

8 - Designing Service Processes

Tuesday, March 20, 2018 8:58 PM

LO-1: What is a Service Process?

- Processes describe the method and sequence in which service operating systems work and specify how they link together to create the value proposition promised to customers.
 - o Badly designed processes are likely to annoy customers because they often result in slow, frustrating, and poor-quality service delivery.
 - o It can also slow down employees bringing down productivity
- This chapter discusses how service processes can be designed and improved to deliver the promised value proposition
- Difference between service process and design
 - o **Service process:** from the customers end
 - o **Service design:** from the enterprise end or the firms end

LO-2: Designing and documenting service processes

- The first step in designing or analyzing any process is to document or describe it
 - o **Flowcharting and blueprinting** are two key tools that we use for documenting and redesigning existing service processes and designing new ones.
 - A **flowchart** describes an existing process, often fairly simple form
 - Specifically, it's a technique for displaying the nature and sequence of the different steps involved when a customer "flows" through the service process.
 - Technique for displaying the nature and sequence of the different steps in delivery service to customers
 - Offers way to understand total customer service experience
 - Shows how nature of customer involvement with service organizations varies by type of service:
 - ◆ *People processing*
 - ◆ *Possession processing*
 - ◆ *Mental stimulus processing*
 - ◆ *Information processing*
 - **Blueprinting** is a more complex form of flowcharting and specifies in detail how a service process is constructed
 - It maps customer, employee, and service-system interactions.
 - Developing a blueprint:
 - ◆ Identify **key activities** in creating and delivering service
 - ◆ Define "big picture" before "drilling down" to obtain a higher level of detail
 - Advantages of blueprinting:
 - ◆ Distinguish between "frontstage" and "backstage"
 - ◆ Clarify interactions between customers and staff, and support by backstage activities and systems
 - ◆ Identify potential fail points; take preventive measures; prepare contingency pinpoint stages in the process where customer commonly have to wait

➤ Developing a Service Blueprint

- First, you need to identify all the key activities involved in creating and delivering the service in question.
- The next step, is to add the more detailed documentation of a blueprint. *Typical service blueprints*

have the following design characteristics

- **Front-stage activities**
 - These map the overall customer experience, the desired inputs and outputs, and the sequence in which the delivery of that output should take place
- **Physical evidence of front stage activities**
 - This is what the customer can see and use to assess service quality
- **Back-stage activities**
 - These must be performed to support a particular front-stage step
- **Support process and supplies**
 - Many support processes involve a lot of information
 - The information needed at each step in the blueprint is usually provided by information systems.
 - If the front line staff does not have the right information at its fingertips, processes such as online booking or borrowing a book from a library can be completed
 - Supplies are also necessary for many services.
 - For example car rental services need to have vehicles, GPS, and child seats
- **Potential fail points**
 - These are points at which there is a risk of things going wrong and service quality being diminished
- **Identifying customer waits**
 - These can then be designed out of the process
 - If that is not possible firms can implement strategies to make waits less unpleasant for customers
- **Service standards and target**
 - These reflect customer expectations.
 - They include specific times set for the completion of each task and the acceptable wait times between different customer activities.

CHECK PAGE 241 FOR BLUEPRINTING THE RESTAURANT EXPERIENCE: A THREE-ACT PERFORMANCE GOOD FOR PROJECT

- **Act 1:** Introductory scenes
- **Act 2:** Delivery of the core product
 - Cocktails, seating, order food and wine, wine service
 - Potential fail points: menu information complete? Menu intelligible? Everything on the menu actually available?
 - Mistakes in transmitting information a common cause of quality failure - e.g. bad handwriting, poor verbal communication
 - Customers may not only evaluate quality of food and drink, but how promptly it is served, serving staff attitudes, or style of service
- **Act 3:** The Drama Concludes:
 - Remaining actions should move quickly and smoothly, with no surprises at the end
 - Customer expectations: accurate, intelligible and prompt bill, payment handled politely, guests are thanked for their patronage

LO-4: Understand how to use fail-proofing to design fail points out of service processes.

Fail-Proofing to design fail points out of service processes

- Once fail points have been identified, careful analysis of the reasons for failure in service processes is necessary
 - This analysis often reveals opportunities for designing fail points out of processes in order to reduce or even eliminate the risk of errors
 - For example Starbucks asking baristas to repeat orders to make sure the order is correct

- **Improving reliability of processes by failure proofing (How to?)**
 - o Identify fail points
 - o Analysis of reasons for failure often reveals opportunities for failure proofing to reduce/eliminate future risk of errors
 - o Need fail-safe methods for both employees and customers
 - o Have poka-yokes focus on preparing the customer for:
 - The encounter
 - Understand and anticipating their roles selecting the correct service or transaction

LO-5: Know how to set service standards and performance targets for customer service processes

Setting Service Standards and Targets

- The service blueprint, combined with discussions with customers and front-line employees, helps firms to see which service and process attributes are important to customers at each touch point.
- Through both formal research and on-the-job experience, service managers can learn the nature of customer expectations at each step in the process.
- Those aspects of the service process that require the attention of management (i.e., attributes that are most important to customers and most difficult to manage) should be the basis for setting standards.
 - o Service standards should be set for each step to satisfy customers
 - o These standards might include parameters, the script for technically correct performance, and prescriptions for appropriate style and demeanor

LO-6: Appreciate the importance of consumer perceptions and emotions in service process design

Consumer Perceptions and Emotions in service Process Design

- Service processes need to be designed with emotional intelligence.
- **Key principles for sequencing service encounters:**
 - o **Stay Strong**
 - Provide consistently high performance at each step
 - The opening scenes of a service drama are particularly important because customers' first impressions can affect their evaluations of quality during later stages of the service delivery
 - o **Build an improving trend**
 - A service encounter that is perceived to start at an adequate level and then build in quality is generally rated better than one that starts well but declines at the end
 - o **Create a peak**
 - You are better off making one step sensational and other steps adequate
 - Customers tend to remember the peak
 - o **Get bad experiences over with early**
 - Get the form signing and lining done during the service experience this way customers avoid the dread of pain or aggravation, and the negative aspects of their experience are less likely to dominate the memory of the entire service encounter
 - o **Segment pleasure, combine pain**
 - Since an event is perceived as longer when it is segmented or broken up into separate steps, service processes should extend the feeling of pleasurable experiences by dividing them
 - They should also combine unpleasant experiences into a single event as far as possible
 - o **Finish strong**
 - Big bang at the end

LO-7: Explain the necessity for service process

Service Process Redesign

- Service processes become outdated over time as changes in technology, customer needs, added service features, new service offerings, and even changes in legislation make existing processes inefficient
- **Indications that processes are not working well and need to be redesigned:**
 - o A lot of information exchange with the customer and between different service units (implying that the available data is not useful)
 - o A high ratio of checking or control activities to value-adding activities
 - o Increased exception processing
 - o Customer complaints about inconvenient and unnecessary procedures

LO-8: Understand how service process redesign can help improve both service quality and productivity

Service Process Redesign Should Improve Both Quality and Productivity

- Examining service blueprints is an important step in identifying such opportunities and redesigning the ways in which tasks are performed
- **Redesign efforts typically focus on**
 - o Reduced number of service failures
 - o Reduced cycle time from customer initiation of a service process to its completion
 - o Enhanced productivity
 - o Increased customer satisfaction
- **Service Process Redesign often involves:**
 - o **Examining the service blueprint with key stakeholders**
 - By closely examining blueprints you can find problems in a service process and discover ways to improve it
 - o **Eliminating non-value-adding steps**
 - Often activities at the front-end and back-end process of services can be streamlined with the goal of focusing on the benefit-producing part of the service encounter
 - o **Addressing bottlenecks in the process**
 - For an efficient process, all steps should ideally have the same capacity so that none of the stations forms a bottleneck or is idle
 - Customers need to flow smoothly through the process
 - o **Shifting to self-service**
 - Like an iPad instead of a menu

LO-9: Understand the levels of customer participation in service processes

Customer Participation in Service Processes

- Service process redesign for productivity and efficiency often requires customers to become more involved in the delivery of the service
- Blueprinting helps to specify the role of customers and identify the extent of contact between them and service providers
- **Actions** and resources supplied by customer during service production and/or delivery
- Includes mental, physical, and even emotional inputs

LO-10: Be familiar with the concept of service customers as "co-creators" and the implications for this perspective

Customers as Service Co-Creators

- Customers can influence productivity and quality of service processes and outputs
- Customers not only bring expectations and needs, they also need to have relevant service production competencies
- Customers also need to be recruited as they are "partial employees". Firms need to get those with the skills to do the tasks
- For the relationship to last, both parties need to cooperate with each other

LO-11: Understand the factors that lead customers to accept or reject new self-service technologies (SSTs)

Self-Service Technologies

- **Customer Benefits of Self Service Technologies**
 - o Greater convenience, including time savings, faster service, flexibility of timing, and flexibility of location
 - o Greater control over service delivery, more information, and higher perceived level of customization lower prices and fees
- **People Hate SSTs when:**
 - o ***SSTs Fail***
 - The system is down, PIN numbers not accepted
 - o ***Poorly designed technologies that make service processes difficult to understand and use***
 - o ***They mess up***
 - Forgetting passwords; failing to provide information as requested; simply hitting wrong buttons

LO-12: Know how to manage customers' reluctance to change their behaviors in service processes, including the adoptions of STs

Managing Customers' Reluctance to Change

- Develop customer trust
- Understand customers' habits and expectations pre-test new procedures and equipment
- Publicize the benefits of changes
- Teach customers to use innovations and promote trial
- Monitor performance and continue to seek improvements

^ above LO-12 notes we not in book and only slides probably not coming