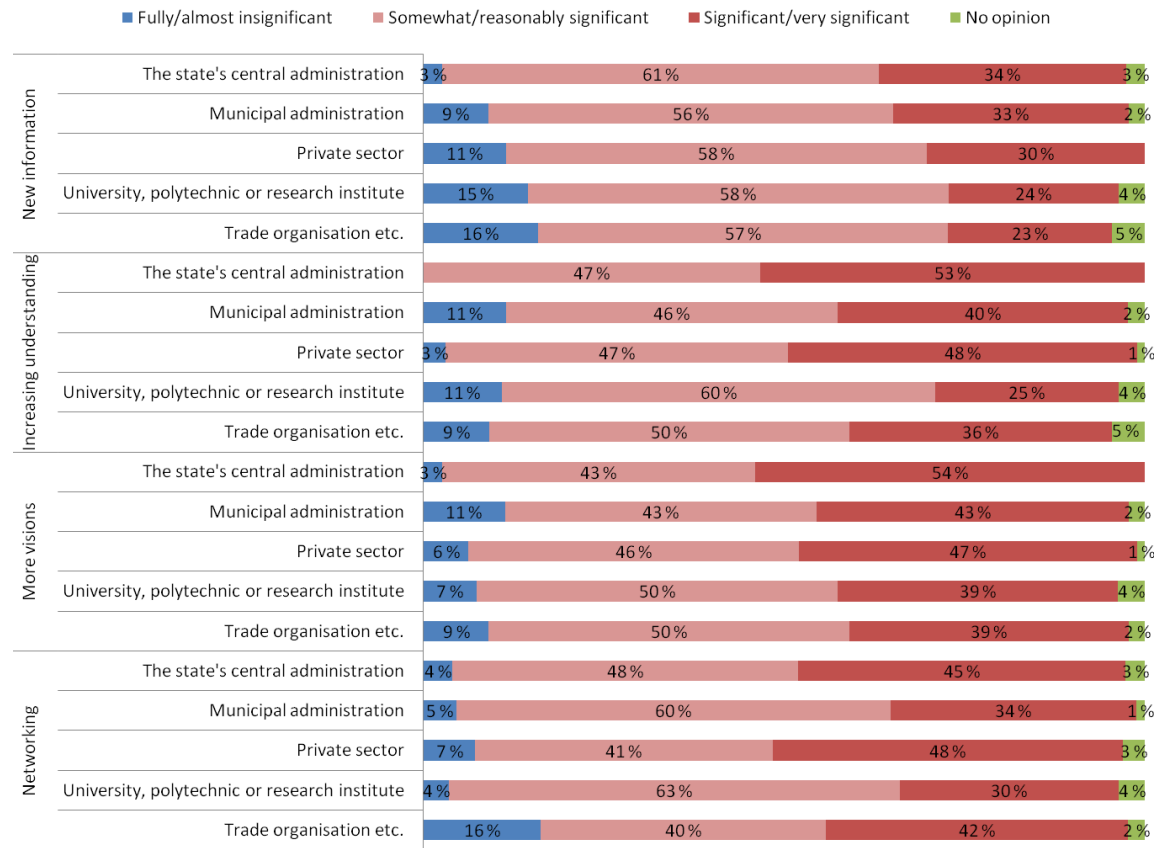
**13c. How would you assess the impact of the programme from the perspective of the following target groups? (by programme)**



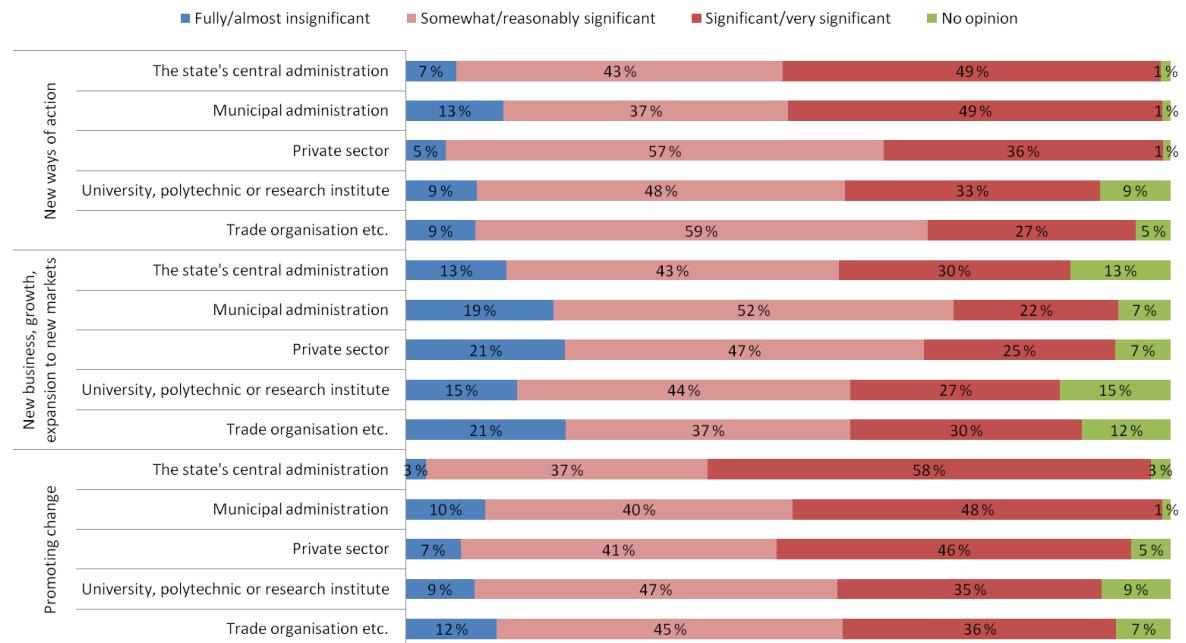
**14a. Please assess the impacts below that the programme promotes (ongoing programmes) or has promoted (completed programmes). (n = 408)**



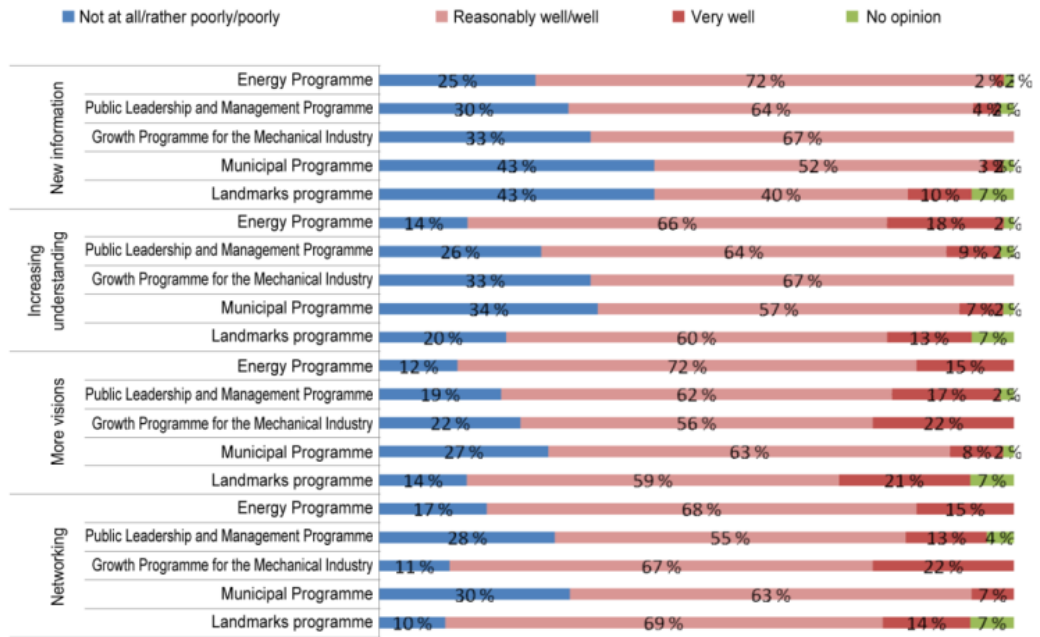
**14b. Please assess the impacts below that the programme promotes (ongoing programmes) or has promoted (completed programmes) (by employer group 1)**



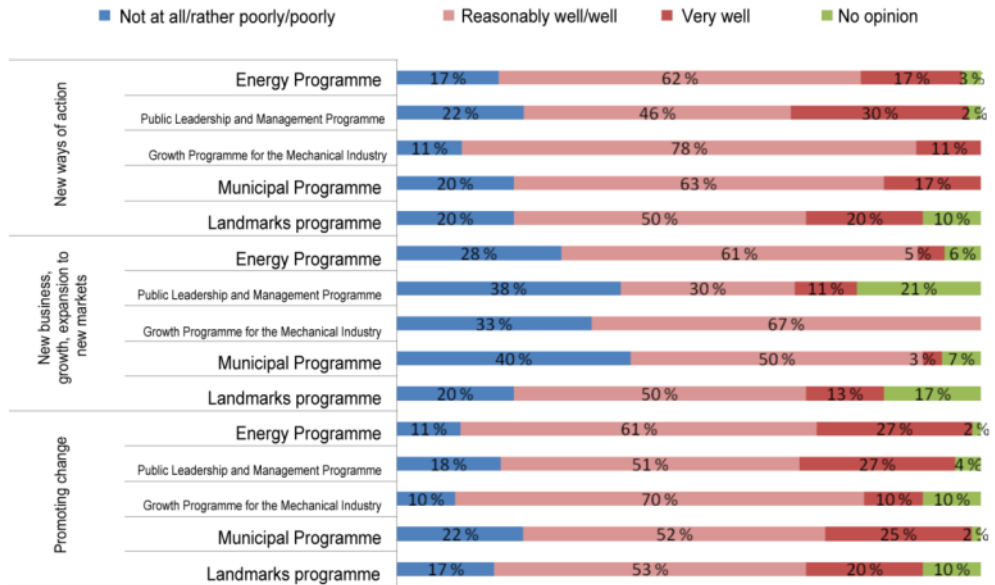
**14c. Please assess the impacts below that the programme promotes (ongoing programmes) or has promoted (completed programmes)(by employer group 2)**



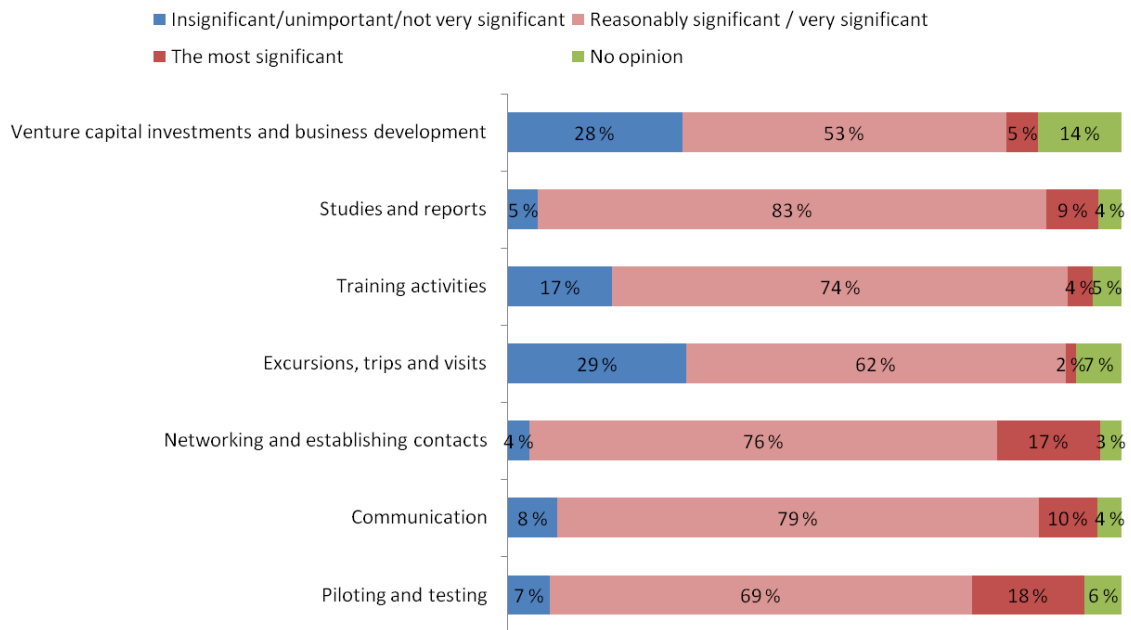
**14d. Please assess the impacts below that the programme promotes (ongoing programmes) or has promoted (completed programmes) (by programme 1)**



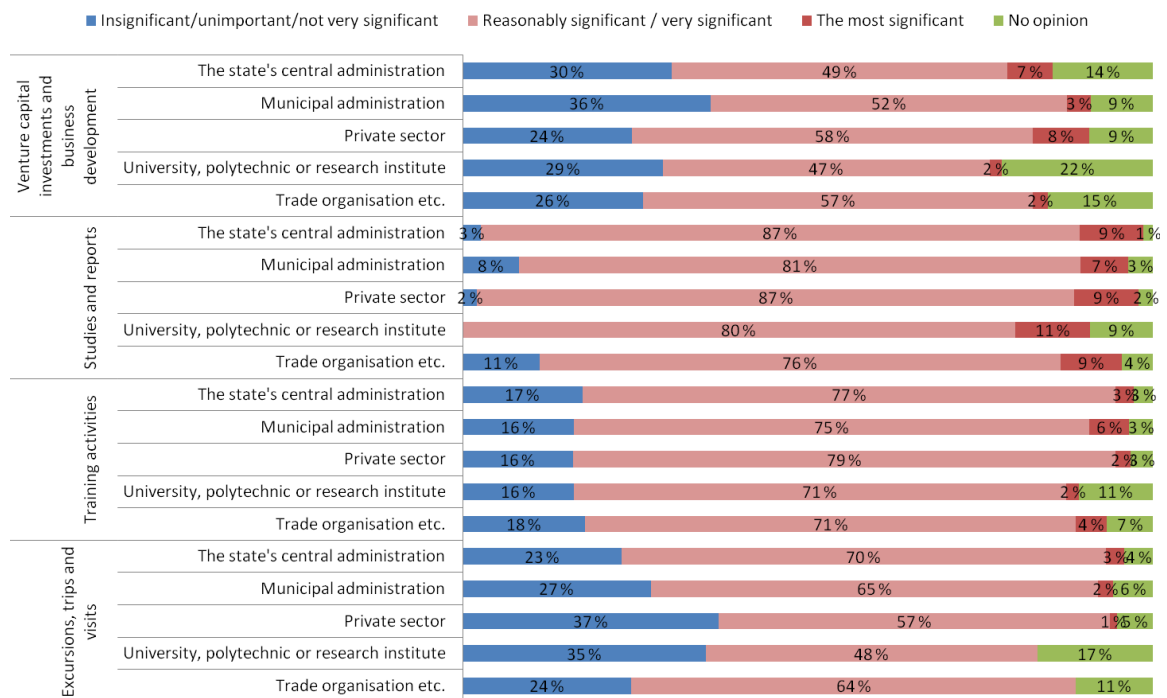
**14e. Please assess the impacts below that the programme promotes (ongoing programmes) or has promoted (completed programmes) (by programme 2)**



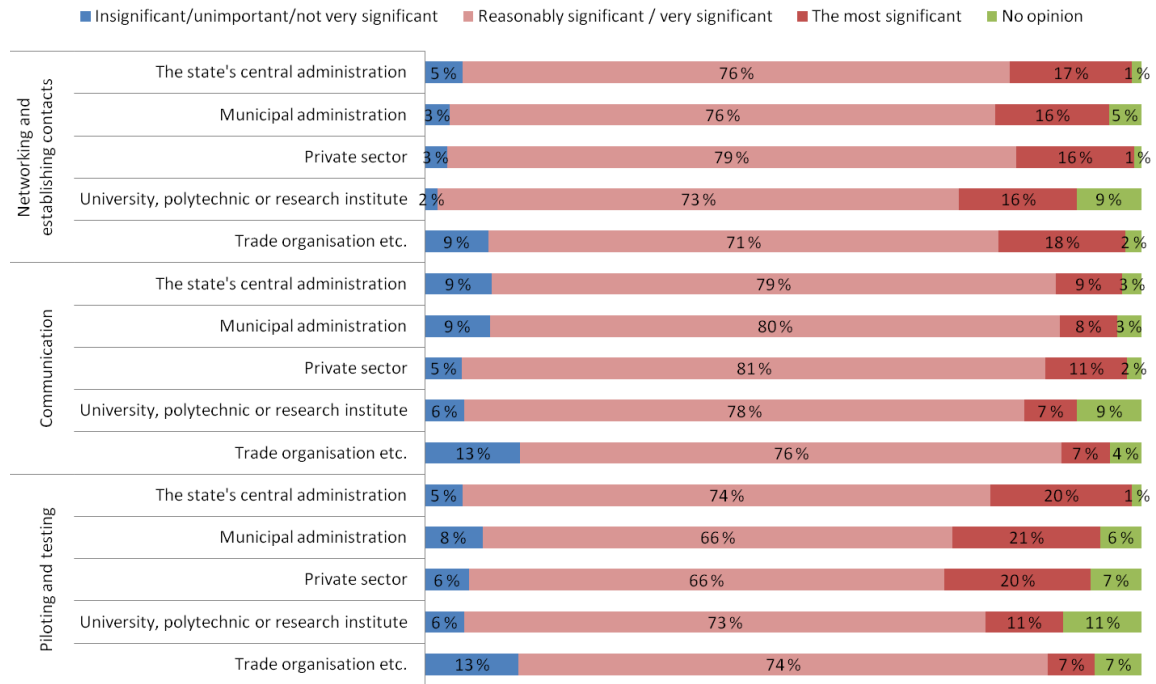
**15a. How important are the following programme work tools for achieving the goals of the programme? (n = 408)**



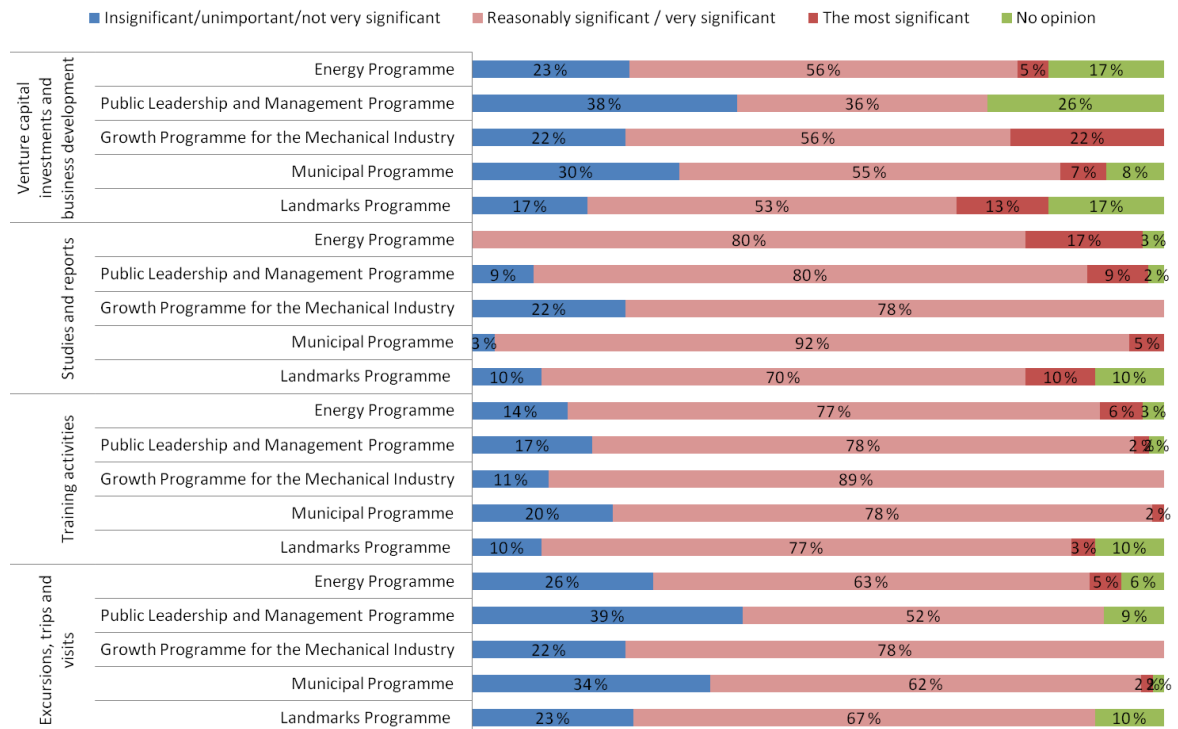
**15b. How important are the following programme work tools for achieving the goals of the programme? (by employer group 1)**



### 15c. How important are the following programme work tools for achieving the goals of the programme? (by employer group 2)

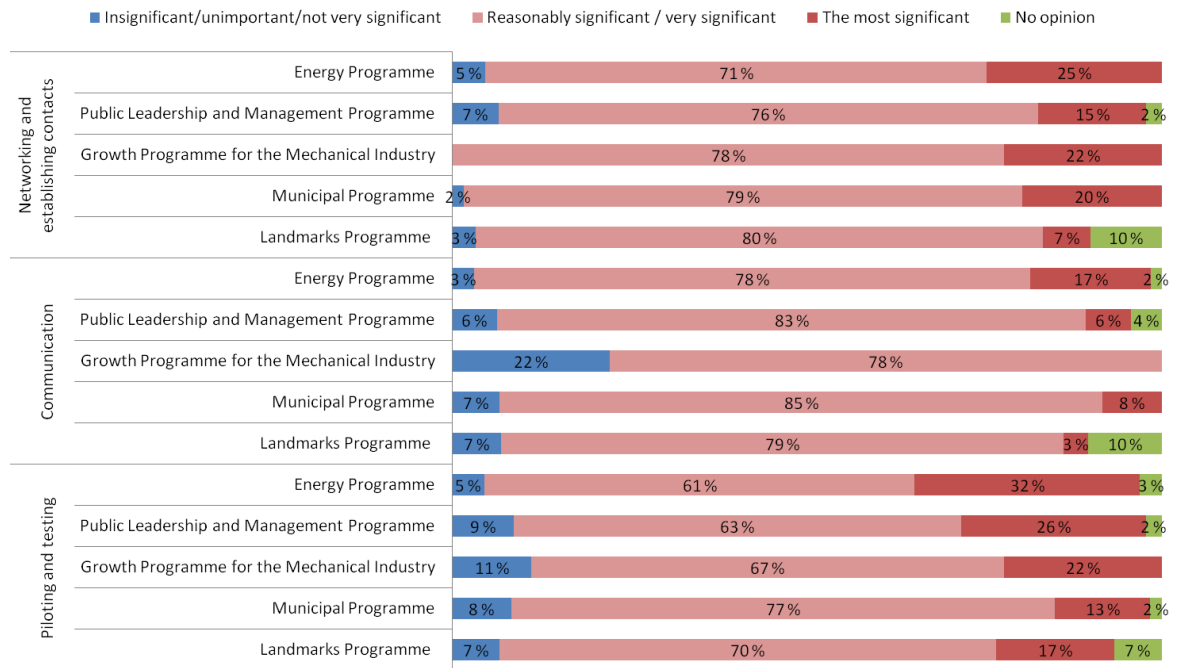


### 15d. How important are the following programme work tools for achieving the goals of the programme? (by programme 1)

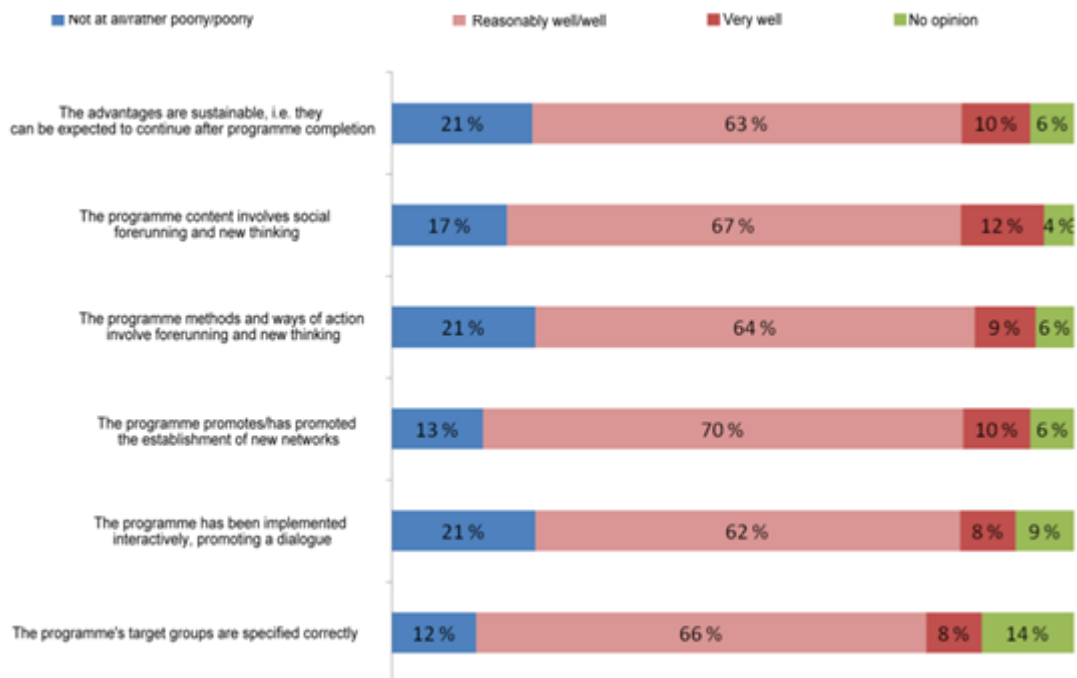




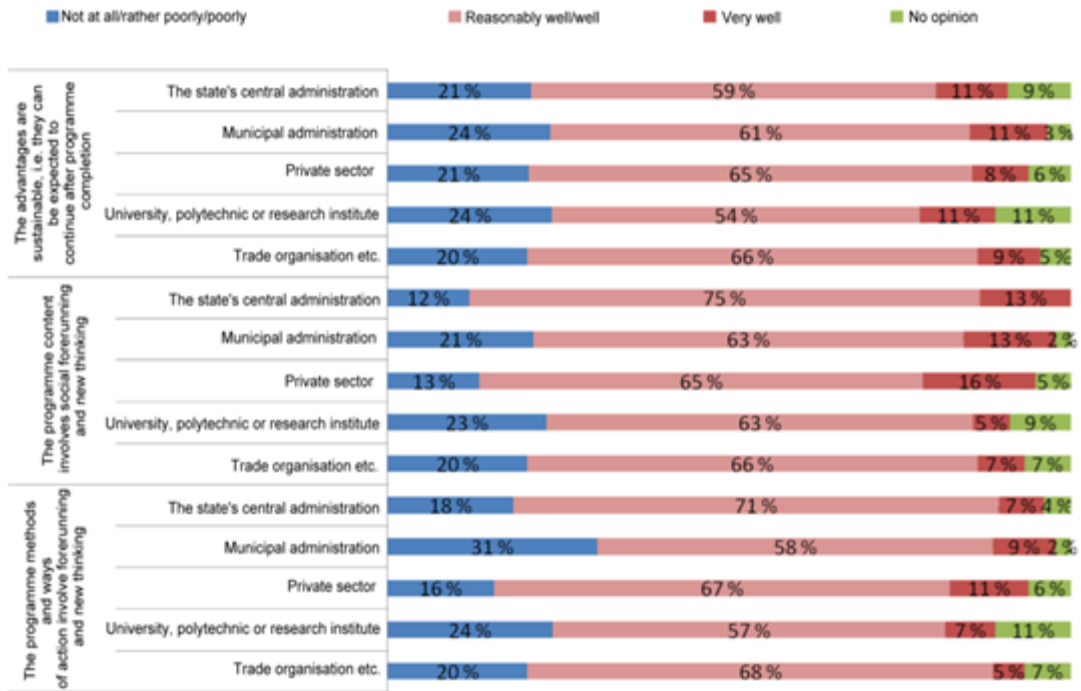
**15e. How important are the following programme work tools for achieving the goals of the programme? (by programme 2)**



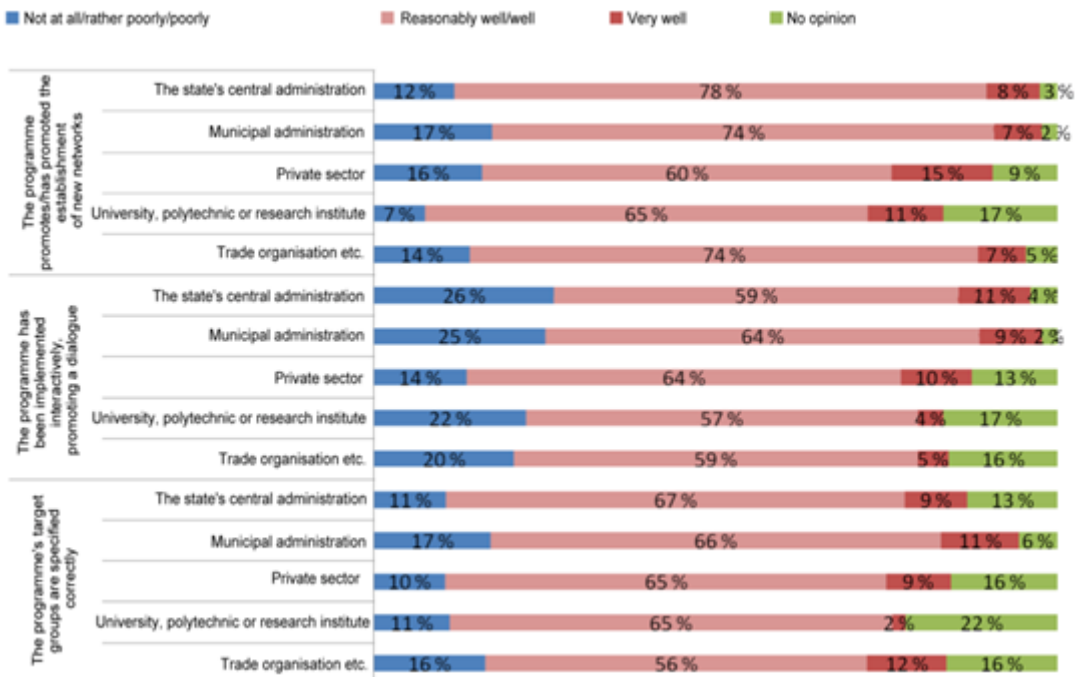
**16a. How well do the following statements describe the performance of the programme you are familiar with? (n = 408)**



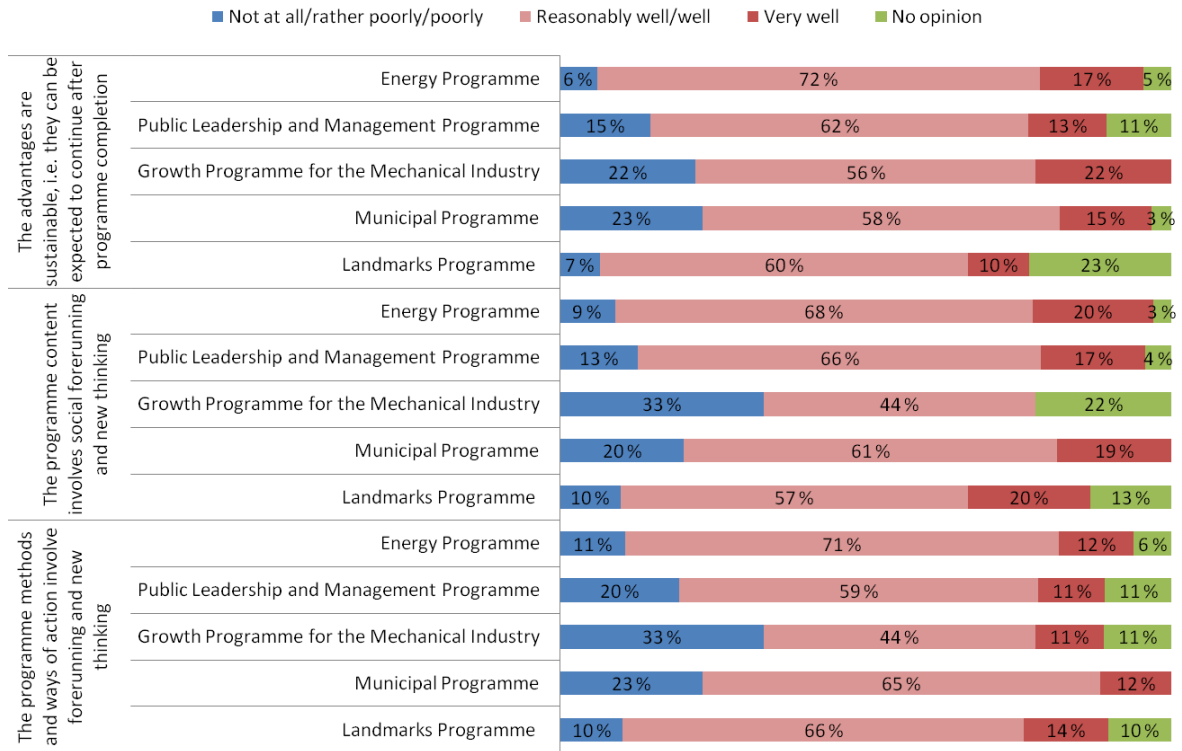
**16b. How well do the following statements describe the performance of the programme you are familiar with? (by employer group 1)**



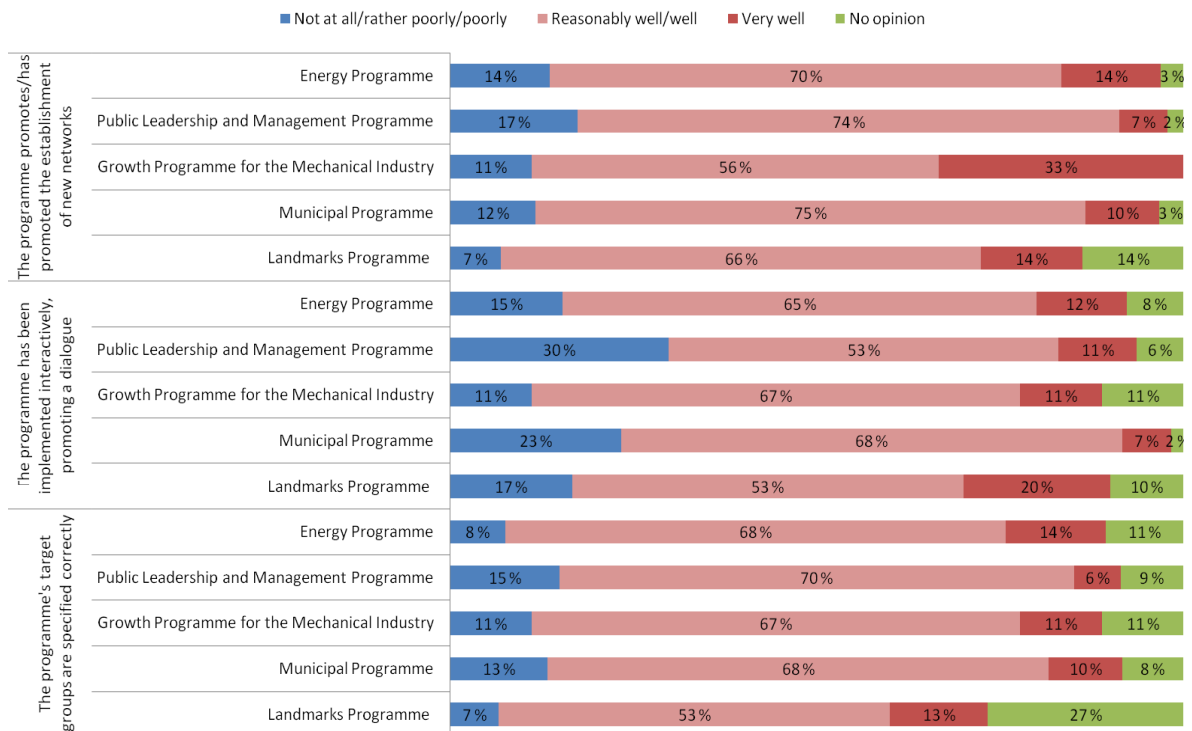
**16c. How well do the following statements describe the performance of the programme you are familiar with? (by employer group 2)**



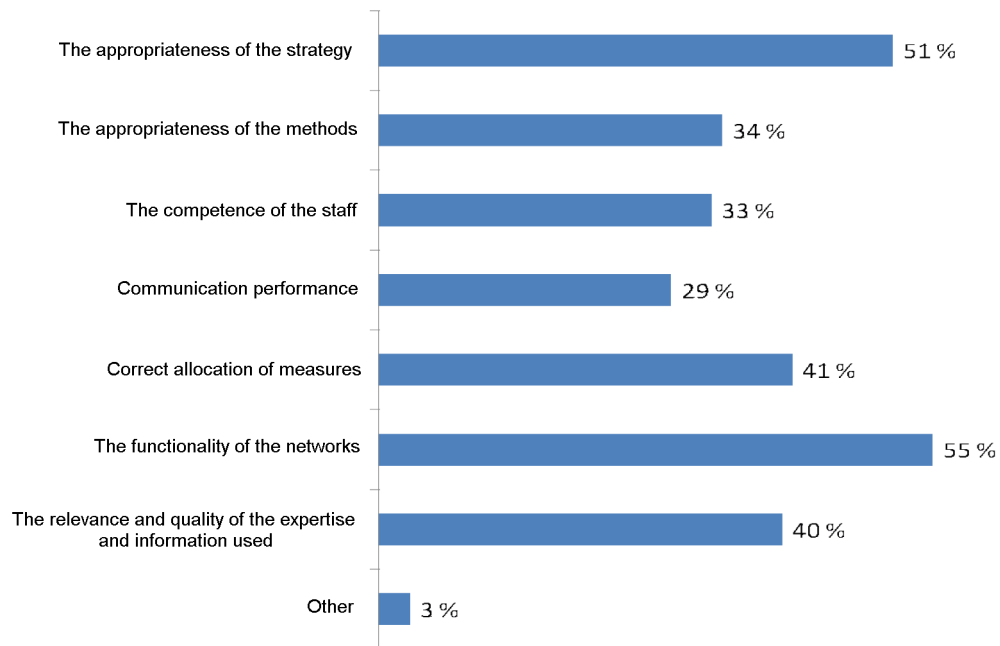
**16d. How well do the following statements describe the performance of the programme you are familiar with? (by programme 1)**



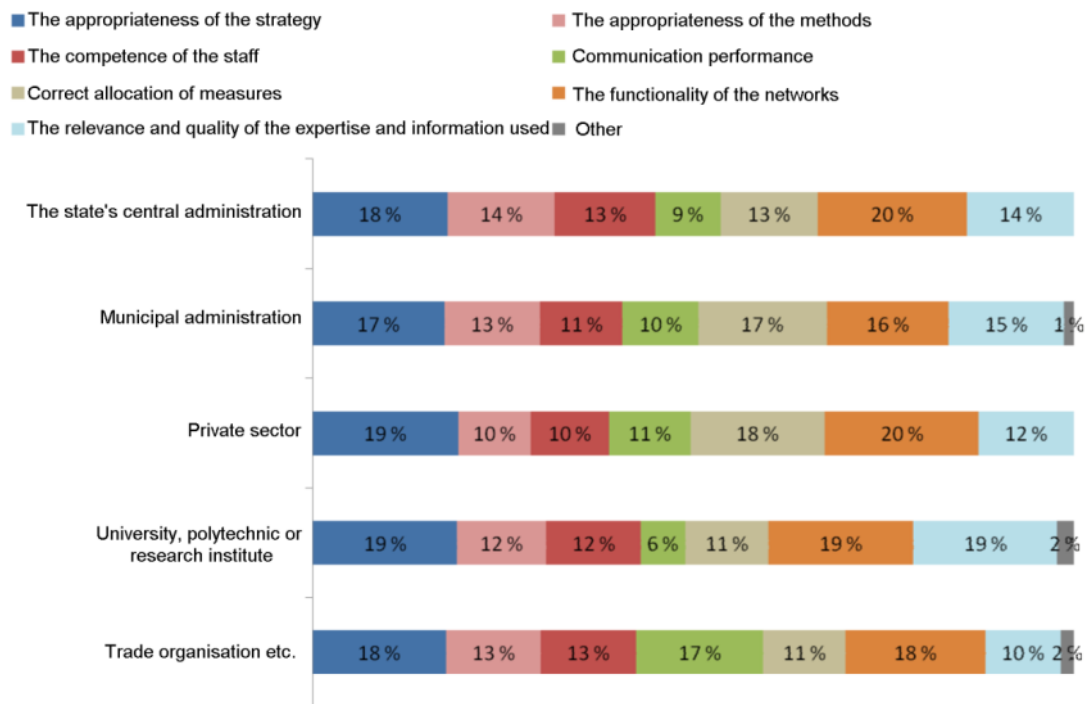
**16e. How well do the following statements describe the performance of the programme you are familiar with? (by programme 2)**



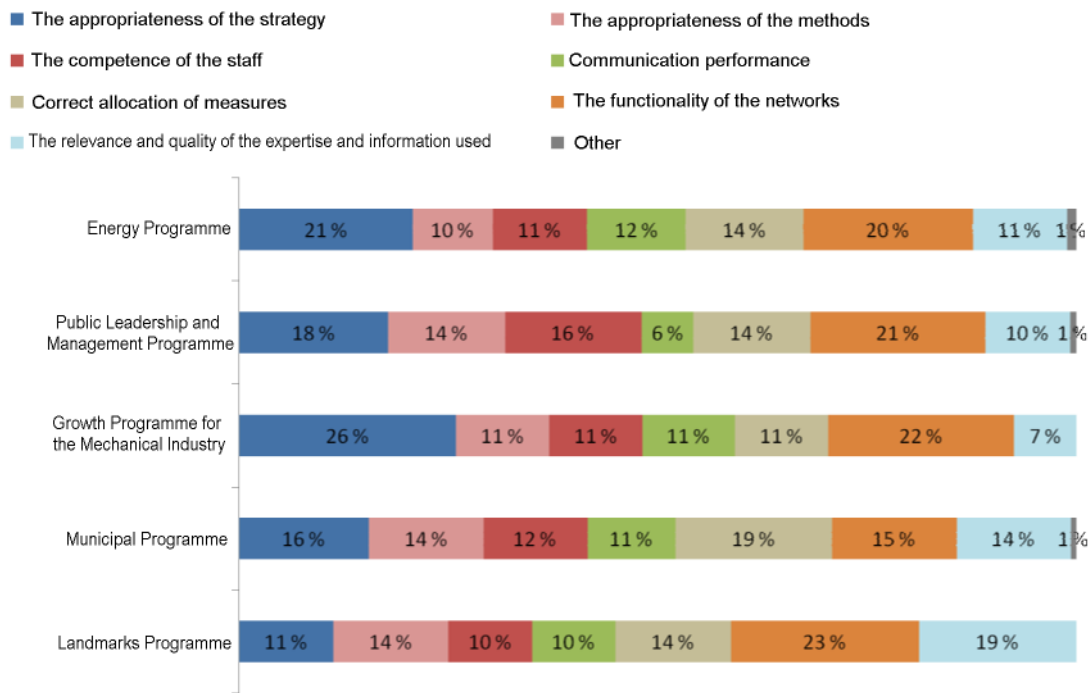
**17a. What factors related to Sitra’s activities do particularly help achieve the impact of the programme? (please select the three most important ones) (n = 390)**



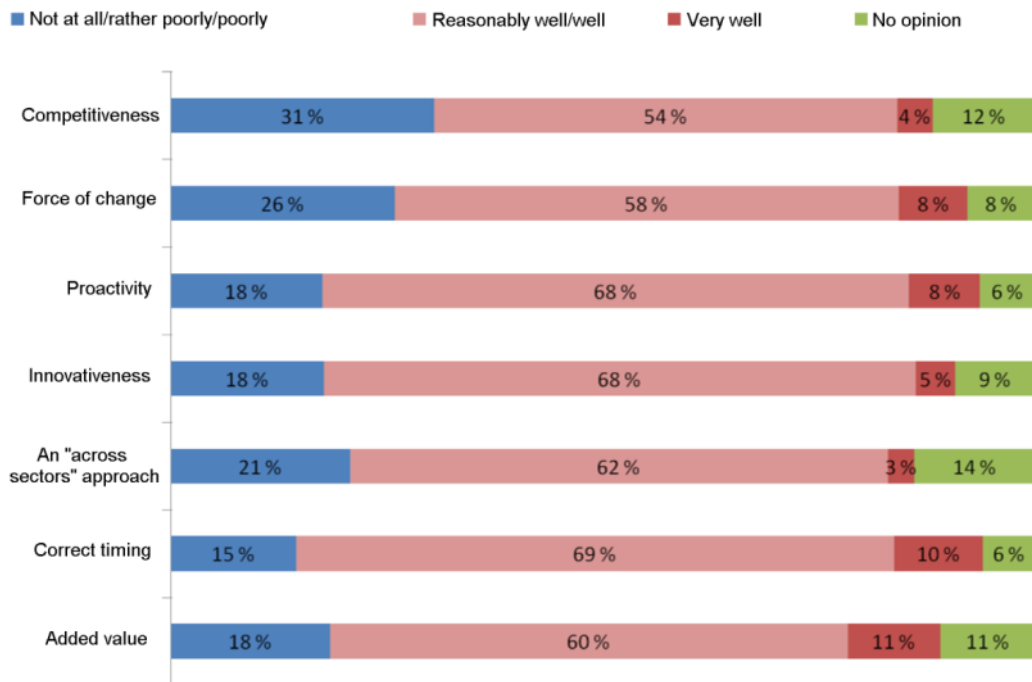
**17b. What factors related to Sitra’s activities do particularly help achieve the impact of the programme? (please select the three most important ones) (by employer group)**



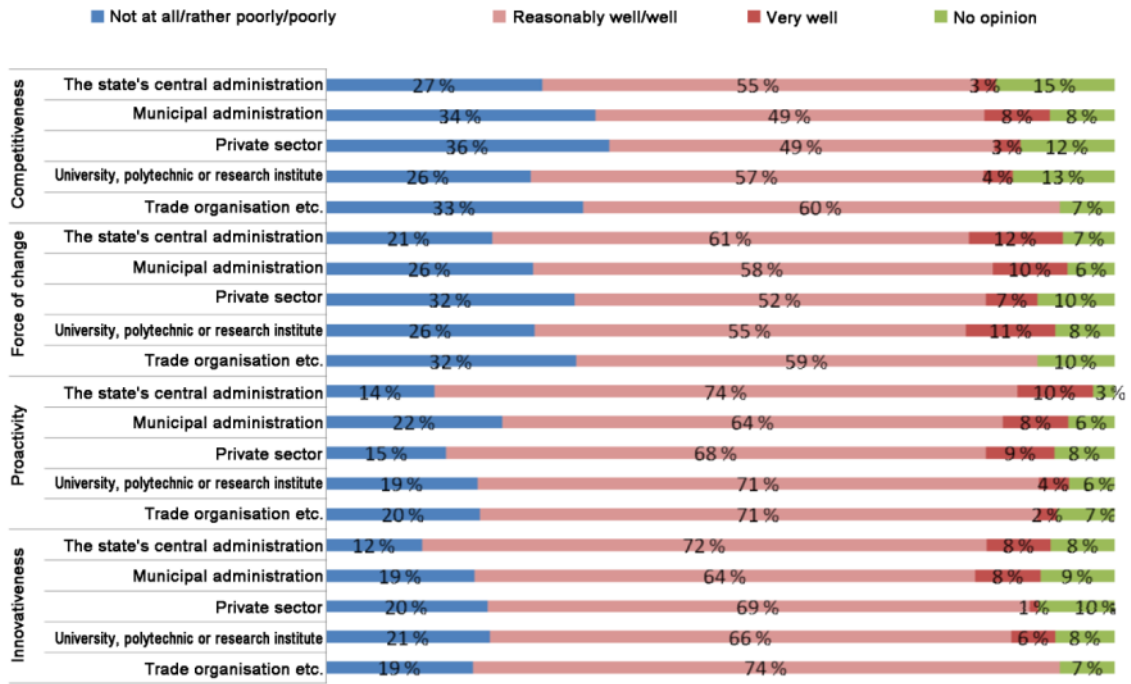
**17c. What factors related to Sitra's activities do particularly help achieve the impact of the programme? (please select the three most important ones) (by programme)**



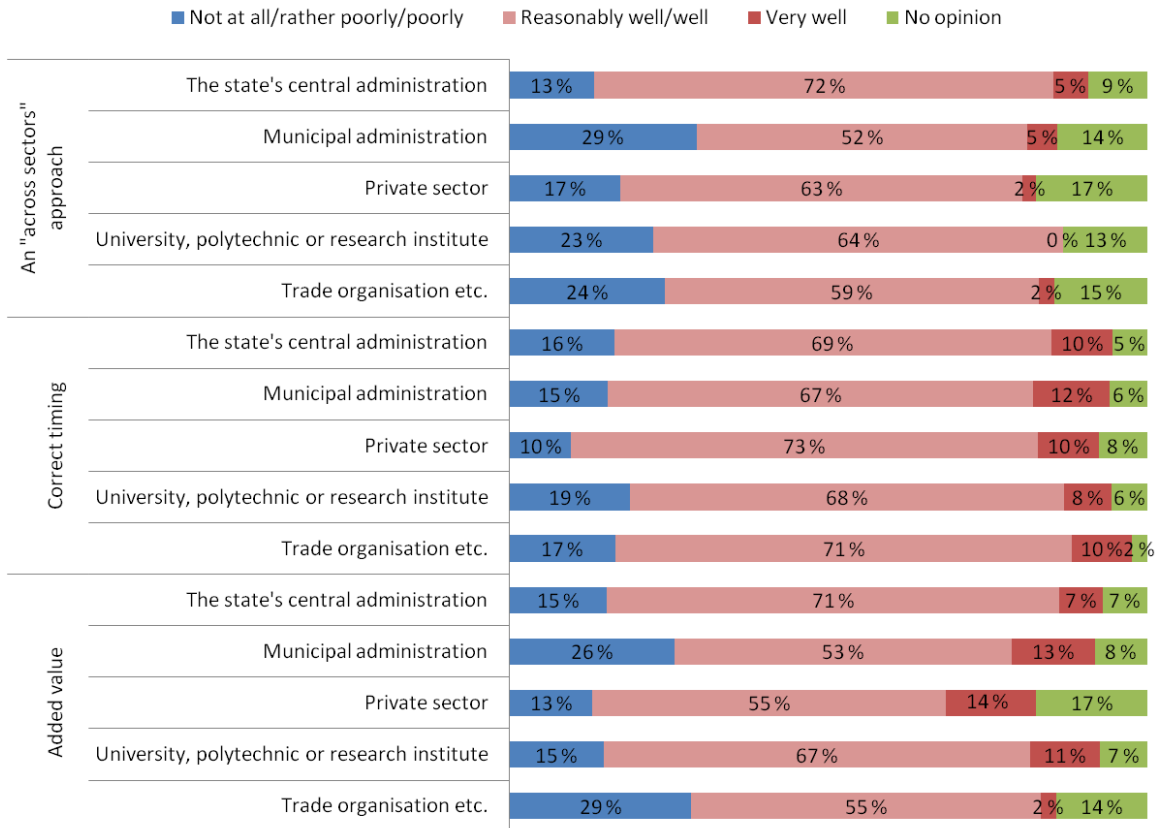
**18a. What factors has the programme particularly affected/does the programme currently affect in society? (n = 399)**



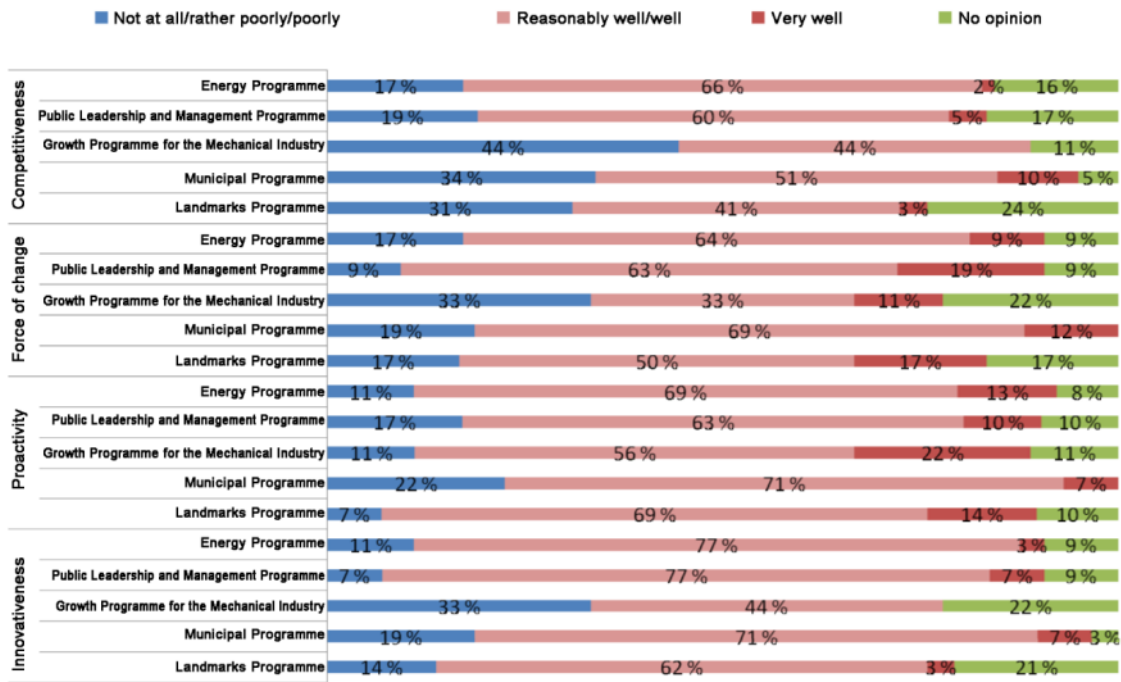
**18b. What factors has the programme particularly affected/does the programme currently affect in society? (by employer group 1)**



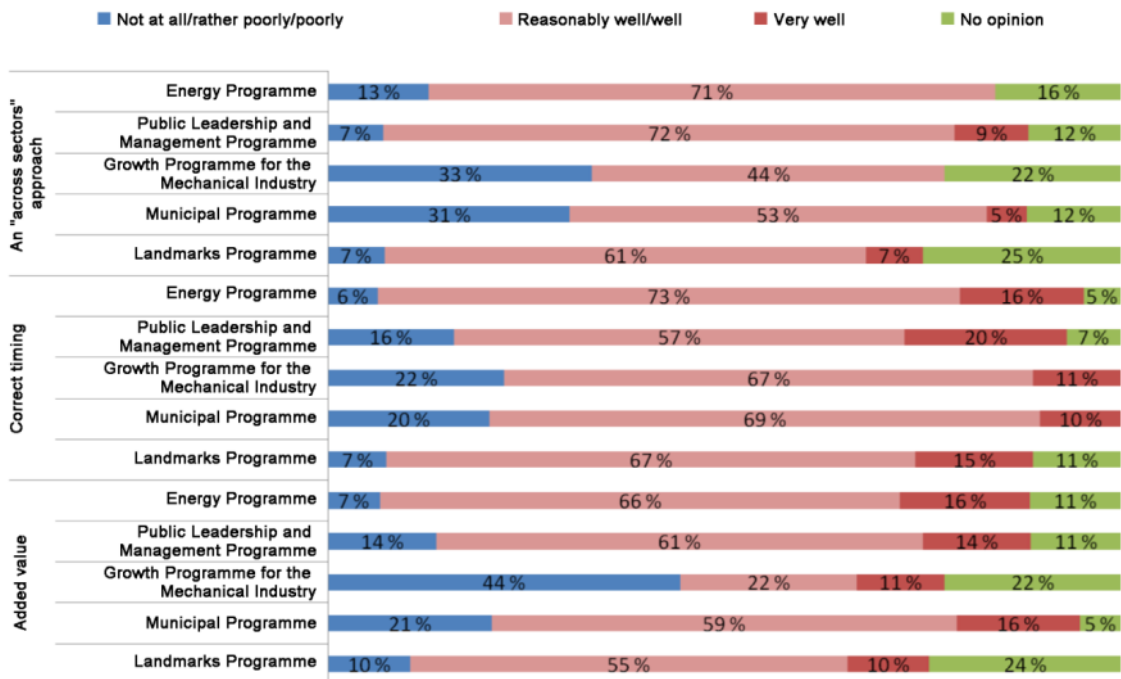
**18c. What factors has the programme particularly affected/does the programme currently affect in society? (by employer group 2)**



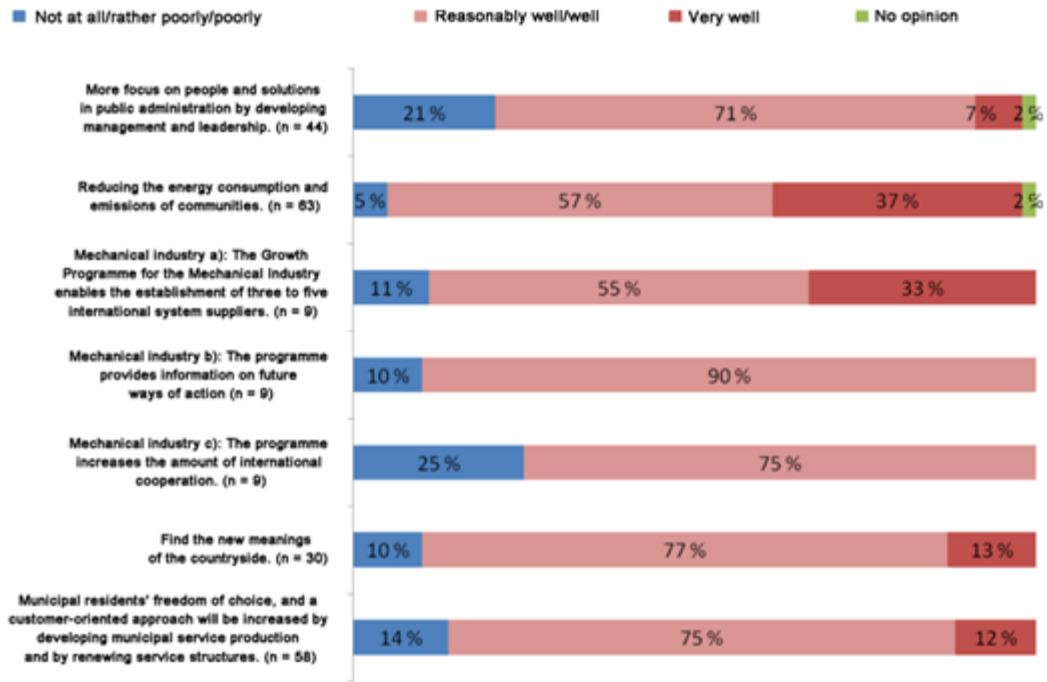
**18d. What factors has the programme particularly affected/does the programme currently affect in society? (by programme 1)**



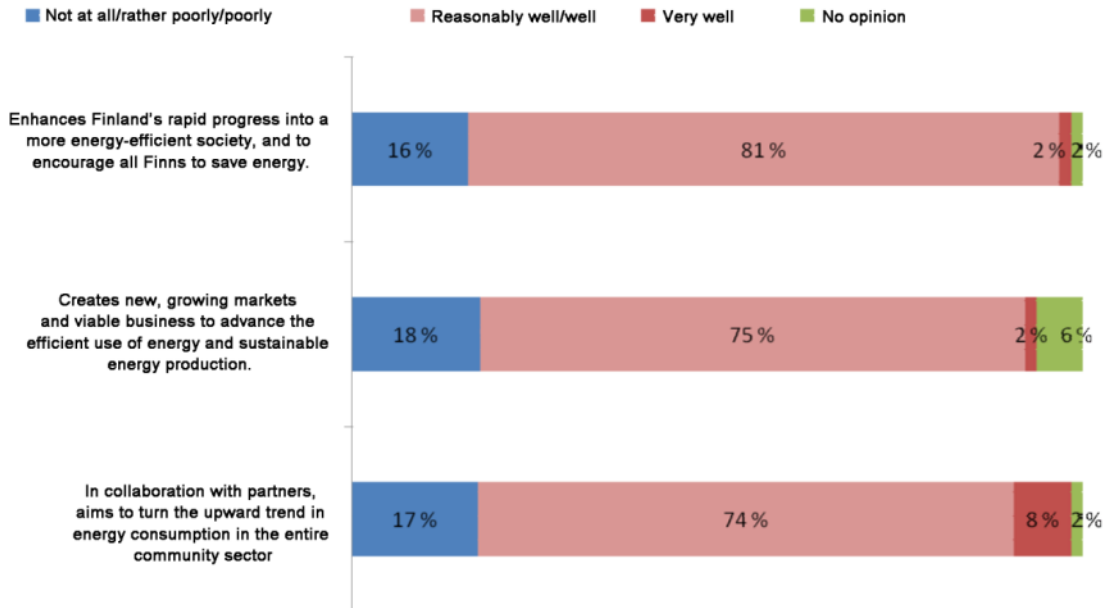
**18e. What factors has the programme particularly affected/does the programme currently affect in society? (by programme 2)**



**19. Please assess how understandable the main message of the programme communication is.**

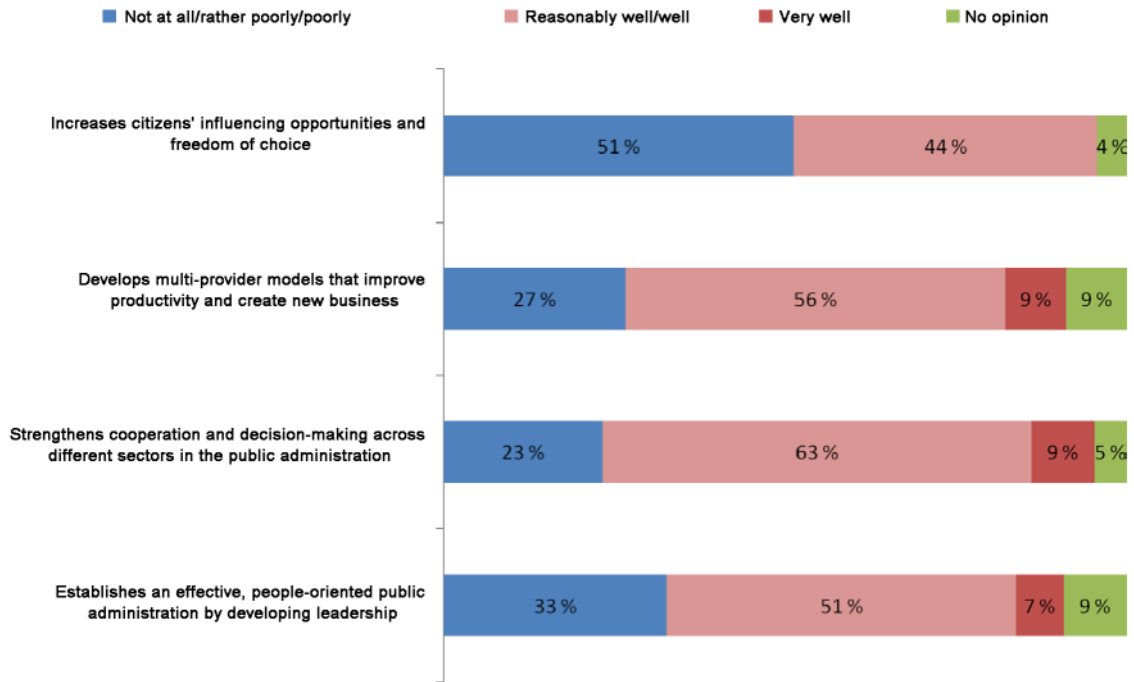


**20. How well have the following focus area choices performed in the implementation of the Energy Programme so far? (n = 63)**

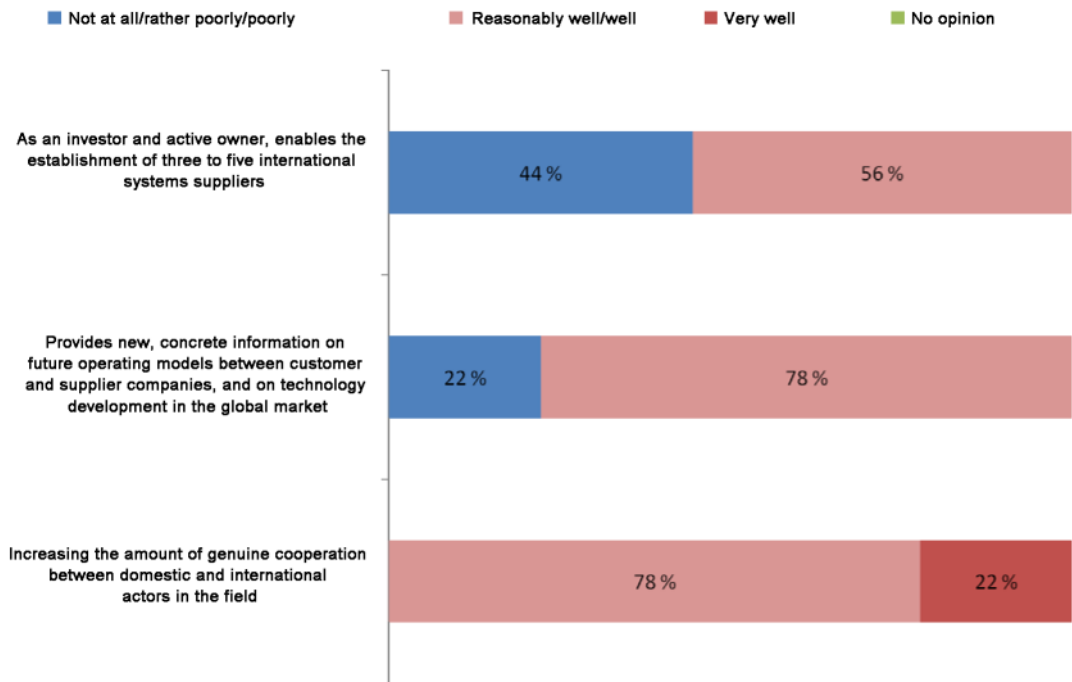




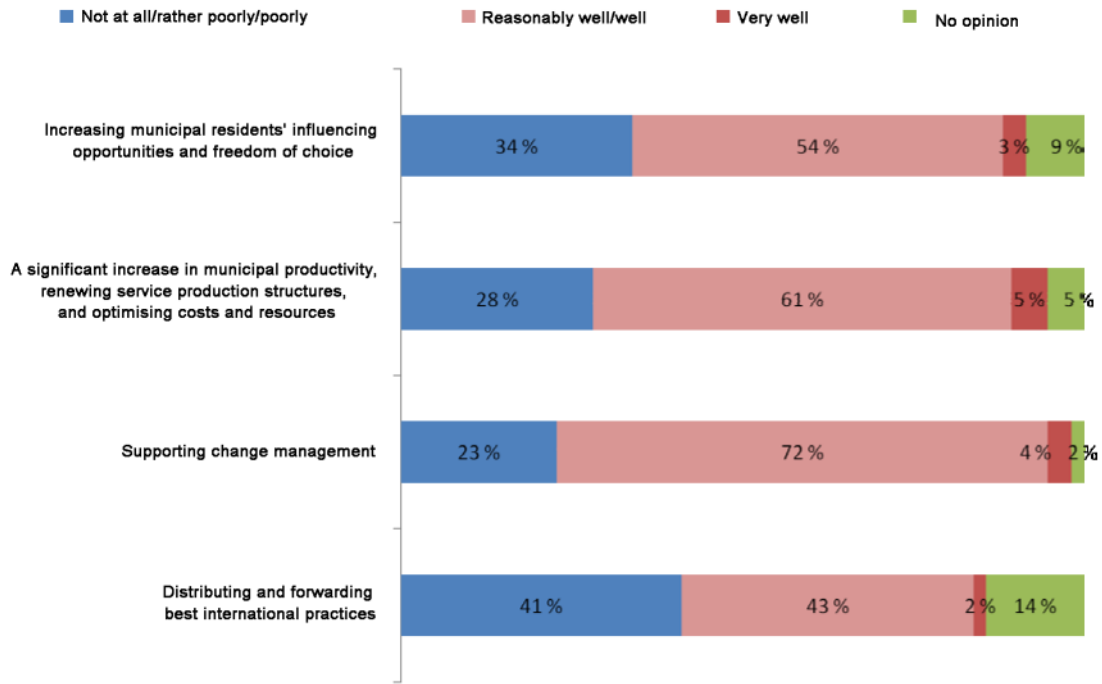
**21. How well have the following focus area choices performed in the implementation of the Public Leadership and Management Programme so far? (n = 44)**



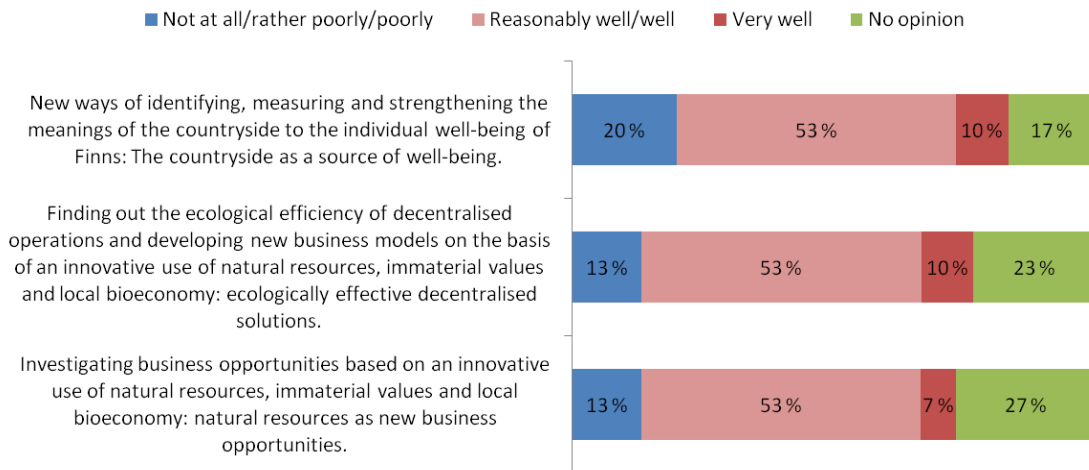
**22. How well have the following focus area choices performed in the implementation of the Growth Programme for the Mechanical Industry so far? (n = 9)**



**23. How well have the following focus area choices performed in the implementation of the Municipal Programme so far? (n = 58)**



**24. How well have the following focus area choices performed in the implementation of the Landmarks Programme so far? (n = 30)**



## APPENDIX 10: SITRA'S STRATEGY IN BRIEF

### The essence of Sitra's strategy 2011–2016

**Vision: Finland will succeed as a global leader in sustainable well-being**

**Mission: Sitra is building the successful Finland of the future**

**Strategic objectives:**

**1. Sitra renews thinking on the *good life***

- We help expand the concept of well-being. We help people become aware and identify the various dimensions of the *good life*, including sustainable lifestyle decisions, experienced well-being, activity, and a sense of belonging
- We seek and try out new ways of promoting the *good life* for the Finns
- We develop and renew the methods for monitoring and measuring a good life

**2. Sitra seeks operating models which renew society, with people as the starting point**

- We support structural changes in society which encourage individuals, organisations and companies to choose sustainable solutions and operating methods
- We promote open, participative operating models in society which take the different needs of people into account
- We develop a society which enables diversity in public service production, entrepreneurship and daily life choices
- We develop a new kind of Finnish leadership thinking and operating models building on it

**3. Sitra boosts business aimed at creating sustainable well-being**

- We support the development and implementation of business models that create sustainable well-being
- We promote the creation of new service business and entrepreneurial operations where the share of services is growing

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<sup>1</sup> The evaluation tender and contract was drawn up by Net Effect Ltd, which transferred to the ownership of Ramboll Management Consulting in April 2011. However, this has not caused any major changes to the implementation of the assessment. Kaisa Lähteenmäki-Smith, Katri Haila, Elina Auri and Petri Uusikylä have been members of the core implementation team throughout the assessment.

<sup>2</sup> In the evaluation assignment, strategy was initially linked to the operative basis of Sitra, while at a later stage, strategy came to be seen more as an enabling factor. Therefore, strategy is also included in the section dealing with the enablers of Sitra's operations.

<sup>3</sup> By means of contribution analysis, the aim has been to address the challenge which inevitably occurs in complex organisations such as Sitra. Since a large part of the work is carried out through networks and cooperation, it is often difficult to specify Sitra's impact through simple cause/effect chains. Contribution analysis has been particularly applied to programme analysis. This method forms an overall idea of the impact chain as a hypothetical path of change, e.g. the goal of Sitra is to promote systemic change in public sector management and municipalities, because public finances and service production require this in future and there is no other actor who would be capable of promoting it as an "external", independent actor like Sitra. Secondly, an assumption of the change mechanism is formed as a theory of change. This involves matters that are directly/indirectly affected by Sitra, such as establishing the health kiosk as an action for which there was no other implementing party, but for which there seemed to be a need because healthcare services need all new potential ideas. This is seen as the best available way to ensure availability, accounting for user needs, and new operating models that support prevention and are necessary in light of new research findings. Thirdly, information and evidence is compiled to support the theory of change: "Is Sitra really the right actor to implement this pilot? Has it successfully promoted activities conforming to the objective-setting? What do we know about the implementation of the project?" Finally, the material is compiled, and the contribution relations and the "narrative" of impacts chains is re-assessed against all evidence. This results in a synthesis analysis on "what the views of different target groups are, and what statistical evidence there is concerning the changes". Should new questions arise, the aim is to further supplement the big picture and find additional evidence for "grey" sections (e.g. asking some additional questions at supplementary interviews). Confirming the story of impact is the final stage ("The mechanisms of Sitra's impact", and also the respective conceptions of Sitra and its supervisory parties on whether the formed picture is correct). Related literature is compiled in the annexed list, see Mayne (2008); Sanderson (2000); Pawson (2006); Sampson (2007), for example.

<sup>4</sup> The target group of the survey was selected from Sitra's customer management system through random sampling. The programme directors also had the opportunity to supplement the sample by listing their most important stakeholder groups (up to 50). The total respondent group consisted of almost 3,000 representatives of stakeholders and partners: 498 of them took the survey. The survey was only available in Finnish and for Finnish target groups.

<sup>5</sup> Those interested in the historic perspective should read Tuomo Särkikoski's history of Sitra, "Sitra: Tulevaisuus tehtävänä" (Sitra – the Future as a Mission, Särkikoski 2007).

<sup>6</sup> Previously, some overlapping was found in early-stage investment, see e.g. Lerner, Josh (2009): *Boulevard of Broken Dreams: Why Public Efforts to Boost Entrepreneurship and Venture Capital Have Failed – and What to Do about it*, Princeton University Press.

<sup>7</sup> Vihko et al. 2002, p. 40.

<sup>8</sup> Conclusions of the expert team on 3 February 2011. The role and members of the expert team are described in the introduction of the report.

<sup>9</sup> Pekka Ylä-Anttila's presentation on an international assessment at the expert team meeting on 3 February 2011.

<sup>10</sup> The literature for this section includes the following: A sparring assessment of Sitra's programmes – Energy Programme (Final report – Draft) 4 September 2009. Deloitte Oy; Mikkonen, K. & Naapuri M. (2009). Assessment research of the Growth Programme for the Mechanical Industry 2009. Taloustutkimus Oy; Lemola T., Halme K., Kanninen S. (2006): Intermediate assessment of Sitra's programmes. Advansis Oy; Lemola T., Halme K., Pentikäinen T. (2007): Assessment of Sitra's PreSeed activities. Advansis Oy; Hanhijärvi H. (2010): Sitra's Health Care Programme 2005–2009 – final report; Hellström, Eeva (2009): Assessment of the natural resources strategy (including a feedback survey by Taloustutkimus).

<sup>11</sup> See e.g. Harrinvirta (2010).

<sup>12</sup> Lemola T., Halme K., Kanninen S. (2006): Intermediate assessment of Sitra's programmes. Advansis Oy.

<sup>13</sup> Lemola T., Halme K., Kanninen S. (2006): Intermediate assessment of Sitra's programmes. Advansis Oy.

<sup>14</sup> Lemola T., Halme K., Kanninen S. (2006): Intermediate assessment of Sitra's programmes. Advansis Oy.

<sup>15</sup> The question in the electronic survey: "Which are Sitra's two most important roles in society?"

<sup>16</sup> OECD (2010): OECD Public Governance Review Finland/OECD:n Suomen hallinnon maa-arviointi, Käännös arviosta. Ministry of Finance.

<sup>17</sup> Kork, Stenvall & Vakkuri (2010): Terveyskiosk palveluinnovaationa ("Health kiosk as a service innovation"). Stage 1: Basic survey of Ylöjärvi's health kiosk project. University of Tampere.

<sup>18</sup> Strategic design can be explained by comparing it to traditional design. Traditional design seeks solutions for rooms and utility items, whereas strategic design seeks solutions to problems and decision-making. This means that strategic design is a method that utilises design thinking to better identify the ecosystem of a problem, i.e. everything related to the problem, the factors affecting it, and how the solutions should be formed to comprehensively address the problem.

<sup>19</sup> Source: The Finnish Venture Capital Association 2010.

<sup>20</sup> Source: The Finnish Venture Capital Association 2010.

<sup>21</sup> The Finnish Venture Capital Association 2010.

<sup>22</sup> The actors were also heard at different stages of the assessment through other means, e.g. the programme directors of ongoing programmes had the opportunity to invite their stakeholder groups and partners to programme-specific workshops, and most directors took this opportunity. The workshops were attended by a total of 21 stakeholder group representatives. Sitra's staff were also heard at three meetings, open to everyone at Sitra.