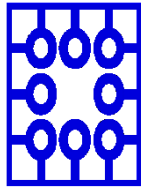


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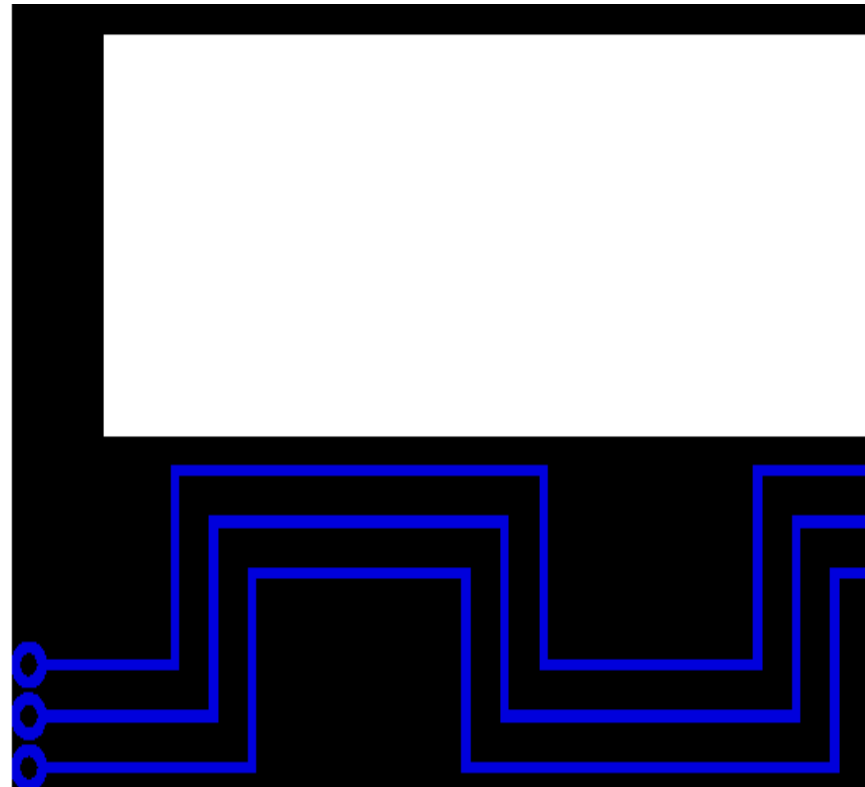


Laboratory  
of Service  
Systems

# 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Traditional division between goods and services is outdated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

# 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

# Basic conclusions

A service is an action bringing something usable.

Services are information and knowledge intensive

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:

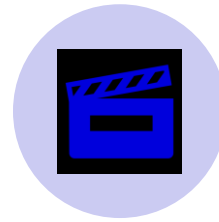
- Services, as something useful for the receiving subject
- Bearers of those services that can be individuals / organized groups / products

Service and non-service is a point of view and not essential categories of things in our world

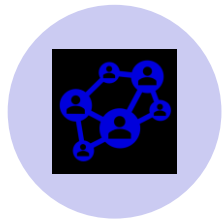
# Why do we need the service modelling?



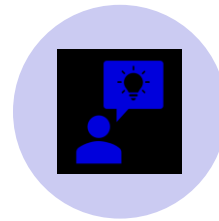
Service is some kind of action bringing some usefulness to receiver of this action.



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

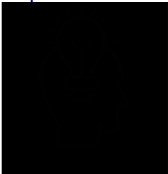
Each service is connected with shared information

Each service is connected with shared knowledge

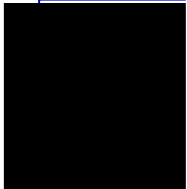
The key value is the performance (actions) of the services

- Done now
- Or promised in the future

# Service elements



Provider – somebody / something that perform the action and by this provide the service

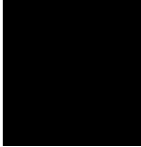


Client – somebody / something that receives results of this action

## Where somebody / something could be

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

# 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“

# The elements of service system

## Provider



- Individual
- Organization
- Any of previous combined with the technology and/or piece of environment
- Technology that provider is responsible for

## Client



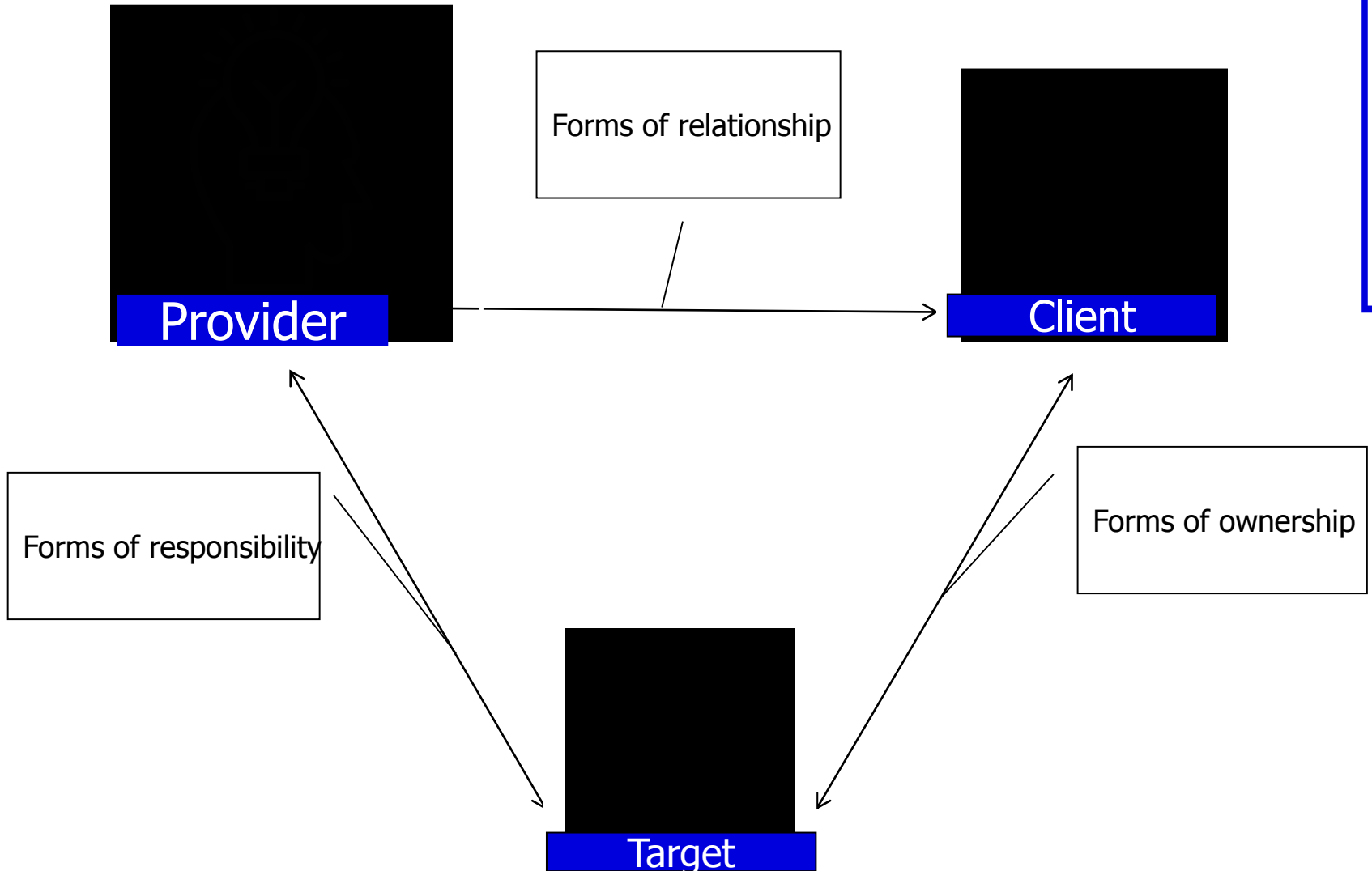
- Individual
- Organization
- Any of previous combined with the technology and/or piece of environment
- Portion of reality owned by Client

## Target



- 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

# Service system



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>

# Client - Provider Relationship

Information Sharing

Knowledge Sharing

Negotiations

Balancing and establishing Value Proposition

Repetitive reviewing of previous items

# 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

# Provider – Target Connection

Kind of competence

Provider knows and is able to operate on the Target

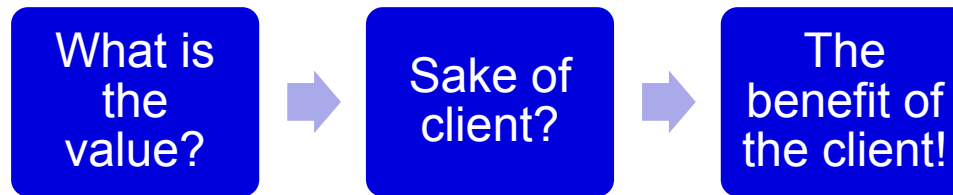
Provider knows how and is able to transform the Target

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



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

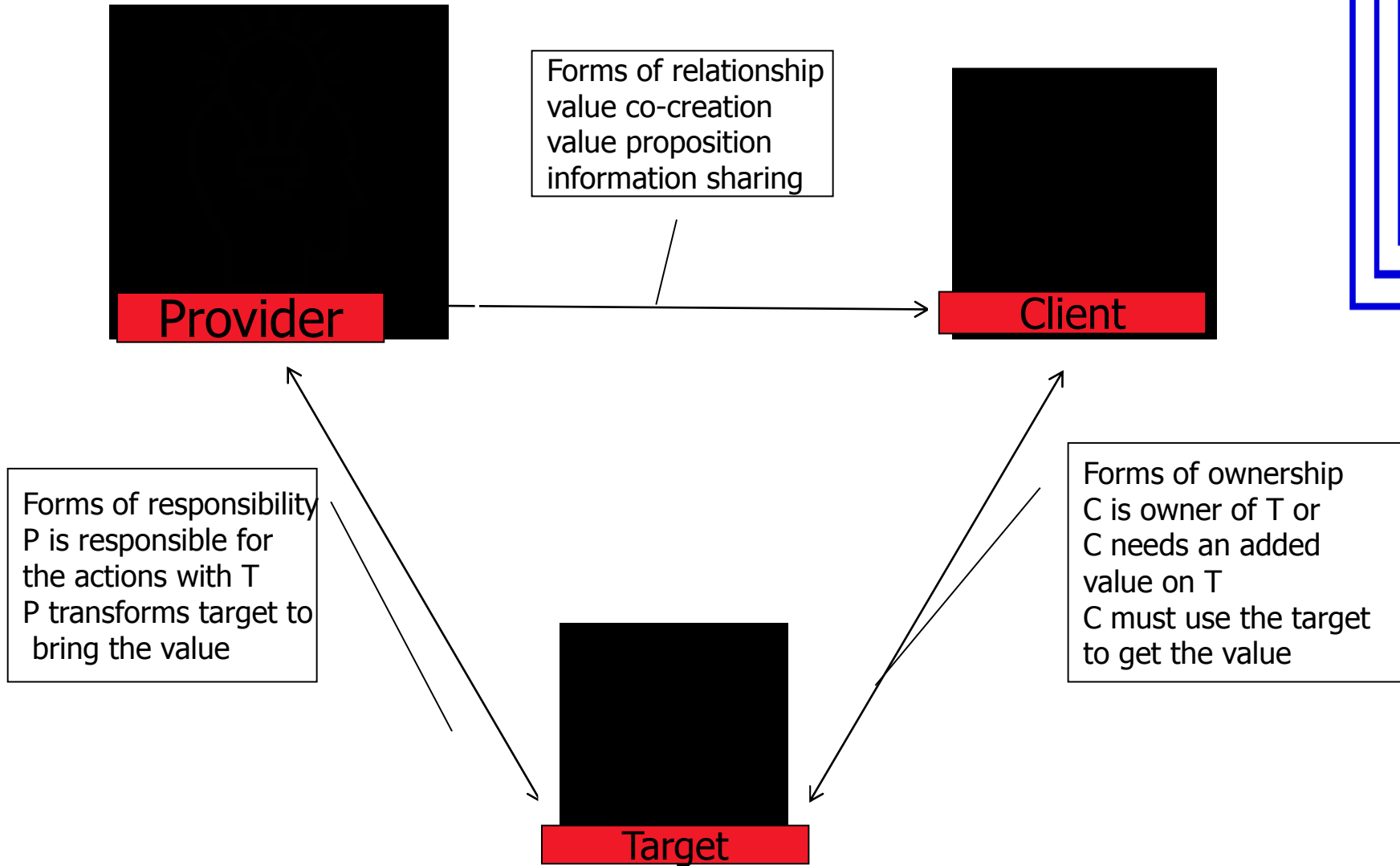
## The most important connection

- 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



# Mentioning and Using

## Mentioning

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

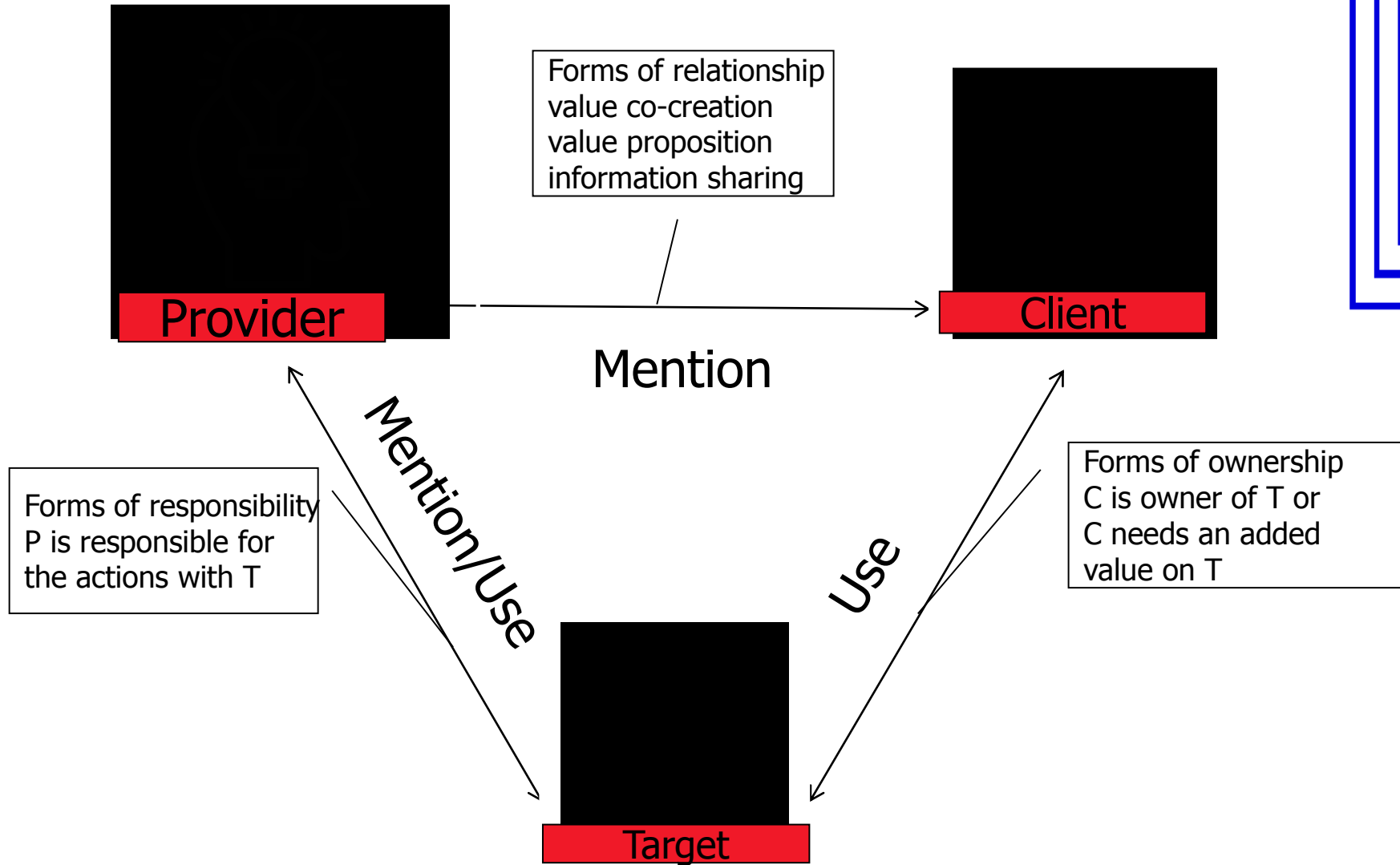
## Using

- Use our capabilities to do some action to bring a value

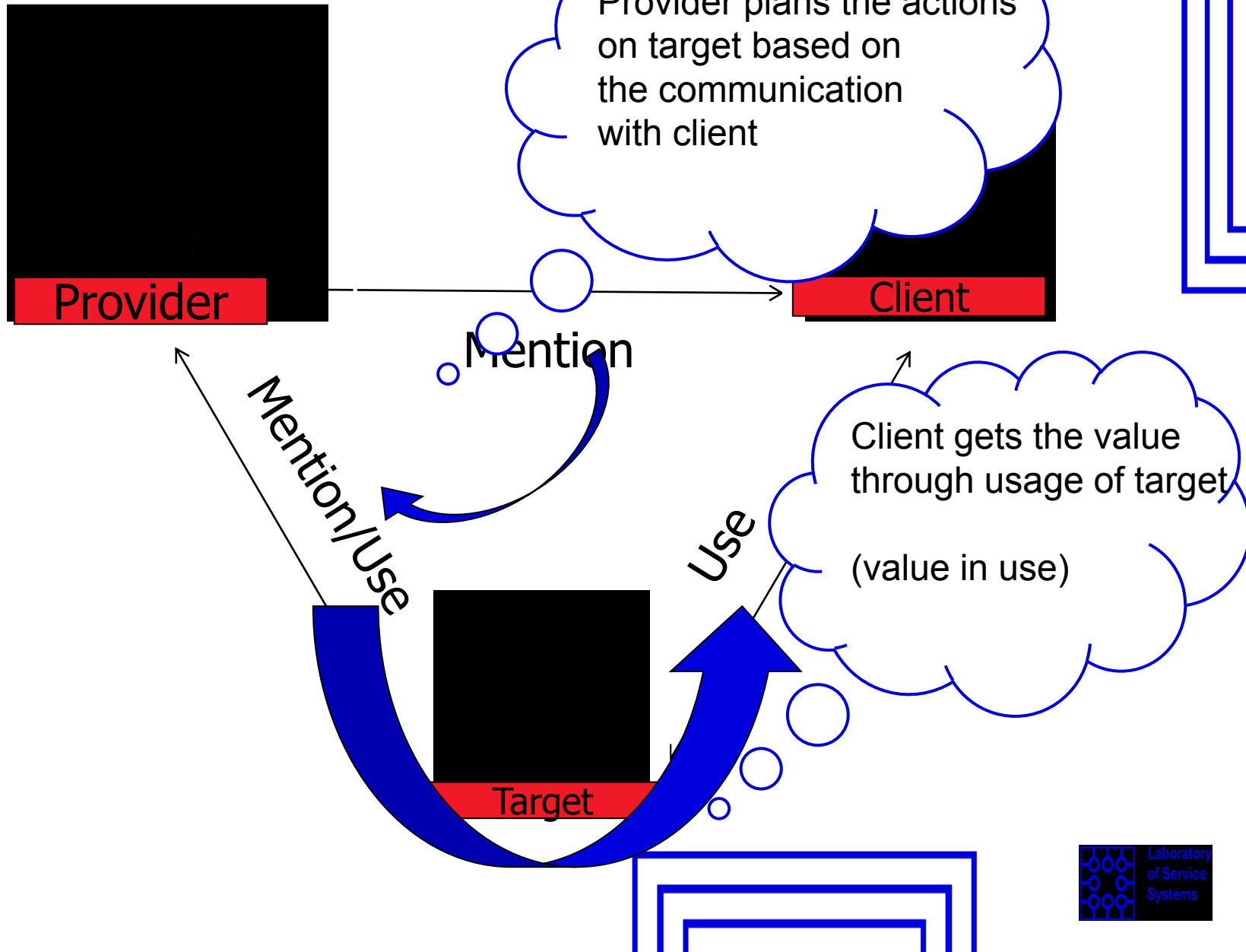
## Duality between mentioning and using

- Each entity can mention, use or make both
- Project management

# Mention - Use



# Mention - Use



# Conclusion

Service features  
and properties

Service  
modelling

Service system

Relations  
between items  
of service  
system

Mention / use  
principle

Examples  
mentioned  
during  
presentation