DISCUSSION PAPER

Findings from the 1st EurOMA

Service Operations Management Forum Workshop

Dr P. A. Smart

Exeter Centre for research in Strategic Processes and Operations (XSPO)

School of Buisness and Economics

University of Exeter

p.a.smart@exeter.ac.uk

The insights presented in this document have been drawn from the 1st EurOMA Service Operations Management Forum workshop held at the University of Exeter on the 22nd – 23rd May 2008. Four main themes emerged from the workshop. The first relates to boundary and identity issues at the discipline level; the second addresses specific practitioner requirements (from the Telecommunications/Media and Retail Banking arena); the third set of issues emphasise the need for process and service supply chain research; the final theme highlighting the need to articulate customer experience and the links to emotional mapping / value. The arguments in each theme have been derived from the workshop discussion as a source. This data was collected by three independent observers at the workshop, summarised, and subsequently synthesised for the identification of common themes.

Theme 1 - Boundary / Discipline / Identity Issues

The identity of Service Operations Management, with respect to boundary and multi / trans discipline issues, received much attention. It is arguable that the lack of clarity regarding the discipline has been strongly influenced by Service Science and the system-wide (multi-disciplinary) requirements of practitioners. Interestingly 'Service' does not

exist as a single cohesive academic discipline. While Service Management, Service Operations and Service Marketing provide distinctive modes of inquiry there are significant opportunities in identifying the intersects between these fields. It was also noted that 'Service' does not exist as a domain of practice. Different organisations (both manufacturing and service companies) provide a diverse range of service offerings and exist in diverse service environments. Confronted with such diversity it is essential that the specific characteristics of these environments are investigated further. A challenge facing researchers is therefore to identify the extent to which phenomena are generalizable across these different contexts and to articulate particular archetypes to which these phenomena are applicable. Medical Research may be postulated as a good example of a field that has successfully integrated different disciplines that now strive for a common goal. Three main challenges emerge:

What is the meta-framework on which multi-disciplinary service research should be based?

What are the characteristics of service environments? Are there archetypical configurations of the service firm? To what extent are service phenomena generalizable across these contexts / archetypes?

What is the DNA of 'Service' and how does Service Operations contribute to this? What is the fundamental theory on which the discipline is based?

Theme 2 - Practitioner Issues

Practitioner issues are of particular importance to the SOM community. Presentations from telecommunications/media and Retail Banking practitioners identified a growing interest in 'Advocacy'. The drivers of advocacy are an important research issue with particular emphasis on customer acquisition. Superior service performance, the ease of service transaction, combined with the overall service proposition all contribute to advocacy. These companies are striving for operational excellence through process-based management where similarities in cross-organisational processes provide the nucleus for organization. The extent to which volume, variety, and variation in demand (and service characteristics denoted by IHIP) inhibit or enable this approach to organization provides an interesting perspective for inquiry. The application of waste reduction techniques, such

as Lean, continue to be a source of practitioner interest. The application of these techniques in service contexts, and the extent to which the approaches mutate during transfer from a manufacturing context to service contexts requires more clarity. There is a renewed focus on the importance of customer-employee interactions which facilitate customer recommendations. While research linked to the Service Profit Chain has received much attention, and the use of Net Promoter Scores are widespread, more work is required to identify the value of customer recommendation and to identify the contribution of technology-mediated moments of truth to customer experience and advocacy. The identification of Moments of Truth, the articulation of customer experience, the impact this has on advocacy, and the value of customer recommendations are therefore important future research trajectories.

Theme 3 - Process / Supply Chain / Demand Chain Issues

While supply chains have received much attention in the general operations management literature, research which specifically focuses on service supply chains is limited. Issues relating to the transference of manufacturing based thinking, and the specific characterisation of service supply chains both with and without facilitating products, require further research. The continuation of inquiry in demand management, coupled with demand chains and issues of service capacity, is of importance to the discipline. These provide an opportunity to articulate system constraints relative to operational performance and customer experience. Specific inquiry which investigates how service failures generate demand and the potential correlation of service-failure-demand with traditional 'rework' found within manufacturing contexts is one of many. Process design and improvement is of particular interest, specifically when engaging in the thinking underpinning Service Dominant Logic (SDL). Given the perspective of inseparability of consumption and production and the co-creation of value one is also left to enquire about the co-creation of waste. This notion of co-creation may also be extended to the co-design of processes. Process articulation, particularly generic architectures which are applicable across a variety of different service environments, is also an interesting research stream when related to the heterogeneity of service offering. Process testing to ensure efficacy is also a potential issue requiring further work. Should service organisations emphasise

efficacy or is this subsumed in the initial phases of service provision by first mover advantage and the potential revenue streams that this may render? A key theme for future research is therefore to develop theory which can be used to explicate process design and service supply chain design in service contexts.

Theme 4 - Customer Experience / Emotional & Functional Quality Issues

In addition, but inextricably linked, to process design are issues associated with articulating and modelling customer experience. What is the unit of analysis? What are the dimensions? How do we evaluate 'experience' when the customer is absent from the system over which control is exerted? Further work is required to explore these questions and to pursue taxonomies of experience which explicate experience indicators. Work is also required to link service performance in business processes with customer experience. Engaging with the concept of 'experience' one may postulate that an emphasis is required on the emotional value which facilitates customer acquisition, retention, and overall satisfaction. Furthermore, these concepts hold advocacy in close affinity. When dealing with experience and emotional value one is drawn to the multi-disciplinary issues noted above. The psychological traits of customers and the impact this has on acquisition and retention may necessitate a 'psycho-service operations' collaboration.

Summary

For practitioners the prime concerns are: achieving excellence in operational performance through improvements in process management and organization. This requires and emphasis on the reduction of process failures and exceptional customer-employee interaction; the identification of indicators to track customer advocacy and link it to value. This involves drivers in addition to operational excellence such as customer experience.

For academics the key challenge is to address the ambiguity brought about by changes in the service context. Service Science, Servitisation and the general emphasis given to services has intensified the challenge of maintaining identity and articulating the scope and boundaries. Combined with the boundary issues the characterization of service

contexts - archetypes are required which facilitate the generalizability of theory. Process and supply chains as the conduit through which service delivery is realized continues to command investigation. Linked to these are the concepts of service capacity and the influence co-creation of value exhibits over service design and management. The importance of customer experience mandates inquiry into constructs, concepts, and dimensions which will explicate, at least in part, the design of service systems. The opportunities of technologies and technological interfaces to service systems will continue to challenge our existing frameworks and theories. Indeed, it would appear that challenging these extant theories as contexts change and innovation occurs is not optional.