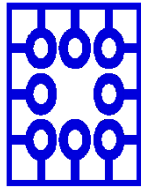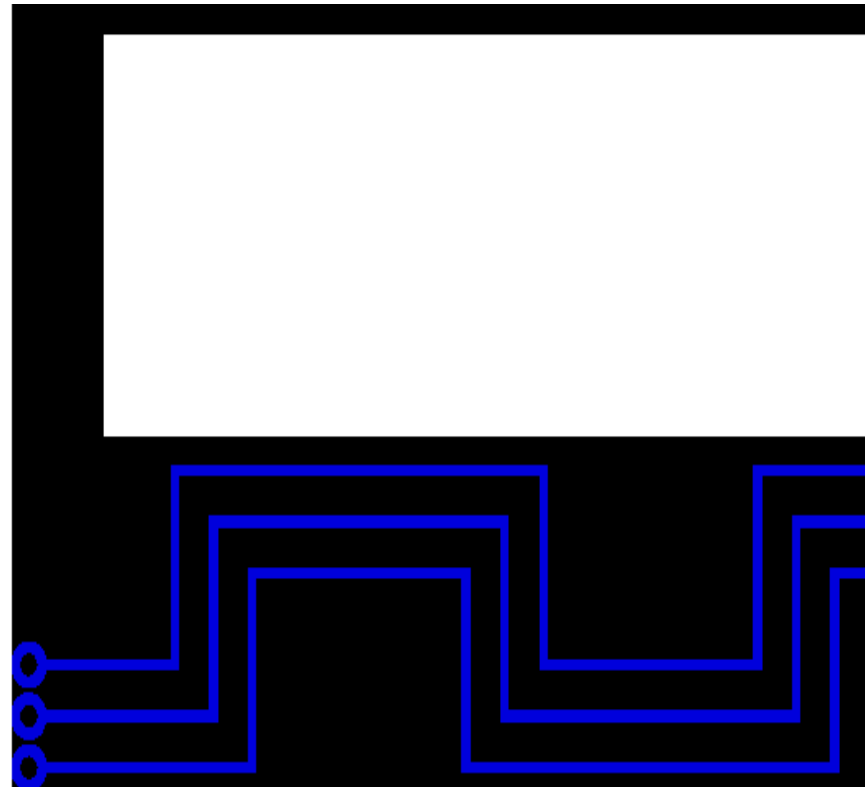MUNI
FI

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Service System

Introduction to Service Science

Leonard Walletzký 2020

Service dominant logic

The focus is not on tangible product

- Is on services the customer can get

No matter if the service is realized through the product or someone else to perform the service

Ownership is not important

The customer obtain benefits by renting to:

- use a physical object
- hire the labour and expertise
- pay for access to facilities and networks

Service dominant logic

Customers do not buy goods or services

They buy offerings which render services that create value

Traditional division between goods and services is outdated

Activities render services

Things render services

The shift in focus to services leads to shift from producer perspective to customer perspective

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Basic Service Economy Paradigms

Service is the fundamental basis of exchange

The customer is always a co-creator of the value

All social and economical actors are the resource integrators

Value is always uniquely and phenomenologically determined by the beneficiary

Advanced SDL Paradigms

Indirect exchange masks the fundamental basis of exchange

Goods are distribution mechanism for service provision

Operant resources are the fundamental source of competitive advantage

All economies are service economies

The enterprise cannot deliver value, but only value proposition

A service-centered view is inherently customer oriented and relational

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Basic conclusions

A service is an action bringing something usable.

Services are information and knowledge intesive

A bearer of service is either an individual, or a group of individuals possibly in a way organized, or a tangible product the use of which provide a service

In modern age of information intangible products could be bearers of service

Knowledge and information are the key sources, needed for service provider and service customer

and assumptions

During a life-cycle of an organization or organized group or an individual these are only two important things:

- Services, as something useful for the receiving subject
- Bearers of those services that can be individuals / organized groups / products

Service and non-service is a point of view and not essential categories of things in our world
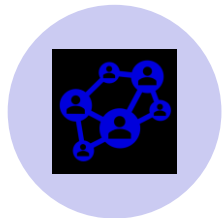
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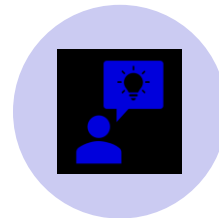# Why do we need the service modelling?

Service is some kind of action bringing some usefulness to receiver of this action.
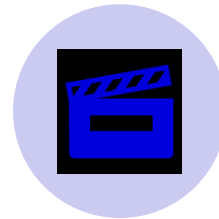
Purpose and/or goal of this action must be **the use** (usage) of the action results or outcomes

Provided actions are strongly connected (related) to knowledge and information.

Knowledge - information and final usefulness are positively correlated

What features do we need to include?
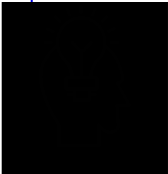
A service can be one shot or repeatable

Each service is connected with shared information

Each service is connected with shared knowledge
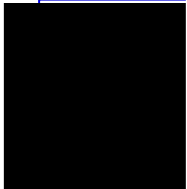
The key value is the performance (actions) of the services

- Done now
- Or promised in the future

Service elements

Provider – somebody / something that perform the action and by this provide the service
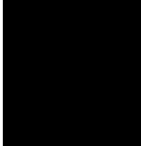
Client – somebody / something that receives results of this action

Where somebody / something could be

- Individuals
- Organized group of individuals
- Technology assembled and organized into value adding application
- Any combination of previous items

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One more element…..

Target is the part of the reality to be transformed or operated for the sake of client

It could be practically anything

- An individual
- A group of individuals
- An organization
- Computer network
- Technology

It is the „source of the problem"

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The elements of service system

Provider	Client	Target
• Individual • Organization • Any of previous combined with the technology and/or piece of environment • Technology that provider is responsible for	• Individual • Organization • Any of previous combined with the technology and/or piece of environment • Portion of reality owned by Client	• The reality to be transformed or operated on by Provider for sake of Client • People, dimensions of business • Dimensions of products, technology artefacts & environment • Information, codified knowledge

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Service system

Provider

Forms of relationship

Client

Forms of responsibility

Forms of ownership

Target
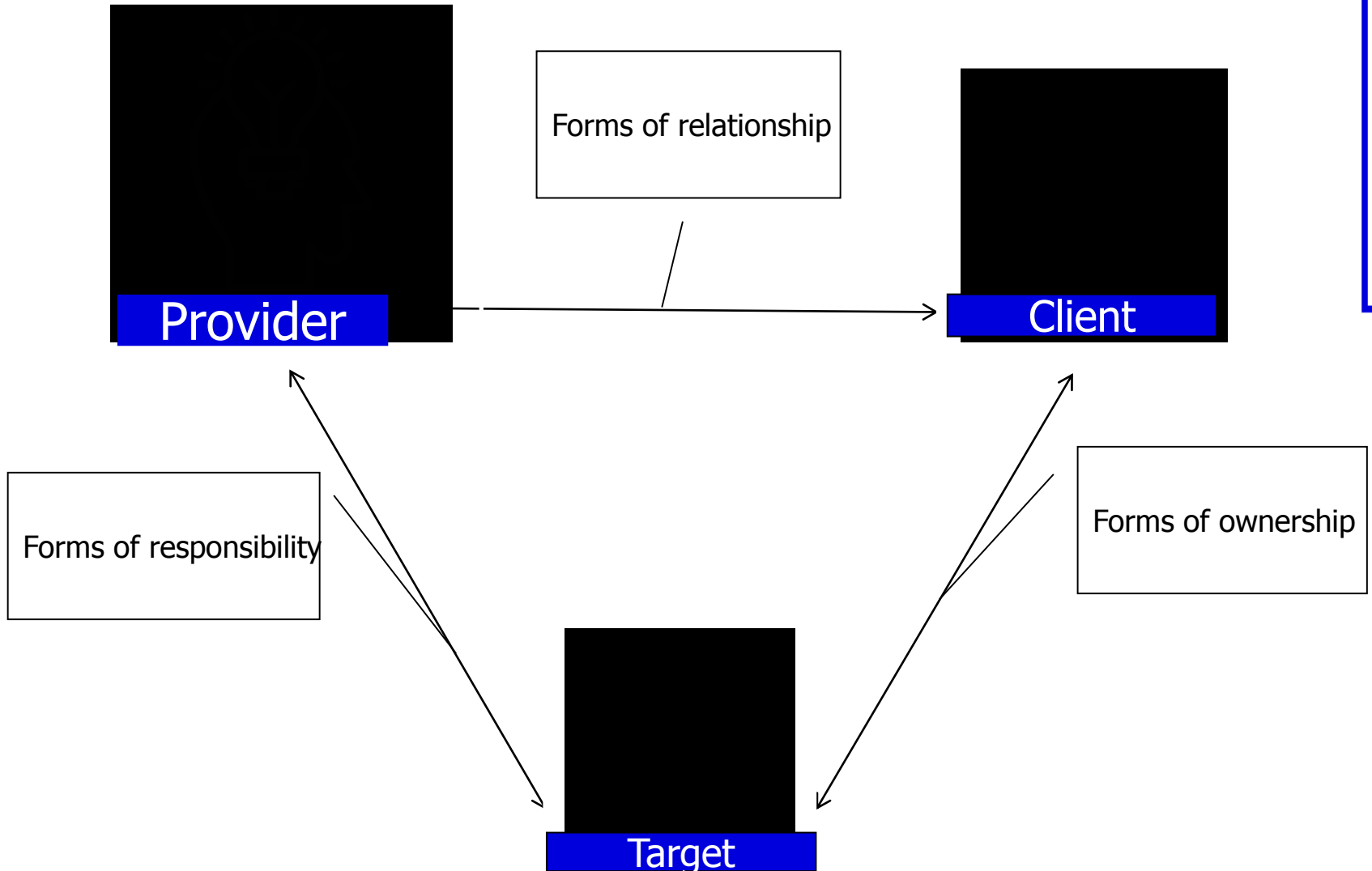
Based on Paul P. Maglio, Savitha Srinivasan, Jeffrey T. Kreulen, and Jim Spohrer. 2006. Service systems, service scientists, SSME, and innovation. Commun. ACM 49, 7 (July 2006), 81–85. https://doi.org/10.1145/1139922.1139955

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Client – Provider Relationship

Information Sharing

Knowledge Sharing

Negotiations

Balancing and establishing Value Proposition

Repetitive reviewing of previous items

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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

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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)

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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
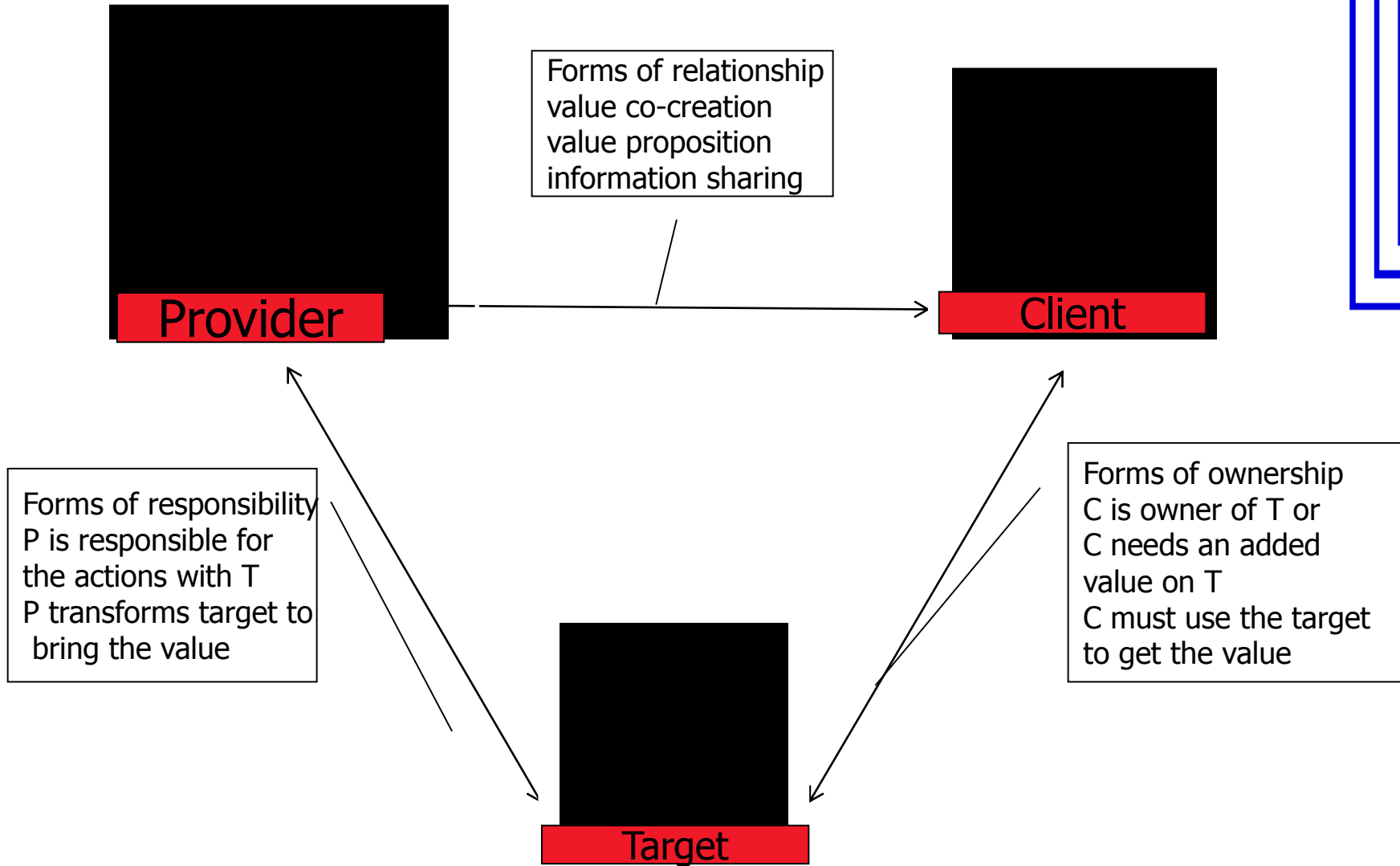
Value proposition

The most important connection

- The offer done by provider to the client
- What can the provider 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

Provider

Client

Target

Forms of relationship
value co-creation
value proposition
information sharing

Forms of responsibility
P is responsible for
the actions with T
P transforms target to
 bring the value

Forms of ownership
C is owner of T or
C needs an added
value on T
C must use the target
to get the value

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Mentioning and Using

Mentioning

- To think about future actions
- What / how / who / where / when / why / for how much
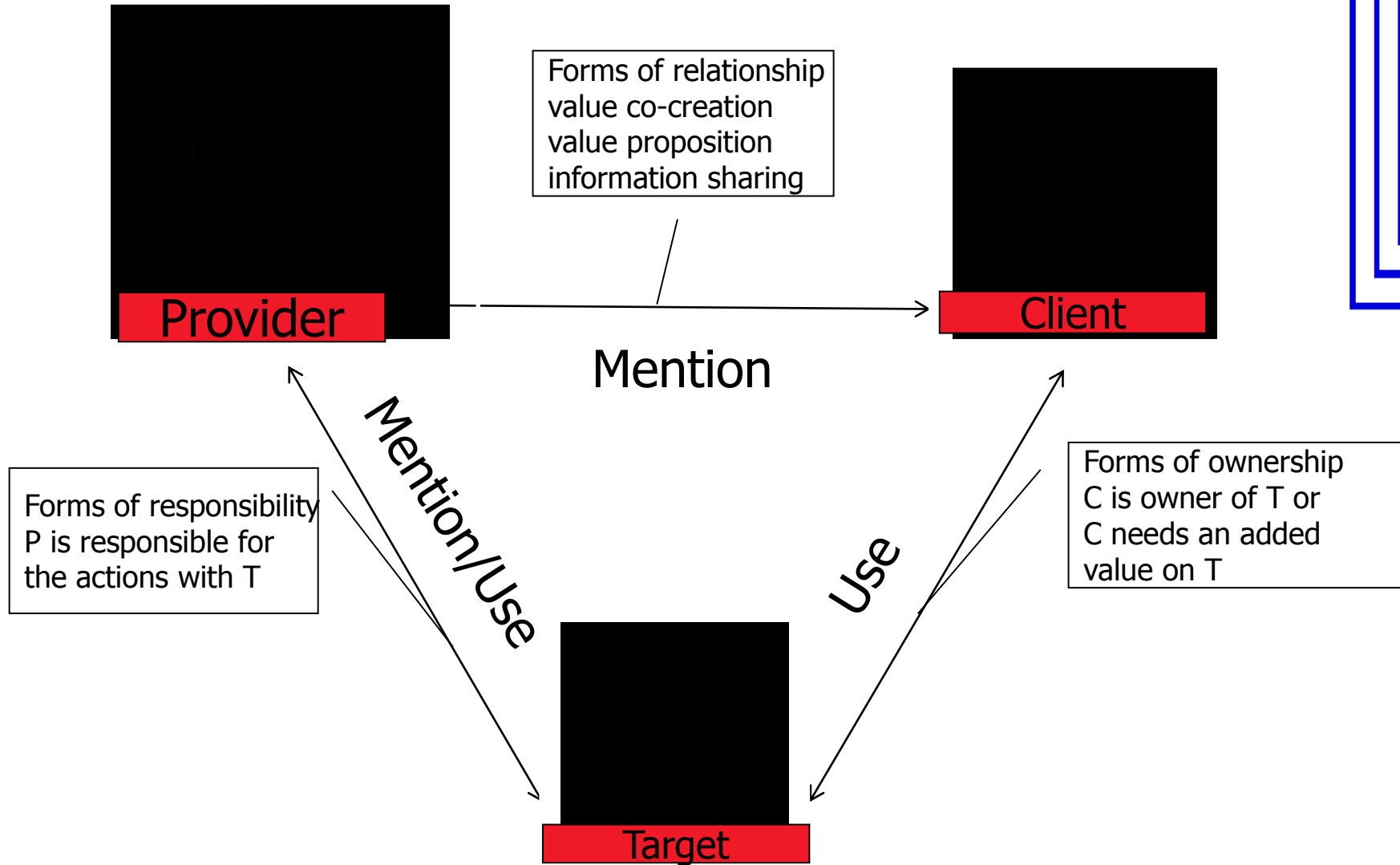- Negotiation between client and provider

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

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Mention - Use

Provider

Client

Target

Forms of relationship
value co-creation
value proposition
information sharing

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

Forms of responsibility
P is responsible for
the actions with T

Mention

Mention/Use

Use

Mention - Use

Provider

Client

Provider plans the actions on target based on the communication with client

Mention

Mention/Use

Use

Client gets the value through usage of target

(value in use)

Target

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Conclusion

Service features and properties	Service modelling	Service system
Relations between items of service system	Mention / use principle	Examples mentioned during presentation