

Service Systems and Shared Value Creating

Zdenko Stanicek, CPD (IPMA Level A)

Mycroft Mind, a.s.

&

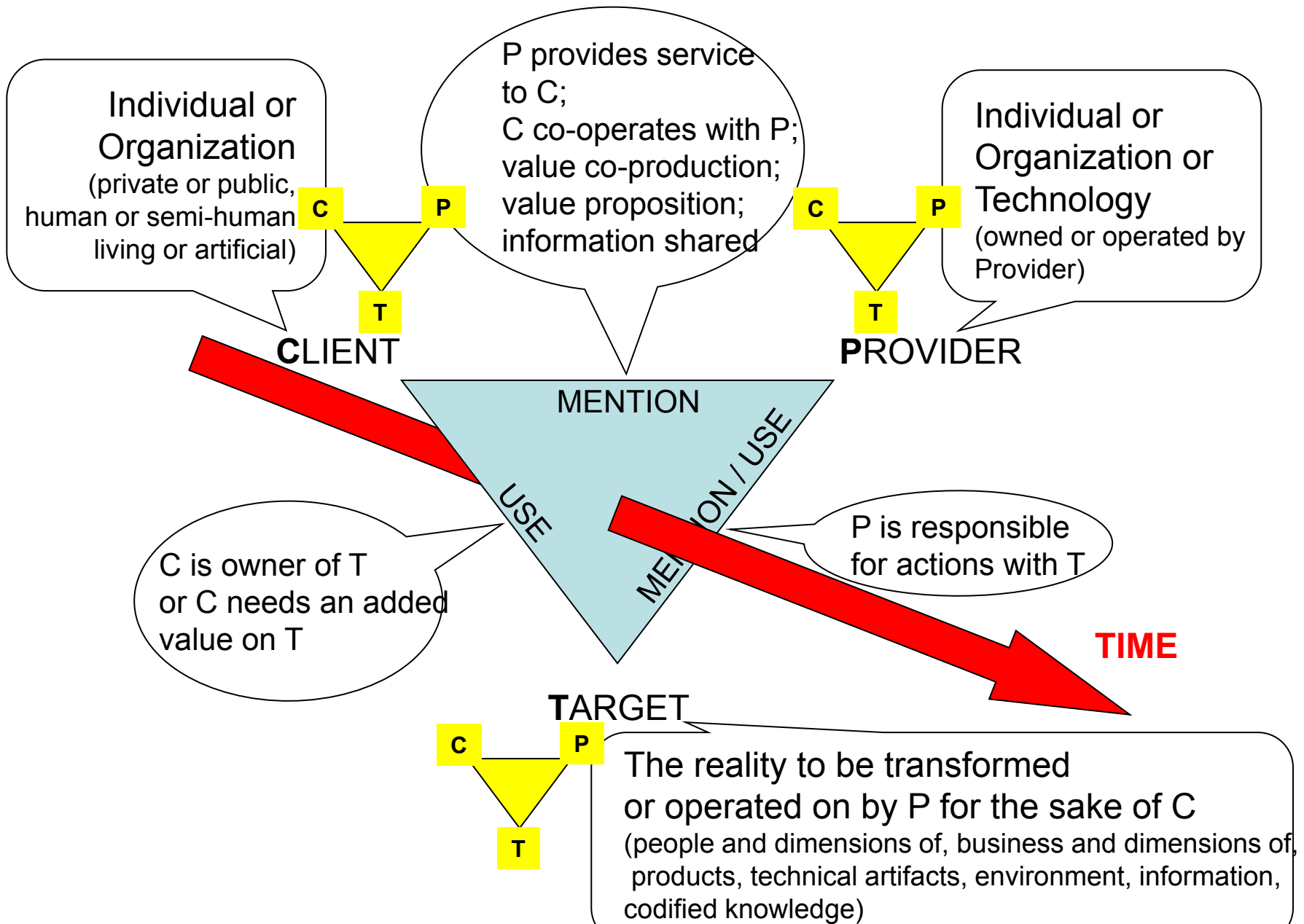
Faculty of Informatics, Masaryk University

The basic question:

- How to do the right things and how to do them well ...
- ... while everybody has different notion about
 - What are “the right things”
 - What means “well done”

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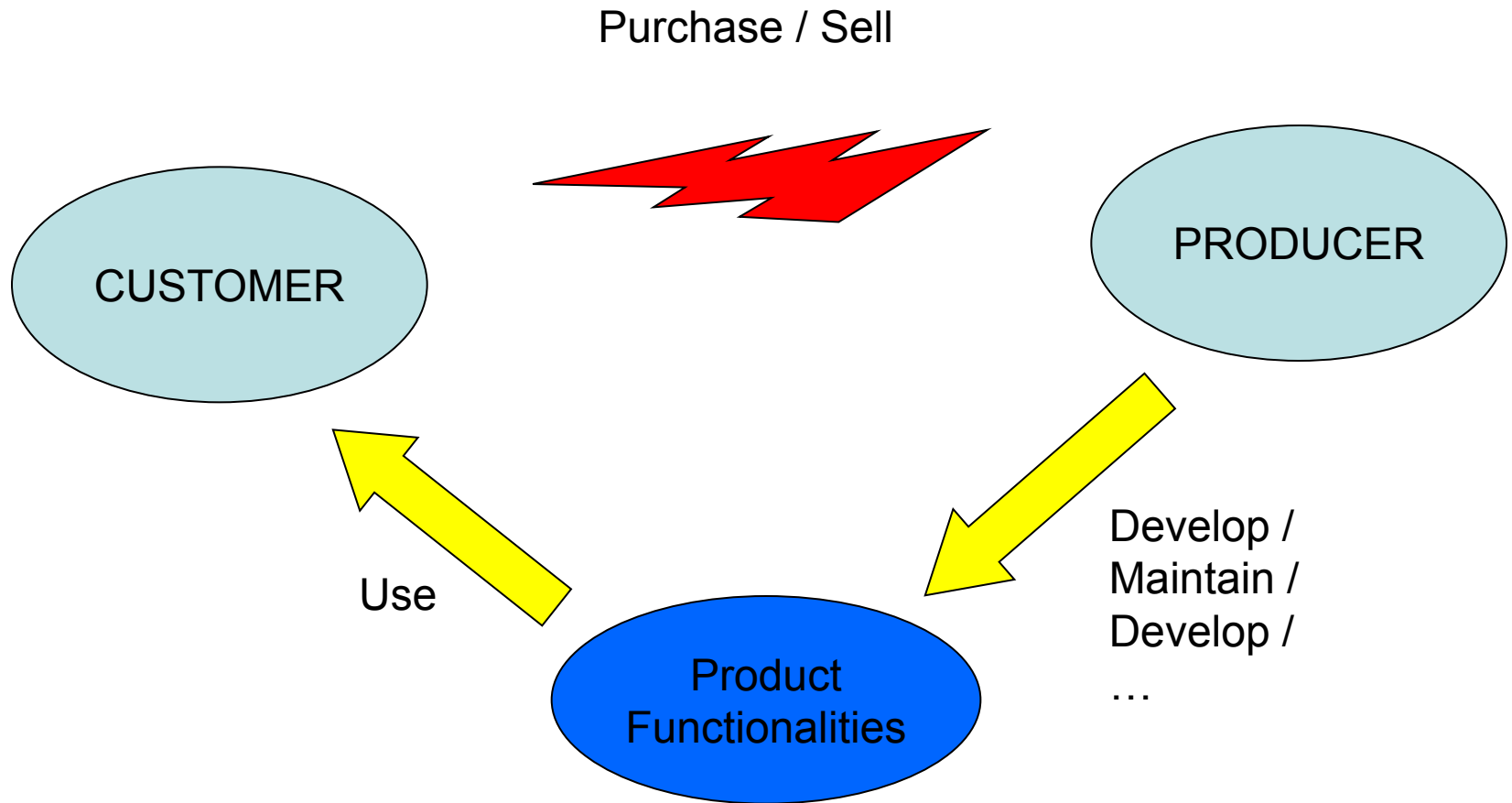
Service Systems



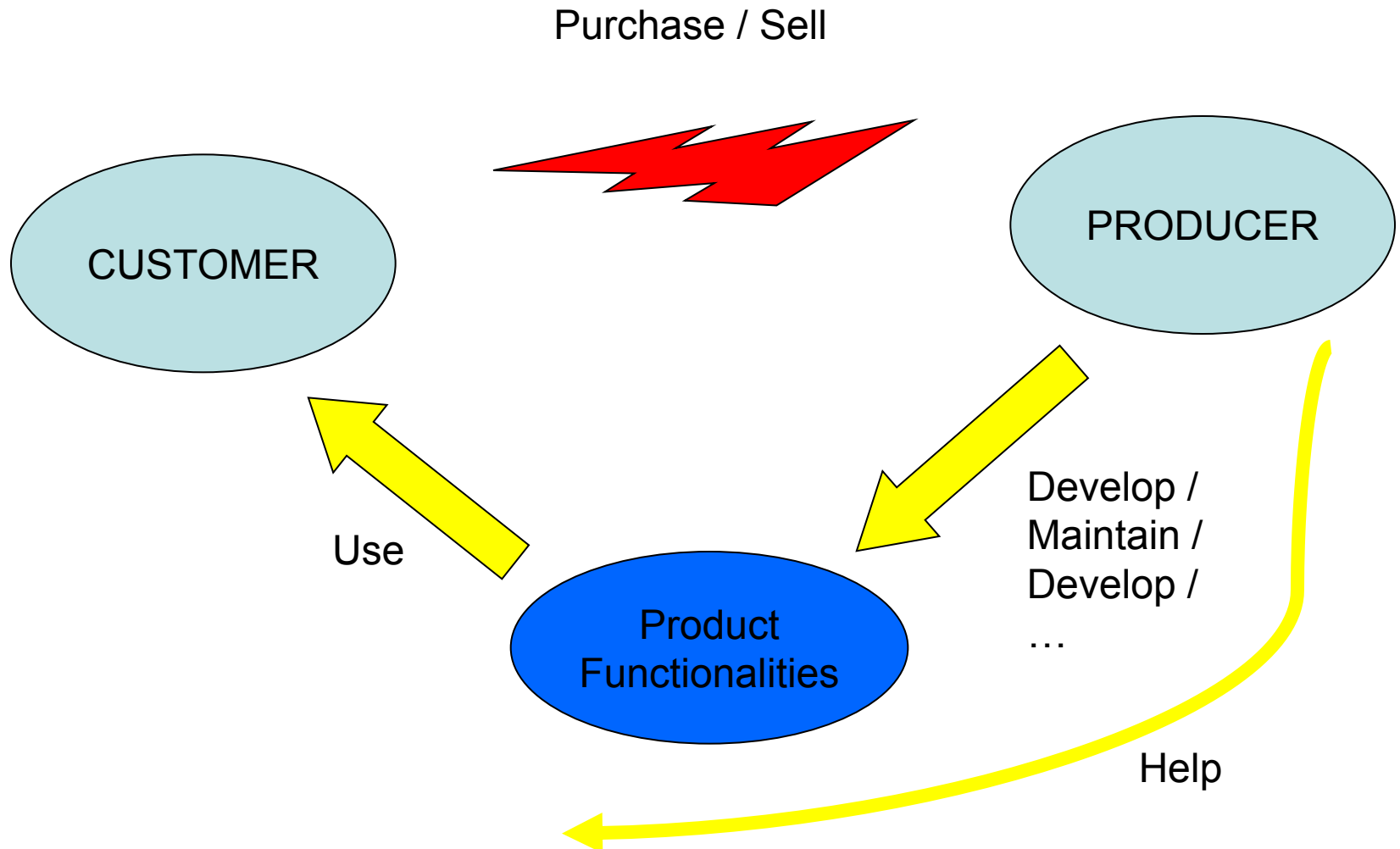
How to deliver benefit to customers

- This, what directly is, or can be, useful, i.e., which directly brings or can bring benefits, is a SERVICE
- ... not a PRODUCT
- ... not a PROVIDER / PRODUCER
- SERVICE is the benefit making element
- Two possible paradigms exist in business:
 - PRODUCT oriented
 - SERVICE oriented

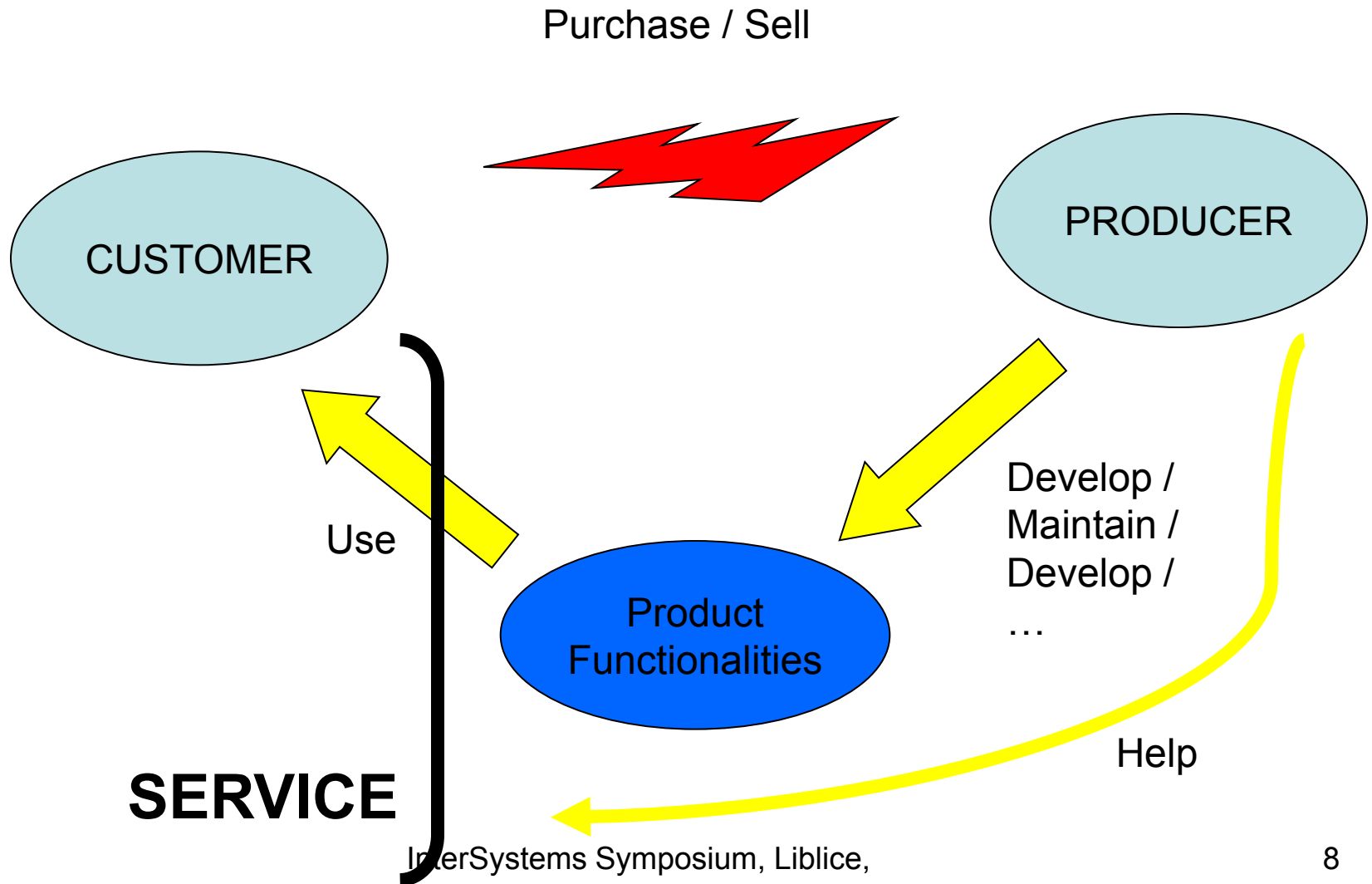
PRODUCT oriented projects



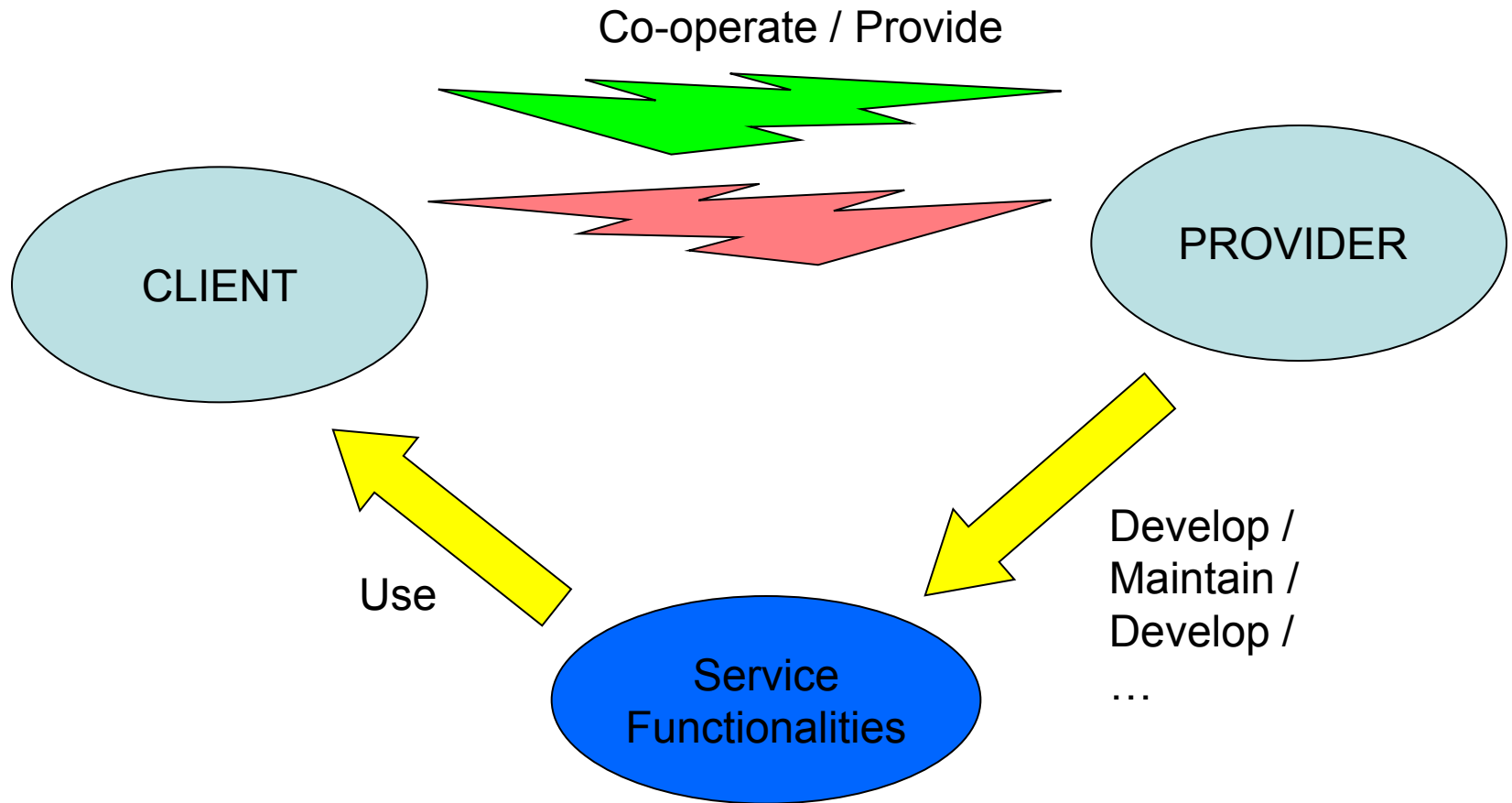
PRODUCT oriented projects



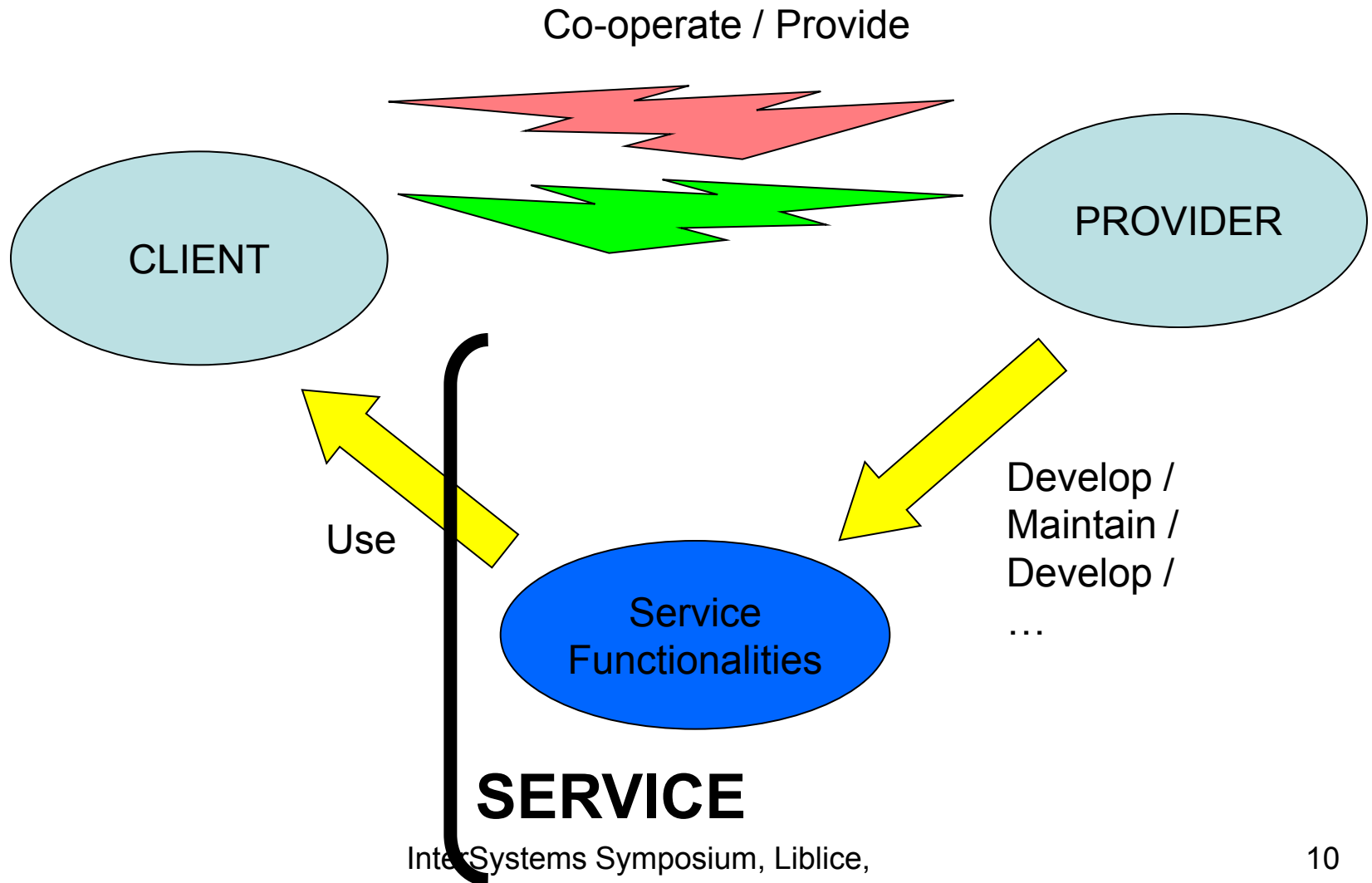
PRODUCT oriented projects



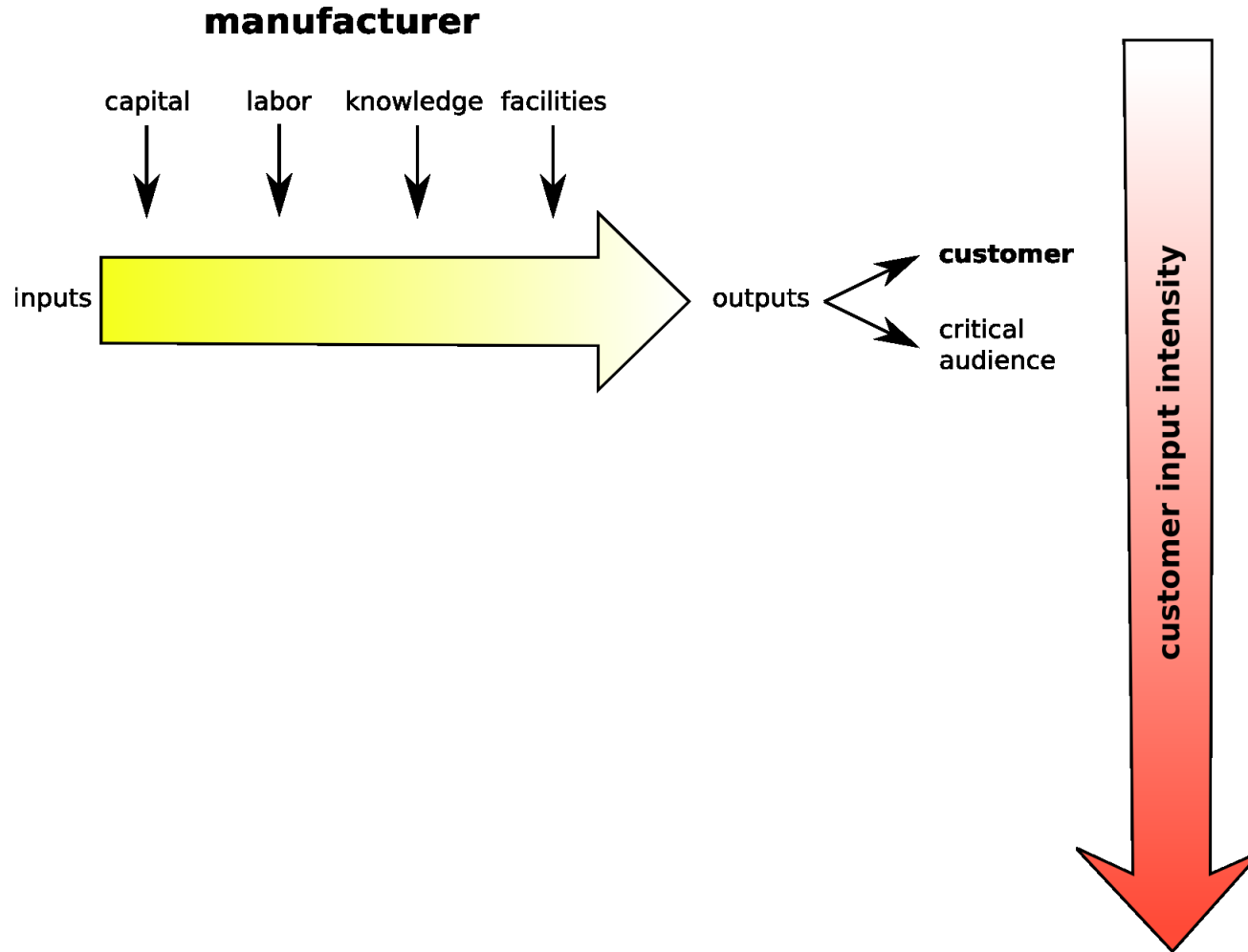
SERVICE oriented projects



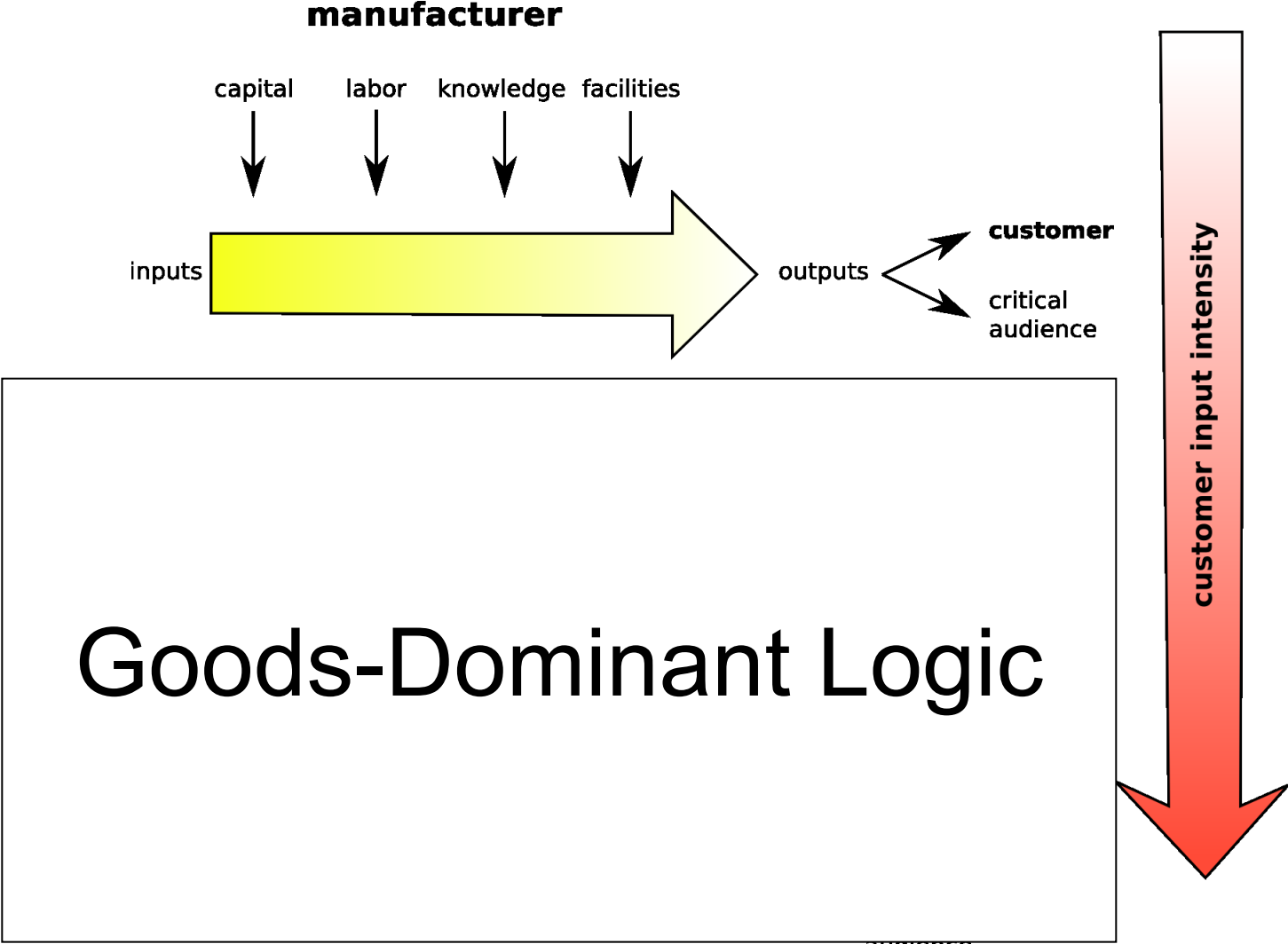
SERVICE oriented projects



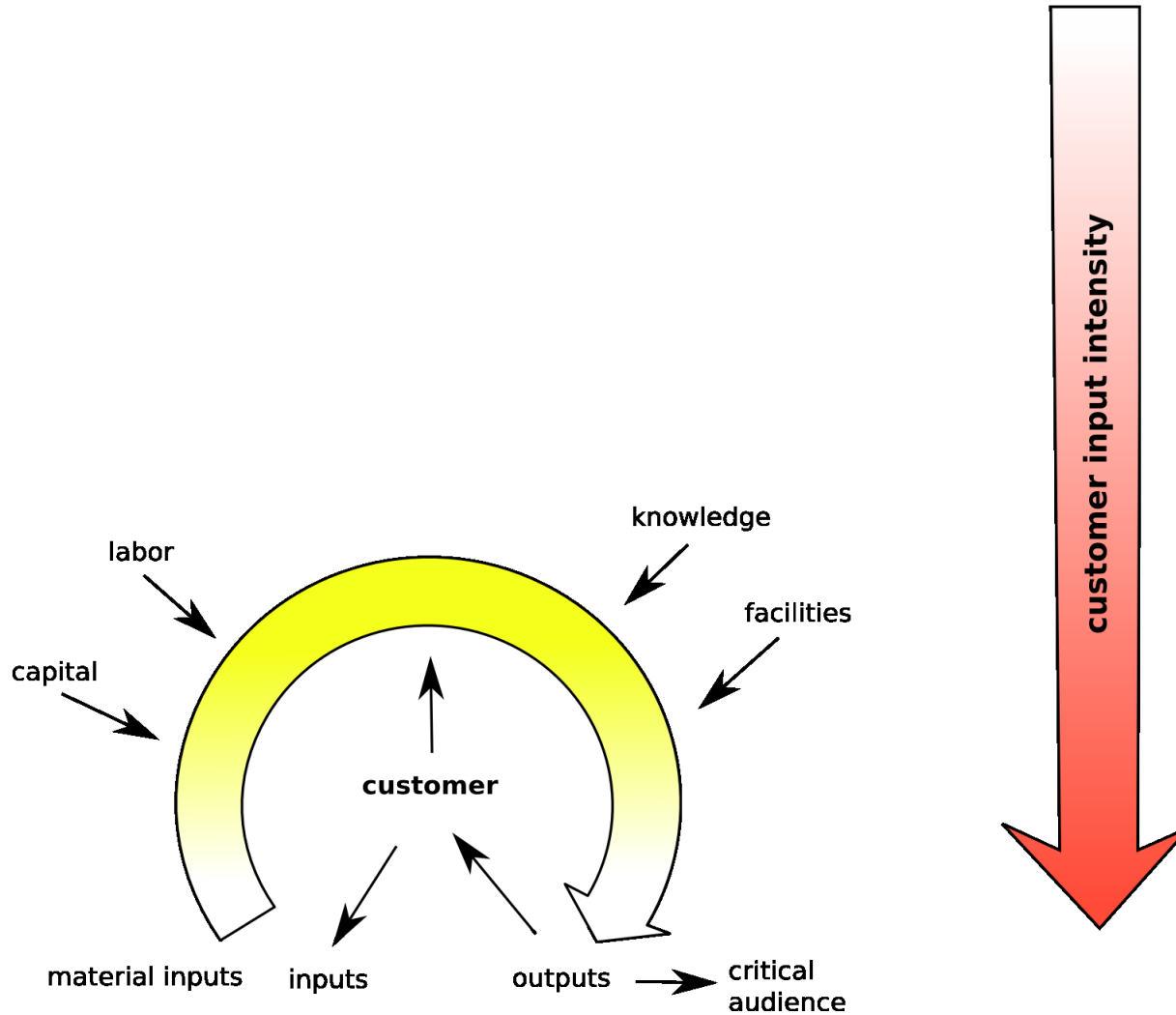
How the current Customer imagines the situation :



How the current Customer imagines the situation :



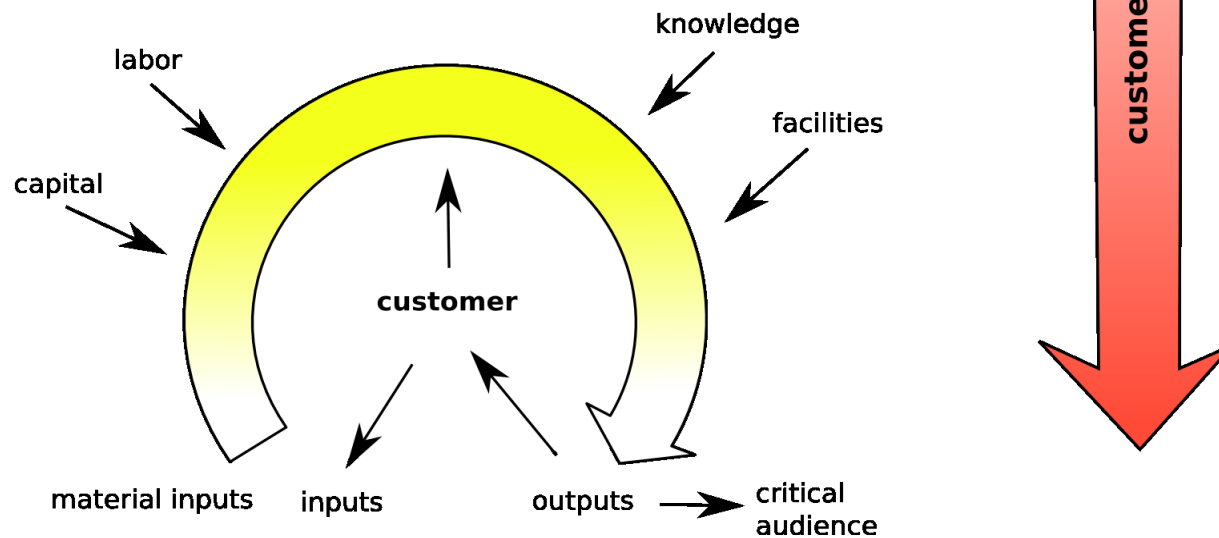
What we need to reach success:



InterSystems Symposium, Liblice,
2011

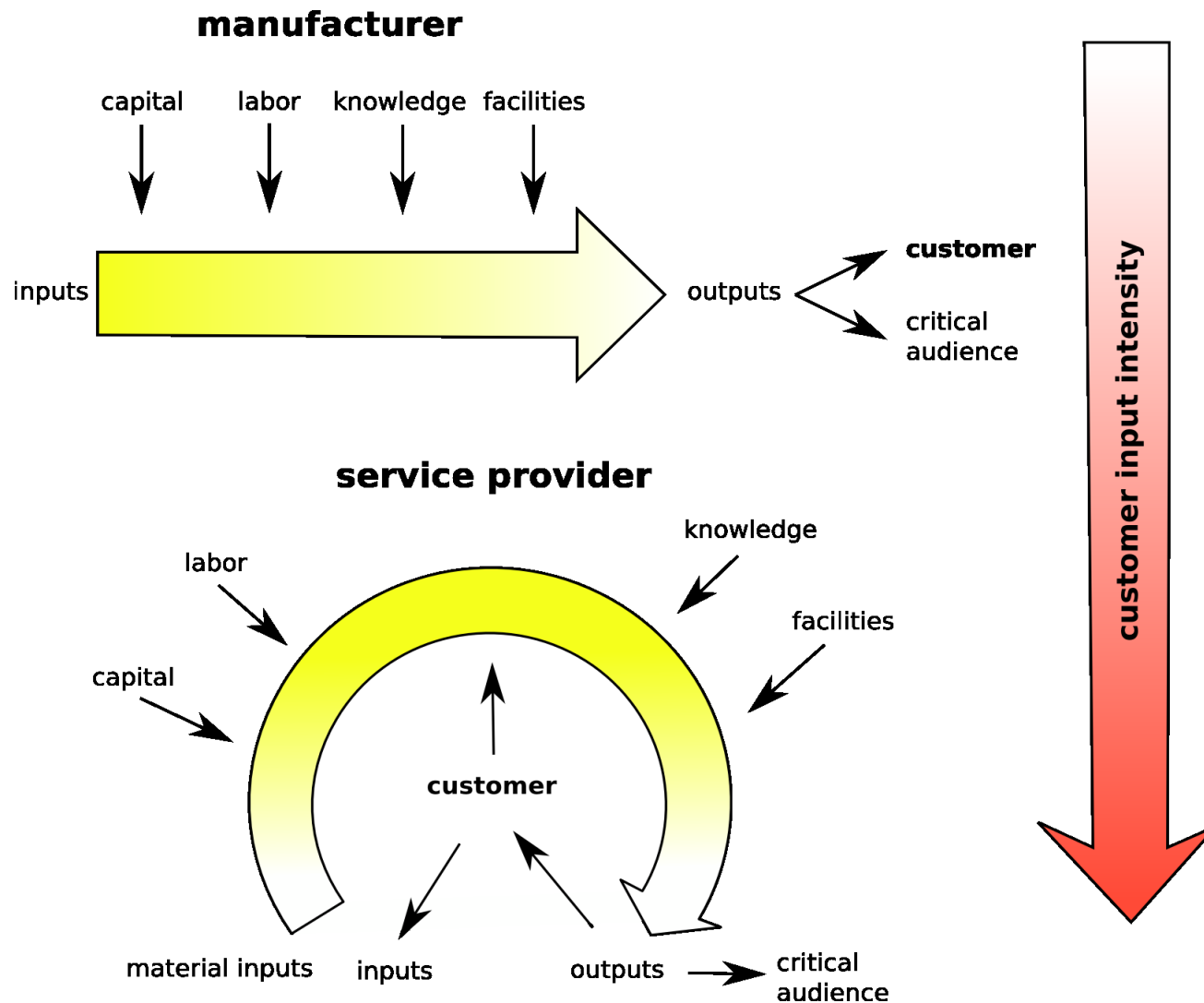
What we need to reach success:

Service-Dominant Logic



InterSystems Symposium, Liblice,
2011

Shift from Value creation to Value co-creation



Service System

- A composition of compositions of **People**, **Technology**, and **Information**, providing benefits to recognized clients – in particular contexts.
- A service system comprises people and technologies that adaptively compute and adjust to a system's changing value of knowledge.
- It comprises **service providers** and **service clients** working together to co-produce value in complex value chains or networks.
- Individuals, families, firms, nations, and economies – all represent instances of service systems.

Service systems and PPP

- Service System behavior can be effectively described by means of
 - Projects
 - Programs of projects
 - Portfolios of projects or programs or (another) portfolios
- Key questions:
 - What are the benefits?
 - What is the value?
 - Is it worth to invest?

2

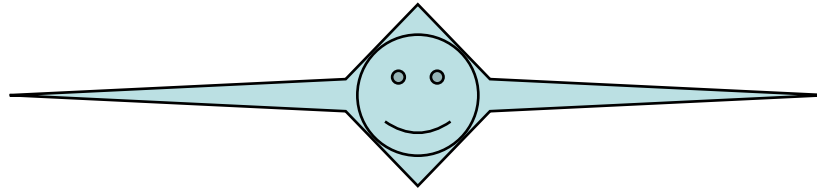
Shared Value Creation

Humankind (??)

- Ants are **social** beings ...
 - ...
 - Eagles are **individual** beings ...
 - ...
 - Humans are both, **individual** and **social** beings
-
- What are the implications of this fact?

... to sustain as an **Individual**

INCOME
FLOW



OUTCOME
FLOW

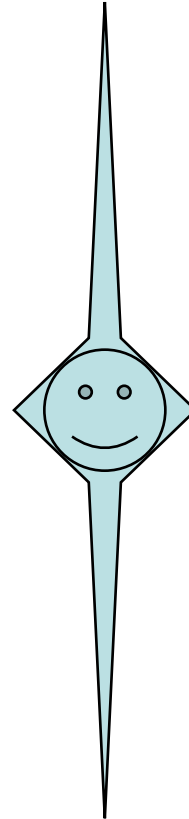
Creating Private Value

CPV-only examples

- Eat
- Make money while no focus on non-monetary values
- Make a private benefit with no benefits for environment
- Transform or operate on a Target for the sake of myself (... or ourselves in case of a company)
- *“Restaurant with poor meals ...”*

... to sustain as a **Society**

INCOME
FLOW



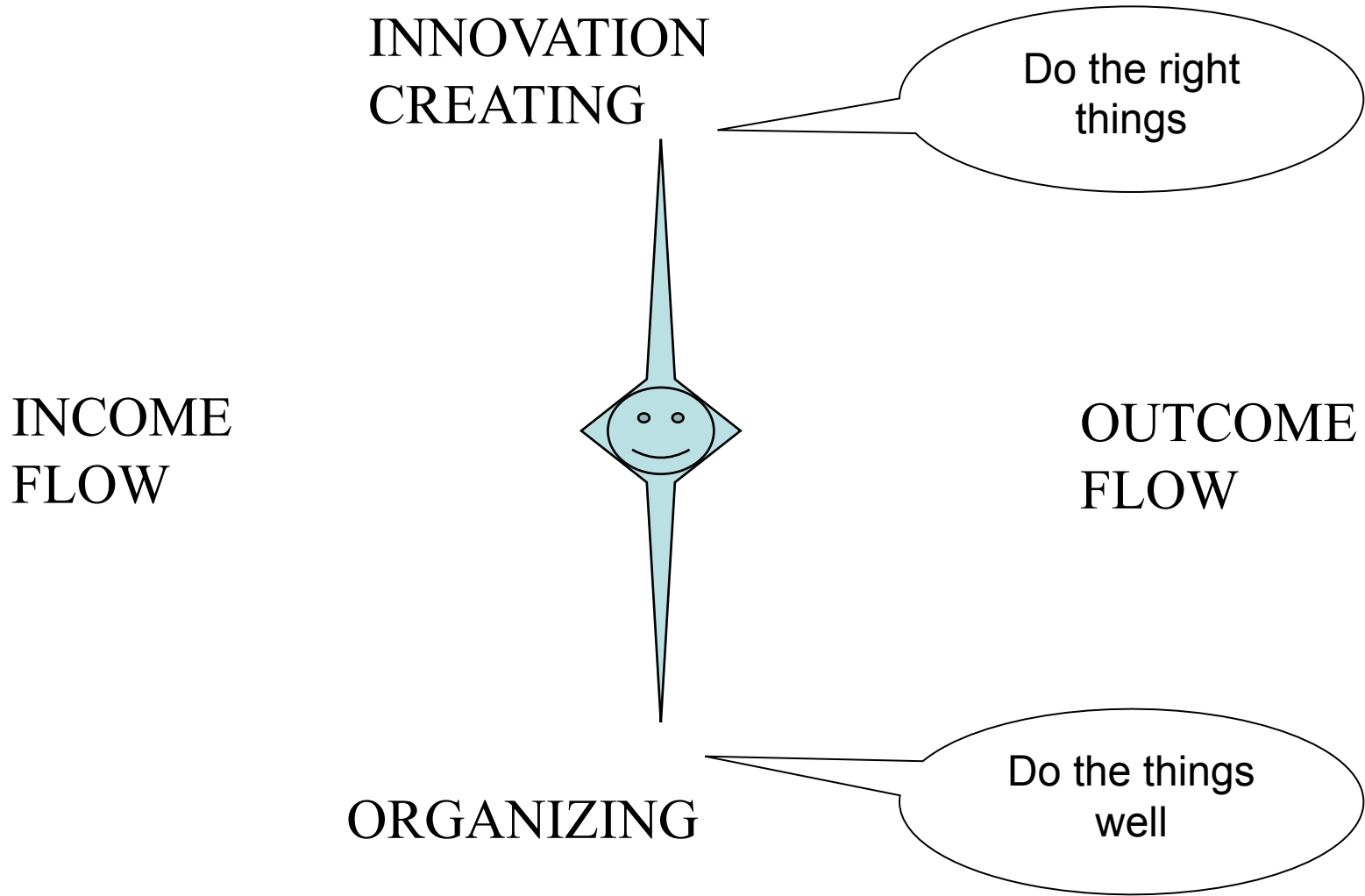
OUTCOME
FLOW

Creating Shared Value

CSV examples

- Charity
- Altruism
- Make benefits for environment
- Transform or operate on a Target for the sake of clients
- *Well functioning hospital ...*
- *Well performed service of any kind ...*

Creating Shared Value



Business Space

INNOVATION
CREATING

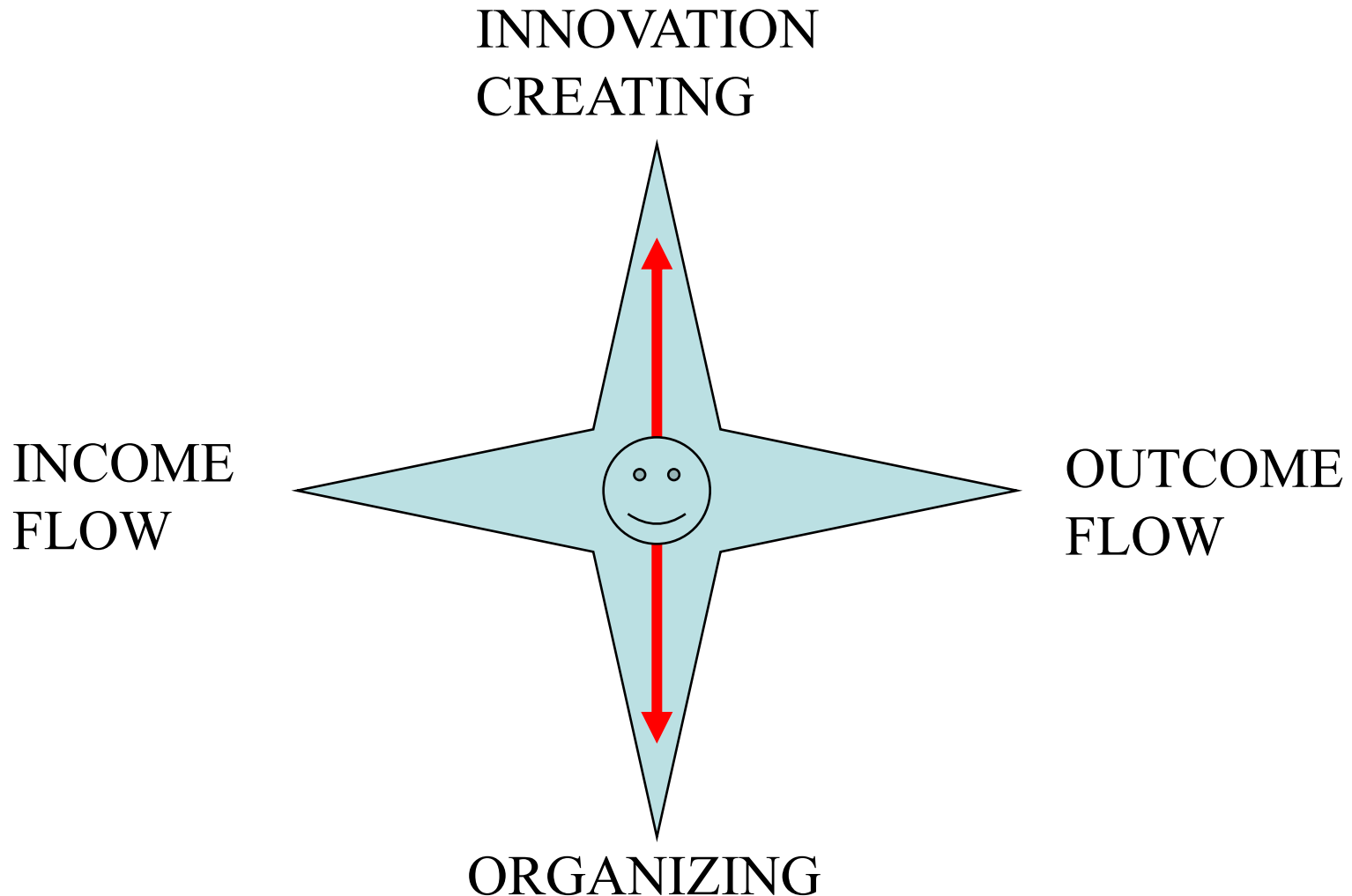
INCOME
FLOW



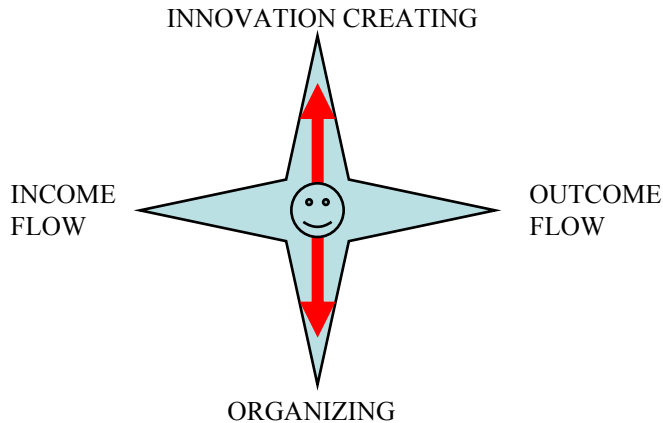
OUTCOME
FLOW

ORGANIZING

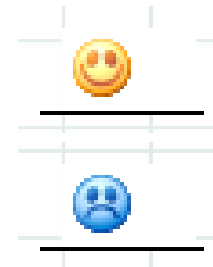
The Law of CSV+CPV co-operation



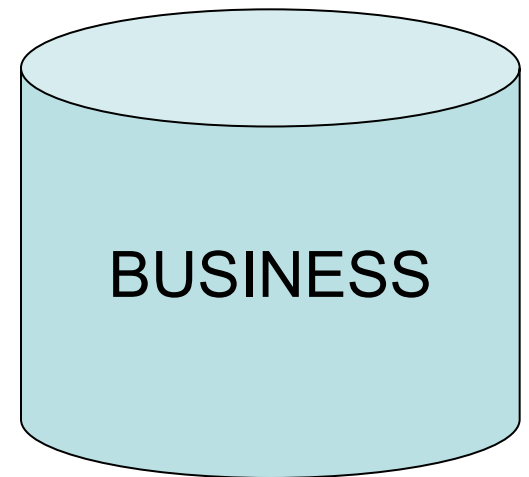
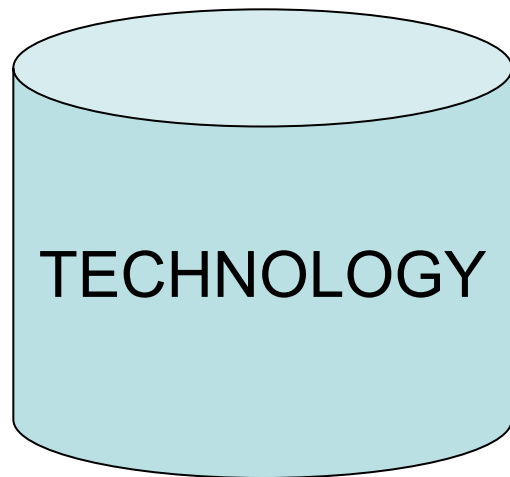
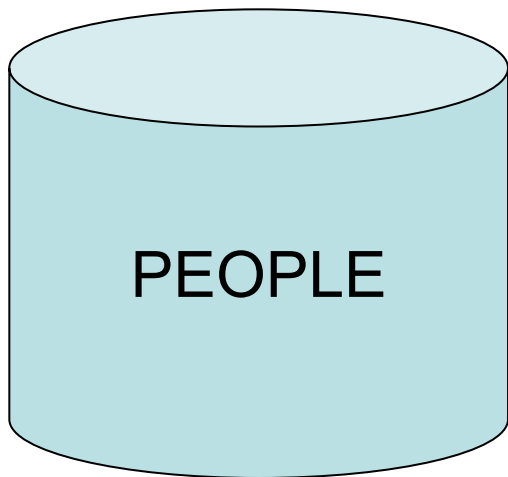
The Law of CSV+CPV co-operation



- This is a law of sustainability of both:
 - of the individuals
 - of the society
- How to measure CPV?
- How to measure CSV?
- Is there a chance to fix capitalism?



What is the impact of CSV+CPV law on 3 pillars of modern society?



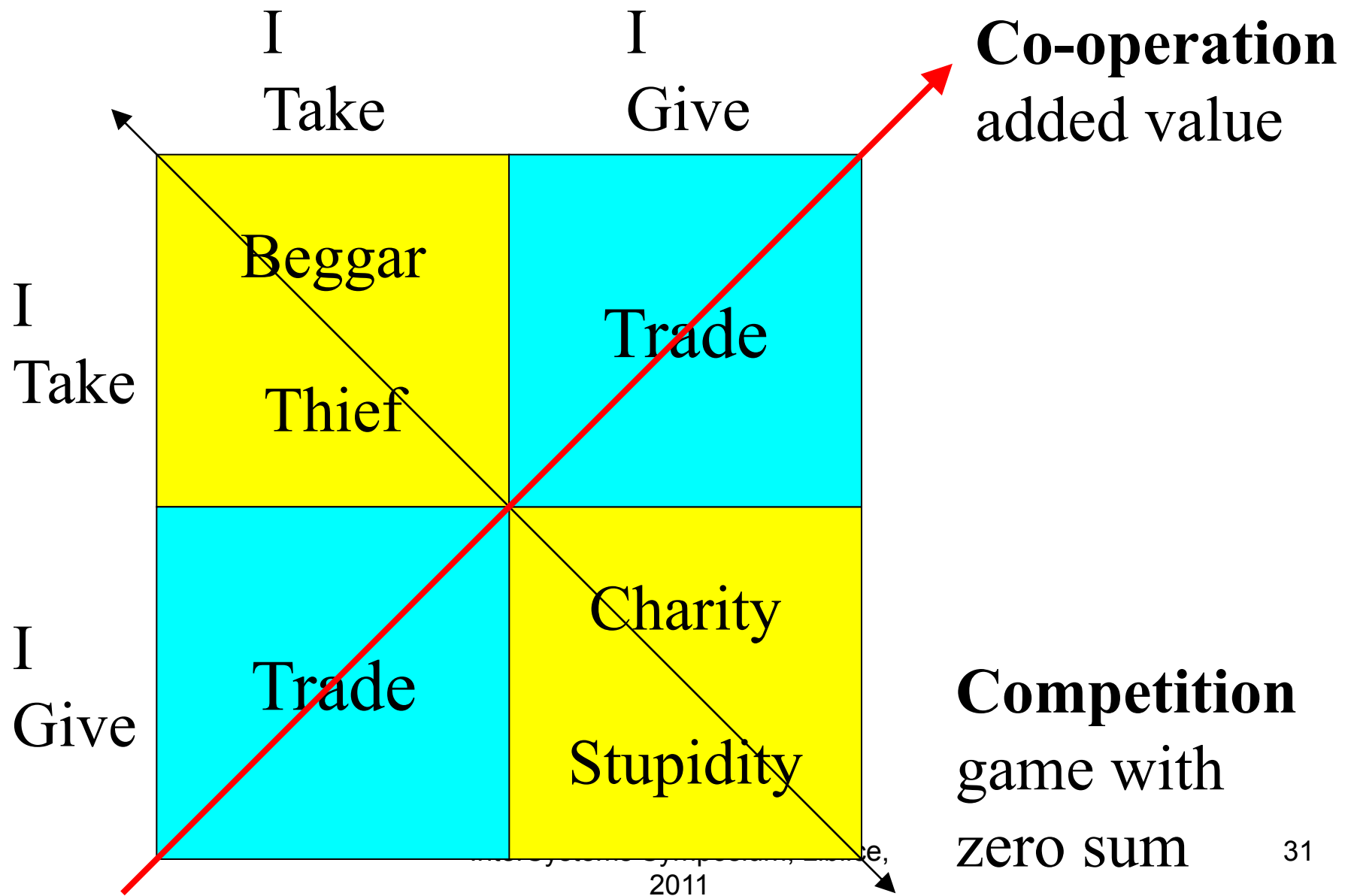
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People

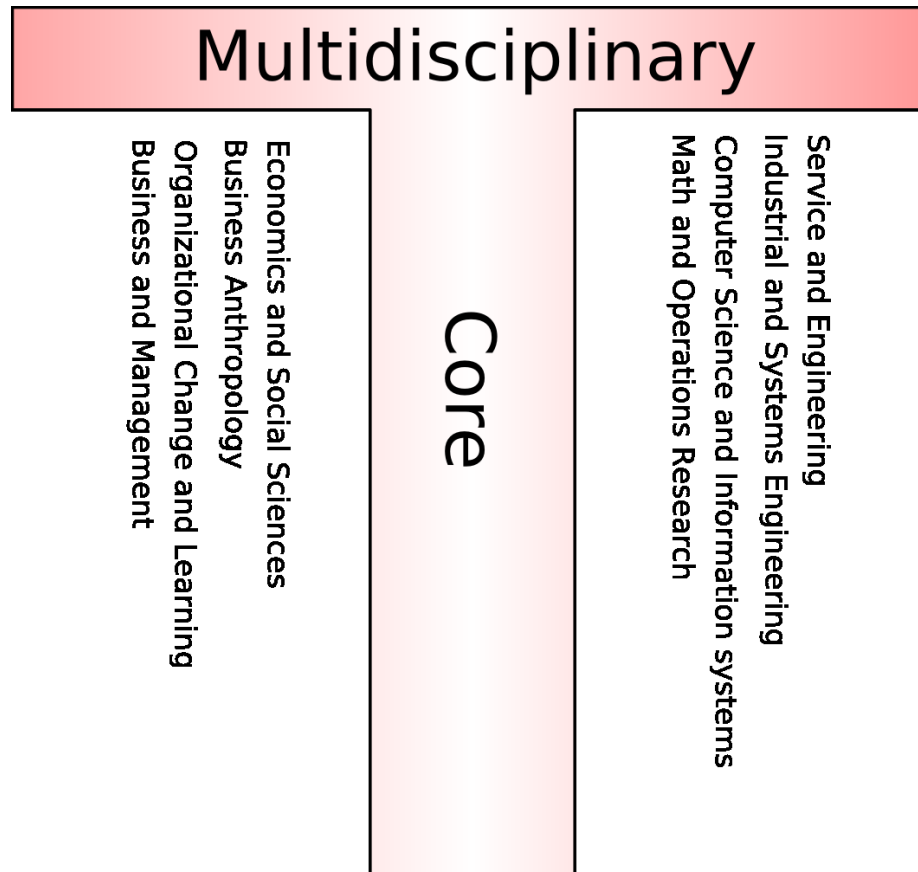
People dimension

- Change of behavior
- Change of mind
 - Is it possible?
 - What is GTM?
 - What is T-shaped professional?
 - Do we understand the nature of logical closure of a piece of information?

The "GTM"



T-shaped Professional



(IBM, SSME)

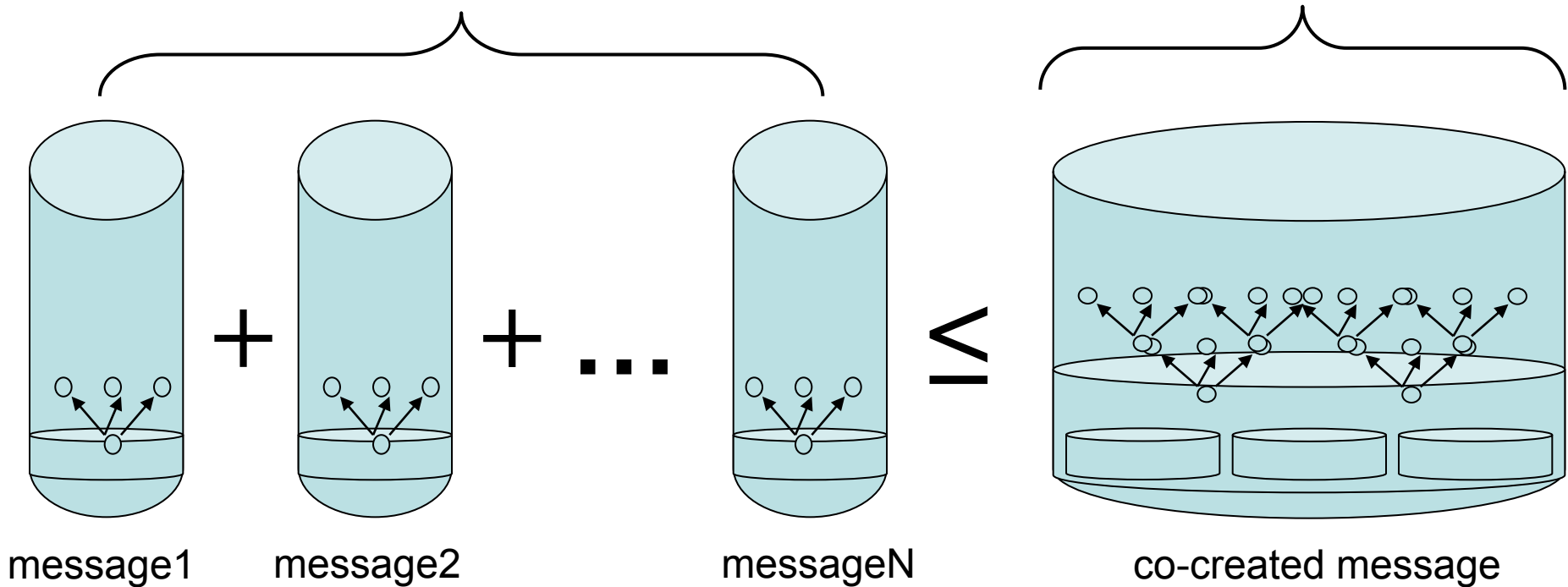
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Understanding the nature of logical closure of a piece of information

Reversed triangular inequality for logical consequences of sets of propositions

$$\bigcup_{i=1}^n [\text{Cn } P_i] \subseteq [\text{Cn } (\bigcup_{i=1}^n P_i)]$$

$$\cup_{i=1}^n [C_n P_i] \subseteq [C_n (\cup_{i=1}^n P_i)]$$



INFORMATION SILOS

**CO-CREATED
INFORMATION**

4

Technology

Technology dimension

- We are technology oriented people ...
- T-shaped professionals need **“T-shaped technology”**
 - Does it exist?
 - What is really a technological enabler of benefit realization?
 - Could it be other way than the one where technology is a supporter of HEP (= Holistic Event Processing)?
 - What means T-shaped technology?

Technology ?

- We can have

- Hammer
- Handsaw
- Pliers
- Screwdriver
- ...

But the customer benefit is not about more programs, modules, components, and more functionalities

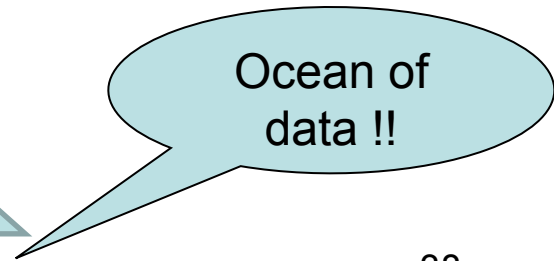
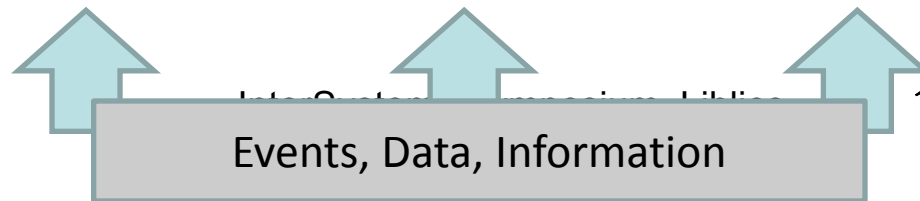
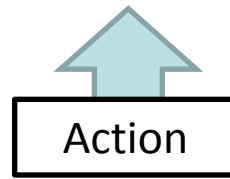
This is about integrated and consistent value delivering tools for customers

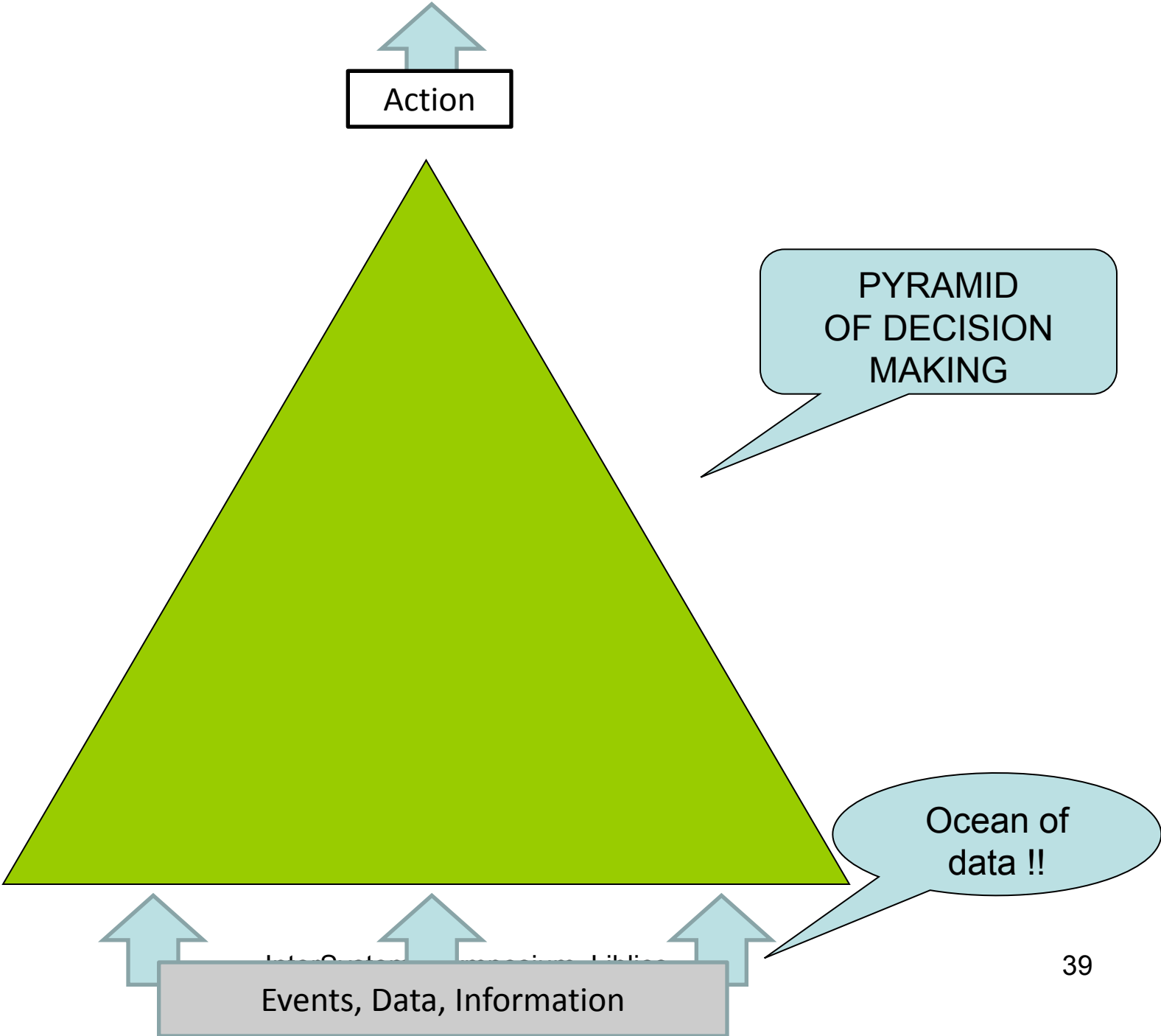
- Or, we can have

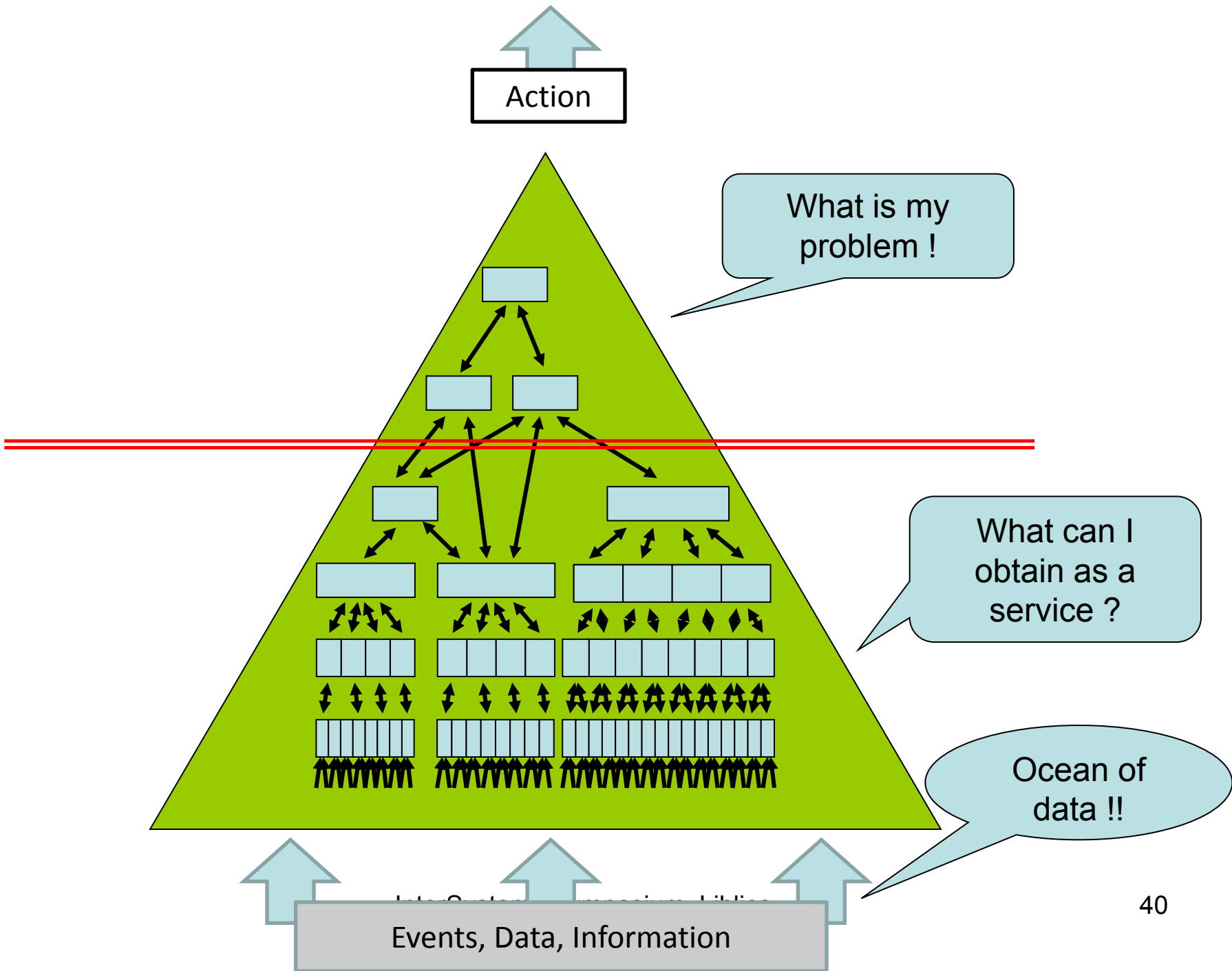
- WORKSHOP (WORKROOM)

Such technology is an **ENABLER** for a reasonable **BUSINESS CHANGE**

What's the question?







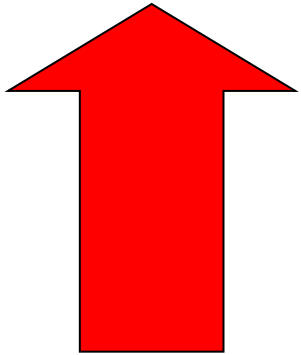
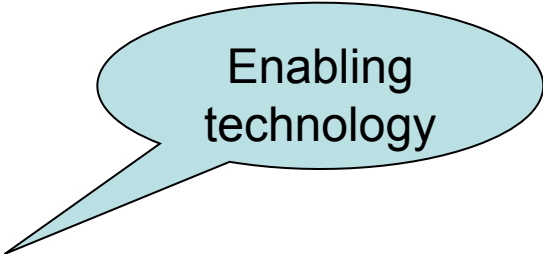
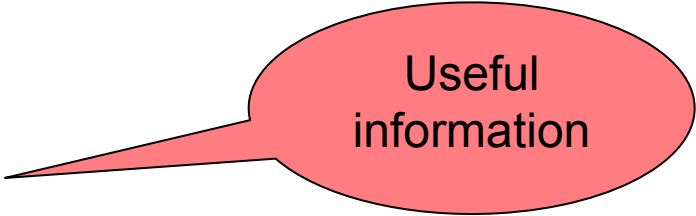
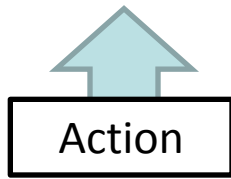
Action

What is my problem !

What can I obtain as a service ?

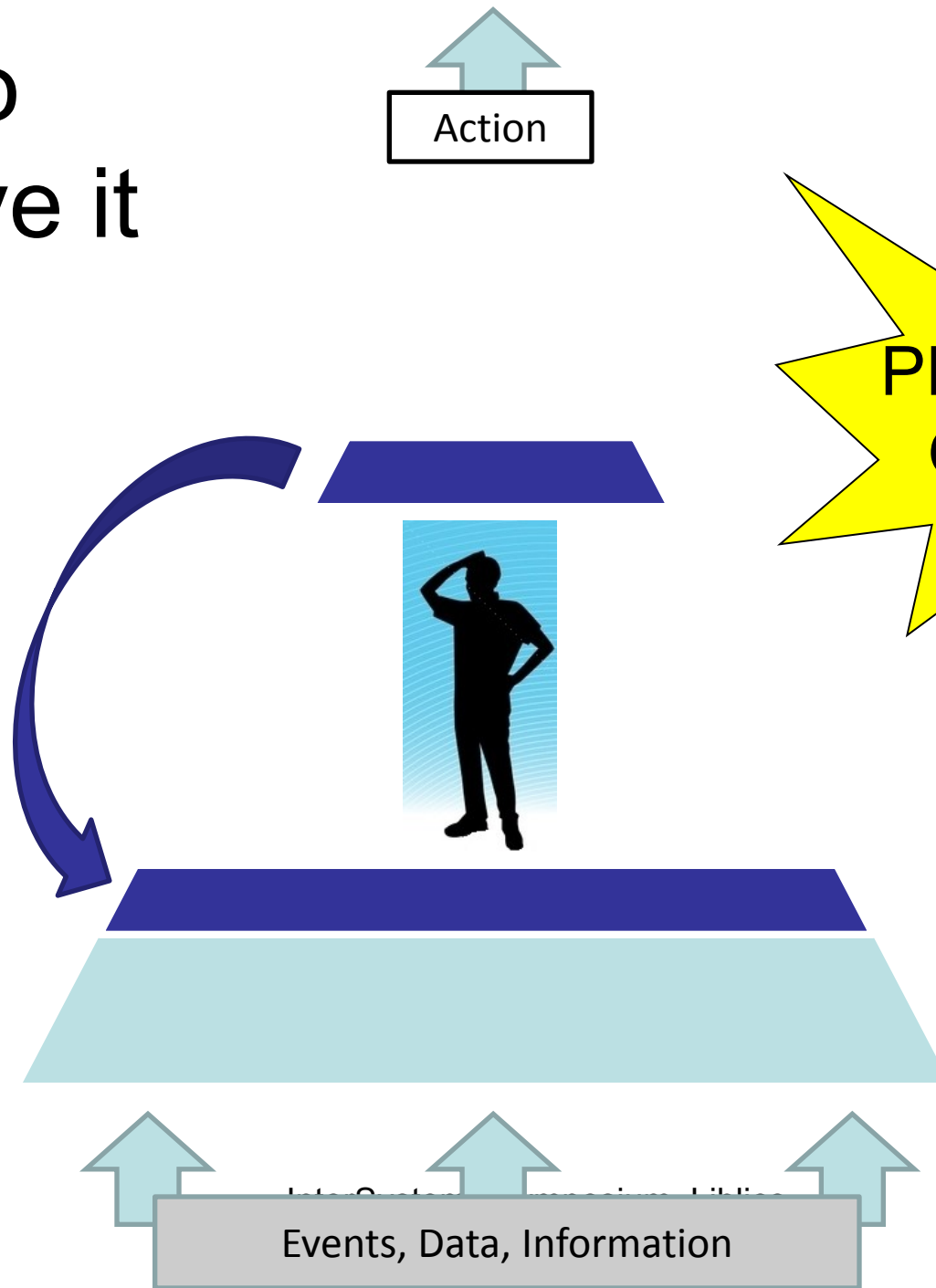
Ocean of data !!

Events, Data, Information

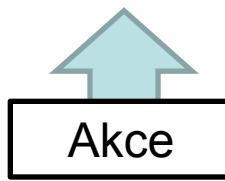


DISTILLATION

How to improve it
???

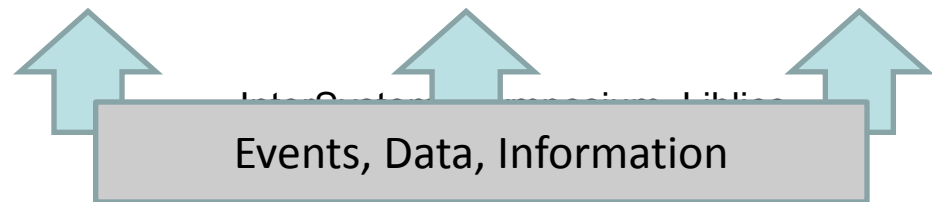
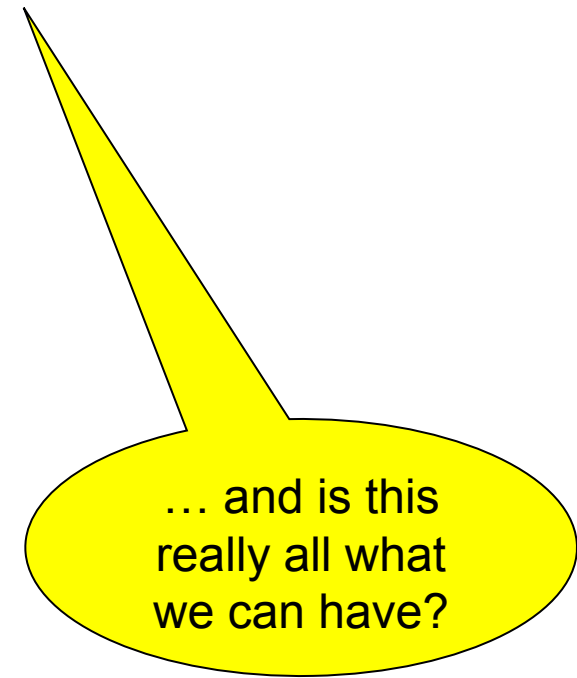


**PRINCIPLE
OF 'HEP'**

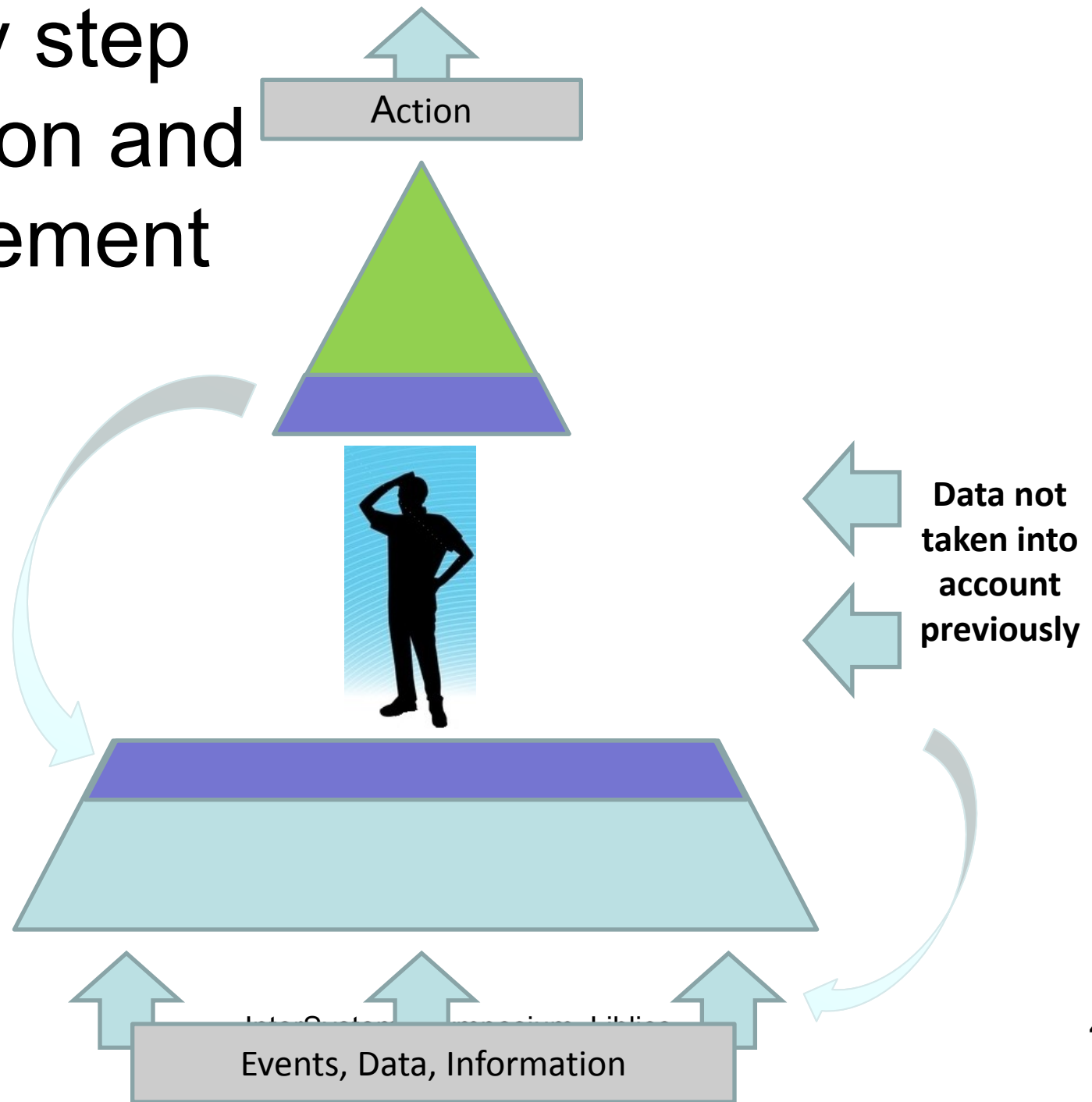


This is the goal !

In a given particular situation satisfied Customer of a Service of "information provision"

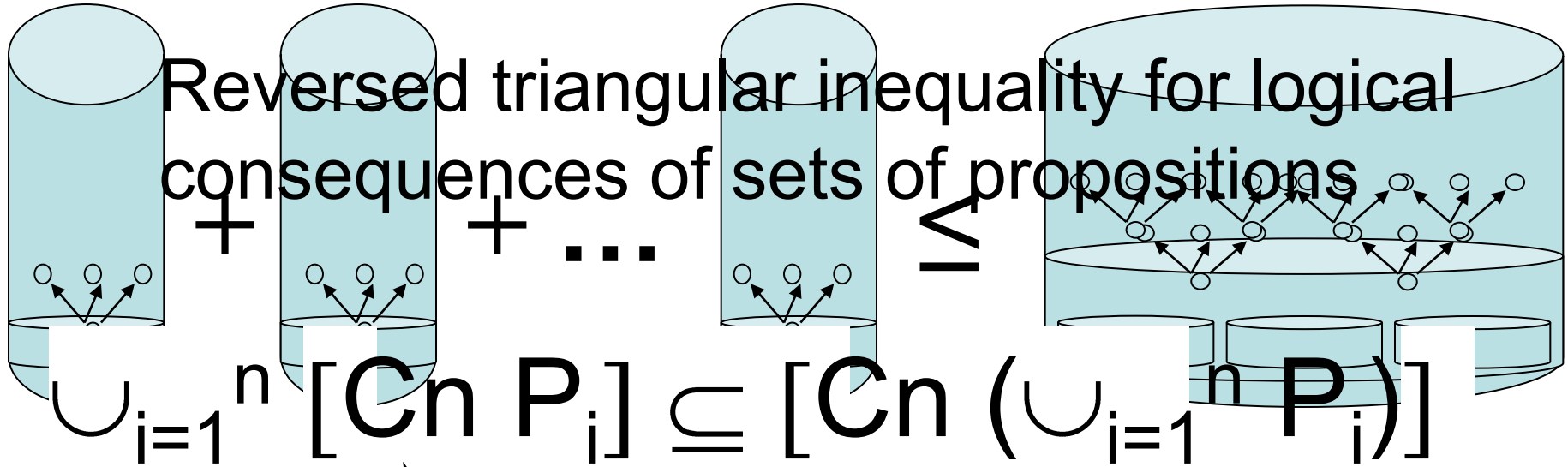


Step by step
extension and
improvement
of the
service



“T-shaped technology”

Reversed triangular inequality for logical consequences of sets of propositions



~~TECHNOLOGY~~

TECHNOLOGY

5

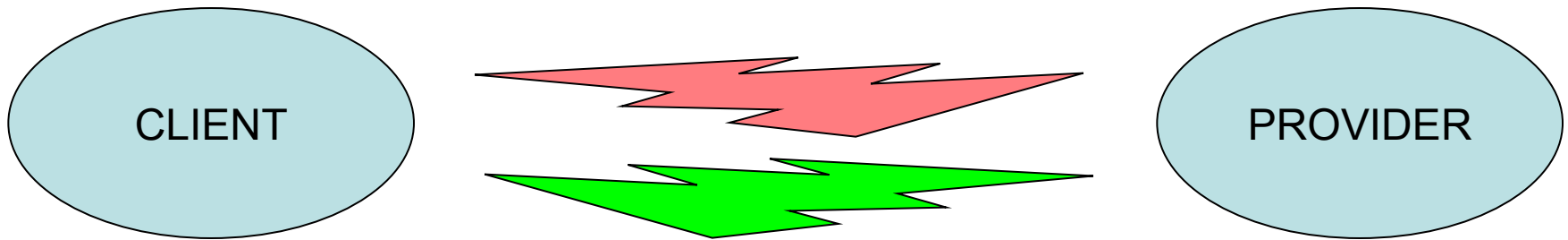
Business

How to sell a good and useful solution?

- Is it easy?
- Why is it an issue? A good solution sells itself! (YES/NO ?)
- How to explain to a “flat” money-oriented decision maker the non-monetary value?
- Is it a question of “invisible hand of the market”?
- ... asymmetric distribution of information ...

Problem

We are living in the World with asymmetric distribution of information



The presumption of the market value balancing by the market is no more valid !

Questions:

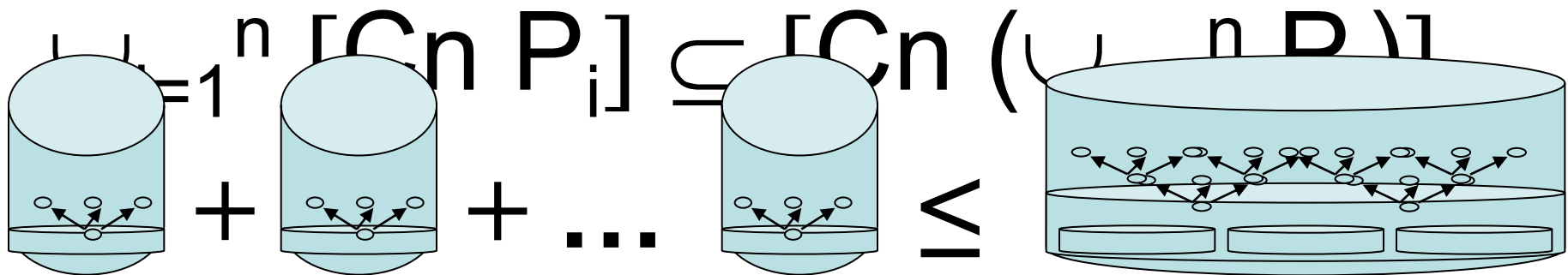
- Do we understand the Ashby's law of "Requisite Variety"?
- Tenders? Are they the means to obtain what we need for a good price?
- Are our systems viable?
- Can Service Systems help in the situation of asymmetric information distribution?

Doubts about common beliefs

- Adam Smith: The invisible hand of the market!
 - ???
 - Is it still valid?
- Tenders where the price is the only one criterion!
 - ???
 - Can we obtain what we need?

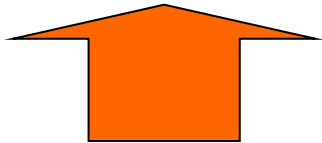
Service Systems creating shared value by means of PrPgPf

- Reversed triangular inequality for logical consequences of sets of propositions

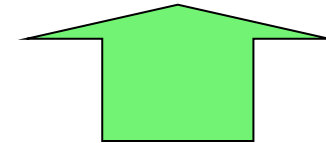


- Apparently this is the most usable mathematical formula for business and management ...

$$\cup_{i=1}^n [C_n P_i] \subseteq [C_n (\cup_{i=1}^n P_i)]$$

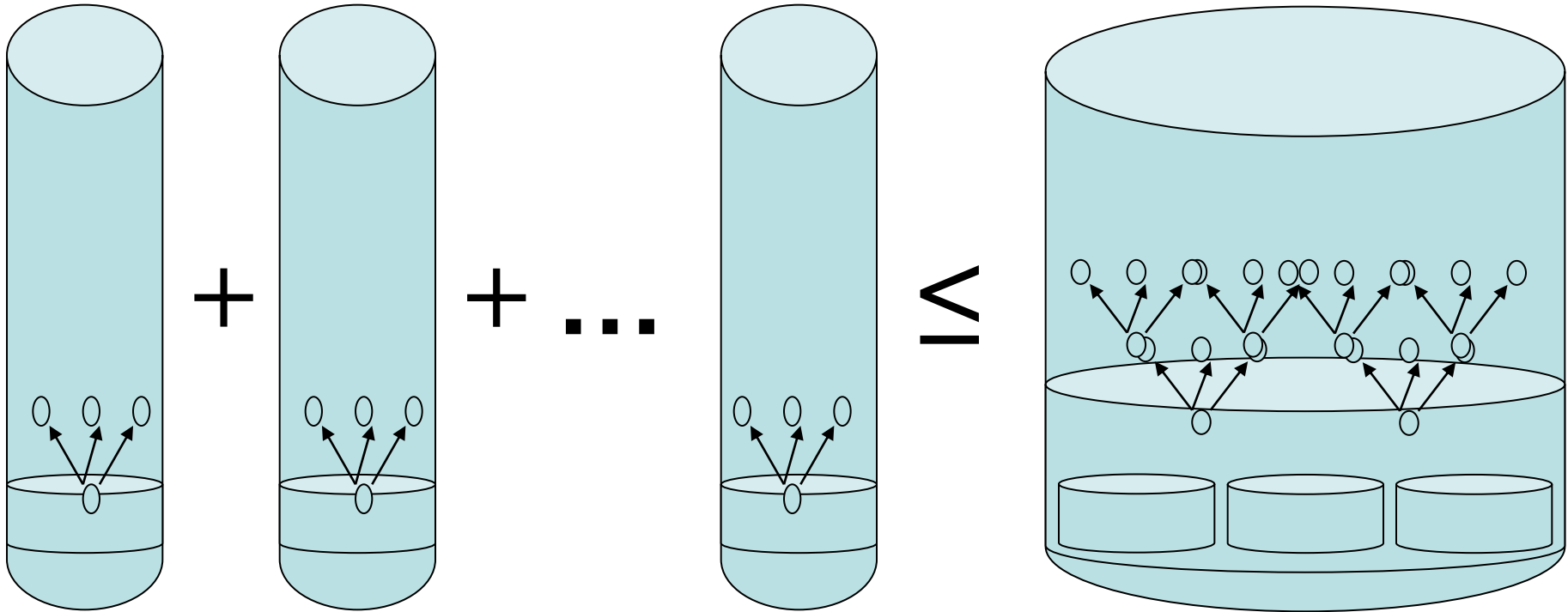


- People minds, technologies, business practices that support the silos
- Not connections oriented approach
- Management by reports
- Ignoring Ashby's law
- Weak support of CSV



- SeS-s governed by PrPgPf principles and best practices
- Management “from the front” based on full acceptance of Ashby's law
- Change of “flat” monetary oriented managers
- Chance for CSV !!!

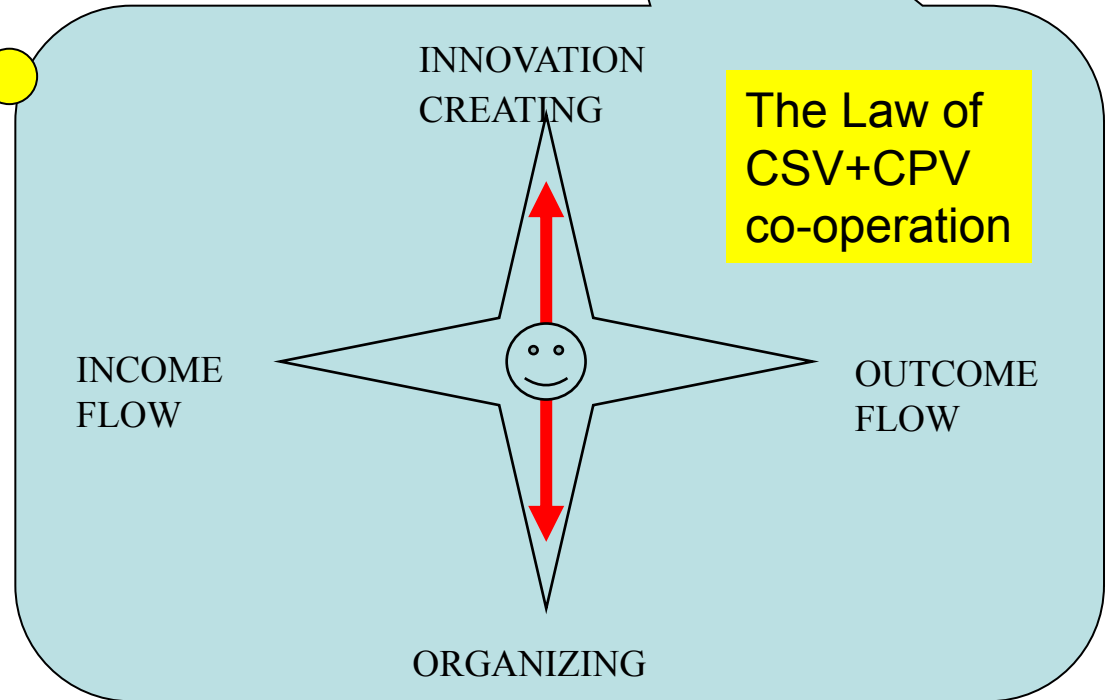
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$$\cup_{i=1}^n [C_n P_i] \subseteq [C_n (\cup_{i=1}^n P_i)]$$

This is the mathematical proof of Ashby's law !!

The Viable Service Systems Principle



Is there a chance
to fix capitalism?

Thank you for your attention !

Zdenko Stanicek,
CPD (IPMA level A)

“IPMA Level A - Certified Projects Director:

Has at least five years of experience in portfolio management and/or programme management with strategic relevance.

- Is responsible for the management of a complex portfolio of a company / organisation or a branch of the organisation, or for the management of one or more important programmes.**
- Contributes to strategy and makes proposals to senior management.**
- Develops project management personnel and coaches project managers to improve their competence in PM.**
- Directs senior project managers and project managers and manages the members of the portfolio or programme team.**
- Develops and implements project management requirements, culture, processes, methods, techniques, tools, handbooks, guidelines for his programme or portfolio.”**