

# Customer Relationship Management: Service Design and Innovation

**Dr. Scott E. Sampson**

Email: sampsonclass+pforzheim@gmail.com

*rev 9/17/2013*

## Syllabus

### Winter Term 2013/2014

<b>Time:</b>	November 2013
<b>Begin:</b>	21.11.2013, W1.5.01
<b>ECTS-Credits:</b>	3
<b>Level:</b>	Advanced Level II
<b>Accessibility:</b>	Course is an elective for 3 <sup>rd</sup> semester MBA-IM students

## Overview

CRM is “A business strategy that maximizes profitability, revenue and customer satisfaction by organizing around customer segments, fostering behavior that satisfies customers, and implementing customer-centric processes.” (Gartner Group)

This course covers methods and principles for effective management of customer relationships and interactions. We will learn how to analyze customer-interactive processes and how to facilitate customer roles and customer value.

We will also study methods for strategically redesigning customer relationships to achieve increased satisfaction and decreased costs. This includes identifying and evaluating opportunities for service innovation.

One aspect of CRM is technology (so-called “CRM Systems”). We will discuss the application of technology in customer service design, although this is not a CRM technology course.

## Learning Objectives

In this course you will learn:

1. how to document and analyze customer relationships.
2. how to identify potential problems in customer service processes.
3. how to redesign service relationships for strategic advantage.
4. how to empower customers to effectively co-produce.
5. how to make customer relationships lean, providing higher value at lower cost.
6. how to systematically explore and evaluate service innovation opportunities.
7. how to build an effective service value network.

## Teaching Methods and Materials

The course will involve study of customer relationship management through a method known as PCN Analysis. We will learn PCN Analysis through case studies and exercises involving CRM design decisions. In our first session we will study the Benihana of Tokyo case study (HBS 9-673-057). In subsequent sessions we will review case examples from the course text: *Essentials of Service Design* (2<sup>nd</sup> Edition), by Scott Sampson (2012, ISBN 978-1481871655). In the final session we will apply CRM principles through the Malawi's Pizza Catering case study.

## Assessment Criteria

### **Class Participation (30%)**

Class participation will involve your in-class contributions to our discussions. This includes on-time attendance, paying attention, and sharing insights when appropriate. Using computers during class discussions usually proves to be a distraction, and is highly discouraged. Using computers during Analysis Exercise time (described below) is appropriate but not required. If you want to take notes during the discussion time you will be better off doing it on paper than on a computer. Everyone has something to contribute, and your comments can help enrich the class discussion.

### **Analysis Exercises (30%)**

During most class sessions we will work on Analysis Exercises, which are small assignments that let you practice using course principles and techniques. You can work on them individually or in teams of up to 3 students. Assigned Analysis Exercises are due at the start of the subsequent class session. They can be done electronically (PowerPoint) or by hand. If completed electronically, they must be printed out as "Notes Pages" to be handed in. List student(s) names in the lower left-hand corner.

Analysis Exercises will be graded on legibility, organization, completeness, insightfulness, and correct application of selected course principles. All assignments must be completed in reasonable English.

## Customer Service Consulting Report (40%)

The Customer Service Consulting Report is a “final cumulative experience” to apply principles covered in the course to an actual service business situation, preferably one that you are already familiar with. Information for the report should come from the course material as applied to a particular service business. If you would like, you can use the Benihana of Tokyo case or the Malawi’s Pizza Catering case as the subject of your report. You will work in teams of up to 3 students (which may be the same teams as on Analysis Exercises).

**Objective of the report:** To provide managers at the target company with consulting about how to effectively design customer relationships for the *particular* service business. This implies more than just presenting CRM principles in general form—the principles need to be *applied* to the specific situation of the chosen service business.

**Report length:** The body of the report can be from 3 to 5 pages for individuals, 6 to 8 pages for teams. In addition, your report should include an appendix that contains a PCN Diagram of a key process from the target company, according to the instructions given in class. You are welcome to turn in a draft of the PCN analysis before the last class session for informal (non-graded) feedback to help you as you work on the final (graded) version.

**Evaluation:** The report score will be based on how much the report is:

- clearly written (including good spelling, grammar, and readability),
- substantive (not filler or fluff), and
- illustrative of correct and meaningful application of course principles (not merely quoting principles without identifying significant applicability).

The report is due one week after the last class session, on Thursday December 5, 2013. If it is done by the last class session you can turn it in then. Otherwise, email a Word or PDF file to sampsonclass+pforzheim@gmail.com and await a confirmation.

### Format of the Report

- Double space throughout, including before and after headings except at the top of page 1.
- Twelve (12) point type.
- One inch (2.5 cm) margins on all sides, including top of first page.
- Indent the first line of each paragraph one-half inch (about 1 cm).
- Each page should be numbered in upper-right-hand corner. Adjust the top margin so that the first line of *non-page-number* text starts at the 1 inch (2.5 cm) margin. Do not number or count the title page.
- The first page (page 0) is a title page with the following information:

**Customer Service Consulting Report**  
**for (name of company)**  
by (student/s’ name/s)  
*date*
- The next page (page 1) should have a title and an “Introduction” heading. The first paragraph should introduce the company, identifying what business they are in, who their typical customer is, and specific parts of the process being considered.

- ❑ Subsequent paragraphs analyze the company based on the correct application of course topics. **Be sure and provide footnote references to course material you cite, including page numbers where appropriate.**
- ❑ The last section of the paper body should have the heading “**Summary**” and should *briefly summarize* (not regurgitate) the major points of the report.
- ❑ The Appendix to the report should contain your PCN Analysis prepared according to instructions given in class (and possibly using the PowerPoint template available at <http://services.byu.edu> ).

## About the instructor

### Scott E. Sampson

Dr. Scott Sampson is the *James M. Passey Professor of Business Management* at Brigham Young University in Provo, Utah (USA), where he teaches Service Management, Operations Management, and Customer Relationship Management in undergraduate, MBA, and Executive MBA programs.

In addition to his work at BYU, Professor Sampson has been a Visiting Professor at the Judge Business School (Cambridge University), a Visiting International Fellow with Cambridge University’s Advanced Institute for Management, and a Visiting Scholar at the University of Melbourne School of Business & Economics. He has also been an invited lecturer at the IE Business School (Spain), the University of Exeter (U.K.), Cardiff University (U.K.), the Tokyo Institute of Technology (Japan), Catholic University of Portugal, and other venues.

Professor Sampson is the author of two books on customer service management: *Understanding Service Businesses* (Wiley, 2001) and *Essentials of Service Design* (CreateSpace, 2012). This latter book introduces the tool known as PCN Analysis, which provides a systematic method for designing, analyzing, and improving service operations. This new book has already gained international attention, and has been translated into Chinese.

Professor Sampson has published his pioneering work on service system design in leading academic journals, and has been recognized as the third most prolific publisher of top-tier articles on Service Operations Management worldwide. He devised the Unified Service Theory, which considers the supply-chain perspective on services, and has authored a textbook on the topic. He has won four best research paper awards over the past decade. His article on bidirectional supply chains was named “Most Influential Service Operations Paper Award” by the Production and Operations Management Society’s College of Service Operations.

Professor Sampson received his MBA and PhD degrees from the University of Virginia (Darden School) and an undergraduate degree in Human Resource Development from Brigham Young University. He and his wife are the parents of six children.

## Course Schedule

Class Date and Times	Class Preparation	Class Topics
Thursday, November 21 13:45 to 18:45 (5h)	<input type="checkbox"/> read ESD Chs. 1-3 <input type="checkbox"/> read Benihana Case <input type="checkbox"/> prepare PCN Diagram of Benihana process	<ul style="list-style-type: none"> <li>• What is CRM?</li> <li>• Designing great customer experiences.</li> <li>• Understanding customer service.</li> <li>• Visualizing customer relationships.</li> </ul>
Saturday, November 23 9:45 to 13:00 (3¼h) 13:45 to 17:00 (3¼h)	<input type="checkbox"/> print out assigned Analysis Exercises <input type="checkbox"/> read ESD Chs. 4-6	<ul style="list-style-type: none"> <li>• Improving customer value.</li> <li>• Strategic relationship redesign.</li> <li>• Reducing costs of customer waiting.</li> </ul>
Monday, November 25 13:45 to 18:45 (5h)	<input type="checkbox"/> print out assigned Analysis Exercises <input type="checkbox"/> read ESD Chs. 7-9	<ul style="list-style-type: none"> <li>• Assuring service quality.</li> <li>• Training customers.</li> <li>• Managing customer roles.</li> </ul>
Tuesday, November 26 13:45 to 17:00 (3¼h)	<input type="checkbox"/> print out assigned Analysis Exercises <input type="checkbox"/> read ESD Chs. 10-11	<ul style="list-style-type: none"> <li>• Streamlining customer interactions.</li> <li>• Getting closer to customers.</li> <li>• Scaling customer relationships.</li> </ul>
Thursday, November 28 13:45 to 18:45 (5h)	<input type="checkbox"/> print out assigned Analysis Exercises <input type="checkbox"/> read ESD Chs. 12-14 <input type="checkbox"/> read Malawi's Pizza Catering case	<ul style="list-style-type: none"> <li>• Methods for exploring opportunities for service innovation.</li> <li>• Building a service value network.</li> <li>• Spreading CRM throughout an organization.</li> </ul>
Friday, December 13	<input type="checkbox"/> email Customer Service Consulting Report to Dr. Sampson	

ESD = *Essentials of Service Design* (2<sup>nd</sup> Edition), by Scott Sampson (2012, ISBN 978-1481871655). Available at <http://www.amazon.de/>

The Benihana of Tokyo case (HBS 9-673-057) is available in the course packet. As you read the case, consider the following questions:

1. What are the process differences between the Benihana's delivery of services and that of a typical restaurant?
2. What type of relationship does Benihana want to have with customers? What should customers expect of Benihana and what does Benihana expect of customers? How is this relationship managed?
3. What aspects of the Benihana process make it efficient?

Malawi's Pizza Catering is a case that will be provided by Dr. Sampson in class. As you read the case, consider the following questions:

1. Who are the entities involved in the Malawi's Pizza Catering process? Which entities are customers (specific beneficiaries)?
2. What is the relationship between these entities?
3. What are their roles and responsibilities in the process? How are customers trained in their roles and responsibilities?
4. How might the process be redesigned to provide increased value to customers and others?