

BYU EMBA Elective – March/April 2014

Analysis and Design of Services: Tools for Operational Excellence and Innovation

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Instructor:

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See course website for announcements and updates.

About the course:

The majority of business school graduates work in service industries and functions, even though traditional business school education focuses on making and selling physical products. There are many tools for designing world-class products. But, what tools do you have for designing world-class services? This course answers that question, demonstrating and applying methods for service process improvement and innovation. We will study examples from various service businesses such as healthcare, technical support, financial services, education, retail, hospitality, entertainment, and others. The course will provide valuable skills to managers and decision makers in all types of service businesses and functions.

Course learning objectives:

In this course you will learn:

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

In the process, you will gain valuable skills including...

1. Understanding important concepts pertaining to service design and innovation.
2. Be able to synthesize and integrate principles that guide effective service design.
3. Be able to apply service design principles to real organizations.
4. Be able to explain the application of service design principles in a convincing way.

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. The foundation of the course is the text:

Essentials of Service Design and Innovation, Third Edition, by Scott Sampson (2014).
(called "ESDI book").

The course also includes a packet containing the *Malawi's Pizza Catering* case and some exercise materials.

Course Components

The following components of the semester evaluation are described below:

Grade Component	Percent
A. Participation and contribution.	20%
B. PCN Analysis Exercises.*	20%
C. Service Process Audit write-up.*	20%
D. Service Improvement and Innovation Report.*	40%
Total	100%

*can be done individually or as a team of up to 3 students

A. Participation and contribution for class is assessed by student attendance and quality contributions to class discussions (including name cards up each session). Any student can miss one class session without grade penalty. With instructor permission, you can video Skype into class as long as you identify a classmate with a computer to host your visit.

B. Analysis Exercises are small assignments that let you practice applying course principles and techniques to real business situations (the Malawi's Pizza Catering case or some other approved business). You should work on them as teams, but can work on them individually if you would like. They can be completed by hand or electronically, in PowerPoint using the exercise file from the course website. List team member names in the lower left-hand corner. Analysis Exercises will be graded on legibility, organization, completeness, insightfulness, and correct application of selected course principles. Analysis Exercises are in the course packet, and are due at the start of the assigned session.

C. Service Process Audit write-up. You are to conduct a Service Process Audit of an approved business, as outlined in Chapter 21 of the text. SPA interview instructions are also provided. Your SPA report will describe an interactive business process and problem areas of possible improvement, but does not need to discuss any improvements (save that for the Service Improvement and Innovation Report).

The write-up should be 2 to 4 pages of double-spaced text (12-point type with one-inch margins), and in addition should have an appropriate number of PCN Diagram or other exhibits (referenced in the text portion of the write-up). The write-up should answer these questions in narrative form:

1. What is the company and industry?
2. What is the studied process?
3. How was information gathered about the process? If possible you should briefly interview two employees and two customers. If that is not possible, explain. It is best to interview employees first, since customers may have difficulty listing the steps of the process (Part 1) and may need to be prompted.
4. What are depictions of the process? (refer to PCN Diagram exhibits as appropriate) How do depictions differ? Why do you suppose they differ?
5. What is the value proposition of the current process? (refer to PCN Diagram exhibit)
6. What are possible problems with the current process? (refer to PCN Diagram exhibit)

The write-up should also have a cover page that lists the title, the company, the team members, and the date. The report will be evaluated based on:

- clarity and writing quality (including good spelling, grammar, and readability),
- information quality (did you collect and describe information that appears to be accurate and useful), and
- organization and diagram quality (is the report organized and are diagrams organized and easy to read).

D. Service Improvement and Innovation Report. The Service Improvement and Innovation Report is a “final cumulative experience” to apply PCN Analysis to an actual service business situation, possibly the business studied in your Service Process Audit, or some other approved business. Information for the report should come from the course material as applied to a particular service business. You may work as individuals or teams, maximum of 3 people (can be the same teams as the other assignments, or not, up to you).

Objective of the report: To demonstrate to a colleague or manager how you can effectively use PCN Analysis to analyze, improve, and innovate their particular service process. This may include describing how you would use PCN Analysis to improve the process studied in your Service Process Audit. As appropriate, it may include elements of value analysis (chapter 4), strategic process positioning (chapter 5), psychology of queuing (chapter 6), customer training (chapter 7), etc. Only use those techniques that are most appropriate for the situation.

Report length: The body of the report can be from 3 to 4 pages for individuals, 5 to 8 pages for teams. In addition, your report should include an appendix that contains PCN Diagrams for processes included in the study.

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 PCN Analysis.

Format of the Report

- Double space throughout, including before and after headings except at the top of page 1.
- Twelve (12) point type.
- One (1) inch margins on all sides, including top of first page.
- Indent the first line of each paragraph one-half inch.
- 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 margin. Do not number or count the title page.
- The first page (page 0) is a title page with the following information:

Service Improvement and Innovation 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 readings 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 relevant PCN Diagrams.

Late Assignments

Out of fairness to fellow students, class assignments that are submitted late, except in extraordinary circumstances, will receive reduced credit, depending on the situation.

University and Marriott School related Notices:

BYU and our business school have enacted several important policies on academic honesty, preventing sexual harassment, students with disabilities, diversity, and the use of cell phones, laptops, and other personal technology in the classroom. For the latest details on these important policies, please refer to the following website:

<http://marriottschool.byu.edu/students/classroompolicies/>

Course Schedule and Assignments

Any necessary changes will be announced in class and posted on the course website.

Session	Topic	Assigned Readings	Due at start of class
1: Fri. Mar 21 3:30pm	Understanding the power and function of service design.	Ch. 1: The Importance of Service Design Ch. 2: Understanding Services Read case: Malawi's Pizza Catering	Chapter 1 Analysis Exercise.
2: Sat. Mar 22 noon	Visualizing and strategically improving customer value.	Ch. 3: Creating PCN Diagrams Ch. 4: Identifying the Value Proposition Ch. 5: Strategic Process Positioning	Analysis Exercises 2 and 3
3: Sat. Mar 29 noon	Designing effective roles for customers and front-line employees.	Ch. 6: Managing Across the Regions Ch. 7: Process Control and Job Design Ch. 8: Managing the Customer Roles	Analysis Exercises 4 and 5
4: Fri. Apr 11 noon	Measuring and assuring excellence in service quality.	Ch. 9: Assuring Interactive Quality Ch. 10: Performance Measurement and Customer Feedback	AE 6b and 7b. Service Process Audit write-up.
5: Sat. Apr 12 noon	Providing higher service value at lower costs.	Ch. 11: Improvement through Lean Services Ch. 12: Servitization and Deservitization	Analysis Exercise 9 and 10
6: Fri. Apr 25 3:30pm	Improving service offerings through innovation and partnerships.	Ch. 13: Systematic Service Innovation Ch. 14: Building a Service Value Network	Service Improvement and Innovation report