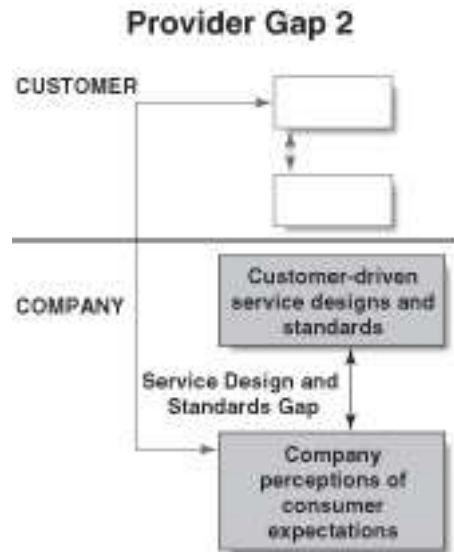


Part 4

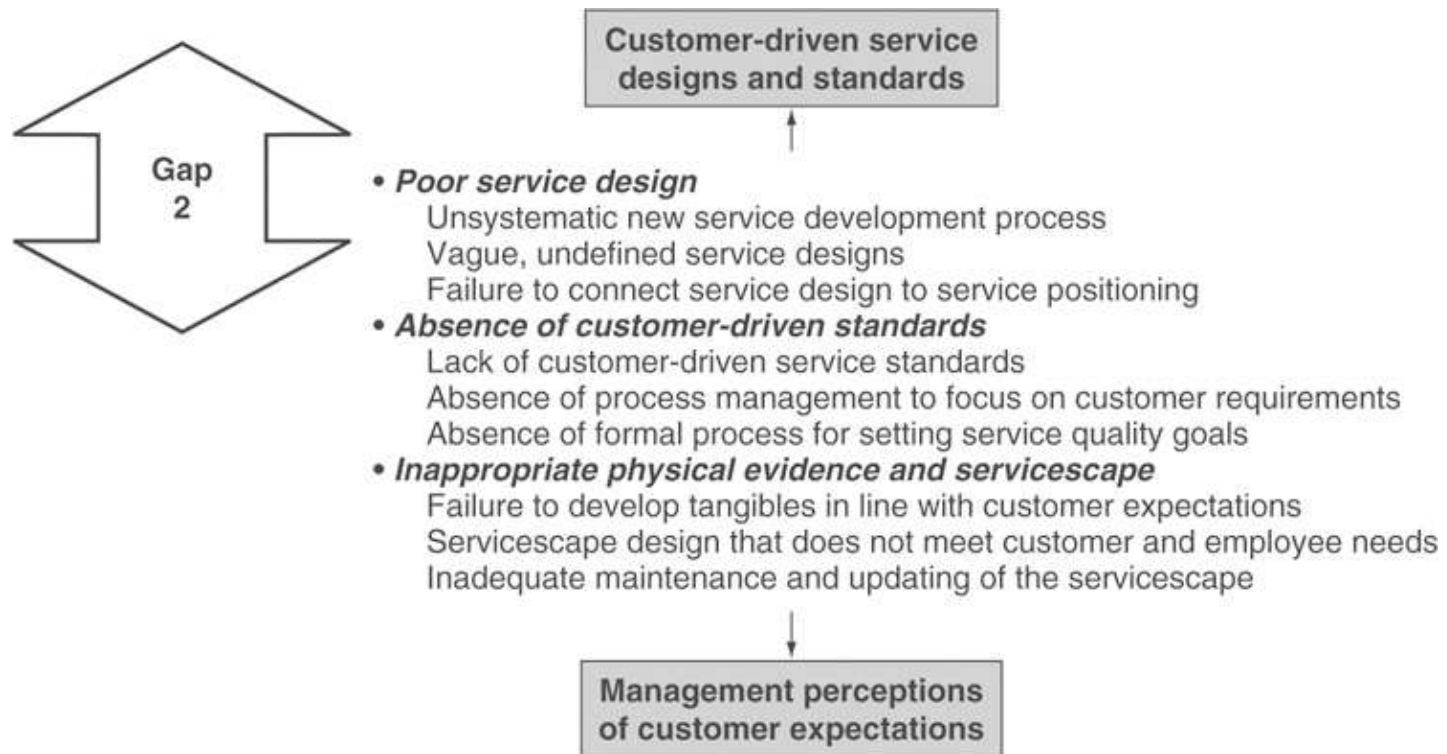
ALIGNING SERVICE DESIGN AND STANDARDS

Provider Gap 2



Key Factors Leading to Provider Gap 2

FIGURE 2.3
Key Factors Leading
to Provider Gap 2:
The Service Design
and Standards Gap



Service Innovation and Design

- Challenges of Service Innovation and Design
- New Service Development Processes
- Types of Service Innovations
- Stages in Service Innovation and Development
- Service Blueprinting
- High-Performance Service Innovations

Objectives for Chapter 9: Service Innovation and Design

- Describe the challenges inherent in service innovation and design.
- Present the stages and unique elements of the service innovation and development process.
- Demonstrate the value of service blueprinting and how to develop and read service blueprints.
- Present lessons learned in choosing and implementing high-performance service innovations.

Risks of Relying on Words Alone to Describe Services

- Oversimplification
- Incompleteness
- Subjectivity
- Biased Interpretation



Describing the Complexity of a Service Offering:

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Types of Service Innovations

- major or radical innovations
- start-up businesses
- new services for the currently served market
- service line extensions
- service improvements
- style changes

New Service Development Process

FIGURE 9.1 Service Innovation and Development Process

Sources: M. J. Bowers, "An Exploration into New Service Development: Organization, Process, and Structure," doctoral dissertation, Texas A&M University, 1985; A. Khurana and S. R. Rosenthal, "Integrating the Fuzzy Front End of New Product Development," *Sloan Management Review* 38 (Winter 1997), pp. 103–120; and R. G. Cooper, *Winning at New Products*, 3rd ed. (Cambridge, MA: Perseus Publishing, 2001).

Front-end planning

Implementation

- Business strategy development or review

- New service strategy development

- Idea generation

Screen ideas against new service strategy



- Concept development and evaluation

Test concept with customers and employees



- Business analysis

Test for profitability and feasibility



- Service development and testing

Conduct service prototype test



- Market testing

Test service and other marketing mix elements



- Commercialization

- Postintroduction evaluation

New Service Strategy Matrix for Identifying Growth Opportunities

FIGURE 9.2
New Service
Strategy Matrix for
Identifying Growth
Opportunities

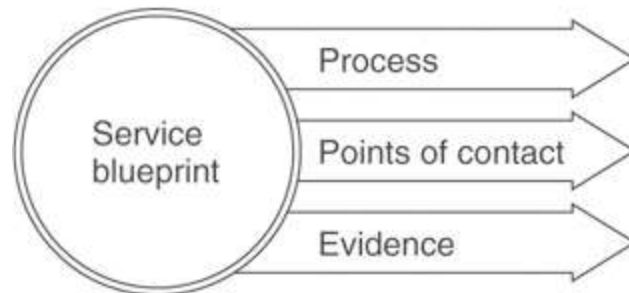
Source: Adapted from
H. I. Ansoff, *Corporate*
Strategy (New York:
McGraw-Hill, 1965).

Offerings	Markets	
	Current customers	New customers
Existing services	Share building	Market development
New services	Service development	Diversification

Service Blueprinting

- A tool for simultaneously depicting the service process, the points of customer contact, and the evidence of service from the customer's point of view.

FIGURE 9.3 Service Blueprinting



Service blueprinting

A technique for simultaneously depicting the service process, the points of customer contact, and the evidence of service from the customer's point of view.

Service Blueprint Components

Customer Actions

line of interaction

Visible Contact Employee Actions

line of visibility

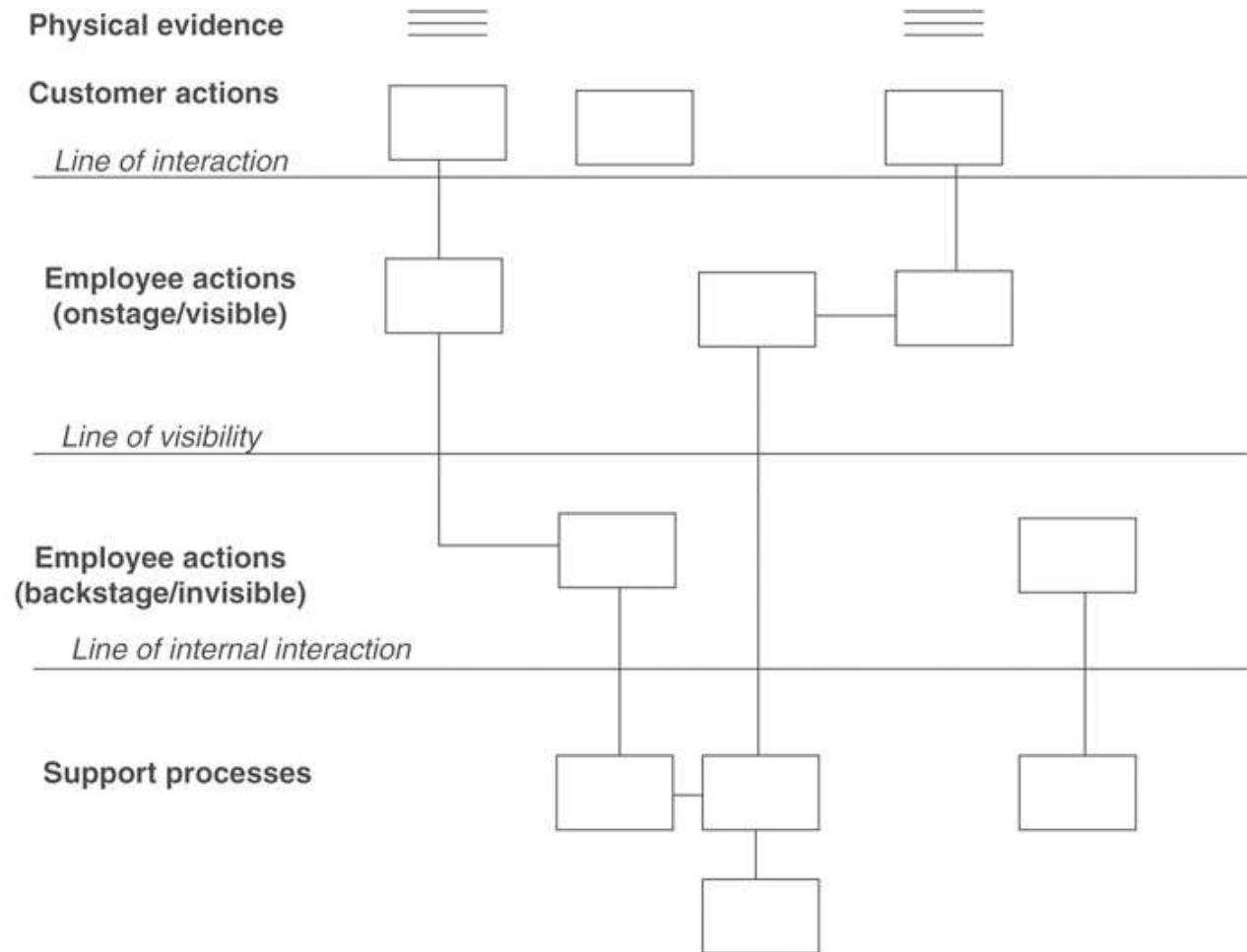
Invisible Contact Employee Actions

line of internal interaction

Support Processes

Service Blueprint Components

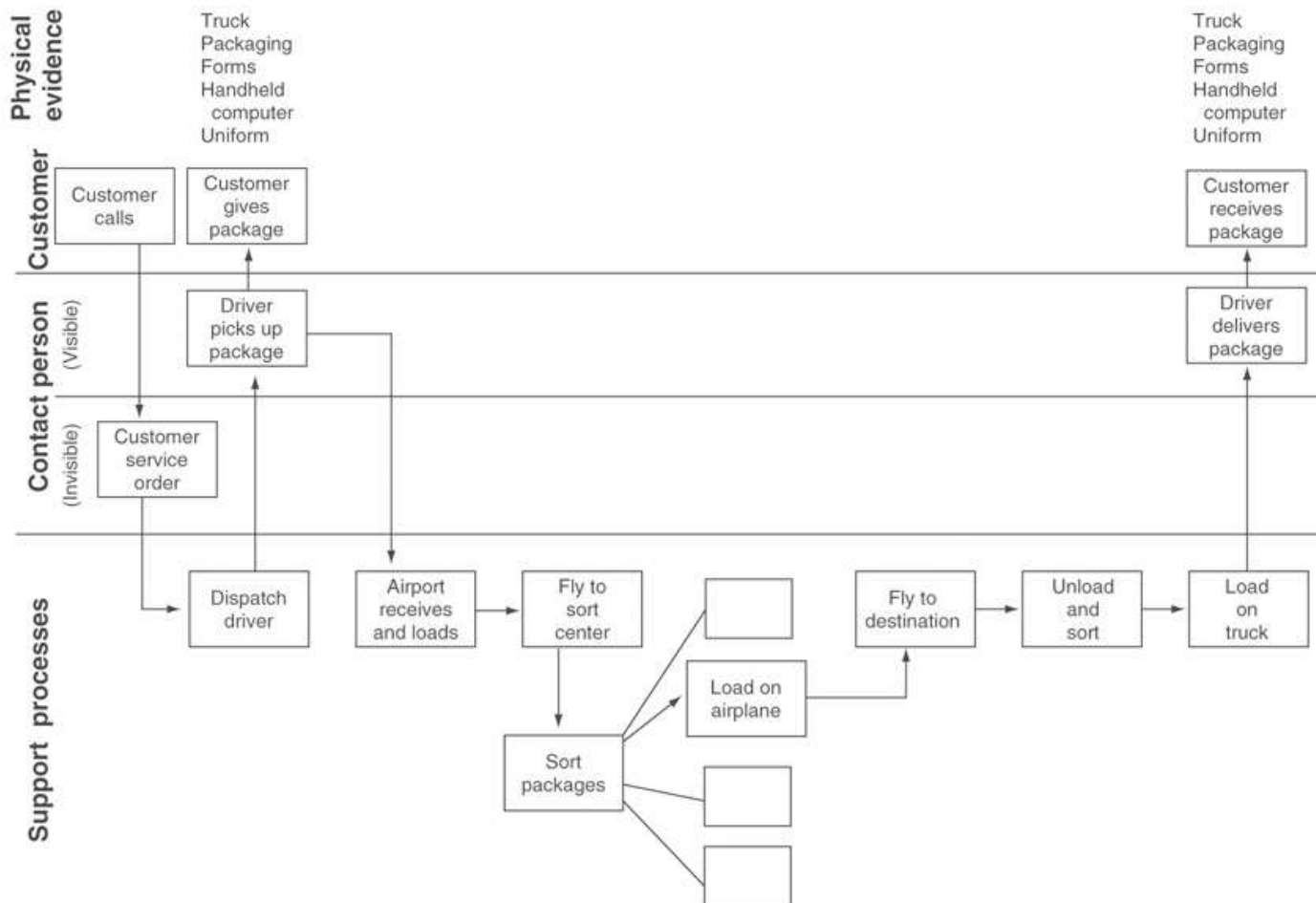
FIGURE 9.4
Service Blueprint
Components



Blueprint for Express Mail Delivery Service

FIGURE 9.5 Blueprint for Express Mail Delivery Service

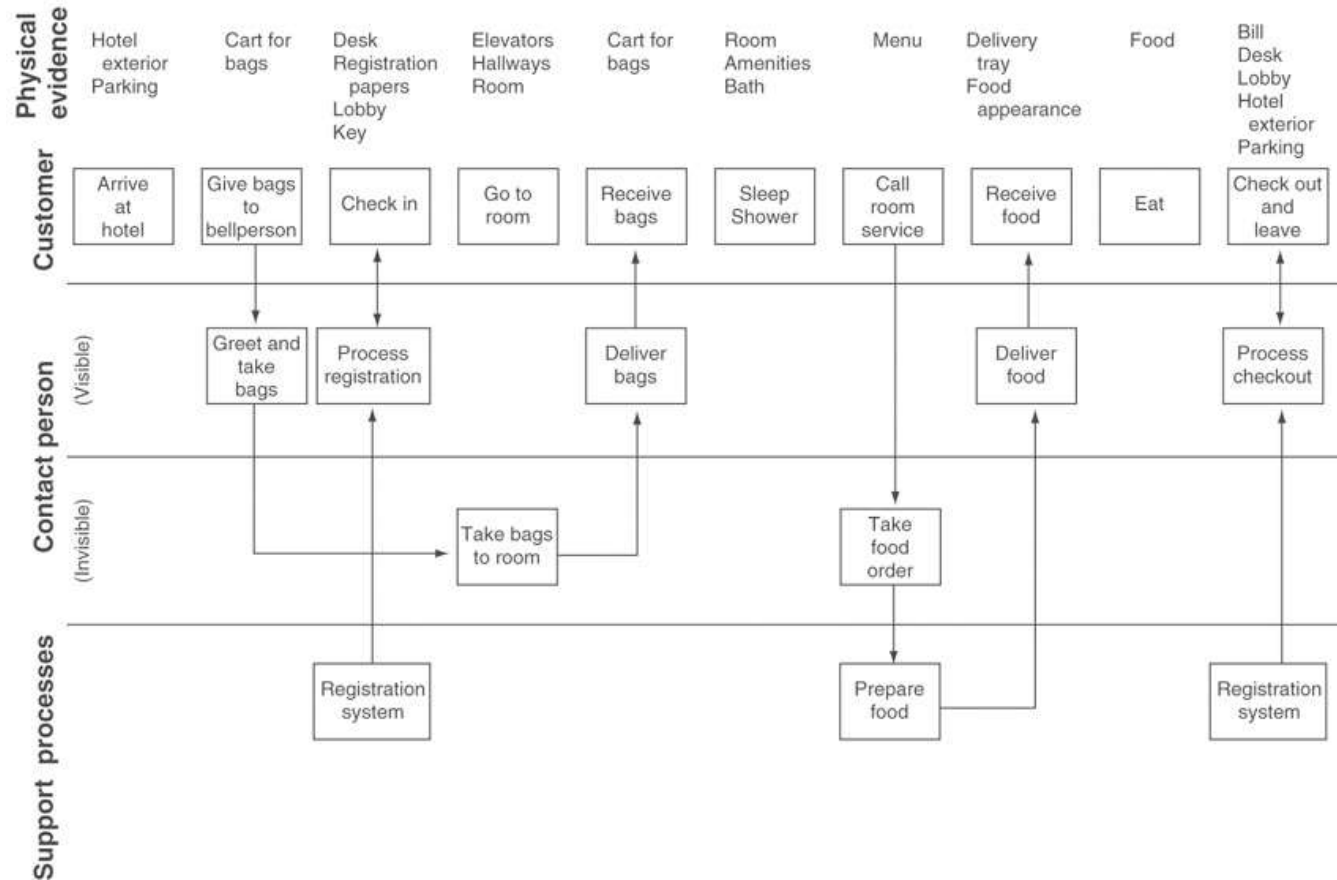
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Blueprint for Overnight Hotel Stay Service

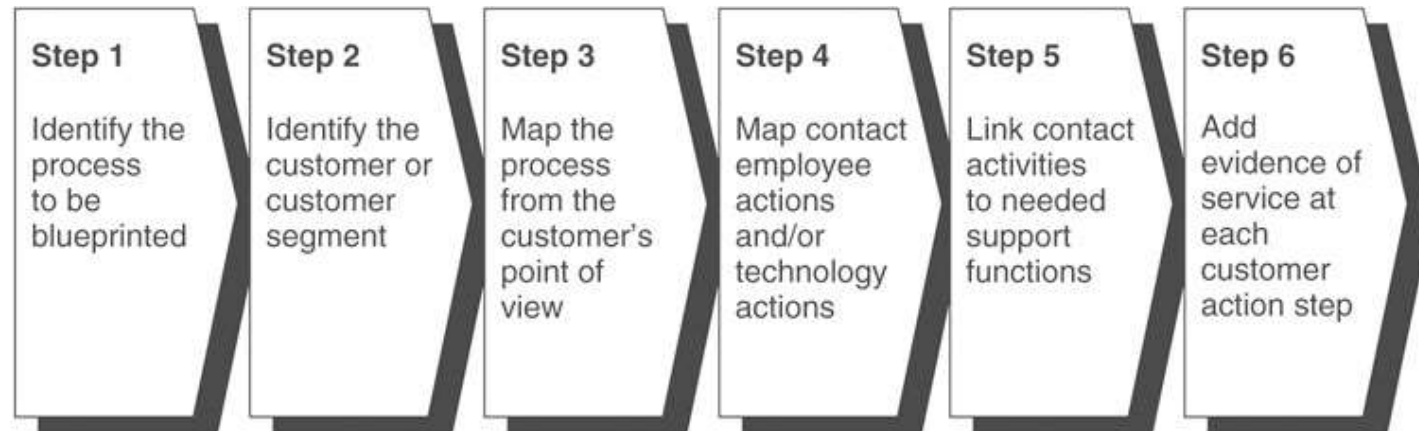
FIGURE 9.6
Blueprint for Overnight Hotel Stay Service

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Building a Service Blueprint

FIGURE 9.7
Building a Service
Blueprint



Application of Service Blueprints

- New Service Development
 - concept development
 - market testing
- Supporting a “Zero Defects” Culture
 - managing reliability
 - identifying empowerment issues
- Service Recovery Strategies
 - identifying service problems
 - conducting root cause analysis
 - modifying processes

Blueprints Can Be Used By:

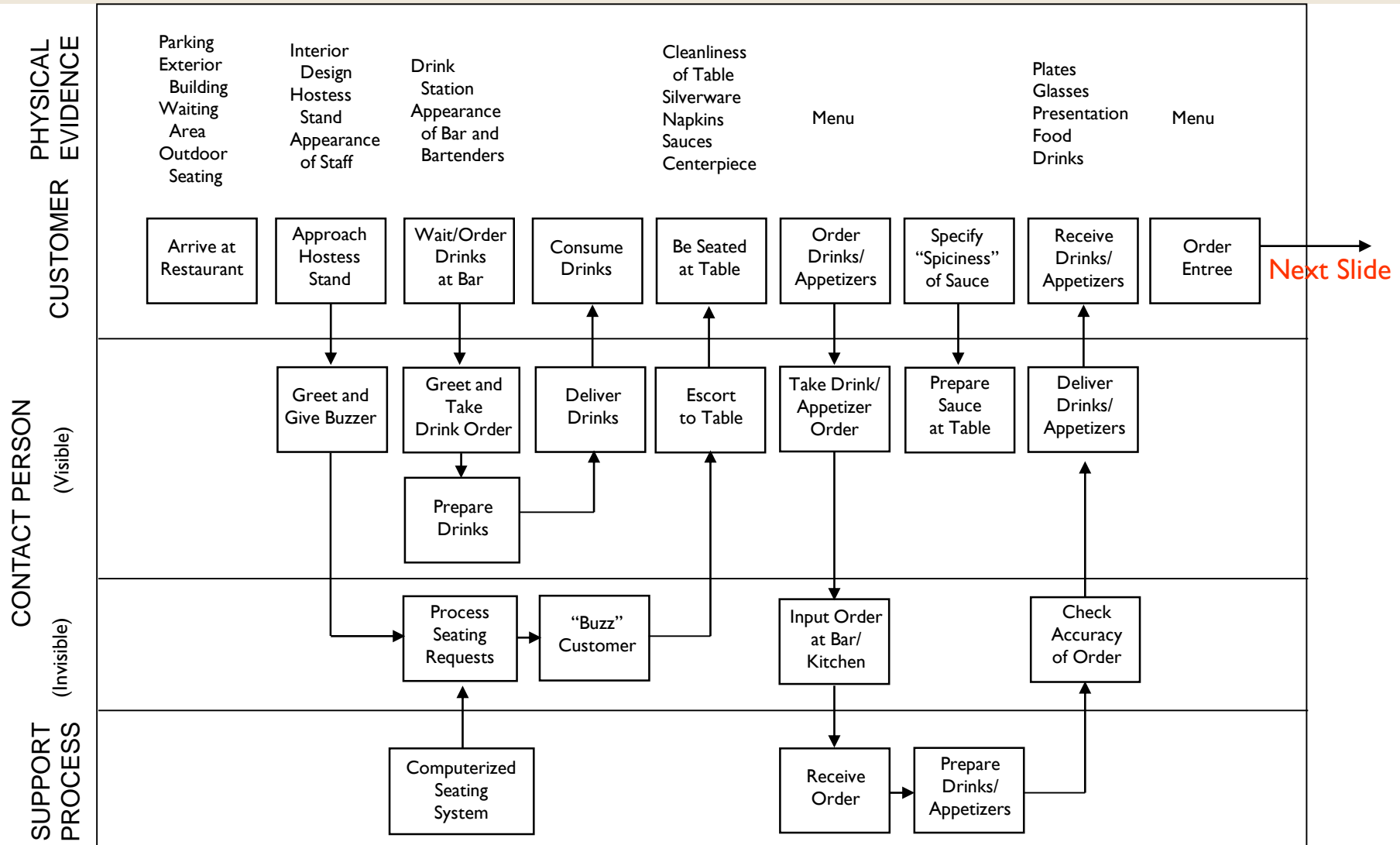
- **Service Marketers**
 - creating realistic customer expectations:
 - service system design
 - promotion
- **Human Resources Management**
 - empowering the human element:
 - job descriptions
 - selection criteria
 - appraisal systems
- **Operations Management**
 - rendering the service as promised:
 - managing fail points
 - training systems
 - quality control
- **System Technology**
 - providing necessary tools:
 - system specifications
 - personal preference databases

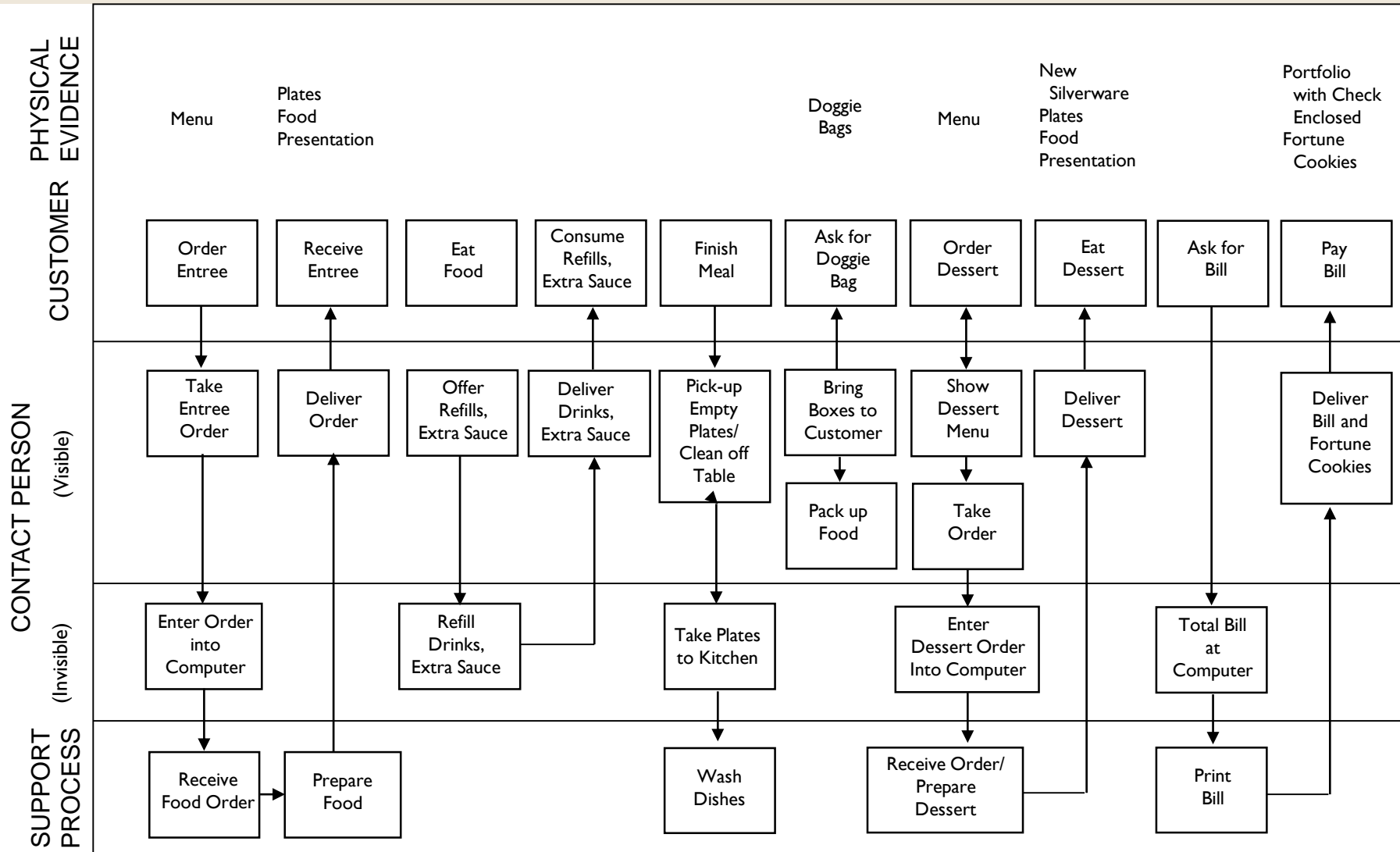
Benefits of Service Blueprinting

- Provides a platform for innovation.
- Recognizes roles and interdependencies among functions, people, and organizations.
- Facilitates both strategic and tactical innovations.
- Transfers and stores innovation and service knowledge.
- Designs moments of truth from the customer's point of view.
- Suggests critical points for measurement and feedback in the service process.
- Clarifies competitive positioning.
- Provides understanding of the ideal customer experience.

Common Issues in Blueprinting

- Clearly defining the process to be blueprinted
- Clearly defining the customer or customer segment that is the focus of the blueprint
- Who should “draw” the blueprint?
- Should the actual or desired service process be blueprinted?
- Should exceptions/recovery processes be incorporated?
- What is the appropriate level of detail?
- Symbology
- Whether to include time on the blueprint





Tangible Cues or Indicators of Quality

P.F. CHANG'S

C H I N A B I S T R O SM

- Exterior and Interior Design
- Presentation of Food/Drinks
- Appearance of Staff
- Cleanliness of Tables, Utensils
- Cleanliness of Restrooms
- Location of Restaurant
- Appearance of Surrounding Customers

Possibility of Standardization



- Hostess Greeting
- Pre-Prepared Sauces (Mild, Medium and Hot)
- Time Standards
- Food and Drink Quality Standards
- Bill Standards

Potential Fail Points and Fixability

P.F. CHANG'S

C H I N A B I S T R O SM

- Bar
 - train to make drinks; create ample seating space for wait area overflow
- Food
 - revise food presentation; create quality control checks to ensure order is correct before delivering to customer
- Staff
 - training; set number of times to check-in on customers; behavioral and attitude guidelines; dress code
- Billing
 - standards for when to bring bill, how to deliver, when to pick-up, how quickly to process transaction; ensure one fortune cookie per customer
- Cleanliness
 - standards for amount of time it takes to clear and clean tables; regular restroom checks