Service environment

Service system

Client – Provider Relationship

- Information Sharing
- Knowledge Sharing
- Negotiations
- Balancing and establishing Value Proposition
- Repetitive reviewing of previous items
- In Mention Mode

Client – Target connection

Client owns the Target

Client owns rights to use and/or manipulate the Target

Client has (owns) problem

- Client recognizes a problem on the Target
- Client is willing to invest to the problem solution

The solution involves an operating and/or transformation of the Target

Relation is in Use mode

Provider – Target Connection

→ Kind of competence

→ Provider knows and is able to operate on the Target

→ Provider knows how and is able to transform the Target

→ Provider understands the Target and is able to plan operation on transformation of it

→ Provider improves in a way the Target for its better utilization by the Client (benefit for the Client)

Value creation

- What is the value?
  - Sake of client?
  - The benefit of the client
- Value is strongly related with the target
- Value is created by both (client + provider)
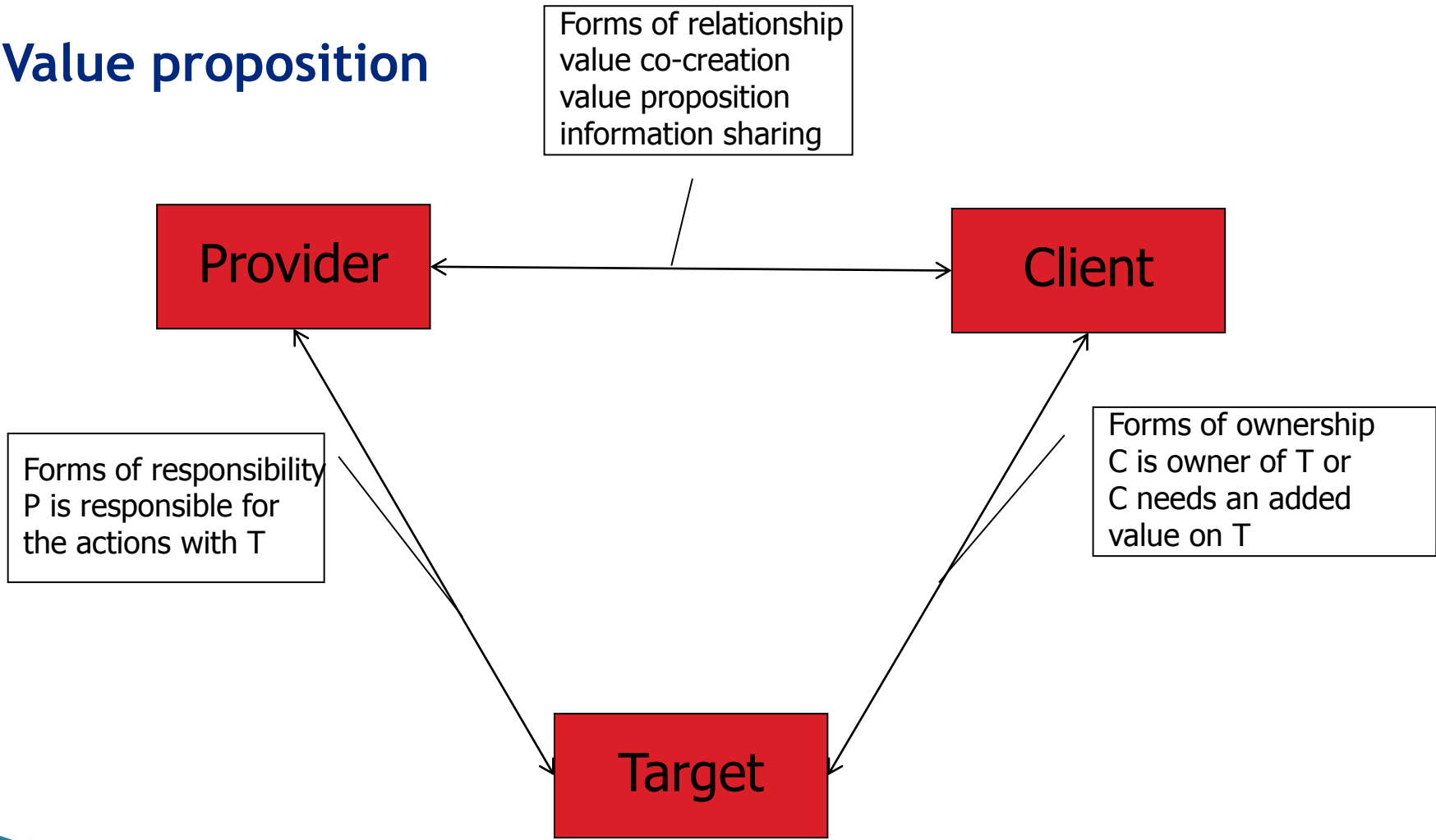 - Value is co-created
- Value can be created only if Client wants (or needs) an added value on Target
  - Identifying a gap

Value proposition

- The most important connection between C and P
- The offer done by provider to the client
- What he/she is able to do with the target to increase beneficiary of the client
- Based on
    - Knowledge about target
    - Information about client
    - Similarities on the market
- What we can do for what price

Value proposition

Forms of relationship
value co-creation
value proposition
information sharing

Provider

Client

Forms of responsibility
P is responsible for
the actions with T

Forms of ownership
C is owner of T or
C needs an added
value on T

Target

Mentioning and Using

- Mentioning
  - To think about future actions
  - What / how / who / where / when / why / for how much
  - Negotiation between client and provider
- Using
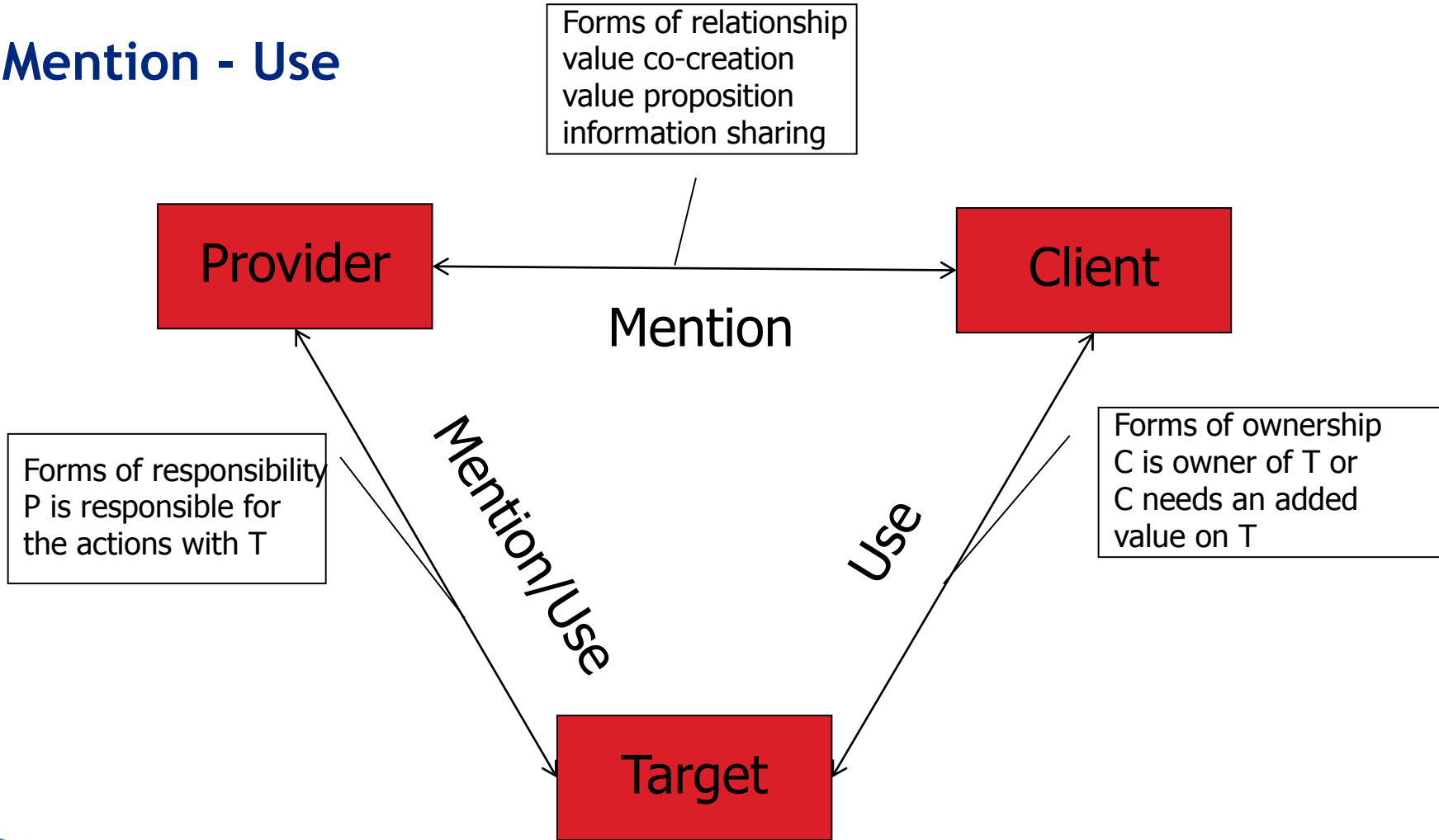 - Use our capabilities to do some action to **bring a value**
- Duality between mentioning and using
  - Each entity can mention, use or make both
- Project management
  - Application of the principle of mention / use

Mention - Use

Forms of relationship
value co-creation
value proposition
information sharing

Provider

Mention

Client

Forms of responsibility
P is responsible for
the actions with T

Mention/Use

Use

Forms of ownership
C is owner of T or
C needs an added
value on T

Target

System complexity

- Provider, Client or Target may contain one or more service systems
  - Those service systems need to cooperate in some way
  - The cooperation between those service systems is also service system
- If they are not a simple person or technology
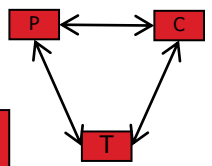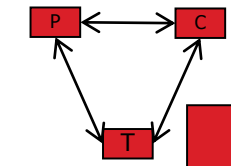- They can be organization, more complex entity etc.
  - Technology with the community of developers
- It must be organized in synergy
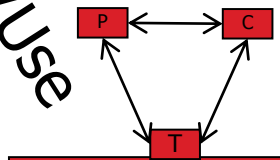 - Some services must be finish first, some in the specific order etc.

System complexity

Forms of relationship
value co-creation
value proposition
information sharing

Provider

Client

Mention

Mention/Use

Use

Forms of responsibility
P is responsible for
the actions with T

Forms of ownership
C is owner of T or
C needs an added
value on T

Target

P ← → C

T

P ← → C

T

P ← → C

T

The time dimension

- Selling a service means a lot of preliminary work
- Sold product means success
- Selling a service is the beginning
    - Start of the service execution
    - Preliminary work is about
        - Value proposition
        - Service modelling
- Providing services means continual development
- To stabilize the service system is necessary to continue with the cooperation

The time dimension

Forms of relationship
value co-creation
value proposition
information sharing

Provider

Client

Mention

Forms of responsibility
P is responsible for
the actions with T

Mention/Use

Forms of ownership
C is owner of T or
C needs an added
value on T

Use

Target
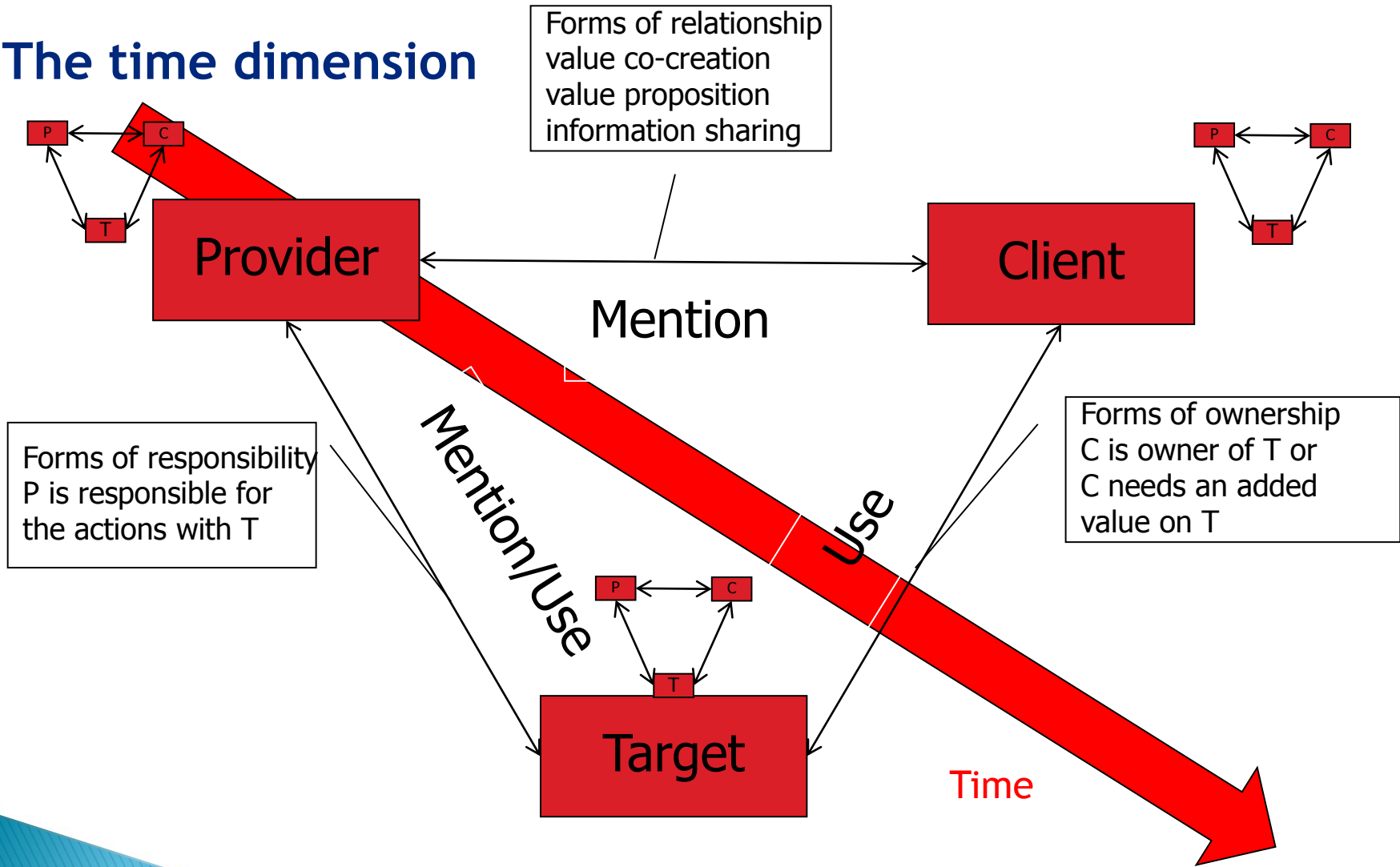
Time

Role of time

⊡ The roles of all elements are not changing during whole life cycle of the service system

⊡ Time period of existence of a service system is not a trivial one compared to actions performed within a service provision systems

⊡ The dividing of the time and planning of the life cycle are important for the relationship client - provider

Example

- Two companies
  - Software developer EasySoft
  - Telecommunication company Telecoco
- Problem
  - Telecoco want to have outsourced information system, developed by EasySoft
- The service system is easily created
- Is there any possibility (or need) to create other service system?
- And if yes, are they related?

Service system

- Provider – EasySoft
- Client – Telecoco
- Target – Information system
- Benefits are focused to the client
- Easysoft uses its competencies to act for the sake of Telecoco
- There is one more special relationship
    - The payment is also service system

Payment service system

⬩ Provider – Telecoco

⬩ Client – EasySoft

⬩ Target – the bank account of EasySoft

⬩ The provider (Telecoco) acts on Target (send the payment) for the sake of EasySoft

⬩ This service system can not exists without the first service system

Prime service system

⊡ Primary created service system

⊡ The roles are distributed and do not change

⊡ Creation of this service system causes the creation of next service systems

⊡ We need to analyze
- ⊡ The relationships between them
- ⊡ The possibility of influence
- ⊡ The causes of synergy

Cooperation of service systems

▷ Lets have some service system (S1) with provider, client and target defined

▷ We say the system S1 cooperates with system S2 if

    ▷ Agent who plays the role of client in S1, plays role of provider in S2

    ▷ Agent who plays the role of provider in S1, plays role of client in S2

    ▷ Benefits for the client in S2 depends on benefits for the client in S1 (or vice-versa)

    ▷ The target is not same

Example of cooperation

→ Study program SSME and cooperation with business partners on internships
→ Client – business partner
  → Wants to have properly educated students
→ Provider – Faculty of informatics
  → Has abilities to educate the students
→ Target – study program SSME
  → Provides the students

Cooperating service system

- Internships projects
  - For the successful study program faculty needs
    - Practice – an internships with quality emphasis
    - Mandatory for every student enrolled in the program
- Agents
  - Client – faculty of informatics
    - Demand the internships positions for the students
  - Provider
    - The company
      - Offers the positions for the students

Cooperating service system

- The target
  - The study program SSME
  - Students are „only" the products of the study program
  - Faculty wants to improve the study program
    - Through the internships
    - Using the feedback from the partners
- In this case the target is the same in both cooperating service systems
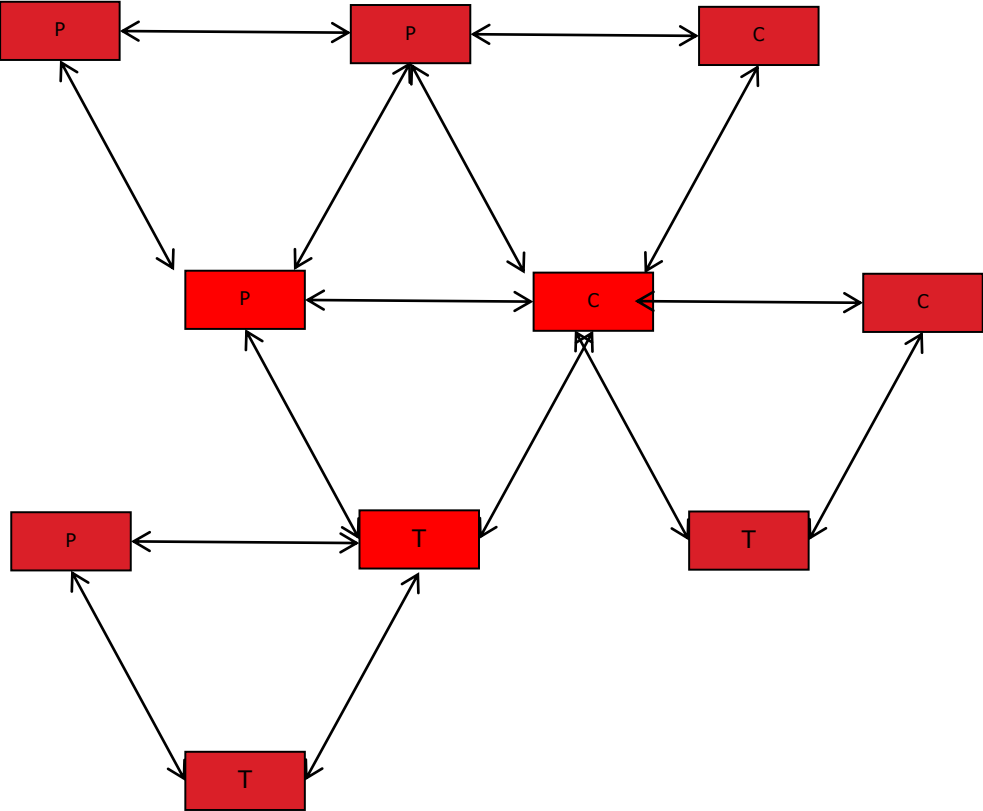
Dual service system

⇒ Lets have the prime service system S1

⇒ Lets have a second service system S2, where

  ⇒ Agent who plays the role of client in S1, plays role of provider in S2

  ⇒ Agent who plays the role of provider in S1, plays role of client in S2

  ⇒ Benefits for the client in S2 depends on benefits for the client in S1 (or vice versa)

  ⇒ Target is the same in S1 and S2 with the bidirectional value proposition

Service system environment

- Are there any other possibilities of the cooperation?
- What to do if
  - Client or Provider in one service system plays the role of of the Client, Provider or Target in other service systems?
  - If the value proposition or the benefits depends on other related service system?
    - Company is able to pay only if its customers will pay
    - Value proposition can be set properly only if we know all related inputs

Service system environment

Service system environment

⇨During negotiations must be explored not only the target, but also all important relations

    ⇨Cooperating service systems

       ⇨Dual service systems

    ⇨Related service systems

⇨After that the value proposition can be set