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Public procurement for social innovation: Building a collaboration logic through interactive spaces

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ABSTRACT

Public procurement of innovation is increasingly expected to address complex societal challenges, yet research has focused mainly on technological and environmental innovation, paying limited attention to social problems and innovations. Less is known about how public procurement can support social innovation in service settings where solutions cannot be specified in advance and innovation depends on reconfiguring cross-sectoral relations, roles, and practices. This study examines how public procurement can support social innovation through the organisation of interactive spaces that enable institutional work and the development of a collaboration logic. Drawing on institutional theory, we analyse a longitudinal case study of the Tesoma Wellbeing Centre in Tampere, Finland, where public, private, and third-sector actors jointly developed an integrated social and healthcare service model. The findings show how procurers deliberately orchestrated different forms of interaction over the procurement process, enabling actors to question established arrangements, develop shared goals and practices, and anchor them in governance and service delivery. Through this process, an impact-driven collaboration logic gradually emerged and became partially stabilised, reshaping actor relations, perceptions, and practices. We contribute to the research on public procurement and social innovation by explaining how the sequencing of interactive spaces across procurement phases can support social innovation in complex service settings.

1. Introduction

Public procurement is increasingly viewed as a strategic instrument for creating public value in environmental, social, and economic terms (OECD, 2025; Selviaridis et al., 2023b). Public procurement of innovation (PPI), defined as "a demand-side innovation policy instrument in the form of an order, placed by a public organisation, for a new or improved product to fulfil its particular needs" (Edquist, 2015, p. 1), is seen as central to implementing third-generation innovation policies, which emphasise governments' capacity to steer private-sector innovation toward societal challenges and support the adoption of emerging products and services (Boon and Edler, 2018; Wesseling and Edquist, 2018). Such expectations raise the question of how far public procurers can reinvent themselves to adopt a more strategic role in addressing societal challenges.

Prior PPI literature identifies several approaches that help procurers move beyond their traditional cost-minimising role. Functional tender specifications, environmental requirements, and quality criteria can steer firms toward societal goals while remaining "innovation-friendly" by not restricting novel solutions (Grimbert et al., 2024; Krieger and Zipperer, 2022). Procurers may also embed environmental and social objectives in contract clauses (Uysal, 2024), use sequential procurements to support gradual development and adoption, and provide proactive support for scaling innovations (Iossa et al., 2018; Merisalo et al., 2026). Beyond such methods, studies highlight the importance of intensive cross-sectoral interaction for effective implementation and public value creation (Melander and Arvidsson, 2020). Buyer-supplier dialogue, end-user involvement, and informal exchanges among practitioners and experts are considered critical for building shared understandings of societal needs, identifying solutions, and aligning strategies (Alhola et al., 2017; Torvinen and Ulkuniemi, 2016; Uyarra et al., 2014).

Yet research on PPI still focuses mainly on green technologies, reinforcing a narrow, technology-centred view of societal change. This is

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a significant limitation because many social problems cannot be addressed through technological fixes alone. However, in parallel, a growing body of work has investigated how public organisations integrate broader considerations of public and social value in procurement strategies, organisational capabilities, and contracting arrangements (Fernando et al., 2026; Selviaridis et al., 2023b; Wright et al., 2025). It situates procurement within a broader shift toward stakeholder-centric public value creation, and acknowledges operational tensions, trade-offs, and implementation challenges associated with it (Harrison, 2026; Patrucco et al., 2024). Together, these studies show not only why social objectives enter procurement and how they are operationalised, but also why addressing them often requires more intensive forms of cross-sector interaction. This becomes especially important when procurement targets social rather than technological innovation, as addressing problems such as complex mental and health issues, polarisation, or exclusion may require redefining roles and interaction norms between public organisations and service providers (Hutchinson, 2024; Martin, 2007; Pihlajamaa et al., 2025).

However, even when social ambitions are formally acknowledged, cross-sectoral interaction within procurement often remains fragmented, narrow, and overly technical, relying on tools like questionnaires or procurement notices that constrain dialogue and learning (Berkhout et al., 2026; Holma et al., 2022). While some studies stress the value of engaging diverse stakeholders and employing richer forms of interaction, such practices remain rare, limiting PPI's transformative impact (Mazzucato et al., 2025; Melander and Arvidsson, 2020; Uyarra et al., 2014). What remains underexplored is how public procurers can deliberately organise interaction across phases to support joint problem framing, experimentation, and the development of new cross-sector collaborative arrangements when solutions to complex social problems cannot be fully specified in advance.

Our study adopts an institutional theory perspective to explore PPI's potential for addressing social problems. We theorise that public procurement can promote social innovation by organising interactive spaces through which cross-sectoral actors develop a new collaboration logic. This perspective directs attention to the interactive process for challenging dominant rules, norms, and practices, and experimenting with alternatives more conducive to innovation (Wright et al., 2025). This view also resonates with recent work on mission-oriented procurement, which argues that public value depends not only on contracted outputs and outcomes, but also on the processes, relationships, and capabilities through which they are generated (Mazzucato and Emerson, 2026). We define social innovations as deliberate, intentional changes in social practices that aim to solve a problem in a novel way (Cajaiba-Santana, 2014; Edler et al., 2024). Interactive spaces – temporary settings where multiple actors gather to experiment with alternative modes of action (Cartel et al., 2019; Zietsma and Lawrence, 2010) – provide the basis for our in-depth longitudinal case study of the procurement of the Tesoma Wellbeing Centre in Tampere, Finland. The case presents a novel integrated social and healthcare delivery model – here viewed as a social innovation – that is based on collaboration among public, private, and third-sector actors to address persistent local social issues. We set out to answer the following research question: How do interactive spaces within public procurement processes support cross-sectoral actors in developing a new collaboration logic for the creation of a social innovation? We address this question through a case study perceived as relatively successful and characterised by intensive interaction. Specifically, we analyse how different types of interactive spaces were organised across different procurement phases, what forms of institutional work they supported, and how this contributed to the local development of a new collaborative arrangement for addressing long-standing social problems.

We contribute to debates on the evolving strategic role of public procurement by showing how a sequence of interactive spaces across procurement phases enabled different forms of institutional work through which cross-sectoral actors developed an impact-driven collaboration logic and, through it, social innovation. Our findings demonstrate that this form of PPI works through the deliberate orchestration of interaction across procurement phases. In Tesoma, procurers acted as problem-framers through broad reflective engagement during planning, as sensegivers through structured dialogue and simulation during competitive negotiation, as facilitators of cross-sectoral integration through intensive co-design during development, and as securers of strategic alignment through embedded experimentation and periodic reflection during implementation. These combinations of procurer roles and associated interaction modes moved procurement beyond narrow market engagement and supported the development of a collaboration logic that reshaped actor relations, perceptions, and practices in service delivery.

2. Theoretical background

2.1. Public procurement and social problems

PPI is widely recognised as a tool for directing innovation toward public value, especially in domains where public demand can stimulate the development or diffusion of greener technologies and services (Alhola and Nissinen, 2018; Ghisetti, 2017; Valovirta and Pihlajamaa, 2025). By contrast, socially rooted challenges, such as inequality, health disparities, or social exclusion, have received less attention, even though they are increasingly central to public service delivery and societal wellbeing (Martin, 2016; Vickers et al., 2017). In response, a growing body of research has begun to explore the role of social innovation, particularly in domains like healthcare, social services, and education, where complex societal needs call for novel forms of collaboration, service provision, and changes in social practices (Miller and Lehoux, 2020; Pel et al., 2020; Solis-Navarrete et al., 2021; van der Have and Rubalcaba, 2016).

Social innovations are novel ways of addressing social needs through deliberate, intentional changes in social practices (Edler et al., 2024; Howaldt and Schwarz, 2010). This distinguishes social innovation from product, service, and public-sector innovation along four dimensions. First, the locus of novelty lies primarily in reconfigured social practices and relations rather than in products, technologies, or organisational processes alone (Cajaiba-Santana, 2014; Edler et al., 2024; Pel et al., 2020). Second, the value created is oriented toward addressing social needs, improving wellbeing, and supporting individuals' capabilities and resources rather than only organisational performance or user value (Edler et al., 2024; van der Have and Rubalcaba, 2016). Third, agency is typically distributed across constellations of actors rather than located in a single innovating organisation, because social problems often require collaboration across public, private, third-sector, and citizen actors (Hansen et al., 2022; Merlin-Brogniart et al., 2022; Pel et al., 2020). Fourth, the beneficiaries are not only direct service users but also wider groups and communities affected by the reconfigured practices and relations (Desmarchelier et al., 2021; Hansen et al., 2022). In public service settings, social innovation may include new service models, technologies, or organisational arrangements, but these are means through which social practices are reorganised rather than the primary locus of novelty (Cajaiba-Santana, 2014; Pel et al., 2020).

Related procurement perspectives, such as socially responsible and strategic public procurement, examine how procurement can promote social goals, such as community benefits, wellbeing, and inclusion (EASME, 2020; Karttunen et al., 2024; Vluggen et al., 2020). They show how social considerations can be integrated across procurement phases, for example, through social criteria in tenders, employment clauses, and outcome-based contracting (Bernal et al., 2019; Loosemore, 2016; Pihlajamaa et al., 2025; Selviaridis et al., 2023b; Troje and Andersson, 2021; Wontner et al., 2020). This stream also highlights contested meanings of social value and the trade-offs that arise when social aims are translated into everyday procurement practice (Harrison, 2026; Merisalo et al., 2024; Wright et al., 2025). Yet, in most cases,

procurement is used either to implement established solutions or to attach social objectives to the side of the main procurement, offering limited insight into how PPI might promote social innovation.

A key challenge for PPI is the complexity of social issues. Social and healthcare problems tend to be multifaceted, dynamic, and context-specific; they are embedded in a "complex configuration of public and private service providers" and require tailored, non-standardised approaches (Blomqvist and Winblad, 2022; Pelkonen and Valovirta, 2015, p. 16). Unlike technological solutions, the desired innovations are expected to create changes in social relations, roles, and practices, making them difficult to articulate as tender specifications and contract terms (Antadze and Westley, 2012; Avelino et al., 2019). Effectively addressing social problems may also require long-term interventions, and short-term contracts may not motivate firms to invest sufficiently in social innovation (Mulgan, 2006; Selviaridis and Wynstra, 2015).

Cross-sectoral collaboration is particularly important for social innovation, as many social challenges cannot be addressed by a single organisation or sector alone (Selsky and Parker, 2005). Partnerships that span multiple sectors can mobilise diverse competencies, making it easier to challenge the status quo (Ber and Branzei, 2010; Phillips et al., 2014). Addressing such challenges often requires new forms of co-creation and co-production among public, private, and third-sector actors and citizens (Bryson et al., 2017; Fuglsang and Hansen, 2022; Voorberg et al., 2015), demanding changes not only from the suppliers but also from the procuring organisation (Demircioglu and Vivona, 2021; Grimbert et al., 2024; Patrucco et al., 2025; Selviaridis et al., 2023a). In procurement, the relevant novelty may therefore lie less in a new procurement model or service configuration than in the reorganisation of cross-sectoral relations through which the social problem is addressed.

This aligns with public management arguments that procurement is increasingly expected to support stakeholder-centric public value co-creation rather than operate primarily as a compliance-driven, transactional function (Patrucco et al., 2024). In developing joint solutions, public organisations, companies, and NGOs face the challenge of balancing between different goals, such as profit-maximisation and creating public value (Mair et al., 2015; Reynaers, 2014), and they may need to adopt new roles and collaboration forms (van der Have and Rubalcaba, 2016; Yan et al., 2018). This poses challenges for the creation of social innovation, insofar as each sector is guided by its distinct logic, which shapes goals and patterns of interaction and operation (Vickers et al., 2017; Zietsma and Lawrence, 2010).

PPI research has long emphasised the value of market dialogue and stakeholder engagement in clarifying needs, informing procurers about available solutions, and building trust between actors (Bleda and Chicot, 2020; Rainville, 2017; Uyarra et al., 2017). In practice, however, interaction often remains narrow, fragmented, and technical, relying on tools like questionnaires and procurement notices that constrain learning and co-creation (Berkhout et al., 2026; Holma et al., 2022; Uyarra et al., 2014). This is particularly problematic in social innovation, where addressing complex challenges demands deeper engagement (Mazzucato et al., 2025). Yet, we still know little about how procurers can organise and sequence interaction across procurement phases to support relational change and the development of new collaborative arrangements in such a context (Harrison, 2026; Razmdoost and Alinaghian, 2024).

2.2. Institutional logics and social innovation in cross-sectoral collaboration

Previous research argues that social innovations are embedded in changes in institutions (Pel et al., 2020; van der Have and Rubalcaba, 2016; van Wijk et al., 2019). Institutions are resilient social structures (Scott, 2001) that comprise norms and rules that shape interactions (North, 1990). Institutional logics are then "the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organise time, and space, and provide meaning to their social reality" (Friedland and Alford, 1991; Thornton and Ocasio, 1999, p. 804). As bundles of "persistently interconnected practices" (Schildt and Kodeih, 2025, p. 2), such logics shape how actors perceive and value novel solutions, the roles they take, and their mutual relations, including how public officials evaluate opportunities and priorities in their work (Gullmark et al., 2025).

In social and healthcare provision, these logics often appear as distinct sectoral orientations and governance practices. Public actors are commonly guided by a state logic emphasising legality, accountability, equal access, and service effectiveness; private service providers by market-oriented concerns for efficiency and financial performance; and third-sector actors by community-oriented commitments to participation, inclusion, and local needs (Mountford and Cai, 2026; Skelcher and Smith, 2015). Public service provision increasingly includes the interplay of multiple logics rather than a single dominant one, particularly where collaboration spans sectors (Roth et al., 2024; Saz-Carranza and Longo, 2012; Strokosch and Roy, 2025). This also creates opportunities for social innovation: deliberate changes in social practices in specific fields of action (Cajaiba-Santana, 2014; Edler et al., 2024) that usually reconfigure relations between actors to address a social problem better than established practices (Edler et al., 2024; Howaldt and Schwarz, 2010; Pel et al., 2020).

In health and welfare systems, efforts to create such novel integrative practices often involve tensions between logics oriented toward service integration and citizen wellbeing and those emphasising economic value creation, innovation, and sectoral growth (Laihonen and Kokko, 2023). Although combining diverse resources and ideas can stimulate innovation, it can also make new social relations difficult to sustain (Ahmadsimab and Chowdhury, 2021; Jay, 2013; Selsky and Parker, 2005). The tensions are rarely resolved through the replacement of one logic by another. Rather, they are accommodated by hybrid arrangements, for example, by infusing elements of one logic into another, integrating multiple logics, or keeping them separate for different subgroups or goals (Ashraf et al., 2017; Battilana et al., 2015; Harsman, 2023; Skelcher and Smith, 2015; van Wijk et al., 2019; Yin and Jamali, 2021). In social and healthcare services, this can take forms such as purchaser-provider splits, quasi-markets, corporatised or hybrid providers, co-production, and networked governance models that combine sectoral logics in different ways (Osborne, 2006; Tynkkynen, 2013; Vickers et al., 2017). Such forms do not eliminate institutional tensions but can enable actors to coordinate across sectoral boundaries and pursue shared service goals. We refer to the shared pattern of assumptions, values, beliefs, rules, and practices through which such coordination occurs as a collaboration logic (cf. Beck et al., 2015; Yin and Jamali, 2021).

Public procurement may foster social innovations by initiating new norms and practices for how public, private, and third-sector actors define problems, coordinate activities, and commit to shared goals. Existing research has investigated this mainly at the level of the procuring organisation, showing that advancing social objectives often requires aligning procurement strategy with social goals, developing dedicated structures and capabilities, and raising awareness of procurement's relevance to social objectives (Razmdoost and Alinaghian, 2024; Selviaridis et al., 2023b). Razmdoost and Alinaghian (2024) further identify forms of institutional work through which social procurement is advanced within buyer organisations, including crossing institutional boundaries by connecting social enterprise suppliers with different procurement stakeholders. Harrison (2026) adds that social procurement is also shaped in street-level implementation, where procurement practitioners and suppliers interpret social value requirements, exercise discretion, and negotiate operational tensions around trust, risk, accountability, monitoring, and enforcement.

Social benefits may arise from increasing the share of social enterprises in the supply base (Razmdoost and Alinaghian, 2024). However,

in many service domains, particularly in social and healthcare provision, innovation depends less on selecting new suppliers or solutions than on cross-sectoral collaboration among established actors and reshaping the relations through which services are developed and delivered. This requires active support for new relations, necessitating efforts to engage stakeholders in framing problems, developing new knowledge, and mobilising support and legitimacy (Flanagan et al., 2023; Selviaridis et al., 2023b; Uyarra et al., 2017). The key issue, then, is not only whether procurement brings together actors with different sectoral logics, but whether it can organise the interaction through which a feasible collaboration logic is developed in practice. Next, we introduce the concept of interactive spaces to theorise how procurement can support such collaboration within procurement processes.

2.3. Interactive spaces as tools for supporting the creation of a new collaboration logic

Creating and sustaining a collaboration logic requires reflexivity, commitment, and collective agency among participating actors. This means stepping back from established norms, recognising the value of new forms of collaboration, and translating these orientations into shared goals, negotiated norms, and incentives (Creed et al., 2022; Delbridge and Edwards, 2013; Maier and Simsa, 2021; Matinheikki et al., 2019; Ruebottom and Auster, 2017; Taillard et al., 2016). The challenge, then, is how such processes of negotiation, learning, and sensemaking can be organised in practice (Battilana et al., 2015; Jay, 2013; Vickers et al., 2017).

Prior work offers several ways to think about organised settings for cross-boundary interaction. Related institutional research has used concepts such as interstitial spaces, relational spaces, and field-configuring events to describe settings where actors meet across institutional, professional, or market boundaries and where new practices, relations, or field-level arrangements may emerge (Furnari, 2014; Kellogg, 2009; Lampel and Meyer, 2008). Adjacent work on innovation spaces and public-sector innovation labs classifies spaces by other dimensions, such as physical design, organisational autonomy, methods, or role in policy and innovation work (McGann et al., 2018; Moultrie et al., 2007; Tõnurist et al., 2017). We use the concept of interactive spaces to refer to bounded social settings in which actors engage one another across organisational or institutional boundaries to reflect on existing arrangements, develop alternatives, and carry out institutional work (Bucher and Langley, 2016; Cartel et al., 2019). This concept is useful for our study because it directs attention to how actors move from questioning established arrangements to developing, testing, and stabilising new ways of working. It therefore connects with our view of social innovation as a change in social practices.

Research on institutional change suggests that actors can create bounded spaces to develop and experiment with new solutions while being partly protected from the pressures of existing institutions (Zietsma and Lawrence, 2010). Van Wijk et al. (2019, p. 895) propose that such "interactive spaces" are crucial for social innovation, as they "generate, promote, sustain, or erode" interactional, emotional, and reflective processes among innovating actors. Zietsma and Lawrence's (2010) study of forest harvesting shows how actors struggling between traditional and new forest harvesting practices generated innovations by creating boundaries around "experimental spaces", defined as temporary settings where multiple actors gather to experiment with alternative modes of action (Cartel et al., 2019; Zietsma and Lawrence, 2010). In practice, these spaces materialised as projects that protected the actors from institutional pressures and enabled them to take future-oriented action.

Subsequent research has examined how interactive spaces contribute to changes in institutional logics, identifying different forms of institutional work associated with them. Cartel et al. (2019), for example, show how interactive spaces in the European carbon market enabled novel ideas to emerge through a combination of boundary work, which separated the space from the wider field; distancing work, which reduced attachment to dominant logics; and anchoring work, which linked emerging practices back to the field to support diffusion. Other studies show that interactive spaces can foster shared identity and commitment, helping to sustain change beyond the space itself (Bojovic et al., 2020; Kellogg, 2009). Relatedly, Tarabichi et al. (2025) illustrate how public authorities can organise intersecting and nested experimental spaces at national and city levels to promote immigrant integration, not only generating new solutions but also supporting the replication, reuse, and adaptation of existing services.

These studies demonstrate how interactive spaces can loosen actors' attachment to prevailing institutional logics and help anchor novel ideas to the field, but they are less clear on how innovation itself is induced. To explain how actors develop alternatives within interactive spaces, we also draw on the concept of creative institutional work, understood as defining and constructing institutions, encompassing ideas, rules, identities, and organising models (Lawrence and Suddaby, 2006). For this purpose, Bucher and Langley's (2016) distinction between reflective and experimental spaces is particularly useful. They developed this distinction in their study of patient-process redesign in hospitals. Reflective spaces involved a diverse set of actors in planning-oriented settings where they could step back from prevailing assumptions, roles, and routines to evaluate, create and discuss alternative patient processes. Experimental spaces, in contrast, involved actors closer to implementation, enabling them to elaborate and test emerging arrangements in practice. These spaces may occur across different phases of a change process and unfold iteratively as actors move back and forth between reflection and experimentation. We use this distinction to analyse how procurement-organised interaction supported not only distancing and anchoring work, as emphasised in prior interactive-spaces research, but also the creative work through which actors formulated and elaborated alternative arrangements.

This perspective is particularly relevant in public procurement, where interaction is formally encouraged but often constrained by bureaucratic rules, legal frameworks, and entrenched buyer-supplier roles (Mwesiumo et al., 2019; Troje and Gluch, 2020). Previous research notes the value of interactive end-user dialogue and pre-procurement market engagement in promoting social value and improving procurement outcomes (Rainville, 2021; Torvinen and Ulkuniemi, 2016). Yet such interaction frequently takes "static" forms with largely one-directional information flows, limiting the creation of trust and mutual understanding (Berkhout et al., 2026). We therefore use the concept of interactive spaces to highlight more deliberately designed forms of interaction within procurement processes, including but not limited to market dialogue, insofar as these are organised to support reflection, experimentation, and the development of new collaborative arrangements. In public services, procurement offices are especially well positioned to convene such spaces because they can shape the process architecture through which actors engage one another and negotiate shared goals.

Fig. 1 presents our analytical framework for interactive spaces in PPI.

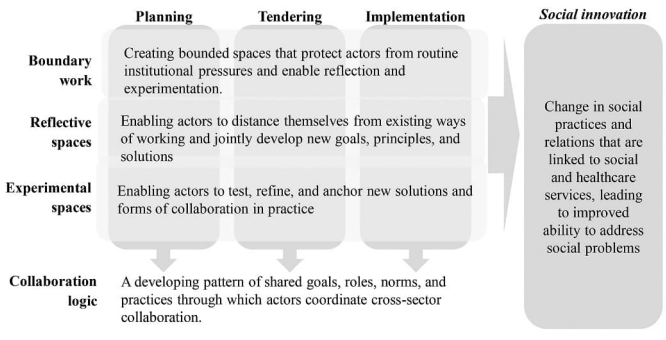

Fig. 1. Analytical framework for interactive spaces in PPI.

Using the main steps of procurement (Van Weele, 2010) – planning (identifying needs, defining objectives, selecting a procurement model), tendering (market engagement, evaluation, and supplier selection), and implementation (contract finalisation, product/service delivery, and performance monitoring) – as a backdrop, the framework shows how public procurers organise boundary work, reflective spaces, and experimental spaces across the process. Our interest lies in how these interrelated elements support the development of a new collaboration logic and, ultimately, social innovation.

3. Research design

Given the limited theoretical understanding of how public procurement can support social innovation, we adopted an exploratory single-case study design (Siggelkow, 2007) to analyse the procurement of a Wellbeing Centre in the Tesoma district of Tampere, Finland. The case was selected because it was perceived as relatively successful: city actors and other informants regarded it as an unusually promising instance in which procurement prioritised social innovation, supported intensive cross-sectoral collaboration in novel ways, and resulted in a functioning integrated service model. This positive case selection allowed us to examine how, under favourable conditions, public procurers organised interactive spaces across the procurement process and how these supported the emergence of a new collaboration logic.

3.1. Tesoma Wellbeing Centre as a social innovation

Finnish social and healthcare policy aims to promote the wellbeing and health of the population, and provide equal, interoperable, and cost-effective services (Act 612/2021). At the time of the study, municipalities were responsible for primary healthcare and social welfare, while hospital districts[1] handled specialised care. Tesoma Wellbeing Centre combines social and healthcare services into an integrated service delivery system centred on preventive care and citizens' overall wellbeing. It is managed by an alliance of city representatives and the private healthcare provider Mehiläinen, with a social work NGO, Setlementti Tampere, as a key partner.

The centre was designed to address the complex development needs of Tesoma, a district facing deteriorating facilities and interconnected health, employment, and social problems. We analyse it as a social innovation involving the local development of an impact-driven collaboration logic. It combined practices adapted from other fields in a locally relevant manner, reconfigured relations between the involved organisations and citizens, and may have elements that can be repeated elsewhere. The centre brings together a broad range of services – health, maternity, and dental clinics, a youth centre, library, café, and counselling desk – aimed at providing accessible, affordable, personalised, and effective services for citizens. Fig. 2 summarises the collaborating actors.

Tampere turned to this model after experiencing problems with in-house production, purchaser–producer models and other partnership and outsourcing models. Internal provision gave the city weak tools to control budgets, while outsourced services remained fragmented and offered limited scope for integration or organisational learning. These earlier models included hybrid arrangements but were dominated by the city and involved limited attempts to integrate sectoral logics from private and public organisations, creating conflicts over performance and measurement (Harsman, 2023; Skelcher and Smith, 2015). Procurement and contract management became the primary interface for managing these tensions but failed to ensure integration and cost-effectiveness.

Against this background, the city turned to the project alliance model as a promising way to develop new cross-sectoral collaboration practices, previously used in construction projects (Matinheikki et al., 2019; Ståhle et al., 2025; Suprapto et al., 2016), but only rarely applied in continuous service delivery (Hutchinson, 2024). We treat the project alliance not as a collaboration logic in itself, but as a governance arrangement through which public, private, and third-sector actors could jointly redefine goals, roles, incentives, and decision-making practices during the procurement process. Unlike the earlier purchaser-provider model, which kept sectoral logics relatively separate and coordinated them mainly through contractual boundaries, the Tesoma alliance enabled the development of a local "impact-driven" collaboration logic. This logic did not replace the participating actors' sectoral logics but reconfigured their relationship around shared preventive wellbeing goals and new forms of joint coordination.

Its key features included joint consensus-based decision-making among partners, shared risks and rewards, and open-book financial transparency. From a procurement perspective, a defining feature was linking private-sector compensation directly to impact indicators, ensuring that rewards reflected the success of preventive actions. Table 1 summarises how the Tesoma alliance model departed from the purchaser-provider arrangement that had previously structured Tampere's social and healthcare service provision and shows how the relationship between sectoral logics was reorganised. Taken together, these differences indicate the emergence of a new collaboration logic through the cross-sector collaborative work of the procurement process, and its later enactment in the service operations through which the Wellbeing Centre functioned as a social innovation.

In conclusion, Tesoma Wellbeing Centre changed social relations within the Tesoma district in several ways. First, the city organisations, private healthcare providers, and third-sector organisations formed new collaborative practices that were concretised in the alliance model and supported by shared spaces, rules, and goals. Second, by bringing services together in the same physical setting, the centre made them easier to access in an integrated way and created new opportunities for citizens to improve their physical and mental wellbeing. Third, the shared spaces and services also encouraged new forms of interaction among citizens, for example, by combining visits to health services with time in the youth centre, library, or café.

3.2. Data collection

Our study traced key events in the creation of the social innovation and examined how public procurers facilitated co-creation, with particular attention to interactive spaces. The Tesoma procurement was conducted in phases from 2014 to 2017, followed by the launch of the centre in 2018 and later adjustments during the contractual periods. We analysed both the procurement process and the subsequent implementation period as a social innovation process through which the Wellbeing Centre and its impact-driven collaboration logic emerged, evolved, and became routinised locally. Data collection began in 2019, one year into implementation, and continued until 2022 with additional documentary and interview follow-up through 2026. This allowed us both to reconstruct developments prior to our entry into the field and to examine how the collaboration logic was enacted in practice. The later follow-up did not reveal developments that substantially altered the patterns identified during the main data collection phase.

The empirical material comprises 20 interviews with top executives, operational managers, frontline employees, and external experts (see Table 2 for an anonymised overview), as well as 55 main project documents with 27 appendices. The semi-structured interviews focused on reconstructing the development of the Wellbeing Centre and the collaboration practices surrounding it. Early interactions with involved stakeholders highlighted interaction as a key enabler of project outcomes. In line with this, questions addressed the project's background and objectives, the roles and expectations of different actors, key interaction events such as workshops and market dialogue, and the

[1] The responsibility for organising healthcare, social welfare, and rescue services was transferred from municipalities to wellbeing services counties (larger regional authorities) at the beginning of 2023.

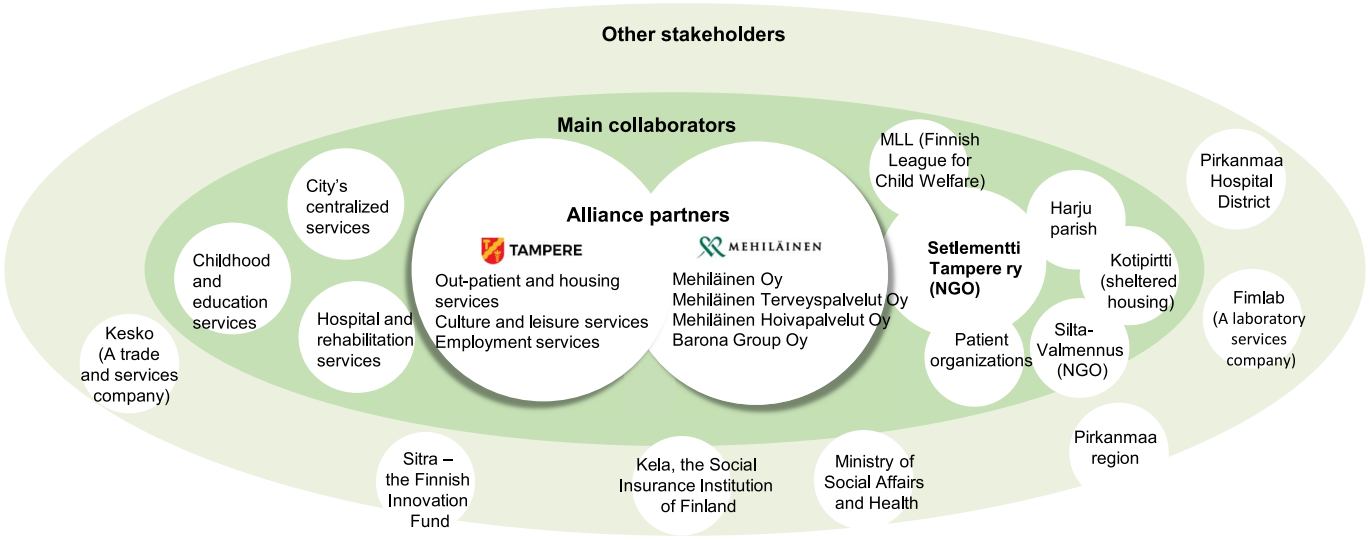

Fig. 2. Actors involved in delivering services at Tesoma Wellbeing Centre (adapted from Tirronen, 2019).

Table 1
Stylised comparison of governance arrangements, sectoral roles, and relations between sectoral logics in the earlier purchaser-provider model and the Tesoma project alliance. Sources: Empirical data; Rajala and Kokko (2022).

Dimension	Earlier service provision	Service provision at Tesoma
Governance arrangement	Purchaser-provider	Project alliance
Public sector role	Defines needs and specifications unilaterally; cost control and compliance emphasis	Co-develops goals and indicators; co-produces services; steers through impact objectives
Private sector role	Competes for contracts on price; delivers specified outputs; profits from fee-for-service	Co-invests in generating impacts; profit linked to impact indicators; shares savings and risks
Third sector role	Largely absent from service delivery and governance	Embedded partner; connects citizens to services; mediates between formal services and community
Relationship between sectoral logics	Separated and segmented; managed through contractual boundaries; recurring conflicts over performance and measurement	More closely integrated and negotiated through joint governance, open-book transparency, and consensus-based decision-making

Table 2
Characteristics of the interviewees.

Organisation	Interviewee position level	Main phase(s) of involvement	Interview date(s)
I1: City of Tampere	Executive	Development, implementation	6.2.2020 14.10.2021 9.12.2022 26.1.2026
	Executive	Planning, competitive negotiation, development, implementation	7.1.2020
	Executive	Implementation	09.08.2020
	Executive	Planning, competitive negotiation	26.12.2019
	Specialist	Implementation	4.2.2020
	Manager	Planning, competitive negotiation, development	6.1.2020
	Executive	Planning, competitive negotiation, development, implementation	22.12.2019 05.07.2020
I2: Mehiläinen	Manager	Development, implementation	22.12.2019 11.10.2021
	Specialist	Competitive negotiation, development, implementation	2.2.2020
	Specialist, front-line	Implementation	19.2.2020
	Executive	Development, implementation	27.1.2020
	Executive	Competitive negotiation, development, implementation	31.1.2020
	Executive	Competitive negotiation, development, implementation	31.1.2020
I3: Setlementti Tampere	Specialist, front-line	Implementation	5.2.2020
I4: External expert	Expert	Cross-phase (retrospective analysis)	1.9.2023

emergence of shared goals and tensions. Although the interview protocol did not explicitly refer to institutional logics or interactive spaces, these concepts guided the subsequent abductive analysis.

18 interviews were recorded and transcribed, while two were documented through detailed notes. The interviews had two aims (cf. Langley and Meziani, 2020): first, to trace events leading to procurement and implementation, including key actors, barriers, problem-solving techniques, justifications, and outcomes; and second, to capture informants' interpretations of the case, including objectives, guiding principles, conflicts between old and new approaches, and perceived impacts on individual perspectives and behaviours. To reconstruct how the process unfolded over time, we combined these retrospective accounts with documentary material, in line with management research that uses historical and archival sources for process analysis and theory development (Argyres et al., 2020; Rowlinson et al., 2014). The documentary material included formal agreements and contracts, strategic and service plans, procurement documentation, evaluation reports, interaction reports and presentations, administrative and financial records, and public communication materials. These project documents provided time-stamped traces of decisions, governance arrangements, and interaction episodes, enabling us to reconstruct sequences and identify turning points in the process. Interviews complemented this by adding actors' interpretations of events and decisions, clarifying why they mattered and how practices and relations evolved, thereby strengthening the analysis through triangulation.

Appendix A provides a full list of the documentary sources used in the analysis, grouped into source categories D1-D5. Interviews are similarly grouped into categories I1-I4 based on respondent organisation

(Table 2). In the Results section, empirical paragraphs are anchored through direct quotations, specific document or event references, or square-bracket references to the relevant interview and document categories.

3.3. Data analysis

Our analysis aimed to reconstruct the procurement process and clarify the role of interactive spaces within it. We began with data-driven coding of the interview transcripts (Saldaña, 2009), resulting in 1397 unique codes summarising the key content of the material. The codes were categorised into a multi-level hierarchy with broad categories, such as "premise", "steering mechanisms", "impact and measurement", "collaboration", and "synergies". The coding supported the writing of a 45-page case narrative that provided the research team with a detailed overview of the process and its key events. A chain of evidence was maintained by linking relevant interview quotes to the narrative.

Following an abductive approach (Dubois and Gadde, 2002; Timmermans and Tavory, 2012), we then sought theoretical perspectives that could help explain our observations and settled on institutional theory and the concept of interactive spaces. We created large tables matching empirical observations with theoretical constructs such as institutional logics, values and beliefs, assumptions, and material practices. Appendix B presents the resulting construct-evidence mapping, showing how the main constructs used in the findings and discussion were grounded in interview-based empirical themes and documentary source categories. To capture process dynamics, we applied temporal bracketing (Langley, 1999) and distinguished four phases: planning, competitive negotiation, development, and implementation. We adopted this periodisation as the organising principle for both the empirical narrative and the process model. We also compared how different actor groups described the same events, paying particular attention to their motivations, perceived challenges, conflicts, and interpretations of collaboration. These differences were treated as analytically relevant for understanding how the collaboration logic emerged and was stabilised across phases. This approach is consistent with recent longitudinal single-case studies that combine explicit temporal structuring, transparent source documentation, and triangulation to develop theory from case narratives (Silva et al., 2026; Vendrell-Herrero et al., 2025).

Next, we identified reflective and experimental spaces across phases. We mapped multi-actor interaction events – such as meetings, workshops, seminars, forums, and novel service processes with experimental features – as potential interactive spaces. Events were treated as interactive spaces when they enabled actors to distance themselves from existing service models, create novel approaches, or anchor them in practice. Routine procurement practices without such effects were excluded. While this mapping was unlikely to be exhaustive, triangulation of interviews and documents suggests that it captured the main events. Following Bucher and Langley (2016), we categorised events as reflective spaces when they involved critical evaluation, opportunity identification, or concept development, and as experimental spaces when they included testing or simulating solutions in practice.

Finally, we examined how interactive spaces contributed to the emergence and stabilisation of the collaboration logic, and through it to social innovation, by analysing the types of institutional work they enabled. We applied the concepts of distancing and anchoring work from Cartel et al. (2019) and added creative work, understood as the practical development of novel concepts (ideas, norms, organising models) that drive institutional change (Lawrence et al., 2009). Boundary work (Cartel et al., 2019; Zietsma and Lawrence, 2010) was also captured, but it was seen as shaping the organisation of the spaces rather than occurring within them. These concepts guided our analysis of how interactive spaces, as procurement practices, supported the development and materialisation of the collaboration logic across phases.

We attributed outcomes to interactive spaces using the following criteria: first, the outcome followed the space or sequence of spaces temporally; second, the connection between spaces and outcomes was corroborated by multiple interviews or by interview and documentary evidence; and third, the outcome was observable as a decision, artefact, practice, or documented change, such as a selected partner, agreement, service plan, indicator set, dashboard, pilot, or revised routine. Actors' own accounts of causal links were therefore treated as important interpretive evidence, but they were not sufficient on their own for attributing an outcome to a specific space. Evidence that did not meet these criteria was treated as contextual rather than as an attributable outcome.

4. Results

The procurement process and subsequent contract periods comprised four key phases through which the social innovation was developed and implemented (Fig. 3). The findings are therefore presented chronologically across planning, competitive negotiation, development, and implementation. Planning began in 2014, followed by a seven-month tendering process organised as a competitive negotiation in 2016. After supplier selection, a one-year development phase was used to define shared goals, collaboration practices, and impact indicators that would guide evaluation and determine the service provider's compensation (see Appendix C). Implementation then proceeded under a ten-year contract divided into three periods (4–3–3 years), running from 2018 to 2028, each including evaluation and further development.

City procurers played a central role throughout the process [I1-I2; D1-D5]. They introduced rules for new forms of collaboration and engaged diverse actors to challenge existing practices and co-create a new model. Across all four phases, the city organised reflective and experimental spaces to support joint problem identification and solution development. Fig. 4 summarises examples of these spaces throughout the process.

Our analysis highlights three features of the case: the extensive use of interactive spaces, their design in ways that enabled institutional work, and the continuation of development and evaluation during implementation. In the early phases, interactive spaces helped decision-makers and service providers distance themselves from prevailing logics by discussing problems, requirements, and alternatives with a broad set of actors. In the middle phases, smaller groups of managers and experts from selected organisations used these spaces to develop emerging impact-driven collaboration logic and its concrete manifestations, such as the service model and contract. In the later phases, participation broadened again to enact and test the model with staff and citizens. Accordingly, the emphasis shifted from reflective to more experimental spaces. Table 3 summarises these findings, showing how the collaboration logic evolved across phases, how boundary work structured participation, and what forms of institutional work were involved [I1-I4; D1-D5]. Before the COVID-19 outbreak in early 2020, the spaces were mainly physical and face-to-face; afterwards, some interactions, such as steering group meetings, shifted online. The following sections detail these features phase by phase.

4.1. Planning phase (2014–2016): Tesoma becomes a testbed for a new collaboration logic

According to the city representatives, Tampere's social and healthcare logics had faced growing strain since the 2000s in the form of cost pressures, service silos, and failed contractual models, prompting the city to experiment with new partnership arrangements. Tesoma was seen as a promising site for this because of its acute social and health challenges and residents' distrust of earlier development efforts. In response, the city launched the OmaTesoma project, which engaged decision-makers, citizens, and service providers in identifying local needs, co-creating development goals, and restoring trust. It also served

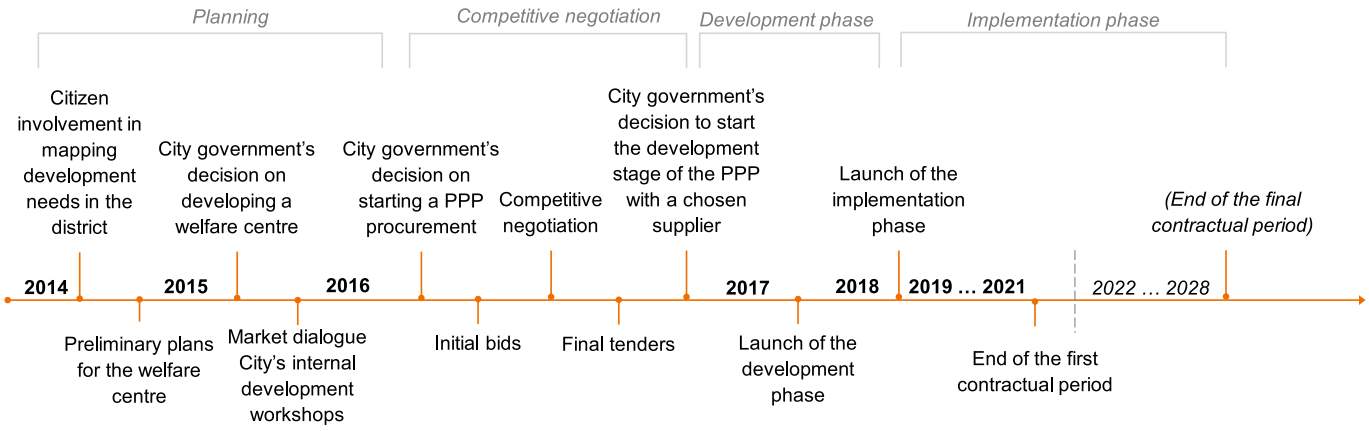

Fig. 3. The process leading to an innovative Wellbeing Centre.

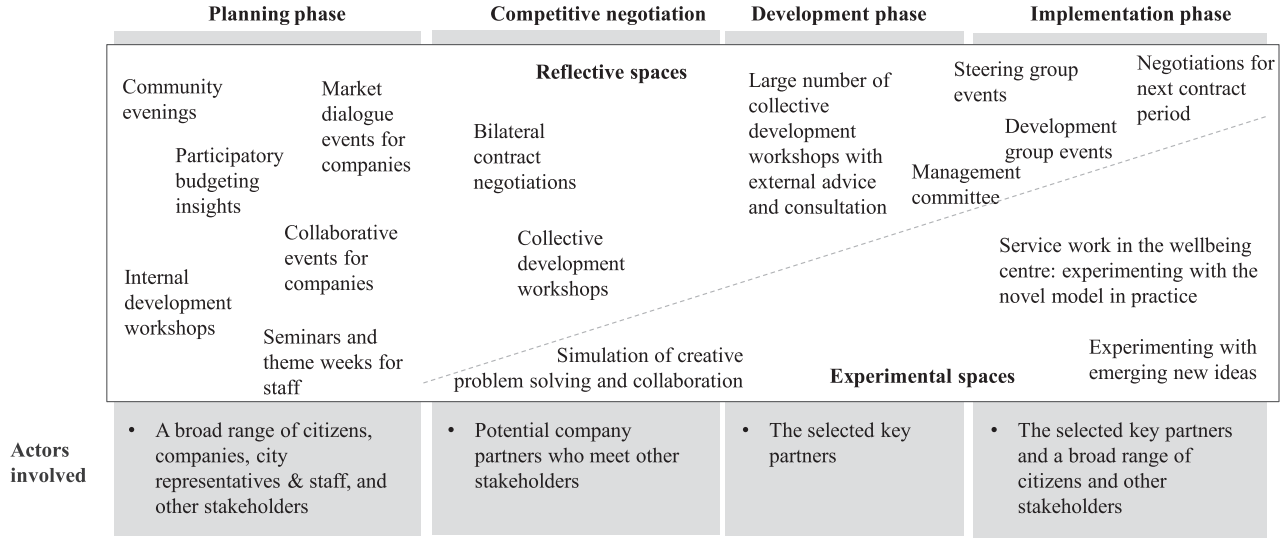

Fig. 4. Examples of reflective and experimental spaces in different phases of the process.

as a broader testbed for service renewal, supporting "*a wide range of experiments and innovations such as the multi-producer model, innovative procurement, collaborative working, participation, and continuous improvement*" (Market dialogue event, city's presentation, 8.4.2016). From the outset, it aimed to develop an innovative low-threshold service available under one roof. [I1; D1-D2]

The idea for the centre emerged within OmaTesoma in 2014 and gained concrete form with the procurement launch in 2016. OmaTesoma and subsequent planning relied on interactive events that we analyse as reflective spaces for collective sensemaking. Our data suggests that these activities – workshops, budgeting events, online consultations, and thematic events – helped identify unmet citizen needs, define development objectives, and build early commitment to the centre's vision. [I1; D1-D2]

The city representatives reported that, in parallel, they began exploring whether the alliance model, previously used in infrastructure, could also be applied to social and healthcare services. As one executive framed it:

> "If we can build a tunnel using the alliance model, why couldn't we produce services as well. This was the underlying notion. 'Why not', we thought, since the basic principles are the same: common objectives, funds, goals, and measures."

Structured market dialogues with companies, associations, citizens, and experts were then used to discuss the service concept, collaboration principles, and the applicability of an alliance-based model. Our analysis suggests that these reflective spaces supported distancing work by exposing the limitations of earlier arrangements and legitimising alternative ways of organising collaboration. They also supported creative work by helping actors build a shared understanding of Tesoma's social issues, articulate goals for a future wellbeing centre, and connect the alliance model to a longer-term societal orientation. The reflective spaces were reinforced by OmaTesoma's boundary-setting role, shielding participants from the normative expectations of conventional roles and ways of working. The planning phase concluded with the decision to adopt an alliance-based procurement model and with the articulation of broad shared impact goals. These gave initial direction to the collaboration logic by framing preventive wellbeing and service integration as shared priorities for the later phases. [I1-I2, I4; D1-D2]

4.2. Competitive negotiation (2016–2017): testing partners' adaptability

The city launched the procurement in 2016 through a competitive negotiation procedure. The main reported challenge was to identify a partner willing and able to collaboratively develop an integrated service model for Tesoma rather than simply deliver a predefined service. Public procurers thus adopted a sensegiving role, legitimising the novel approach and organising contract negotiations and development workshops as interactive spaces for co-creation. For the city, partner selection depended less on price alone than on whether candidates understood the

Table 3
Emergence of the collaboration logic and interactive spaces in the process.

Phase dimension	Planning	Competitive negotiation	Development phase	Implementation phase
Period	2014–2016	2016–2017	2017–2018	2018–2028
Emergence and stabilisation of the collaboration logic	Change from traditional service delivery mindset to prevention and wellbeing framing; alliance becomes a legitimate organising option.	Alliance principles were translated as concrete expectations for partners.	Emerging collaboration logic is codified into roles, decision rules, indicators, and the commercial model. NGO involvement became legitimate.	Impact-driven collaboration logic refined in practice through data-led steering, low-threshold service coordination pathways, and experiments; tensions surfaced and were managed.
Materialisation of the emerging collaboration logic	Local development plans and wellbeing-centre vision; City Board decision to launch the alliance procurement.	Partner evaluation and selection; signing of the development-phase alliance agreement.	Service plan and concept descriptions; target cost; commercial model; set of indicators; implementation-phase alliance contract.	New tools and pilots, such as Power BI dashboards and digital service experiments; documented performance results, and continuation into new contract periods.
Boundary work, i.e., organising the spaces for institutional work	Enlarging the number of stakeholders involved in planning.	Opening up negotiations for every potential partner, but carefully evaluating who can fit in and adopt the new logic	Closing the spaces and working with selected partners. Adding new partners based on identified needs.	Opening up and enlarging the space for stakeholders in the area
Types of interactive spaces employed	Reflective spaces	Reflective spaces with a small-scale experimental space	Reflective spaces	Experimental space, supported by small-scale reflective spaces
Institutional work in interactive spaces	*Reflective spaces*: Sensitising decision-makers to citizens' needs; bringing in norms and ideas from other contexts and shaping them with the stakeholders (*Distancing work, creative work*)	*Reflective spaces*: Framing the Wellbeing Centre as an experimental project with new norms for interaction (*Distancing work*) Developing a new collaboration logic with potential service providers; evaluating the partners' potential (*Creative work, anchoring work*) *Experimental spaces*: Simulating the cross-sectoral collaboration with potential partners *(Distancing work, creative work, anchoring work)*	*Reflective spaces*: Co-creating objectives, structures, and practices for the centre between the partners (*Creative work*) Integrating the new collaboration logic into contract clauses, indicators, roles, and responsibilities (*Anchoring work*)	*Reflective spaces*: Evaluating the objectives and how they are met (*Distancing work*) Reflecting on and addressing emerging tensions, improving processes, creating novel solutions (*Creative work, anchoring work*) *Experimental spaces*: Enacting and elaborating the new collaboration logic in practice: aligning operations and seeking synergies; solving emerging issues on the spot; sharing data *(Creative work, anchoring work)*

holistic wellbeing premise and were prepared to enter a genuine collaborative arrangement rather than a conventional purchaser-provider relationship. This shifted competition from price-based service delivery toward bidders' capacity to participate in joint development and commit to the emerging collaboration logic. [I1; D3]

The project documents show that the contract negotiations addressed key elements of the future alliance agreement, including commercial arrangements and reimbursable costs. Based on interviewees' accounts, we interpret these negotiations as reflective spaces, in which participants could distance themselves from previous expectations about collaboration, clarify ambiguities, and align expectations before making formal commitments. In parallel, two rounds of development workshops were organised with city officials, potential partners, and a wide range of service professionals. They focused on refining the service concept, operating model, and alliance principles, facilitating participants' creative work. [I1-I2; D3]

The workshops also included simulation exercises where participants assumed alliance leadership roles and addressed realistic management challenges. Their performance was assessed in terms of leadership, innovation, collaboration capability, and ability to deliver results. We interpret these simulations as small-scale experimental spaces through which actors enacted the alliance model in practice, revealing differences in assumptions, expectations, and organisational routines. In this way, they supported creative work and early anchoring by testing whether prospective partners could operate within a novel collaboration logic. [I1-I2; D3]

Interviewees also highlighted tensions in the process [I1-I2]. Participating firms perceived it as resource-intensive and uncertain, with risks associated with data sharing, joint responsibility, and deviations from standard outsourcing arrangements, and only a minority proceeded through the full negotiation phase [D3]. One company representative described the early process as "a lot of workshopping and singing-playing events that were run by consultants", criticising it as disorganised and burdensome. A representative from the winning bidder acknowledged these concerns but emphasised that the city's apparent commitment to genuine partnership distinguished the initiative from past experiences:

> "But what made a really important difference was our assessment that the other side was serious in the first place. (…) In a way, it surprised us. I mean, they often say they want a partnership, but no, they actually want to be in a purchaser-provider relationship, just like they always used to be."

For Mehiläinen, remaining in the process involved an internal go/no-go assessment of workload, contractual risk, and benefits. Although the project was not expected to generate short-term profit, interviewees described it as a potentially valuable reference case and learning opportunity. Taken together, these observations suggest that, while the spaces were open to multiple potential partners, their design also filtered for alignment with the emerging collaboration logic. By the end of the phase, the city selected Mehiläinen based on both technical criteria and its fit with the emerging impact-driven orientation. This laid the foundation for the development phase, where the new model would be further developed and formalised. [I2; D3]

4.3. Development phase (2017–2018): co-creating the impact-driven collaboration logic

The development phase began in January 2017 and focused on specifying the centre's service model, long-term objectives, operating structures, and commercial model. We interpret this phase as a set of bounded reflective spaces in which alliance partners formalised key elements of the emerging collaboration logic. It focused especially on creative work, through which practical approaches for running the

centre were developed, and anchoring work, through which earlier commitments were translated into concrete structures and tools. [I1-I2; D4]

The alliance also deliberately incorporated a third-sector partner, Setlementti Tampere, to ensure that the collaboration would not remain a purely public-private arrangement. This reflected an explicit aim to connect public, private, and community actors in a socially challenged neighbourhood and to strengthen network-building and low-threshold engagement as part of the broader change effort. [I1-I3; D4-D5]

Formalising the collaboration logic required internal anchoring within each organisation. Interviewees reported that agreeing on goals, indicators, and operating structures exposed differences in working styles, values, and routines that had to be reconciled in practice. For the two main partners, this was the key internal decision phase in which earlier interest in the alliance was converted into concrete commitments on roles, indicators, target costs, and incentives. As one Mehiläinen representative noted, *"actual decision making truly happened during the development phase … it made very clear the difference between private and public actors"*. Interviews also indicate that the city's dual role as both purchaser and service provider initially created confusion, which was resolved only after these functions were more clearly separated. [I1-I2; D4]

The phase also required adjustment from both the public and the third sector. For the city, this meant that some healthcare personnel moved under Mehiläinen, which became responsible for alliance operations. As one interviewee noted, "*they were told that Mehiläinen would become the main operator. That was, of course, an extremely difficult matter for people"*. For Setlementti Tampere, collaboration with a private company required reconsidering its operating assumptions. According to one interviewee, *"working with a private company was not straightforward; I heard that it required effort to convince the organisation's board, and differences in values meant such collaboration did not come naturally."* [I1, I3; D4]

Our empirical material shows that a large number of stakeholders from the city, Mehiläinen, service design and recruitment companies, and other stakeholders participated in co-creation activities during this phase. A central task was to define indicators for impact goals articulated earlier. Expert groups combining service knowledge with analytical expertise in metrics worked toward indicators that were meaningful, measurable, and operationally feasible. Mehiläinen informants also emphasised that paid participation in co-creation during this phase mattered, in contrast to earlier stages where participation had been financially loss-making. Through this work, key elements of the impact-driven collaboration logic were formalised in indicators and governance structures. By April 2018, the parties had finalised the alliance's governance structures, selected the indicators used to steer performance and incentivise partners (see Appendix C), agreed on roles and responsibilities (see Appendix D), and drafted an implementation plan for the first operational year. [I1-I3; D4-D5]

4.4. Implementation phase (2018–): anchoring the new collaboration logic in practice

The Tesoma Wellbeing Centre opened in 2018, marking the point at which the new collaboration logic began to guide actual service provision. Mehiläinen became responsible for day-to-day operations, while the city's role shifted toward securing strategic alignment. In our analysis, the 10-year contract created an experimental space in which the impact-driven collaboration logic was enacted and further elaborated through practice. Although our analysis indicates that the main task was to anchor the new logic in everyday operations, interviewees described continued development, with creative work occurring both through daily service integration and more organised reflective spaces, such as the annual "Tesoma forum" used to share best practices and a joint development group. [I1-I3; D4-D5]

Anchoring relied on design principles embedded in governance and routines. Shared dashboards, meeting agendas, and employee bonus systems reduced the likelihood of actors reverting to old habits. [I1-I2; D4-D5] For Mehiläinen, in particular, monetary incentives were perceived as key motivators for steering operational change, as an interviewee described:

> "The fact that the new aims are tied to economic factors is absolutely everything to us. A private service provider is wonderful in that it can be made to go through fire and water, but this often happens through economic steering mechanisms."

The shared physical setting and integrated operations also helped reconfigure actor relations and enabled new forms of coordination in everyday practice. Setlementti Tampere, deeply rooted in the community, was described as playing a critical role in connecting citizens to services through hosting patient organisations, running a community café, and supporting daily coordination. One doctor described it as a "hub that knows everything and arranges and organises things". While some residents hesitated to approach healthcare professionals directly, they found Setlementti Tampere more accessible. [I1-I3; D4-D5] As a Setlementti employee described:

> "I can get assistance from this building when I call about a crisis. I usually reach out to someone who can help immediately or later, thanks to my familiarity with the networks."

The centre also provided a setting for innovating new ways to address citizens' issues. Interviewees described ongoing efforts to improve service integration, responsiveness, and support for high-need groups by combining the city's broad understanding of wellbeing with Mehiläinen's more agile tools and practices. Dedicated development managers and a joint development group coordinated joint experimentation with new services and processes. Mehiläinen's access to city health data under the open-book model enabled the development of new tools and more data-driven decision-making, while the long-term contract and shared savings scheme encouraged investments in innovation whose value was realised over a longer term. [I1-I3; D4-D5] As a director at Mehiläinen explained:

"This commercial model is more favourable for various types of development projects and long-term cost-saving activities. We have several initiatives that have required initial investments, which have clearly been recognised as good practices in Tesoma. For example, every euro saved is shared between us, the City of Tampere, and the staff. This arrangement makes it more attractive to invest in accessibility and quality rather than simply cutting costs."

At the same time, partners maintained reflective spaces for evaluating the model and managing emerging tensions. Embedded in governance routines, such as management committee meetings and development group discussions, these spaces enabled joint assessment and adjustment. A frequently mentioned example was the disagreement over tightening cost targets after the alliance had remained under budget. Mehiläinen opposed the proposed change, which both parties described as a temporary breakdown in the alliance mindset and a return to more traditional purchaser-provider roles. The dispute was, nevertheless, resolved within the management committee, without disrupting daily operations. [I1-I2; D4-D5]

Another important moment of reflection came after the first four-year contract period, when cost targets and impact indicators were renegotiated. With realised costs 12% below target and most impact indicators improving, only minor adjustments were made. In 2023, a nationwide reform transferred responsibility for social and healthcare services from cities to larger wellbeing services counties, bringing the relevant county into the alliance, where it took over some responsibilities from the city. [I1-I2; D4-D5]

Overall, our analysis suggests that the interactive spaces supported the emergence and partial local stabilisation of an impact-driven collaboration logic. However, the later breakdown during financial discussions indicates that competing sectoral logics have remained

latent throughout the process and resurfaced when interests diverged. [I1-I4; D4-D5] The relative smoothness of the case should therefore be treated as a favourable condition rather than evidence that such tensions had disappeared. We reflect on this further in the discussion.

5. Discussion

This study contributes to the growing literature on PPI by showing how public procurement can support the creation of a social innovation in a complex social and healthcare setting by organising a sequence of interactive spaces across procurement phases. In the Tesoma Wellbeing Centre case, these spaces enabled different forms of institutional work through which public, private, and third-sector actors gradually developed and partially stabilised an impact-driven collaboration logic. The procurement process helped actors jointly frame the social problem, assess partner fit, translate shared ambitions into governance structures, and embed them in service delivery. The result was a social innovation centred on preventive and integrated service provision in a city district. It manifested in a change in social relations and collaboration patterns that enabled actors to address complex social issues more effectively.

5.1. Theoretical contribution

Our central theoretical contribution is to explain the mechanism through which procurement-organised interaction can support social innovation when the solution cannot be fully specified ex ante and depends on cross-sectoral collaboration. Prior research has shown how public buyers incorporate social objectives into procurement strategy, tender criteria, supplier selection, and contract management (Bernal et al., 2019; Loosemore, 2016; Pihlajamaa et al., 2025; Selviaridis et al., 2023b; Troje and Andersson, 2021; Wontner et al., 2020). In our study, social value could not be realised by adding predetermined social criteria to a contract or selecting a suitable supplier. It required public, private, and third-sector actors to jointly develop the goals, roles, practices, and governance arrangements through which integrated service provision would operate. The project alliance model (Matinheikki et al., 2019) provided the governance architecture through which such reorganisation was pursued, while the sequence of interactive spaces explains how the participating actors used that architecture to develop an impact-driven collaboration logic.

More specifically, our findings show that this mechanism combined phase-specific procurer roles with distinct ways of organising interaction and different forms of institutional work. Fig. 5 summarises this theoretical interpretation. The actors entered planning phase with their distinct, misaligned logics that had hindered integrated service provision. We propose that, at this stage, the procurers acted as *problem-framers* through broad reflective engagement with citizens, public organisations, service providers, and other stakeholders. By broadening participation and creating opportunities for collective reflection, they enabled actors to articulate unmet social needs and the limitations of dominant service provision models and formulate preventive wellbeing and service integration as shared priorities. During competitive negotiation, procurers assumed a *sensegiving* role (Gioia and Chittipeddi, 1991) through structured dialogue, development workshops, and simulations with prospective partners. These interactions clarified the intent and goals of the proposed collaboration and tested potential partners' alignment with the emerging collaboration logic.

In the development phase, the city operated as a *facilitator of cross-sectoral integration* through intensive and more bounded co-design among the selected public, private, and third-sector partners. Interactions in this phase translated broad ambitions into shared objectives, roles, incentives, and governance structures. Finally, during the implementation phase, the city assumed the role of *securing strategic alignment* by combining embedded everyday experimentation in service delivery with periodic reflective interaction within steering groups, development groups, and other reflective spaces, allowing actors to assess results, address tensions, and adjust the arrangement. Taken together, these findings show that procurement processes, often perceived as rigid and bureaucratic, can serve as sites for creative, strategic, and future-oriented design that contribute to project-level institutional work and the building of new forms of cross-sector collaboration.

The mechanism through which procurement supports social innovation lies in the sequencing and combination of these roles, interaction modes, and forms of institutional work, rather than in any individual space or procurement practice. Distancing and creative work were

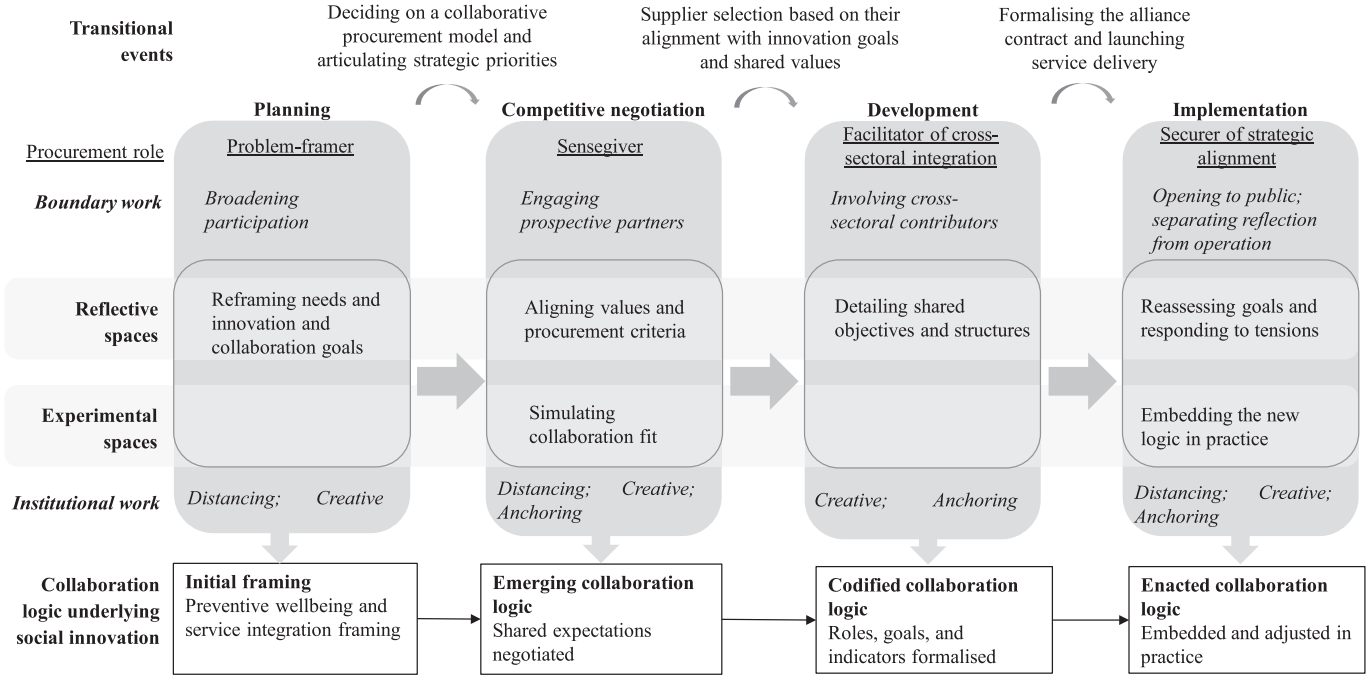

Fig. 5. Theorisation of the change process at Tesoma across four phases.

prominent early on as actors reframed needs and goals, and re-emerged when tensions required renewed reflection. Creative and anchoring work became central as shared ambitions were translated into governance, indicators, and incentives. During implementation, reflective and experimental spaces supported ongoing adjustment while anchoring the logic in everyday routines. In addition to facilitating interaction, procurers shaped these processes through boundary work by defining participation, roles, and decision-making structures.

This multi-phase perspective extends procurement research that has primarily examined interaction through market dialogue, end-user consultation, and other forms of early engagement (Alhola et al., 2017; Rainville, 2021; Torvinen and Ulkuniemi, 2016). Such interaction often remains narrow or largely one-directional, focused on refining specifications or assessing technical feasibility, with only modest effects on innovation and learning (Berkhout et al., 2026). Our findings suggest that the relevant distinction is not simply between more and less interaction. Instead, the emphasis shifts to whether different forms of interaction are deliberately organised and sequenced so that actors can question established arrangements, develop and test alternatives, and anchor emerging commitments across procurement phases. Sequencing interactive spaces across the procurement process (cf. Holma et al., 2022) can support partner commitment and integrate relevant stakeholder perspectives across decision levels, from strategic aims to operational decisions.

In Tesoma, the resulting collaboration logic was hybrid (Laihonen and Kokko, 2023; Mair et al., 2015; Skelcher and Smith, 2015) in a substantive sense: it reconfigured the contributions and expectations of multiple actors rather than simply extending the city's existing logic outward. The city structured the process and retained procurement authority, but left the goals and operating model sufficiently open, allowing firms and stakeholders to influence their development. This helps address the concern that interactive spaces are dominated by the priorities and values of the organisation setting them up, risking the legitimation of their results (Tarabichi et al., 2025). In Tesoma, procurers shaped the boundaries and conditions of interaction without fully predetermining its outcome. This not only strengthened commitment among participants but also aligned motivations and expectations early on, reducing the risk that service delivery would fail due to misunderstandings or unclear objectives.

These findings extend prior research on social procurement by foregrounding the collective, cross-sectoral processes through which social value is developed and operationalised. Razmdoost and Alinaghian (2024) show how social procurement is advanced through institutional work within buying organisations, particularly by changing procurement norms and integrating social enterprise suppliers. Selviaridis et al. (2023b) show how public-sector anchor institutions translate social value policies into procurement strategies, inter-organisational structures, supplier management practices, capability development, and performance assessment. Harrison (2026) further complements these studies by examining street-level implementation, practitioner-supplier interaction, discretion, and operational tensions in social procurement. Building on these studies, our analysis shifts attention to a cross-sectoral process spanning problem framing, partner selection, governance design, and service delivery. We show how procurement can organise interactive spaces through which public, private, and third-sector actors collectively develop and operationalise a collaboration logic for service delivery.

5.2. Alternative explanations, boundary conditions, and future research opportunities

Tesoma was selected as a positive case in which procurement was perceived to have supported social innovation relatively successfully. This enabled in-depth analysis of how interactive spaces support the development of a collaboration logic under favourable conditions, but it also limits generalisability. The findings therefore show what interactive spaces can enable, rather than what they typically produce or why they may fail in less favourable settings.

The case can also be read through alternative but partly interconnected lenses. A public-private partnership or buyer-supplier alignment lens captures important contractual and relational features of the case, such as target costs, impact indicators, shared risks and rewards, and incentive alignment (Holma et al., 2022; Martin, 2007; Selviaridis et al., 2023b). However, it primarily emphasises the dynamics between the contracting parties, whereas our institutional reading highlights how public, private, and third-sector actors developed shared assumptions, roles, rules, and practices for addressing a local social problem. We therefore argue that contractual alignment between buyer and supplier formed only one element in the construction of a collaboration logic among actors involved in service delivery.

An alliance-contracting or project-management lens, in turn, highlights the formal architecture of the project alliance, including joint decision-making, open-book accounting, shared risks and rewards, and development-phase work (Matinheikki et al., 2019; Ståhle et al., 2025). This architecture enabled collaboration, but it does not fully explain how the collaboration logic emerged. The interactive-spaces perspective therefore helps explain how the architecture was translated into a collaboration logic. The studied procurement process employed several interactive spaces before the alliance model was introduced and involved many actors beyond those typically engaged in alliance projects. Moreover, because Tesoma concerned ongoing service delivery rather than a bounded project output, the central challenge was not only to coordinate project execution, but to develop and stabilise new relations, indicators, roles, and service practices over time.

A change-agent reading offers a further plausible interpretation. It highlights the role of distinct actors who helped participants clarify problems, develop strategies, establish working relationships, connect resources, and support the implementation of planned change (Ottaway, 1983). A distributed view of change agency (Caldwell, 2003) is particularly relevant in healthcare settings, where multiple actors may support interpretive change by brokering perspectives, provoking reflection, and orchestrating agency (Nigam et al., 2015). Applied to Tesoma, this reading would foreground consultants, alliance experts, city managers, and intermediaries alongside procurers. While change-agent activities helped facilitate collective sensemaking in the Tesoma case, this lens does not fully capture the importance of procurers' formal position within a legally and economically consequential public-demand process. Their position allowed them to structure access, define criteria, select partners, and connect emerging commitments to contracts, incentives, indicators, and governance routines.

In sum, we argue that interactive spaces provided an enabling mechanism through which the cross-sectoral partnership setting, alliance model, and public procurers' change-agent activities contributed to the development of a collaboration logic. Without sustained opportunities for intensive interaction, reflection, and experimentation, these favourable starting points might not have produced a shared collaboration logic. Our explanation would have been less convincing if the case had shown only contractual alignment between the city and Mehiläinen without broader cross-sectoral reconfiguration; if the service model, indicators, roles, and routines had already been fixed before interaction began rather than developed through it; or if the observed outcomes could be traced only to contractual incentives or managerial facilitation without evidence of distancing, creative, and anchoring work. Under such conditions, the explanations discussed above would have been sufficient. Conversely, the interactive-spaces explanation is most plausible when the procurement model creates room for actors to reflect on existing assumptions, develop alternatives, and anchor new roles, indicators, and routines in practice.

One important boundary condition concerns the procurement model through which such interactive spaces can be organised. The project alliance model helped create such room in Tesoma, but the mechanism should not be equated with the alliance model itself. The model has

proved effective in demanding procurement domains and large contracts, such as complex infrastructure construction (Matinheikki et al., 2019), and our study suggests it also has potential in social and healthcare service contracting. Yet it is a resource-intensive approach that may be less suitable for smaller and simpler projects with limited uncertainty and room for innovation (Ståhle et al., 2025). Future research should, therefore, investigate how similar opportunities for reflection, creation, and anchoring could be integrated into lighter procurement models.

Other boundary conditions concern the nature of the procured service and the societal context. We anticipate that interactive spaces are most feasible when the service cannot be fully specified ex ante, needs are heterogeneous and evolve over time, and the outcomes depend on intensive coordination across organisational and professional boundaries. These features are typical in preventive social and healthcare services, whose impacts materialise slowly and are difficult to attribute (Blomqvist and Winblad, 2022; Strokosch and Roy, 2025), increasing the value of longer time horizons, cross-sectoral co-creation, and adaptive governance (Hutchinson, 2024). Furthermore, the Tesoma case is embedded in a Nordic welfare-state context in which public authorities remain central to welfare-service delivery, institutional trust is relatively high, and collaborative governance is more readily framed through public coordination than market discipline (Ejersbo et al., 2023; Saari and Tynkkynen, 2020). The findings travel most plausibly to other complex service procurements where innovation depends on sustained cross-sector coordination rather than on selecting a supplier for a clearly defined solution. Transfer to more adversarial procurement environments may therefore require additional effort to build trust, legitimacy, and cross-sector coordination, which this case does not test.

A practical boundary condition concerns procurer capabilities. Managing intensive interaction in long and complex projects requires competencies that are unevenly distributed across procuring organisations. Procurers are often time-constrained and lack the capabilities to "reap the full transformative benefits of PPI" (Grimbert et al., 2024, p. 2). Future research should therefore examine how procurement capabilities and supporting infrastructures determine feasible interaction designs, as well as the role of intermediary organisations in building capabilities, facilitating peer learning, and supporting procurement approaches that promote collaboration logic development and social innovation (Alhola et al., 2025; Berg et al., 2022; Edler and Yeow, 2016; Selviaridis et al., 2023a). Another limitation concerns the format of interaction. The interactive spaces analysed here were predominantly physical. Most collaboration took place face to face, with some interaction shifting online after the COVID-19 outbreak. Future research could examine how similar processes unfold in digital or hybrid settings and whether such settings can support the same forms of distancing, creative, and anchoring work as physical interaction.

Finally, this study traced the creation of a locally impactful social innovation but offers limited insights into what may spread beyond the case and how. Potential objects of transfer include the project alliance model as a governance arrangement, the underlying impact-driven collaboration logic, and more specific practices and artefacts such as governance routines, indicators, incentive rules, and data practices. Prior research suggests that broader impacts depend on mechanisms for raising awareness, sharing best practices, and formalising rules, templates, or standards (Matinheikki et al., 2019; Tarabichi et al., 2025). Less is known about how procurement can support the spread of such arrangements, logics, or practices across contexts (Healy et al., 2025; Merisalo et al., 2026). Future research should therefore examine which of these elements are transferable – for example, through standardised procurement artefacts, such as governance routines, indicator sets, incentive rules, and data practices – and which require continued local negotiation. At the practice level, our interviewees indicated that some elements, such as data-driven management, had already begun to transfer from Tesoma to other city locations. At the same time, they noted that Finland's small market size may constrain the wider scaling of the project alliance model and other large integrated collaborations, even if the Tesoma experience has increased interest in applying the model elsewhere. The broader significance of the case may thus lie not in direct copying, but in how it provides a reference point for adapting collaborative procurement models elsewhere.

CRediT authorship contribution statement

Matti Pihlajamaa: Writing – review & editing, Writing – original draft, Visualization, Validation, Project administration, Methodology, Investigation, Funding acquisition, Formal analysis, Data curation, Conceptualization. **Anton Sigfrids:** Writing – review & editing, Writing – original draft, Visualization, Validation, Methodology, Investigation, Formal analysis, Data curation, Conceptualization. **Tiina Tuominen:** Writing – review & editing, Writing – original draft, Visualization, Validation, Investigation, Formal analysis, Conceptualization.

Declaration of Generative AI and AI-assisted technologies in the writing process

During the preparation of this work, the authors used ChatGPT versions from 4o to 5.6 in order to improve the grammar, spelling, and readability of the text. After using this tool, the authors reviewed and edited the content as needed and take full responsibility for the content of the publication.

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Declaration of competing interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Appendix A. Supplementary data

Supplementary data to this article can be found online at https://doi.org/10.1016/j.techfore.2026.124853.

Data availability

The data that has been used is confidential.

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