Managing Services
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Lecture - 12
Process Issues in Service

Hello, I am Jayanta Chatterjee from IIT, Kanpur and we are discussing Managing Services, contemporary issues. What we have been discussing lately are the challenges arising from the intangibility and heterogeneity of service and the complexities that arise from these characteristics like for example, abstractness. So, services like management consultancy or financial security services cannot be compared with any physical object and therefore, there is an abstract set of notions involved, which are difficult to comprehend before the customer engages with the service.

Similarly, we have the problem of non searchability, which means that there are some services say like physiotherapy, where till you experience the service, you really cannot comprehend or cannot fully realize the impact of that particular service or the result, the outcome of that service and so on. Similarly, we have the problem of generality, which means for example, a hotel room is a hotel room. There could be some distinctiveness communicated before engaging with the service with respect to the size of the room, etcetera.

But, when a high star hotel demands 10 times more room rent, it is often very difficult to comprehend that whether that is justified or not, because one may feel a hotel room is a hotel room. So, the management problem for tackling these complexities arising from heterogeneity and intangibility are met by different approaches and we have been discussing two approaches, one promotion and the other, process. In promotion, we looked at number of examples like tourism or like a medical treatment and we saw how the communication strategy, the promotion strategy, the customer education strategy can tangible the complexities arising out of intangibility.

I can tell you the example of a very famous promotion campaign of a hotel, which is a very high and luxury hotel chain, global chain and they created a promotion campaign which showed on TV or in movie clips or through radio ads and some print ads. It showed that a customer gets into a train and as he moves through the vestibule from one compartment to another compartment, he is moving from seashore to a mountain slope,

to wide open meadows, to a locale like a Iceland, to a location like Bahamas and finally, he settles in one of the compartments and as he looks out of the window, he sees flowers opening, birds flying, children playing, different scenarios unfolding in front of him.

The campaign of the series of ads always ends with one statement, ask for an experience and we deliver. So, fundamentally this very attractive, well prepared, campaign with vivid images convey the experiential element of the hotel, the versatility of experience offered by that hotel and thereby it tries to justify the service proposition as versus it is value proposition, price proposition and so on. We are then of course discussed about prices, which are linked and we will take up this p, the price part in little detail later.

But, in the mean time we have also looked at processes and how processes can be mapped, how we can create a service blue print or flow chart through which we can then find out the bottlenecks or we can identify the various fail points and how we can do an FMEA type of failure mode type of analysis to improve upon the service. Today, in the concluding section of this process responds to service complexity, we will discuss another interesting topic which is the redesigning services.

So, just as we can map an existing service to create a new service, we can look at the flow chart and debottlenecking service. We can look at the service map and understand, which are the failure points, in the same way process mapping can also help us to redesign a service.

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I will give you an example of the redesigning of the library service at IIT, Kanpur. So, we

look that the current experience of students and faculty with respect to the library service. As you know today with all kinds of digital resources being available, many people do not go to the library, but that the library comes to their desktop. So, we have a huge building and we have many old books, a huge repository of journals, many journals are now available as electronic resource, easily available on the desktop or laptop of students, faculty.

So, we wanted to reassess that what will be that trajectory, how should we redesign the library service at IIT, Kanpur, going forward to say 20, 25, 10 years from now. When we extensively survived opinion of users, we had questionnaire based service, interviews, we came up that with some general requirements like everybody would prefer to have a one stop shop. They would not like multiple operations, they would like to expand the opportunities for self service like self check out or self depositing of issued books and there was a new set of requirements identified, where faculty as well as students wanted more knowledge based services.

Services like given a reference, given a requirement, a service which can pull out necessary material from books and from journals and can bring material from other libraries, so some sort of convergent frame people wanted.

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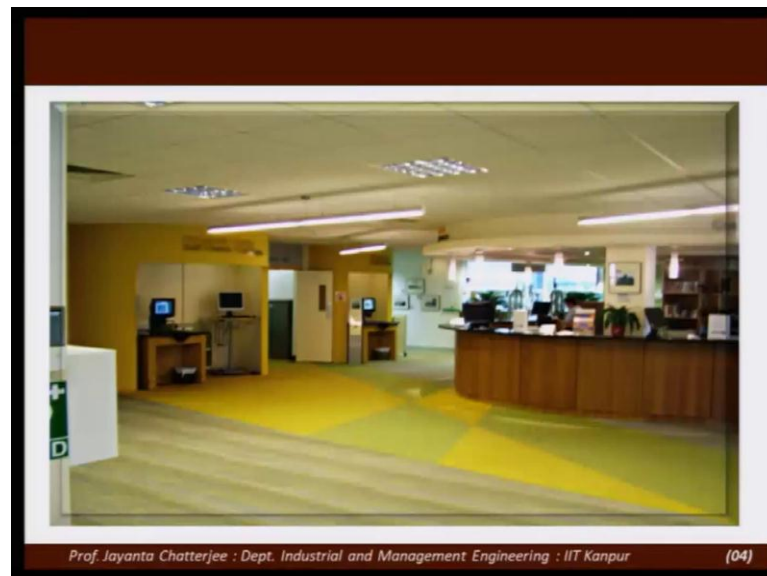Now, mapping the process of the existing library service, looking at the different elements that are now bottlenecks are now takes a lot of space or time or people engagement. We could identify the opportunities of creating the highly demanded new

knowledge service, referential service that people wanted.

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For example, through process map we could identify that this, the current lobby is a series of check points. As you go in, on the left hand side there are people who will check your bag and will ask you to deposit the bag, you go in with the books, there is another set of barriers, where you deposit the books. When you go out, then there is this issue and from there you again get the books checked.

So, if we create some automation of services and process redesign, by identifying these bottleneck points and super flow as check points which can be eliminated by self service technology, you could redesign what you see in front of you, the entry lobby of the library. This is that artists view, which can therefore, be give you a much more wide open feeling and you could use that space, then create some of this knowledge he asked and so on.

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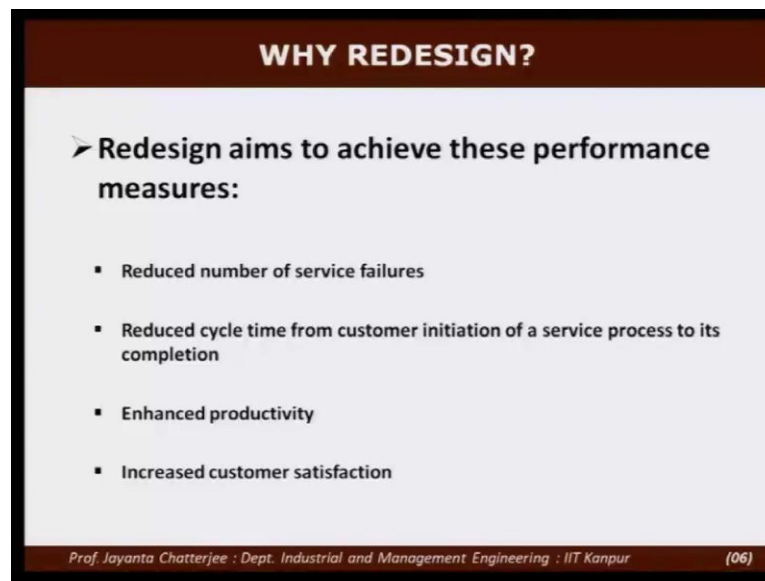
So, service redesign by process mapping often becomes necessary to revitalize an outdated service. Because, most services like products or like systems have some natural degeneration and that degeneration due to creeping bureaucracy can be identified by looking at, how time is spent. So, when there is high ratio of checking control for example, in the library situation with respect to, compare to value adding activities like knowledge services, one can see that the process redesign is necessary.

The process redesign by the method of process mapping can be then integrated with also technology forecasting and trends spotting and a complete new generation of services can then be created, which on one hand will address the current problems and on the other hand, it will create a complete new set.

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So, the redesign in general, it addresses problems like service failures or avoidance of failure points, discussed in a previous secession we can do by the, doing the FMEA type of analysis, where we can come up with the risk perception number by looking at the probability of occurrence, the severity of the occurrence, probability of non deduction, etcetera. The service mapping will also allow us to redesign to reduce the cycle time, to eliminate non value adding activities like checking or issuing, which can be done easily by technology by bar code and RFID and such easily available technologies today, which will increase the overall productivity and at the end, it increase customer satisfaction.

So, you start with the customer, compare with the current process map, develop new process ideas, prototype the new processes, check with the customer and then deploy gradually, often go back to the drawing board to redesign.

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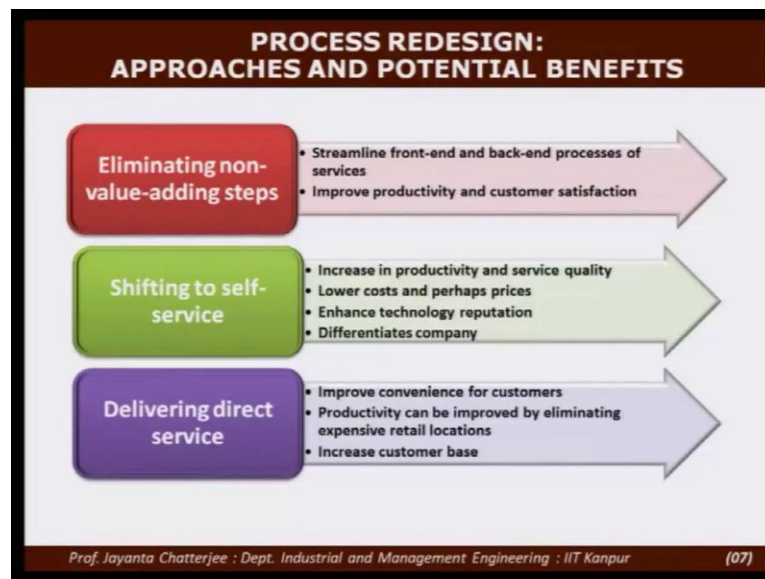
So, in short as you see in front of you, we have three major moves, where we can go with a new service design out of an old service, outdated service. By mainly focusing on these three blocks and grafting them, blending them in to the existing service map, this three steps of eliminating non value added steps shifting to self service and delivering direct service as much as possible using information and communication technology.

So, I will end this session with a small assignment for you is that, experience map, short out, understand the flow in your existing library at your institution or any other large library system that you use and then, understand the bottleneck points, take some ideas from the example that I showed you from our exercise. Engage yourself with trends spotting and try to visualize the new process map for the library of the future.

In the process try to, not only eliminate non value adding services, use as much of self service technology as possible, include customers co creation of the service elements, but try also to bundle some services using technology.

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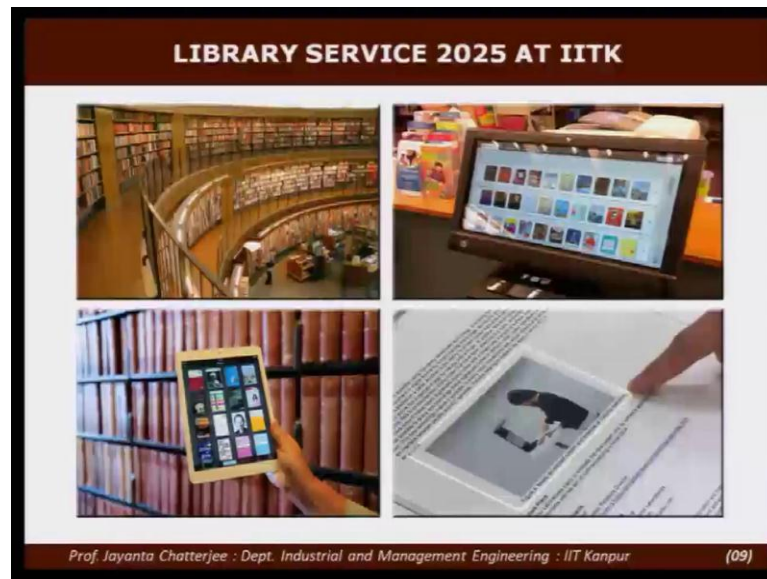
And then, you might come up with this kind of a scenario which is in front of you. So, on the left upper corner you see the view of a grand traditional library, multi storied, millions of books and we can also already see on the top right hand corner, how computers are now replacing thousands of books. And then, I have shown you on the left side corner, the two corners bottom corners, the left corner is where we add today, the use of different kinds of e-readers, tablets which can be use us a platform for again hundreds, thousands of books.

But, you try to integrate the new library service with some new technologies spotting and trend spotting. Try to think whether books will become absolute or books will take new form, like one form is shown to you on the bottom right hand corner. So, engage with a service redesign by reexamining the current process map, the current flow chart, integrating it with technology trends and come up with a new innovative, new service design.

Thank you.