

SERVICE INNOVATION WORKSHOP



Service accounts for 80 % GDP in the US. The unique challenges of the service sector are addressed in a one day course designed around a case study. Issues such as customer emotion, service prototyping and the influence of technology are addressed. Service innovation requires both business model and process innovation to take advantage of the new tools provided by digitization.

1. WHY CUSTOMERS BUY A SERVICE

Services are a means for customers to get a job done or to have an experience, but services may not be an end in themselves. People “hire” service providers and good service retains you as a customer. If you go to a restaurant to have a meal, having a good experience makes you return. Services are intangible products and the difference between Tangible and Intangible Products is that ‘Intangible’ products are informational and emotional. Services can contain many steps and the measure of success is how well a process is executed.

Case Study; Which area should be the focus for the initial Innovation Initiative.

2. TECHNOLOGY AND ITS INFLUENCE

The Internet, Big Data and Artificial Intelligence are having increasing influence on service delivery. We see this with Amazon, Uber and AirBnB. The Internet of Things enables us to collect and exchange data giving us Smart homes, cities and transport. Big data has major influence and there are many Data Opportunities in service through the exchange of data. Big Data fuels Artificial Intelligence which aims at solving problems and moving objects. Middle skill customer service is being replaced by A.I. and 65% of the jobs in 10 years from now don’t yet exist.

Case Study; Selection of data to understand guest preferences.

3. CUSTOMER EMOTION

In Service Satisfaction, emotions matter and age groups differ in their emotions. Emotions will

change as we deliver a service and there are methods to identify Emotional Motivators. Big Data has increasing importance here and we don’t assume we know what motivates customers. We analyze customers who buy the most, are least price-sensitive, and most loyal and compare with the customer base. We find which motivators are important and develop an initial guide to the important emotions.

Case Study; How to strengthen the emotion in a selected service area.

4. INNOVATION CULTURE

The difference between Improvement and Innovation is explained. Participants carry out an exercise to find their ‘best contribution to Innovation’. The different roles are explained. In the creative phase the Creator finds the Opportunity and the Connector “Connects” to a Solution. In the Execution Phase the Developer produces a user friendly solution and the Doer delivers the solution. A ‘Mix’ of People is needed. Creativity is the ability to produce new ideas through imagination and unconventional approaches. Behaviours that encourage creativity are Exploration, Collaboration and Experimentation.

Case Study; Selection of a department and agreement on a process improvement.

5. FINDING THE OPPORTUNITY

The Innovator looks for the market with no competition and thinks beyond existing services by finding where customer’s problems lie. We find high-opportunity outcomes and then devise solutions to meet unmet needs. We do this

through Data Analysis, Talking to the Customer, Observing the Customer and being the Customer. We Map service encounters and interactions and look for areas of Opportunity. Needs will change as we deliver a service and the aim is to create Emotional Satisfaction for the customer by reducing Customer Cost, Effort and Worry.

Case Study; Which one of four aspects of the 'check in' would you focus on first and why?

6. NEW IDEAS TO MEET OPPORTUNITIES

Creative solutions occur when we have freedom to think and interact with new stimuli. Daily work removes this freedom so we must step out of the box, and use Collective knowledge. The 'ideation' process is practiced in a simple exercise and Ideation Techniques such as Clustering and Brainwriting are explained. It is important to use Multiple Techniques and Relax between sessions. We try Ideas and fail early and look for ideas that are Hard to Copy and use our Core Skills. We build a detailed concept and agree the service delivery method on a Service blueprint.

Case Study; Selection of a solution for easier 'check in'.

7. DEVELOPING AND DELIVERING THE SOLUTION

Unlike with a Product where we can research and test a prototype, with Service, Development and Delivery merge. We learn more about the customer with initial delivery and what is the emotion the customer would like to have? We observe real customer behaviour and note the unexpected, measuring Results. The Test identifies opportunities and potential fail points and split testing evaluates a new idea with independent groups. We look for ease of Use, # of mistakes by user, Time taken to be competent. Video enables us to find a problem and explain a solution. The examples of Zappo Shoes, Uber and Airbnb illustrate these points.

Case Study; Finding solutions to deal with the problem that had arisen.

8. SUMMARY AND CONCLUSION

The reasons why customers buy a service and the influence of technology on the service sector are summarised. Customer Emotion is a critical factor that is often overlooked. An Innovation Culture must allow creativity which enables finding the Opportunity and the development of New Ideas to meet opportunities. Delivering the Solution is quite different in service when compared to manufacturing.

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