

Think Services

Supporting Manufacturing Companies in their move toward services

Dr. Daniela Sangiorgi _ ImaginationLancaster, Lancaster University


Helen Fogg _ IEED, Lancaster University Management School, Lancaster University

Steven Johnson, The Hub

Gavin Maguire, Engine Service Design

Andrenna Caron, design graduate Lancaster University

Lakshmi Vijayakumar, design graduate Lancaster University



A **3 workshops programme** aiming to help product orientated SMEs to explore how thinking in terms of services and applying more customer centered innovation approaches could benefit their businesses.



Programme organisers:



Helen Fogg, IEED:
Project Manager for the Innovation
for Growth project.



Daniela Sangiorgi, ImaginationLancaster:
Project Manager for *Think Services*

Designers:



Gavin Maguire, Engine Service Design
Facilitation workshop 2



Steven Johnson, The Hub
Facilitation workshop 1

Support:



Lakshmi
Vijayakumar

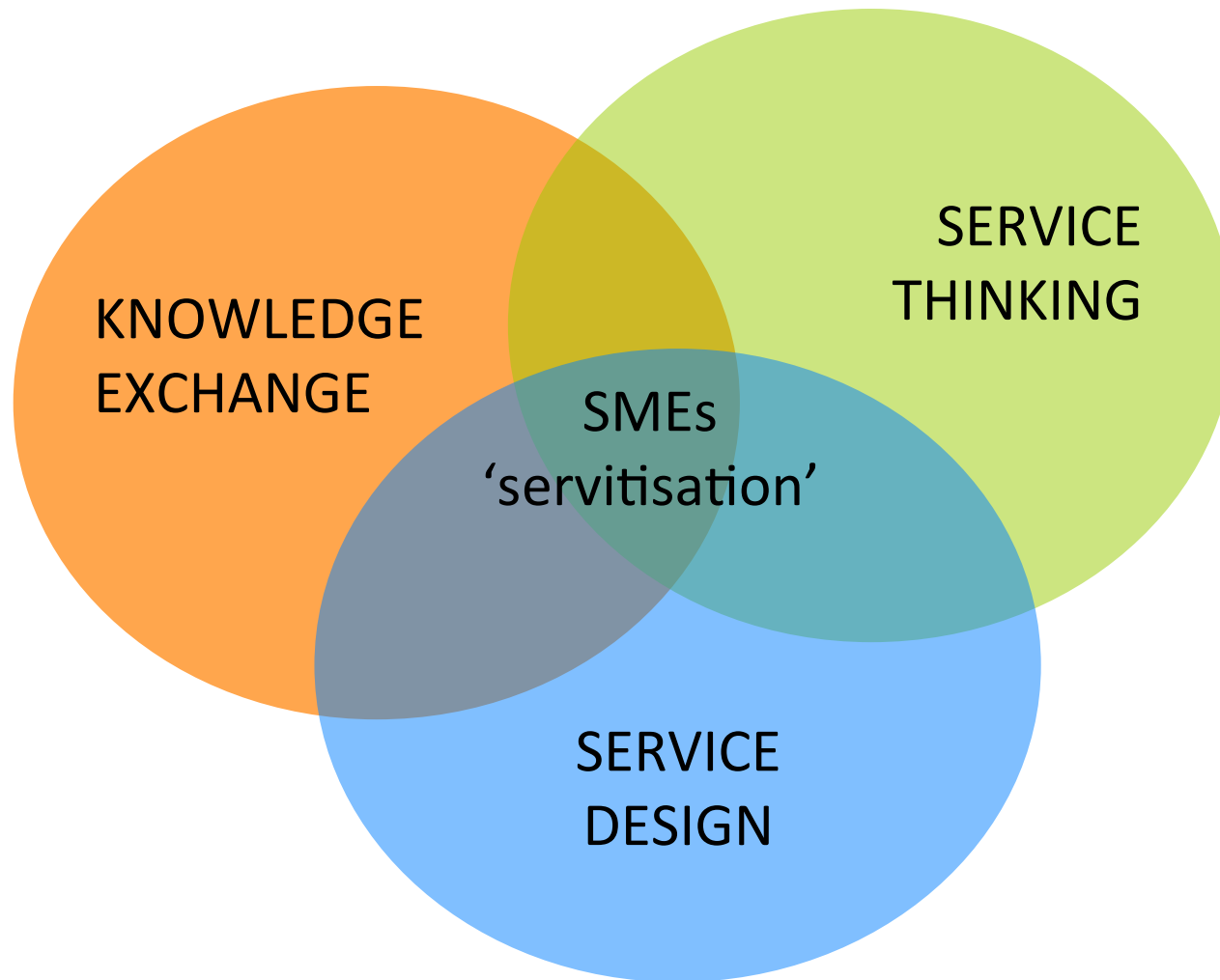


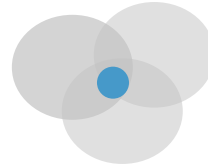
Andrenna
Carou D'souza



Roger
Whitham

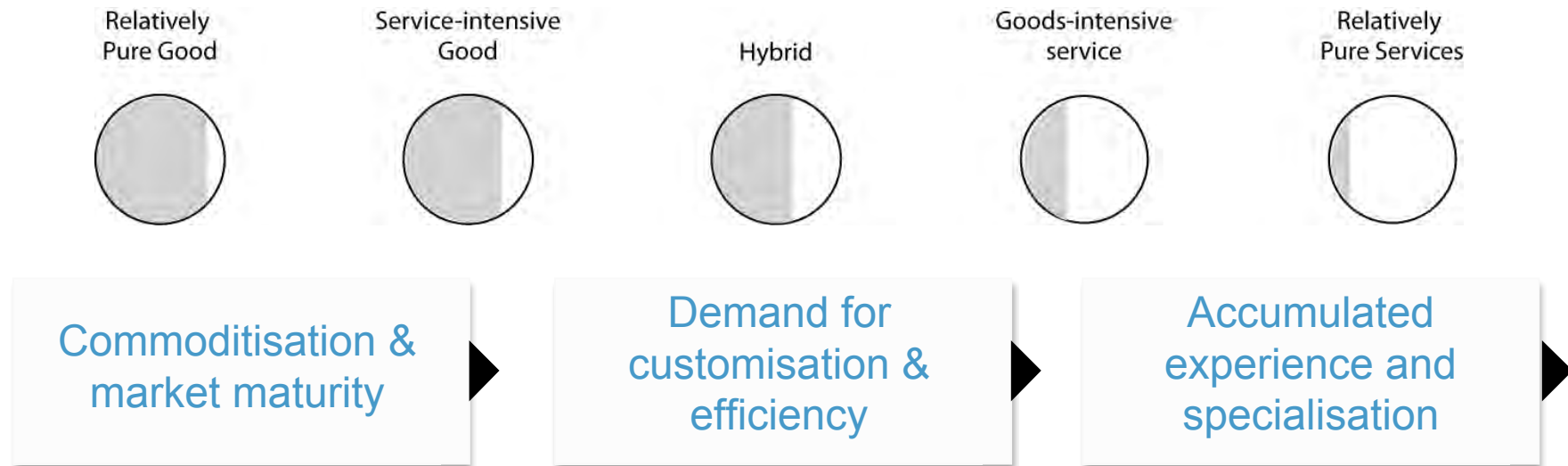


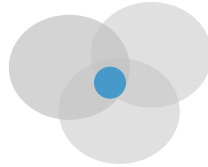




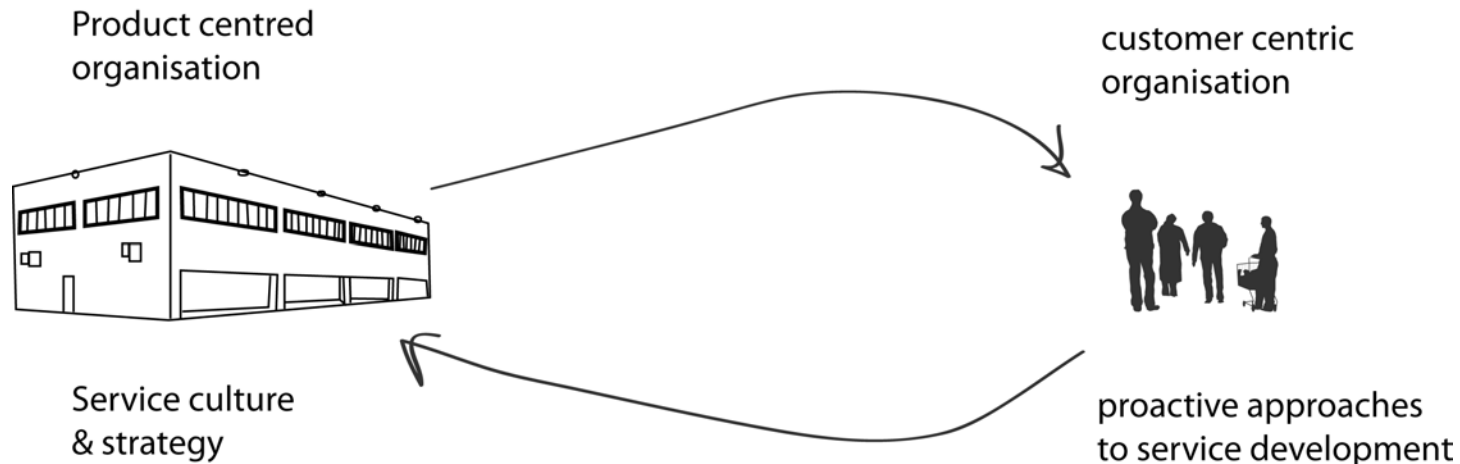
SMEs - Servitisation

Increasing offering of “fuller market packages or ‘bundles’ of customer focused combinations of goods, services, support, self-service and knowledge” (Vandermerwe and Rada, 1988: 314).





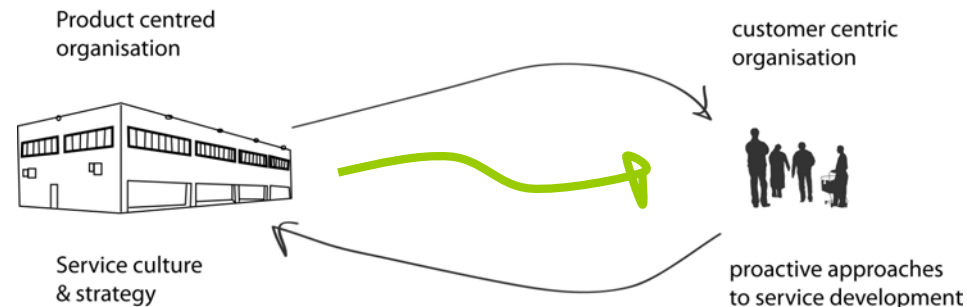
SMEs - Servitisation



- **Competitive costs**: Integrating service offerings means entering into the service-providing competitive field
- **Political costs**: political process that needs to build consensus across the organisation

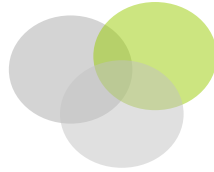
Mathieu (2001)

Service Thinking



Becoming more customer–centric implies a change in the way companies think about themselves, their identity and their position in the market.

The authors describe ‘service thinking’ as the potential driver for this transformation and ‘service design’ as a methodology that can support and guide companies through this process.

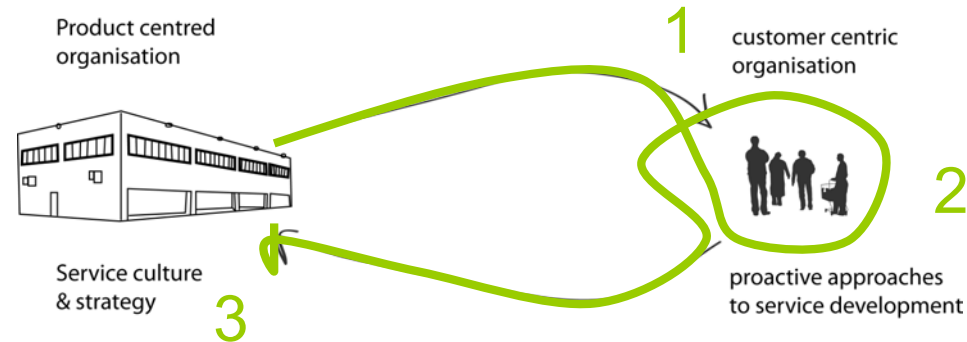


Service Thinking

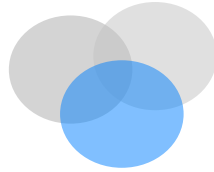
A framework and a strategic tool for innovation that has its roots in a **new way of thinking about value** that affects the way products and services are conceived:

- 1 - From value added to **value co-creation and value-in-use**
- 2 - From units of output to **mutually satisfying interactive processes**
- 3 - From individual actors to **value creating systems**

Service Thinking



1. look for value creation outside the companies' boundaries and adopt the customer's perspective;
2. look at the value networks and customers' overall practices in a proactive way to identify new opportunities for innovation
3. reframe value propositions around the processes and interactions that generate benefit for the customer's own activities;



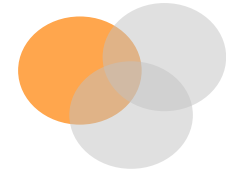
Service Design

Service Design has identified **service experiences as a central area of design intervention:**

- ❑ The capacity to deeply understand users' experiences and the contexts of service provision and use is at the core of service designers contributions to service innovation (Sangiorgi et al, 2011).
- ❑ Service designers propose a 'outside-in' approach to innovation, that, focuses on where value is actually co-created.



Knowledge Exchange



1. Translate service thinking and service design in terms of KE tools and activities;
2. Start a **process of reframing** the understanding of their identity, offerings, competences, innovation processes and market strategies around a new description of value.



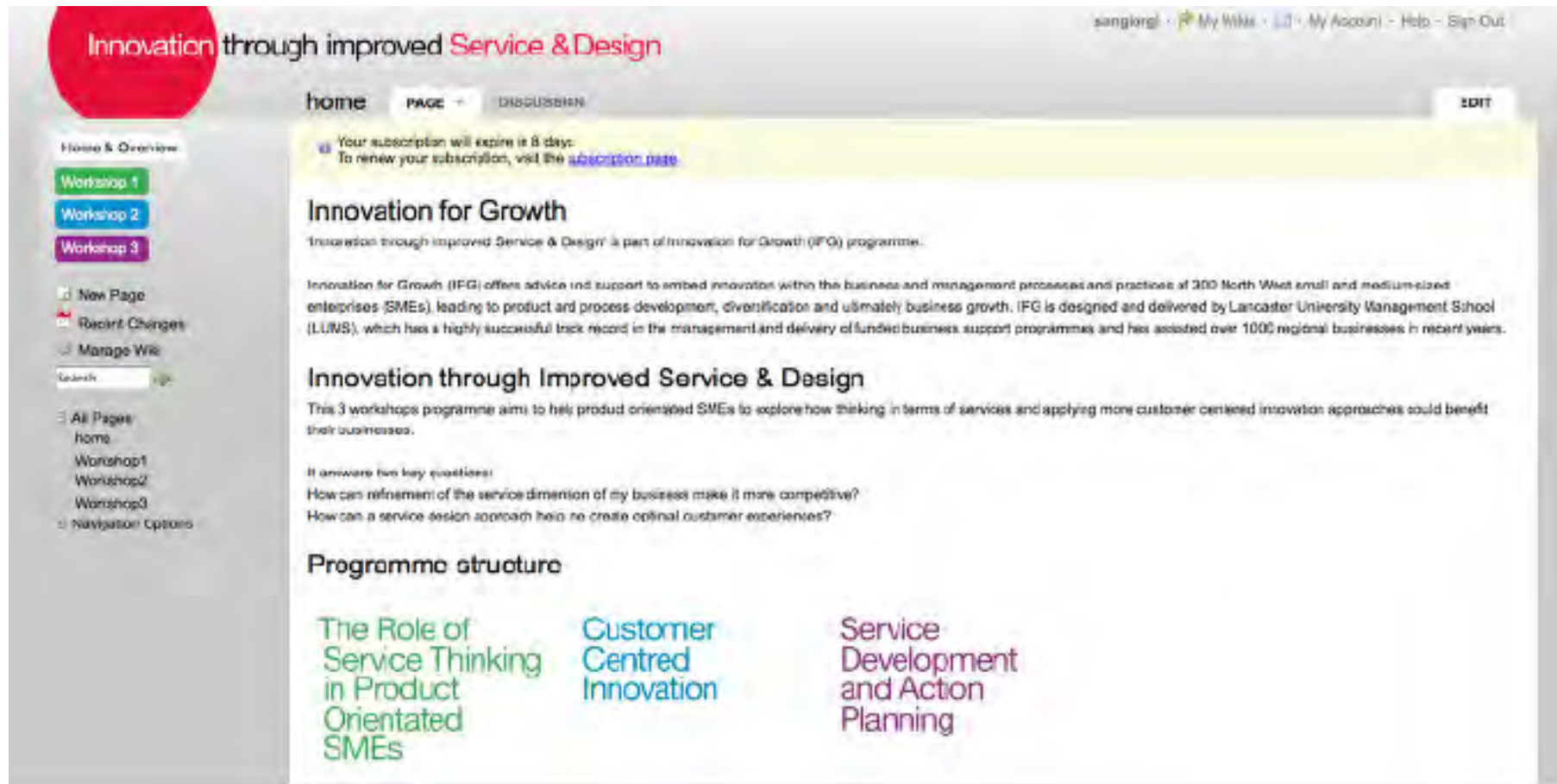


Booklet





Wikispace



The screenshot shows a Wikispace page with the following content:

- Header:** "Innovation through improved Service & Design" (with "Service & Design" in red). Navigation links: "home", "PAGE", "DISCUSSION", "EDIT".
- Left Sidebar:**
 - Home & Overview
 - Workshop 1 (green)
 - Workshop 2 (blue)
 - Workshop 3 (purple)
 - New Page
 - Recent Changes
 - Manage Wiki
 - Search
 - All Pages:
 - home
 - Workshop1
 - Workshop2
 - Workshop3
 - Navigation Options
- Main Content:**
 - Subscription notice: "Your subscription will expire in 8 days. To renew your subscription, visit the [subscription page](#)." (background is yellow)
 - Innovation for Growth**
 - Introduction: "Innovation through improved Service & Design is part of Innovation for Growth (IFG) programme."
 - Description: "Innovation for Growth (IFG) offers advice and support to embed innovation within the business and management processes and practices of 300 North West small and medium-sized enterprises (SMEs), leading to product and process development, diversification and ultimately business growth. IFG is designed and delivered by Lancaster University Management School (LUMS), which has a highly successful track record in the management and delivery of funded business support programmes and has assisted over 1000 regional businesses in recent years."
 - Innovation through Improved Service & Design**
 - Description: "This 3 workshops programme aims to help product orientated SMEs to explore how thinking in terms of services and applying more customer centred innovation approaches could benefit their businesses."
 - Key questions:
 - "If answer two key questions:
 - How can refinement of the service dimension of my business make it more competitive?"
 - How can a service design approach help me create optimal customer experiences?"
 - Programme structure**
 - The Role of Service Thinking in Product Orientated SMEs (green text)
 - Customer Centred Innovation (blue text)
 - Service Development and Action Planning (purple text)



Supported
by the
Design
Council

Companies

The events attracted **14 companies** of various sizes (from 100 to 2.5 staff), working at different stages of the product-service continuum: from pure manufacturing companies with limited added services to pure knowledge based consultancy services.

Survey



Company Profile Enertec Fuels Ltd

DRAFT

Source: Leigh Astin, Director

Enertec Fuels designs and manufactures bio-diesel producing machines, helping clients saving up to 88% on their diesel costs. It is an innovative and technology driven organisation. Their core offering is essentially the bio-diesel machinery. This machinery helps clients to produce their own fuels and, thanks to an advanced process automation feature, to have the ability to manage and monitor this process. Their core products are bio-diesel machinery, chemical and oil supplies, machinery supplies, waste management services and on-field management.

Service dimension



Enertec offers service-intensive machineries. Services offered include purchase or lease of bio-diesel machinery, oil supply, chemical supply, waste management & fuel management services. Their customers value their unique offering like process automation, their customer service, and reliability. Enertec also enables access to holistic services not limited to the machines. They market their products mainly online and also by word of mouth, networking and promotional materials.

Customer Focus



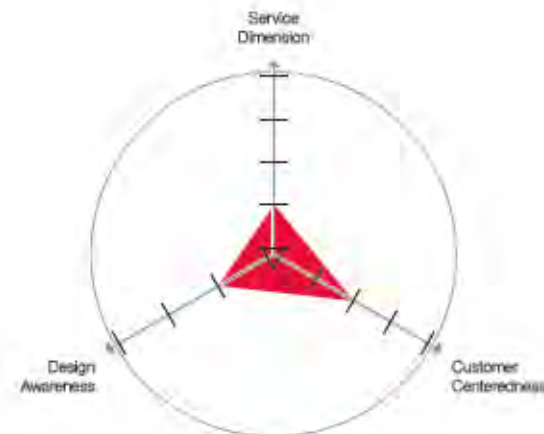
Enertec Fuels' products and services are sold in the local, regional and national markets. Their typical customers are SMEs running a fleet of vehicles. The marketplace in which they operate is not highly competitive. Enertec identifies customer needs by listening to and understanding what their clients want, and importantly what they do not want, during each encounter. They cultivate customer relationships through regular and consistent communication.

Design Awareness



Design is applied as aesthetics and styling to their offering. It is present organically in the organisation. Design is also used for product design which is done internally in the organisation. They use an external design agency for the development of their company website. Enertec recognises design as a relevant component towards the success of the organisation.

Summary Enertec Fuels Ltd



Enertec Fuels has already a strong and integrated service dimension to support and enhance their core offering which is the bio-diesel fuel producing machinery. They are responsive to customer needs and interprets design as aesthetics and key contribution to their product and web design.

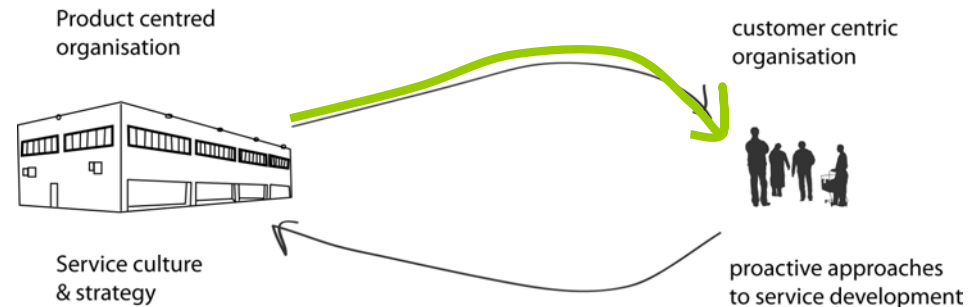
The Innovation through Improved Service & Design programme can help Enertec Fuels to consolidate their business by exploring how to further use their developed expertise in the field widening their perspectives to further service opportunities and/or deepening their understanding of their clients' practices and context of use.

They can explore different customer centred approaches to innovation and apply design techniques to develop their service dimension.

Workshop 1

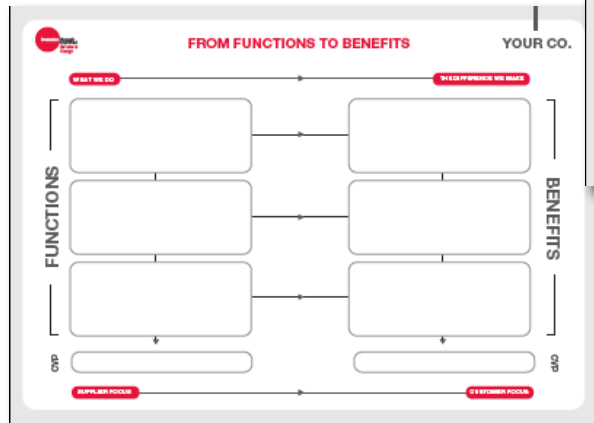


SERVICE THINKING

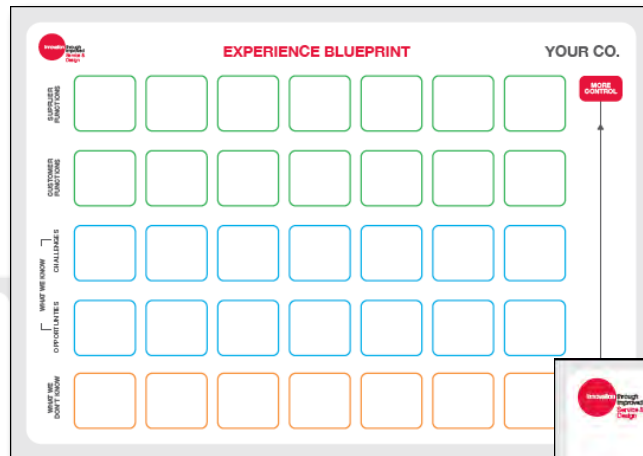


1. From thinking in terms of functions to thinking in terms of benefits;
tool A
2. From thinking in terms of benefits to thinking in terms of customer's experiences and practices
tool B
3. From thinking in terms of experiences to thinking in terms of value co-creation
Tool C

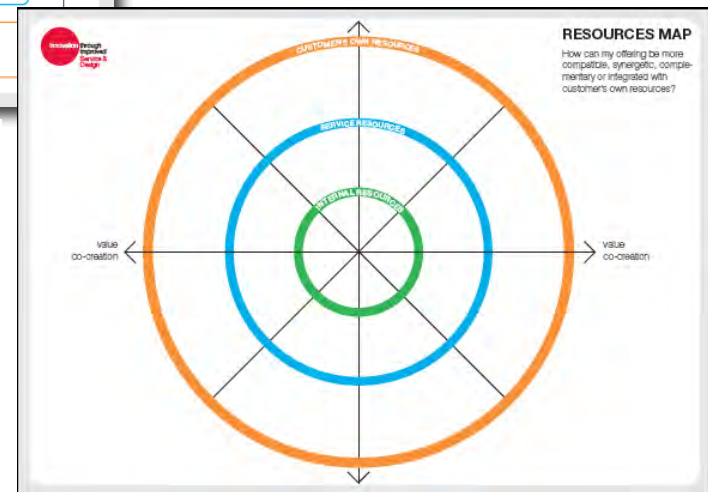
Workshop 1



From a list of functions (what we do) to a list of benefits for customers (the difference we make)



From known processes to assumed and unknown customer experiences and practices



From key well known resources used internally to customers' resources used independently from your offering

Workshop 1

Key learning points

1. All the workshop can be summarised in the key question: what do customers really think?
2. Customers are the centre for innovation. Given the extremely varied customer typologies and requirements, how can we segment customers to create service packages and optimise resources?
3. Stakeholders are key to value creation as well as customers. How to create effective relationships with stakeholders to optimise value?

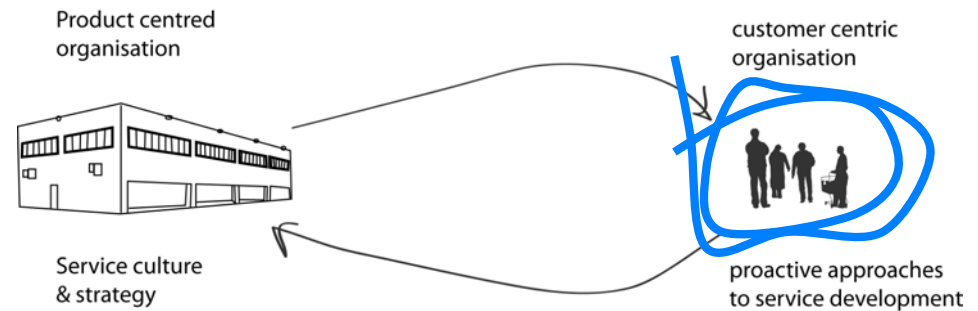


ServDes 2012 - Helsinki February 2012

Workshop 2



SERVICE DESIGN



1. Identify your customer types

tool A

2. Choose the less known one and create a persona

tool B

3. Based on the persona, describe both the existing and the ideal customer journey

Tool C

Workshop 2

Customer types

	TYPE 1	TYPE 2	TYPE 3	TYPE 4	TYPE 5
Top-line description (e.g. "high-maintenance customer")					
How they use your company?					
What do they like about it?					
How often / regularly they use your company?					
The nature of the relationship.					
Other:					
Other:					
Other:					

Persona

NAME (e.g. Martha)	
Top-line description (e.g. "high-maintenance customer")	
What is their job?	
How, when, and for what do they use your company?	
What's their attitude to your company?	
What do they like most about dealing with you and / or your products?	
What do they like least about dealing with you and / or your products?	
What is their biggest challenge in their job?	
To what extent do they require advice?	
What does "easy" mean to them?	
To what extent would they like tailoring or customisation?	
What does "control" mean to them?	
What does "support" mean to them?	
What else defines this persona, their needs, and / or their relationship to your company?	

Customer journey worksheet

BEFORE	LOOKING ABOUT OUR BENEFITS	COMPARE PRICES	OPEN AN ACCOUNT
USE OUR WEBSITE TO GET OUR SERVICES	CALL US TO GET OUR SERVICES	TELEPHONE US AND OVER COMPARE PRICES	TELEPHONE US AND SET UP YOUR COMPANY DETAILS FOR A CREDIT CHECK

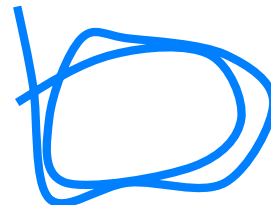
DURING PRINCIPAL TRANSACTION	ORDER	PAY	DELIVER GOODS
PHONE OUR SALES TEAM FOR PRICES AND CALL CENTRE	ORDER ONLINE	ORDER ONLINE	DELIVER GOODS

AFTER	SUPPORT	ISSUES	SUPPORT
USE OUR WEBSITE TO GET OUR SERVICES	TELEPHONE US AND SPEAK TO OUR CALL CENTRE AND MAY BE ABLE TO HELP YOU. IF NOT, ONE OF OUR SERVICE TECHNICIANS WILL	POST IT TO US	LOSS A REQUEST WITH OUR CALL CENTRE AND MUST NOT TRY AGAIN. YOU MAY BE ABLE TO GET BACK TO US TO GET IT TO WORK

Use the template to describe customer types that represent your customer base.

Choose a customer type from your customer base and fill the given form.

tracking and describing all the experiences a customer has as he/she encounters the service.



Workshop 2

Key learning points

1. The tools are effective in organising and developing new or existing services
2. The Service Design methodology is a much more systematic way to innovation than what we have been doing since today
3. We will apply these tools within our organisation with our colleagues
4. How can you apply the customer journey tool for multiple pathways?
5. How can you design for service recovery?
6. We need to start applying the same customer centred approach we use for product development to service design



ServDes 2012 - Helsinki February 2012

Workshop 3



SERVICE DEVELOPMENT



1. Define your Service Design principles
tool A
2. Describe your emerged service ideas in more details
tool B
3. Evaluate and choose the most promising one
Tool C
4. Share how will you develop and embed these opportunities
Action Plan

Workshop 3

PRINCIPLE 1 <i>Guide me in finding the right resources</i>	PRINCIPLE 2 <i>Challenge me, but don't overwhelm me</i>
PRINCIPLE 3 <i>Respect my unique capabilities</i>	PRINCIPLE 4 <i>Provide me with relevant skills</i>

Based on your service strategy and insights into your customer needs, write down four guiding Service Design Principles.

Pitch Card

What is it called?
[]

Who is it for? [] What is it? []

Why is it valuable for the persona? [] Why is it improved or innovative? []

Engine

Detail your ideas in terms of what they offer, to whom and why



Ideas name: []

	1.	2.	3.	4.	5.
[]					
[]					
[]					
[]					

Engine

Use the principles and other criteria to evaluate and choose the most promising one

Workshop 3

Action Plans

- Share what they learnt and create dedicated service design teams;
- a more customer focused approach to their businesses: proactive way to investigate their customers' context of use;
- a more effective way to recognise and communicate the value they currently create for their clients;
- segment their customers (persona tool) to better develop their offering, specify service packages;
- a systematic approach to service innovation, as they were mostly familiar with product design and didn't know that 'such a thing as Service Design did exist'.



ServDes 2012 - Helsinki February 2012

Final considerations



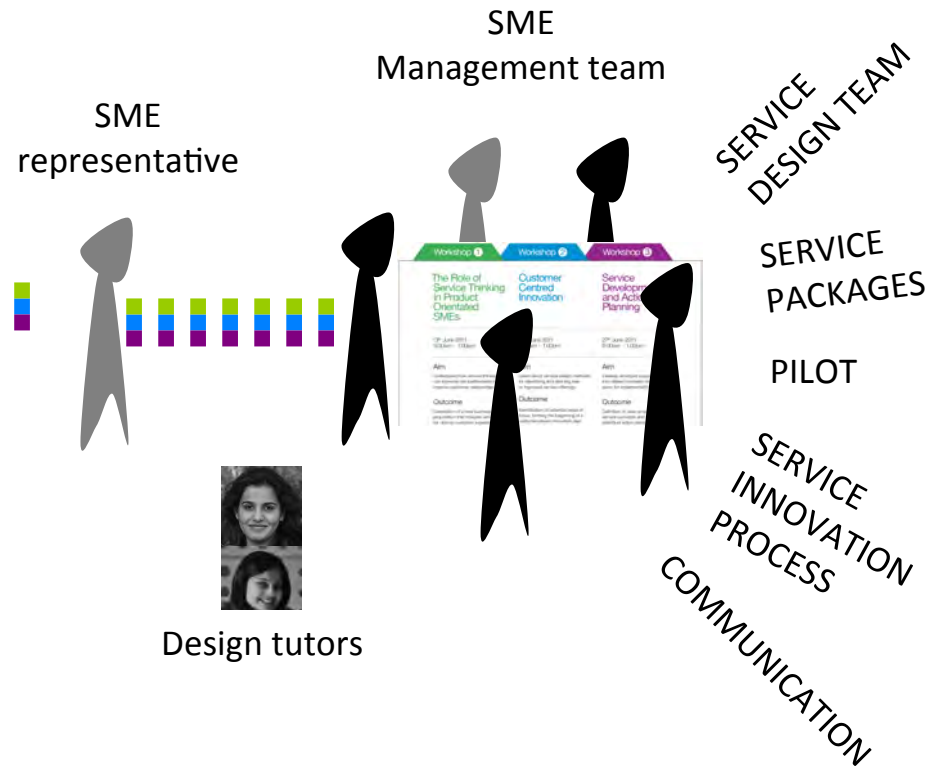
1. The **challenges of servitisation** were all clearly present and articulated by SMEs participants in their comments and implementation plans
2. All these challenges could be summarised in the need to **move the organisation from a product focused to a customer centred and service focused approach and strategy**
3. The tools and activities provided tangible means to **start a process of reframing** the understanding of their identity, offerings, competences, innovation processes and market strategies **around a new description of value.**

Knowledge exchange 1

Workshop 1	Workshop 2	Workshop 3
The Role of Service Thinking in Product Orientated SMEs	Customer Centred Innovation	Service Development and Action Planning
13 th June 2011 9.00am - 1.00pm	20 th June 2011 9.00am - 1.00pm	27 th June 2011 9.00am - 1.00pm
Aim Understand how service thinking can increase competitiveness & improve customer relationships.	Aim Learn about service design methods for identifying and defining new or improved service offerings.	Aim Develop emergent opportunities, refine concepts and generate plans for implementation.
Outcome Generation of a new business proposition that includes services for optimal customer experience.	Outcome Identification of potential areas of focus, forming the beginning of a customer-driven innovation plan.	Outcome Definition of value propositions, service concepts and individual action plans.

- + brand and communication
- + business model innovation
- + organisational change

Knowledge exchange 2



THANK YOU

d.sangiorgi@lancaster.ac.uk