

FACULTY OF INFORMATICS
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Service and System thinking

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Service Design and Service Delivery Process

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Service

- Something that is done to, or for, a customer

Service delivery system

- The facilities, processes, and skills needed to provide a service

Product bundle

- The combination of goods and services provided to a customer



Service Design

The Service Design is based on a strategic choice which determines the nature and focus of the service and its market target

Key issues in service design

Degree of variation in service requirements

Degree of customer contact and involvement

Characteristics of Services

- ✓ Services are acts, they are intangible but highly visible to the customers
- ✓ Services contain both of tangible and intangible attributes
- ✓ Service performance can be affected by workers' personal factors
- ✓ Services are created and delivered at the same time, they are not consumed but experienced, and they cannot be inventoried.
- ✓ Services have low barriers to entry
- ✓ Service requirements are variable
- ✓ Services tend to be decentralized and dispersed
- ✓ Services are consumed more often than products
- ✓ Services can be easily emulated

Service Business

A service business is the management of all the organizations that interact with 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



Service Delivery System

Components of service delivery system:

- Facilities
- Processes
- Skills



Service design involves:

- The physical resources needed

➤ The goods that are purchased or consumed by the customer

- Explicit services

- Implicit services

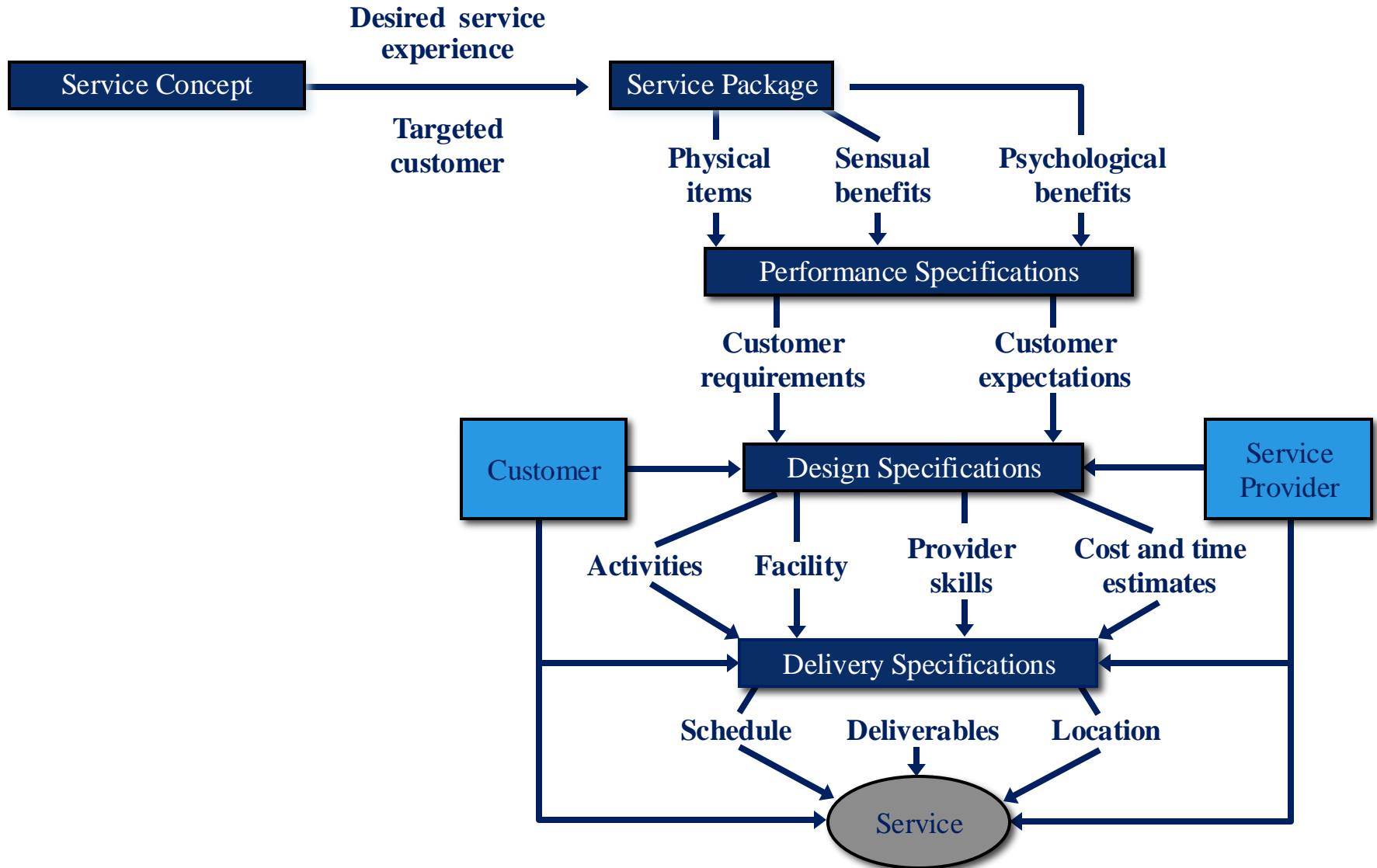


Phases of Service Design

- Conceptualize
- Identify service package components
- Determine performance specifications
- Translate performance specifications into design specifications
- Translate design specifications into delivery specifications



Phases of Service Design



Design for High-and-Low Contact Services (1 of 2)

DESIGN DECISION

HIGH-CONTACT SERVICE

LOW-CONTACT SERVICE

Facility location

Convenient to customer

Near labor or transportation

Facility layout

Must look presentable, accommodate customer needs, and facilitate interaction with customer

Designed for efficiency

Quality control

More variable since customer is involved in process; customer expectations and perceptions of quality may differ; customer present when defects occur

Measured against established standards; testing and rework possible to correct defects

Capacity

Excess capacity required to handle peaks in demand

Planned for average demand

Design for High-and-Low Contact Services (2 of 2)

DESIGN DECISION	HIGH-CONTACT SERVICE	LOW-CONTACT SERVICE
Worker skills	Must be able to interact well with customers and use judgment in decision making	Technical skills
Scheduling	Must accommodate customer schedule	Customer concerned only with completion date
Service process	Mostly front-room activities; service may change during delivery in response to customer	Mostly back-room activities; planned and executed with minimal interference
Service package	Varies with customer; includes environment as well as actual service	Fixed, less extensive

Applying Behavioural Science to Service Encounters

- The front-end and back-end of the encounter are not created equal
- Segment the pleasure, combine the pain
- Let that the customer can control the process
- Pay attention to norms and rituals
- People are easier to understand than systems
- Pay attention to the service recovery



Characteristics of a Well-Designed Service System

- Each element of the service system is consistent with the strategic and operating focus of the firm
- It is user-friendly
- It is robust and easy to sustain
- It is structured
- It provides effective links between the back office and the front office
- It is cost-effective
- It ensures reliability and high quality



Challenges of Service Design

- Variable requirements
- Difficult to describe
- High customer contact
- Service – customer encounter



Guidelines for Successful Service Design

- Define the service package
- Focus on customer's perspective
- Consider image of the service package
- Recognize that designer's perspective is different from the customer's perspective
- Make sure that managers are involved
- Define quality for tangible and intangibles
- Make sure that recruitment, training and rewards are consistent with service expectations
- Establish procedures to handle exceptions
- Establish systems to monitor service

