
SERVICE OPERATIONS MANAGEMENT (SOM)

MANAW MODI, MD/CEO, KARMA STRATEGIES, (www.karmastrategies.com)

Detailed Profile - <http://in.linkedin.com/pub/manaw-modi/0/294/71a>

IMPORTANT

Change of thought process is the core focus. This course is **not** going to be a technical type - that means numericals will **not** be emphasized. Instead the contents will focus on operations strategy in alignment with service operations. Services will be 'distinctly classified' from typical Manufacturing.

Integration of service operations with finance, marketing, and human resource management will be a part of theme. An example Annual Report of a service firm will be deployed as a tool of study.

INTRODUCTION

The shift of service as the driver of economic growth is sending the paradigm of “who are global economic powers” for renewal – and the results are stupefying. Statistics indicate that employment in developed economies is dominated by people working in service industries and public sector. For instance, over 70% of people working in the US are employed in service activities and the sector account for over 80% of US GDP. Growing economies like India and China, Africa later, are starting to assert the role of service economy in their growth leading a shift in economic power.

Operations Management traditionally focuses on manufacturing with some hints at services. This does not fit today's MBAs as most of them get placed in services organizations than in manufacturing organizations. SOM fills that gap where existing OM knowledge is contrasted and complemented with services operations to create a holistic view of operations. Services Operations Management is starting to evolve into the form of Service Science, Management & Engineering (SSME). SSME is a new multi-disciplinary effort that integrates aspects of established fields such as computer science, operations research, engineering, management sciences, business strategy, social and cognitive sciences, and legal sciences to train India's future managers to have a service mindset for the most rapidly growing business sector.

The significance of SOM/SSME field can be even more validated by knowing that IBM has committed itself to the definition and growth of the field as it had done for Computer

Science some years back. IBM is a very profit-oriented company- they sense huge business value in SOM/SSME in years to come.

What does one gain from a class on SOM? Following lists some example questions that one will be able to answer and understand better after a thorough overview of SOM discipline – leading to opportunities in growing service sector:

Manufacturing Industry

1. Can manufacturing exist without any services?
2. How does a manager balance operational efficiency with customer experience?
3. How to get more involvement of customer in the whole process?

Banking Industry

1. What local customization might lead to better customer retention?
2. What is the impact of automation on a manager's job and on customer?
3. Is better service always necessary for all customer segments?

Retail Industry

1. "Big Bazaar" culture is changing Indian customer habits, why?
2. Can a retailer's supply chain include customer as an integral part?
3. What's next after Big Bazaar? Who is left underserved?

Telecom Industry

1. What's next in telecom experience that will attract customers?
2. Why one-billing is going to be a huge service for the customers?
3. Rural service differs from urban counterpart, how?

One overall question that will span the whole class will be: for any given transaction, how can we classify three parts (social science, management, and engineering) that make up SOM/SSME? Of course, this question applies to all the above questions as an umbrella question.

Proportionally, consumers are paying more for experience, advice, information, assurances, use of infrastructures and leasing etc. – these have become a part of the offering for all transactions consumers make. Specifically, in India, SOM/SSME has the potential to transform the much lacking service sector. This emerging yet booming industry still suffers from gaps but also offers a huge potential for technology and services to come up with a win-win solution.

Many existing elements service systems already exist in different areas of professional practice and in academic disciplines – but in form of unconnected silos. This no longer

reflects the reality of interconnected economic activities, which, for example, now sees manufactures of complex engineering products increasingly adopting service-oriented business models and health care service providers learning lessons from modern manufacturing operations.

COURSE CONTENT

The sessions are divided in 10 separate gatherings for overview – we will customize and enhance as make very fast progress. A given session may last more than one class. In some sessions we will have case discussions from different perspectives.

CONTENT	READING ARTICLE	ASSIGNMENT
SESSION 1 Introduction/course outline Clarifying the rationale and defining the domain Service sector in global economies Global trends and service innovation Multi-disciplinary branch	Reading article 1 Reading article 2	Assignment 1 Assignment 2
SESSION 2 Service enterprise and systems Goods-dominant (G-D) and Service-dominant (S-D) logics Little's formula Case 1	Reading article 3 Reading article 4 Reading article 5	
SESSION 3 Service innovation Service innovation framework Service concept Case 2 Caselet topics	Reading article 6 Reading article 7	
SESSION 4 Service designing - I Service strategy	Reading article 8 Reading article 9	
SESSION 5 Service designing - II Self-service systems Service delivery Case 3	Reading article 10	
SESSION 6 Service supply chain Case 4	Reading article 11 Reading article 12	
SESSION 7 Service factor and automation model Evolution to a service based life-style Case 5	Reading article 13 Reading article 14	Assignment 3
SESSION 8 Service modeling: Simulation techniques BPM; Process modeling Simu8	Reading article 15	
SESSION 9 Service modelling: Simulation techniques BPM; Process modeling Inn0v8		
SESSION 10 Student presentations - caselets		

COURSE MATERIAL

Text Book

- Service Management: Operations, Strategy, Information Technology, 5th Edition, J.A. Fitzsimmons and M.J. Fitzsimmons, McGraw Hill.

Reading material, cases

- These will be shared online or in the class.

Additional readings:

- Service Modeling, Principles and Applications. Vilho Raisanen, Wiley
- Understanding Service Business, S.E. Sampson, Wiley
- Managing Services, Alan Nankervis, Cambridge Press

GRADING

The overall grade will be based on the following components, we will improvise as things progress.

Class participation	10%
Caselet – 1 (individual)	15%
Mid-term Test	20%
Caselet – 2 (team-based)	15%
Term Project (team-based)	10%
End-term Test	30%

CLASS PARTICIPATION

Pedagogically, this course will rely very heavily on experiential learning built around the following elements: class discussion of cases, thought sharing, and video supplements. For the course to be useful to you, it is essential that, besides reading assigned chapters/articles from the book and the conceptual articles, you come to each class well prepared to discuss your analysis of the assigned material.

I would strongly encourage active class participation. My experience has been that students generally tend to under- (rather than over-) estimate the worth of what they have to say. Thus, if you are ever in doubt, I would encourage you to participate rather than to keep quiet. Please note that probing questions are as useful a form of class participation as presentations of logical analyses. Finally, needless to add, the quantity of your class participation would count positively only if the substantive quality of your comments and/or questions adds value to the class discussions.

CASELET

The two caselets should focus on services – topics will be decided in due course of time. Each caselet should be well written for complete clarity. Caselets are brief – so any extraneous contents must be removed to make room for more valuable thoughts. Two

pages, single line, Ariel 10 font should suffice for each caselet. Relevant questions should follow the situation and a very brief abstract should be included as a separate item.

One caselet will be done on individual basis while the other will be completed within a team. This team based caselet will be the topic for the term project.

If one of the caselets can be substituted with another valuable alternative, we will open to suggestions per discussion in the class.

TERM PROJECT

Each team should present the caselet that they have designed. Class will confirm topics early on in the course. Every team will share their topic and tentative flow of contents in an early class. Last class of the course will be dedicated for the team presentation. Make the presentations as formal as you can, as business-like as you can. Each presentation should be accompanied with a brief one page report with salient points – a simple format will be discussed in the class.

ATTENDANCE POLICY

As per the school calendar, we will have only few sessions. Also, as indicated in the course outline, a very significant portion of your learning is likely to take place in the classroom as you participate in and listen to conceptual discussion and case analyses. Therefore, it is essential that, barring personal crisis, each student attend every class. In case of any such exigencies, you must let me know either ex-ante or ex-post. Also, please note that if you miss more than two classes – for any reason – you run the risk of getting an “incomplete” grade in the course.

ACADEMIC INTEGRITY

Any breach of integrity sensed by the instructor may result in a Fail grade for the class – the decision will be final in such cases.

SPECIAL NEEDS

Any student with special needs should bring this to the attention of the instructor as soon as possible, but not later than the second day of class.