

Service Process Selection and Design

OBJECTIVES

- The Nature of Services
- Service Strategy: Focus & Advantage
- Service-System Design Matrix
- Service Blueprinting
- Service Fail-safing
- Characteristics of a Well-Designed Service Delivery System

The Nature of Services

1. Everyone is an expert on services
2. Services are idiosyncratic
3. Quality of work is not quality of service
4. Most services contain a mix of tangible and intangible attributes

Service Generalizations (Continued)

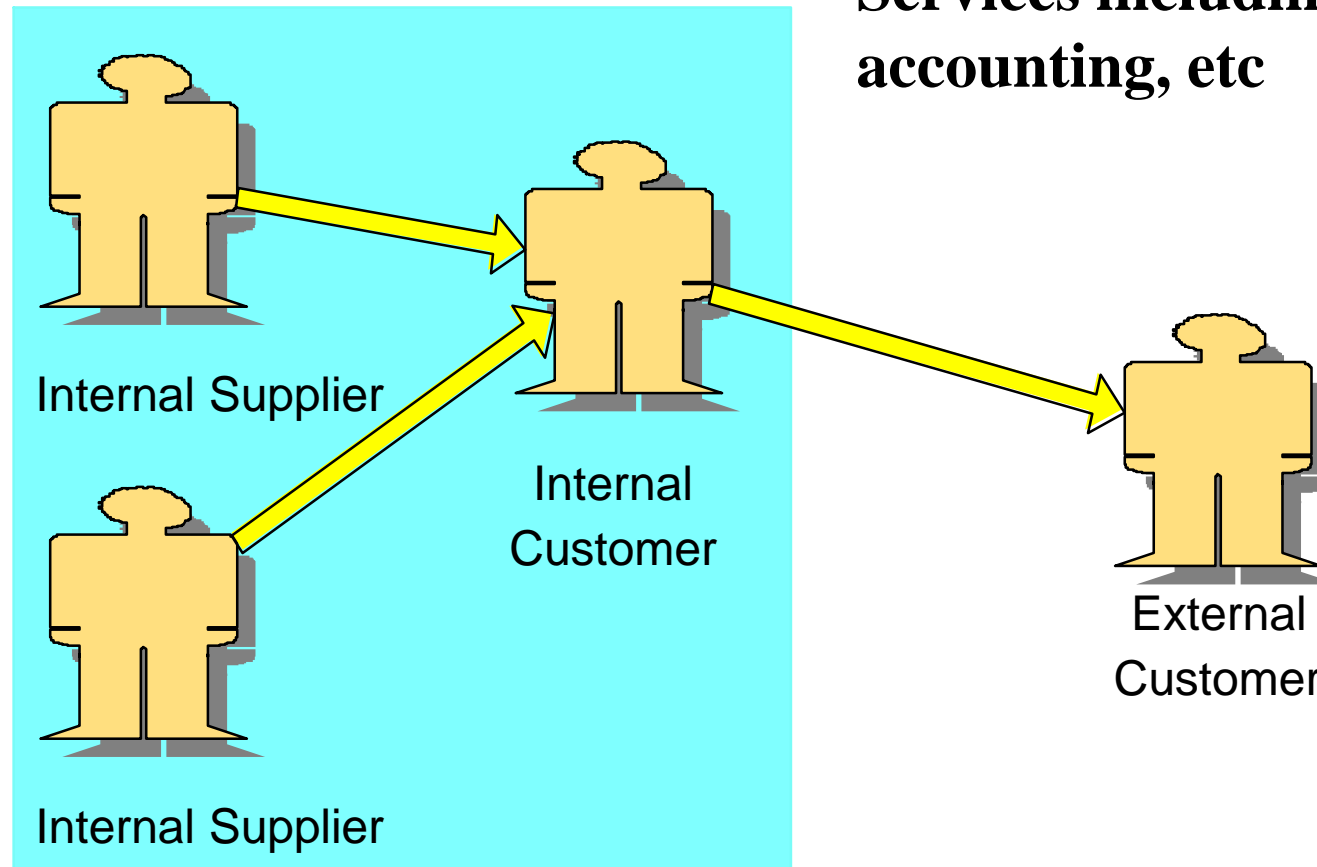
- 5. High-contact services are experienced, whereas goods are consumed
- 6. Effective management of services requires an understanding of marketing and personnel, as well as operations
- 7. Services often take the form of cycles of encounters involving face-to-face, phone, Internet, electromechanical, and/or mail interactions

Service Businesses

A **service business** is the management of organizations whose primary business requires interaction with the customer to produce the service

- Facilities-based services: Where the customer must go to the service facility
- Field-based services: Where the production and consumption of the service takes place in the customer's environment

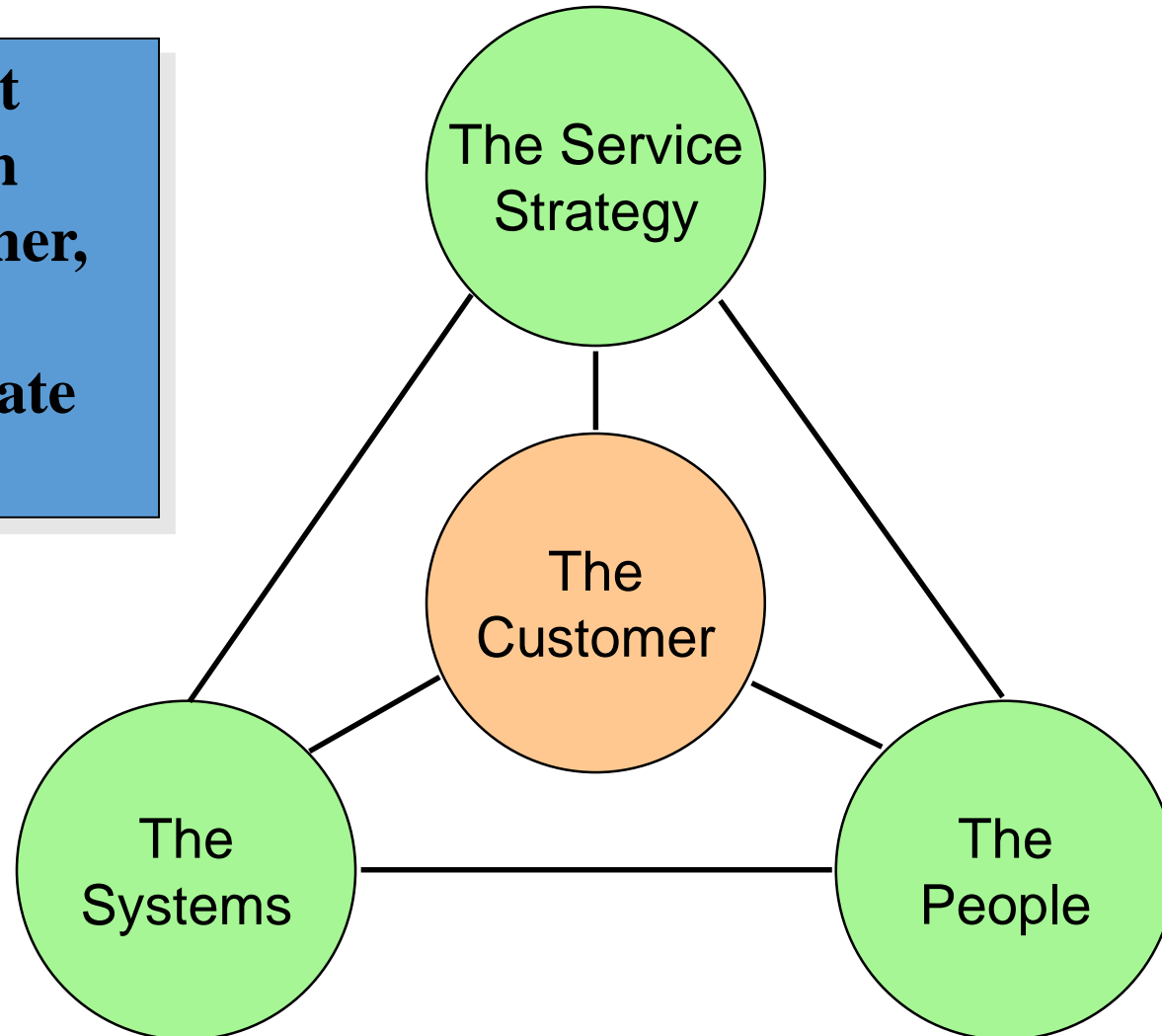
Internal Services *Defined*



Internal services is the management of services required to support the activities of the larger organization. Services including data processing, accounting, etc

The Customer Centered View

A philosophical view that suggests the organization exists to serve the customer, and the systems and the employees exist to facilitate the process of service.

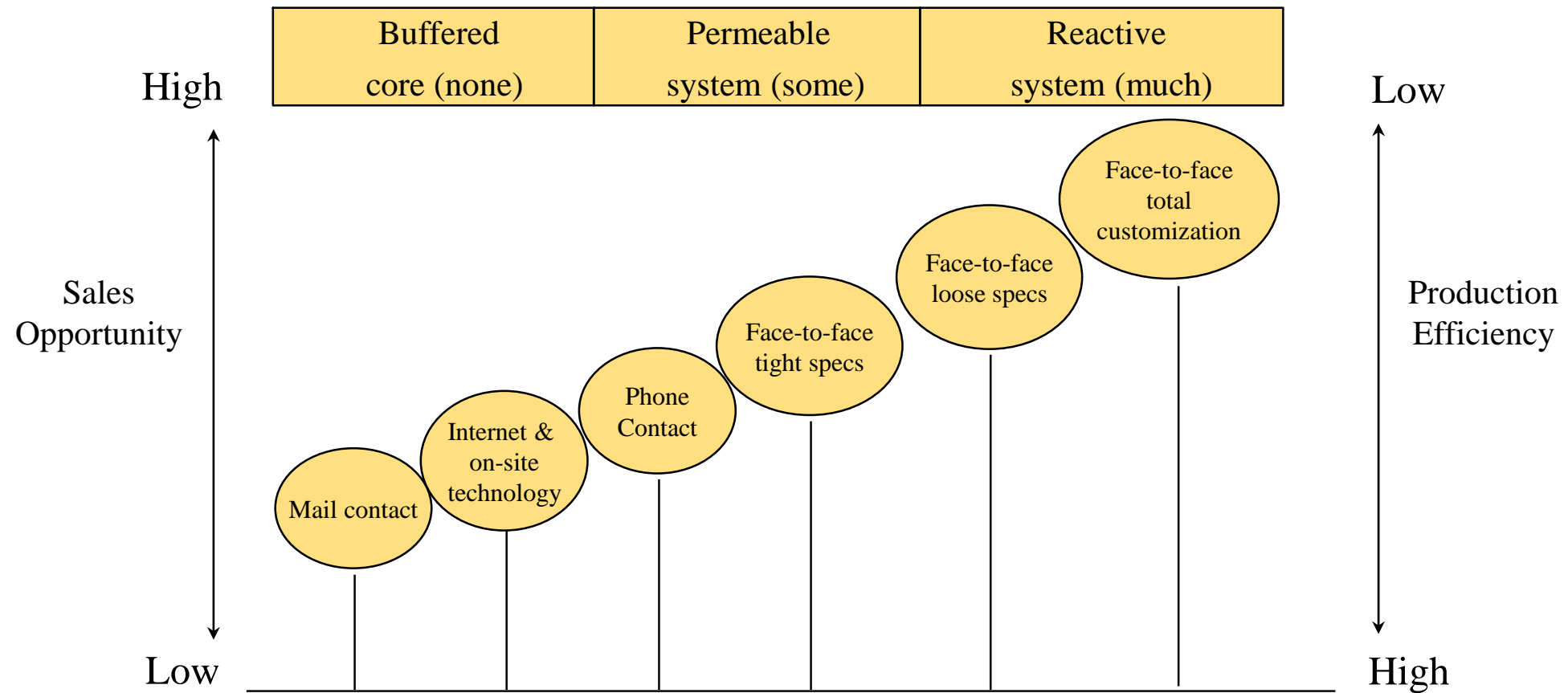


Service Strategy: Focus and Advantage

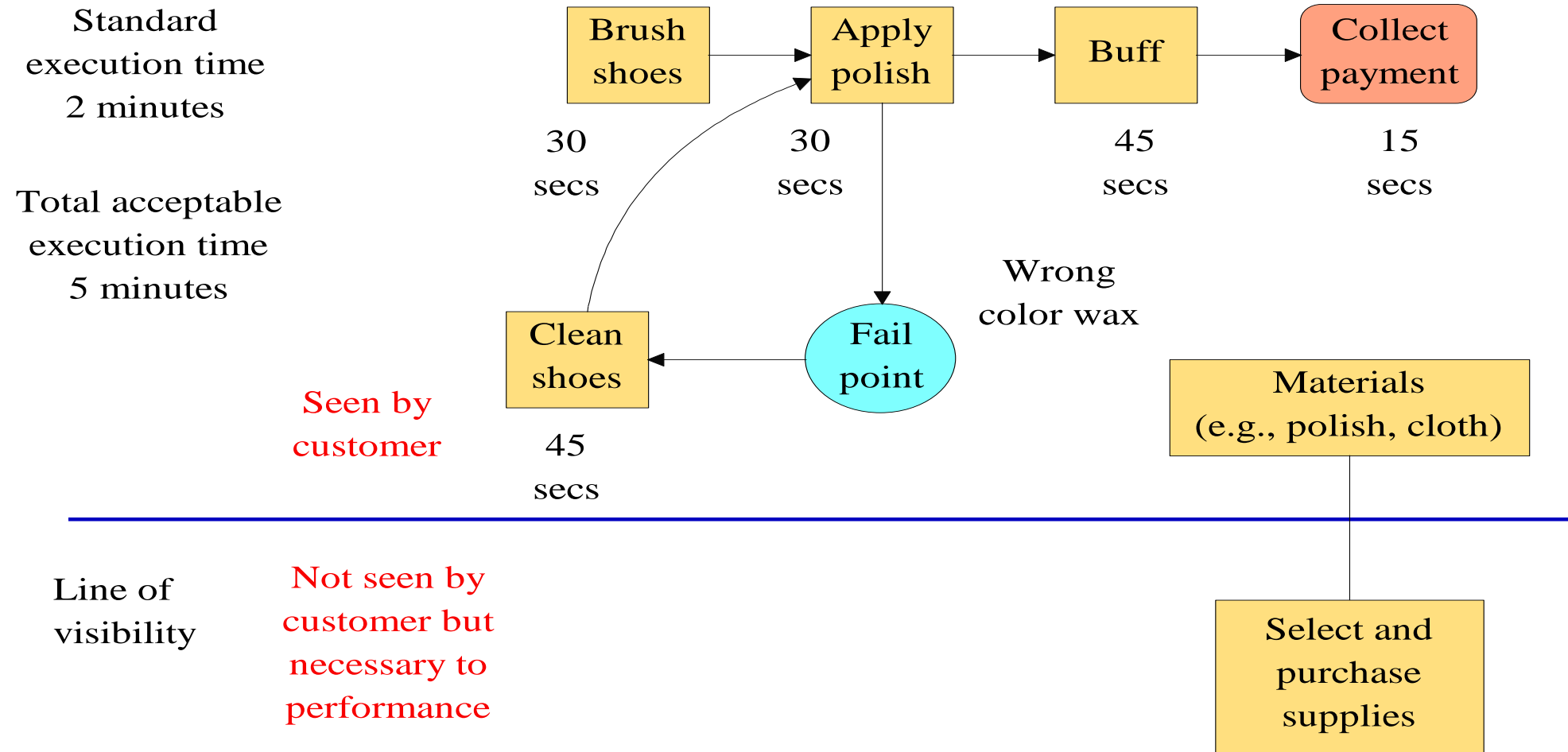
Performance Priorities

- Treatment of the customer
- Speed and convenience of service delivery
- Price
- Variety
- Quality of the tangible goods
- Unique skills that constitute the service offering

Degree of customer/server contact



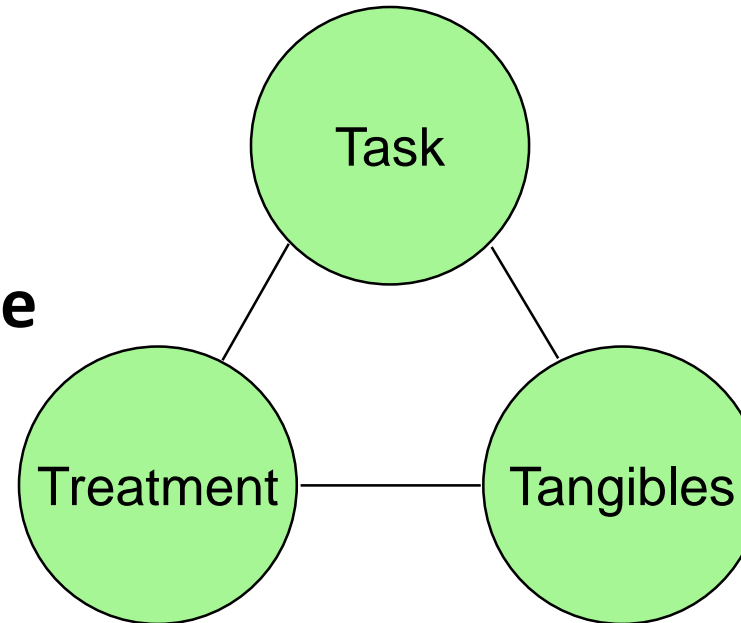
Example of Service Blueprinting



Service Fail-safing

Poka-Yokes (A Proactive Approach)

- Keeping a mistake from becoming a service defect
- How can we fail-safe the three Ts?



Have we
compromised
one of the
3 Ts?

- 1. Task**
- 2. Treatment**
- 3. Tangible**



Characteristics of a Well-Designed Service System

1. Each element of the service system is consistent with the *operating focus* of the firm
2. It is *user-friendly*
3. It is *robust*
4. It is structured so that *consistent performance* by its people and systems is easily maintained

Characteristics of a Well-Designed Service System (Continued)

5. It provides effective *links* between the back office and the front office so that nothing falls between the cracks
6. It manages the *evidence* of service quality in such a way that customers see the value of the service provided
7. It is *cost-effective*

Applying Behavioral Science to Service Encounters

1. The front-end and back-end of the encounter are not created equal
2. Segment the pleasure, combine the pain
3. Let the customer control the process
4. Pay attention to norms and rituals
5. People are easier to blame than systems
6. Let the punishment fit the crime in service recovery

Service Guarantees as Design Drivers

- Recent research suggests:
 - Any guarantee is better than no guarantee
 - Involve the customer as well as employees in the design
 - Avoid complexity or legalistic language
 - Do not quibble or wriggle when a customer invokes a guarantee
 - Make it clear that you are happy for customers to invoke the guarantee