Service Design

Expert Tip

"It is critical to frame the problem or opportunity carefully. Many companies fail because they address the wrong problem or miss an opportunity altogether. It seems they spend too little time framing (and asking questions) up front, resulting in a jump to the solution based on their biases and not on the customer's needs or desires."

Jeff McGrath

Organizations can use service design to improve the services that they offer now and to develop whole new value propositions, perhaps based on new technology or new market developments.

Goods and Services

Goods

- Generally tangible products
- Production and consumption may occur at different times
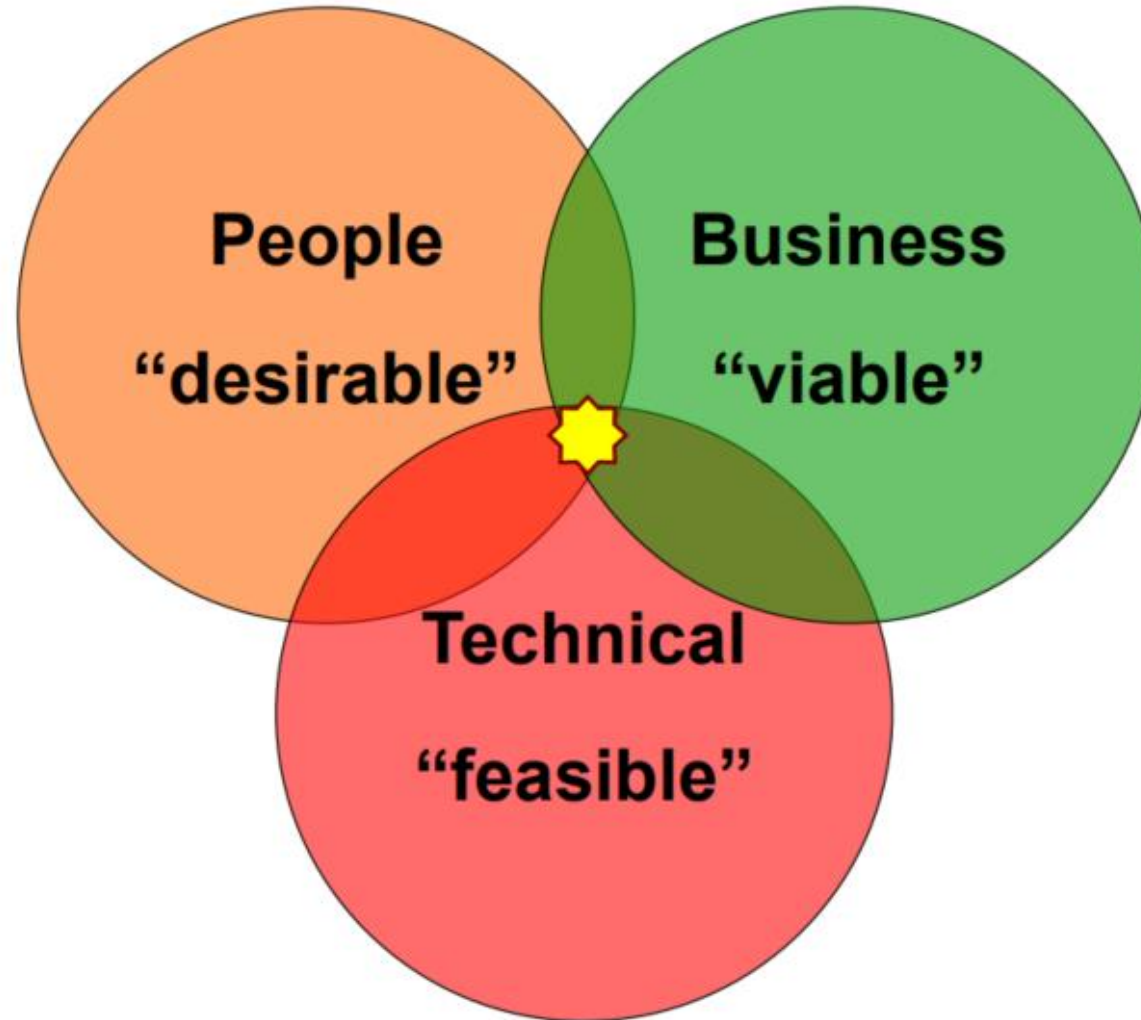- Producer is generally not involved with customer during usage

Services

- Often intangible products
- Production and consumption may occur simultaneously
- Service provider may be involved throughout the service experience

Nature and Characteristics of a Service
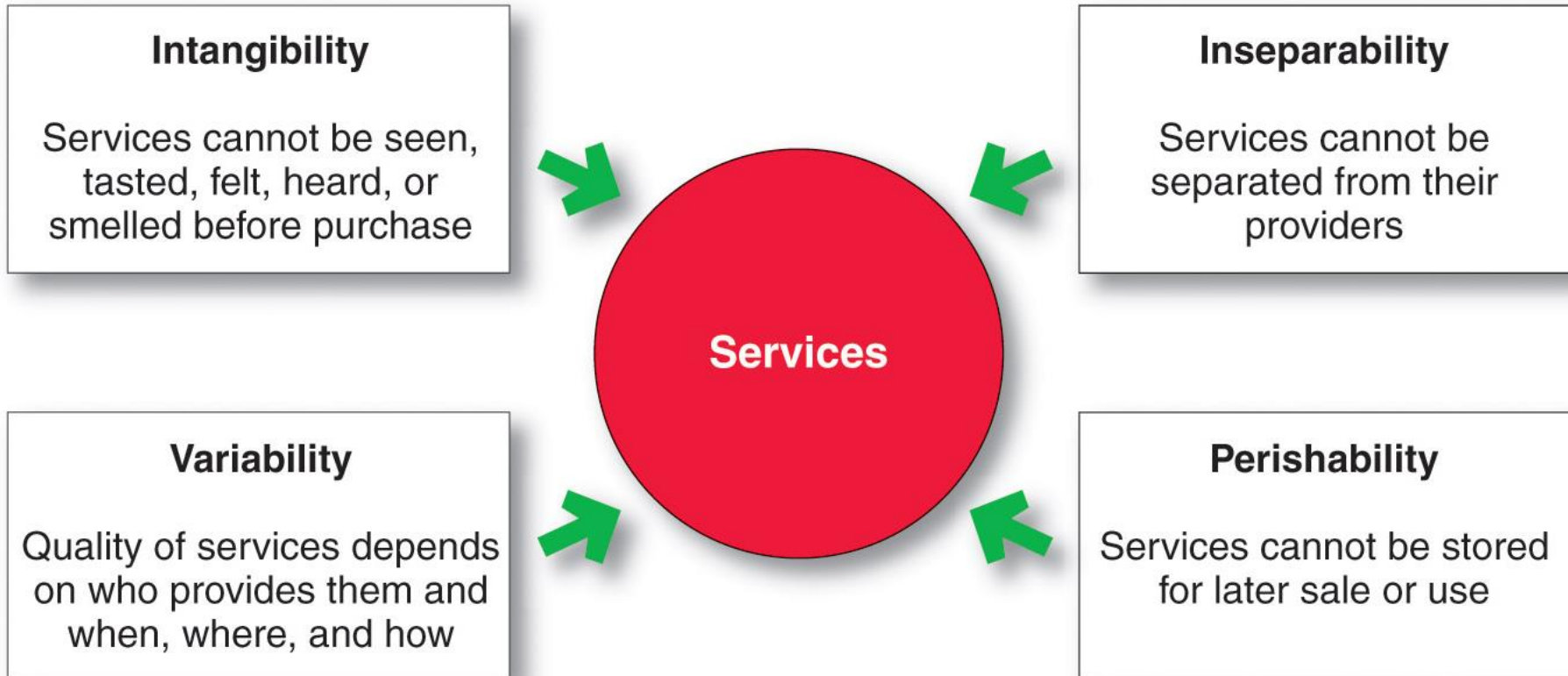
Three Design Challenges

People
"desirable"

Business
"viable"

Technical
"feasible"

What is Service Design

"Service design helps to innovate (create new) or improve (existing) services to make them more useful, usable, desirable for clients and efficient as well as effective for organizations. It is a new holistic, multidisciplinary, integrative field." – Stefan Moritz

Most popular Definition

"Service design helps organizations see their **services from a customer perspective**. It is an approach to designing services that balances the **needs of the customer with the needs of the business**, aiming to create seamless and quality **service experiences**. Service design is rooted in design thinking, and brings a creative, **human-centered process to service** improvement and designing new services. Through collaborative methods that engage both customers and service delivery teams, service design helps organizations gain true, end-to-end understanding of their services, enabling holistic and meaningful improvements."

Comment

"Lumpers will often argue it is all about the **mindset**. Being open, empathetic, asking questions, starting with 'I don't know,' and learning by doing. You can call yourself anything you like, but if you share this mindset you are a service design thinker **... or rather a service design do-er.**" — Arne van Oosteroom

Generic Product Development Process

What elements of the PD process apply to development of services?

How do they apply differently to services?

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Product Development Process for Services
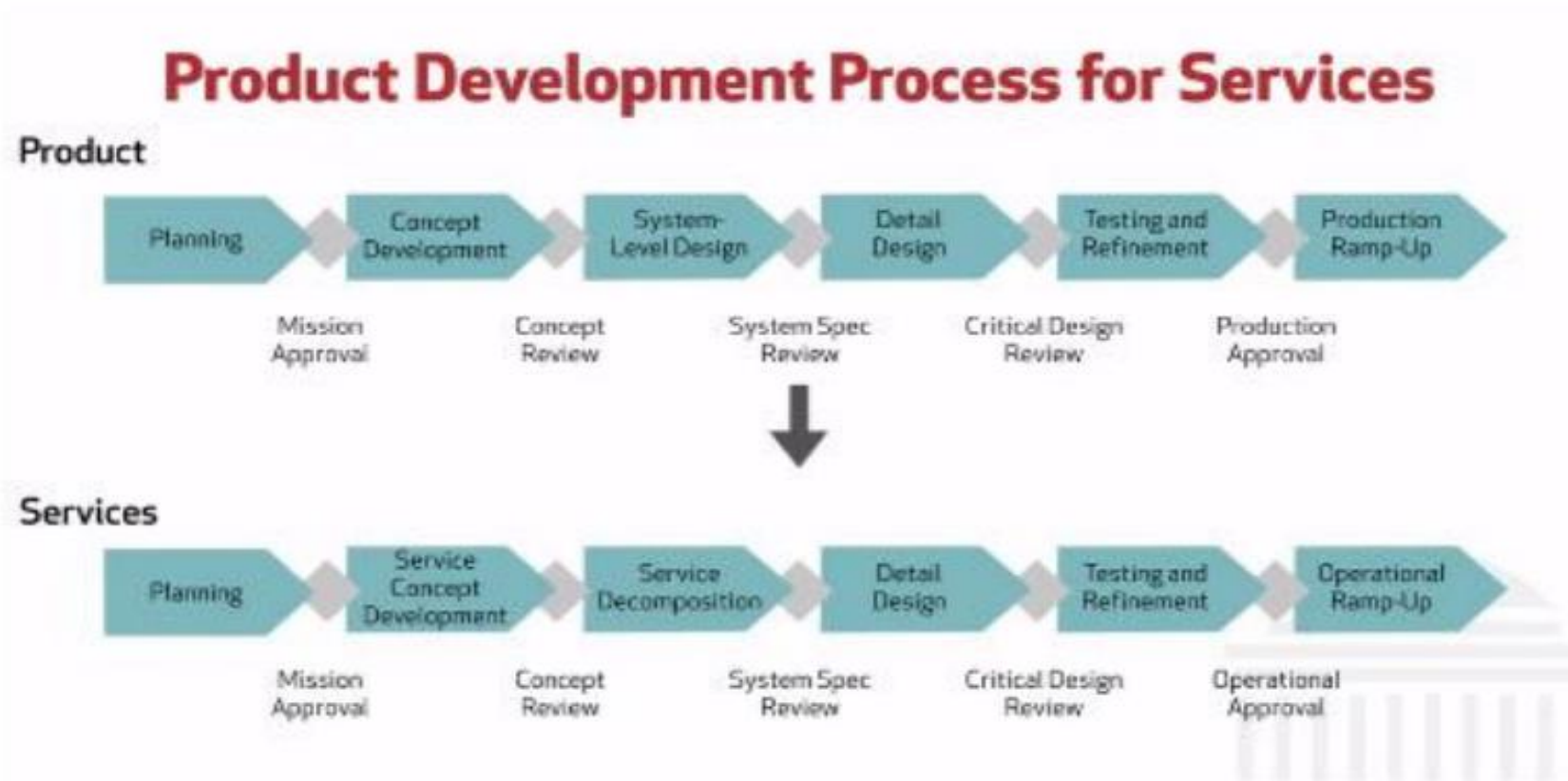
Bank of America Service Innovations

Customer Needs for Convenient Savings

- Make it easy to save money
- I don't want to change my spending

BankAmeriDeals™
It's your choice, your cards and your cash back.

Keep the Change.™
Save automatically with everyday purchases.

Select
  Select a deal online.
Shop
  Shop and pay with your debit or credit card.
Earn
  Cash back automatically credited to your account.

Register your debit card to:
  Round up your purchase to the nearest dollar
  Transfer the difference from your checking to savings
  Track your savings online

Bank of America

www.bankofamerica.com

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Service Development Example

The Bank of America Innovation and Development Team

Mission: The mission of the Innovation and Development Team is to explore, develop and test a higher standard of customer-focused innovations that will help position Bank of America as the world's most admired company.

Where we test innovations: Nationwide, a number of innovations are currently being tested - or will be tested - in areas throughout the franchise, including California, the Northwest, Arizona, Florida, Chicago and Atlantic North. Our test headquarters are in Atlanta, where rapid-cycle tests take place at 30 facilities.

Where our innovations come from:
1) Internal
- Associates
- Business segments and support partners
- Quality and Productivity groups

2) External
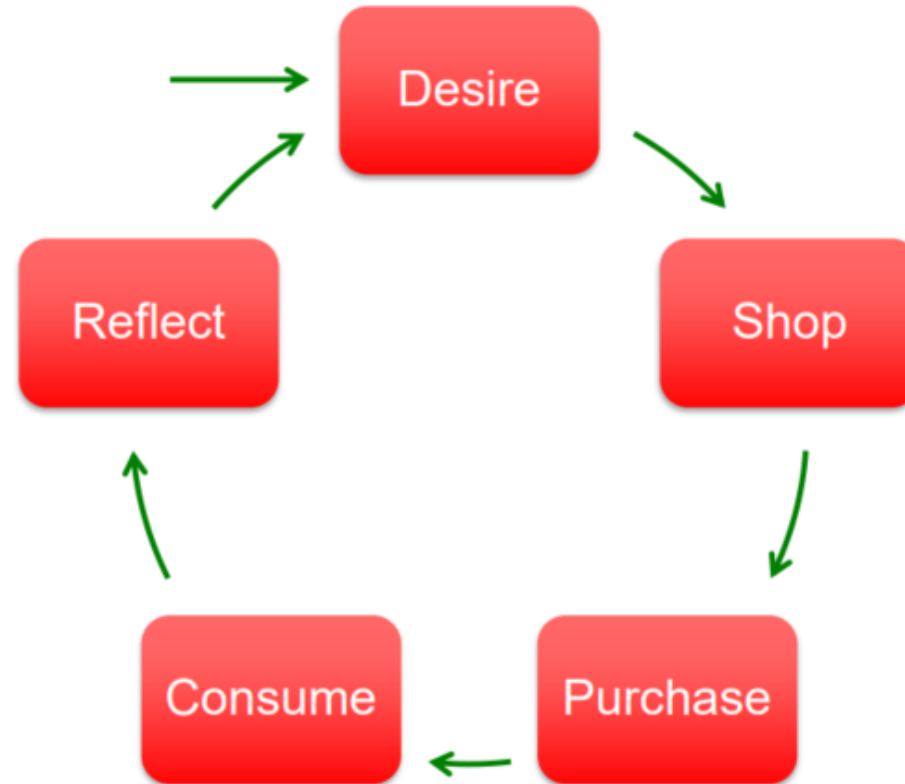- Customers
- Vendors
- Non-financial industry best practices

3) Innovation and Development Team
- Ideation sessions
- Research and exploration

Bank of America

Ref: "R&D Comes to Services: Bank of America's Pathbreaking Experiments", Stefan Thomke, *Harvard Business Review*, April 2003

Service Experience Cycle

Service Experience Cycle: Movie Theatre Example

Zipcar Service Experience Cycle
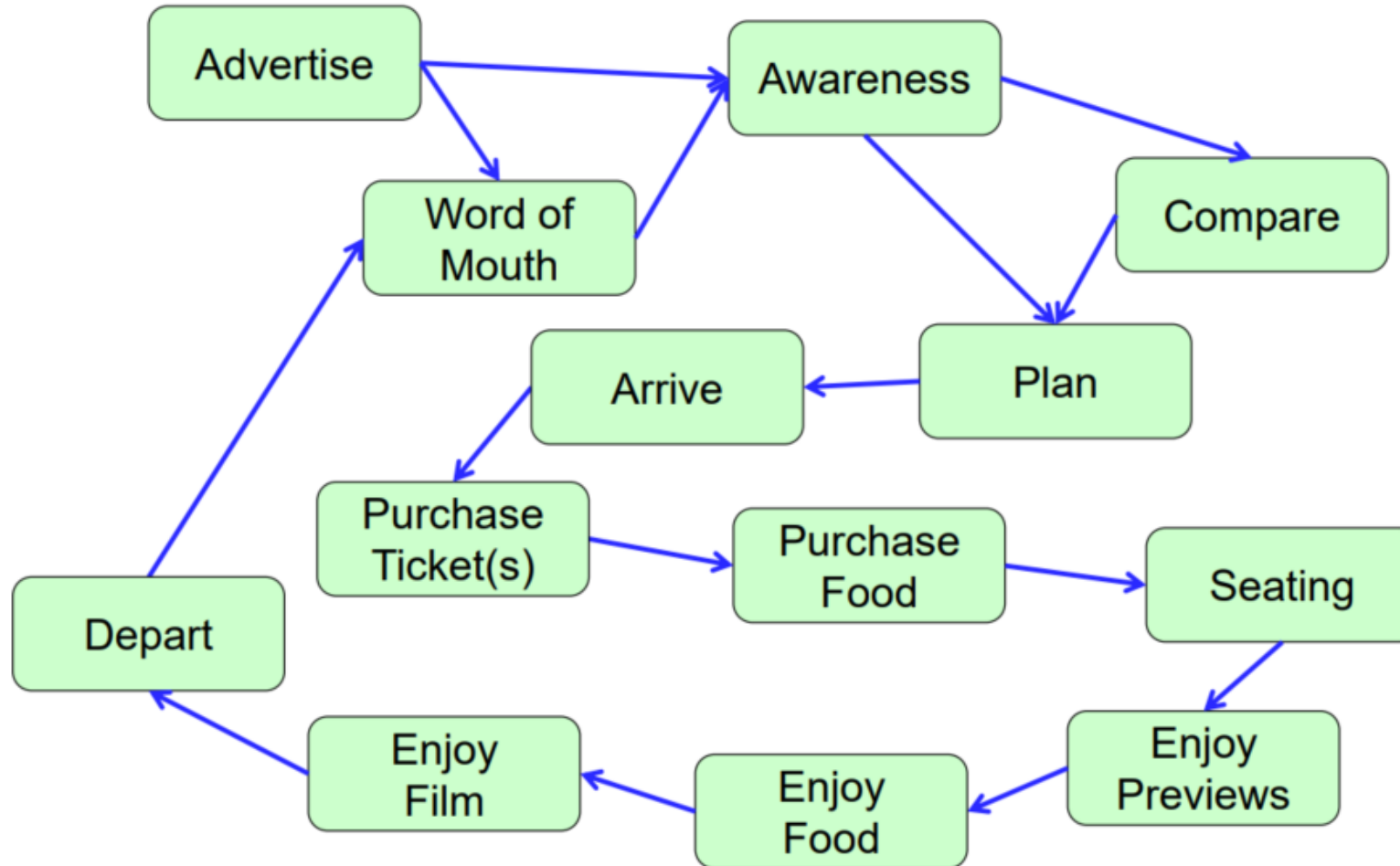
Apply for Membership → Receive Smart Card → Access Reservation System → Browse Vehicles → Reserve Vehicle → Find Vehicle → Unlock Vehicle → Enjoy Driving → Return Vehicle → Review Trip → Pay Invoice

Description	Time	Calculation	Amount
Hours: 6pm to 10pm	Aug 30th, 6pm to 10pm	4.00 @ $12.75	$51.00
Sales tax for ON: 8%	Aug 30th, 6pm to 10pm		$4.08
Goods & Services Tax: 6%	Aug 30th, 6pm to 10pm		$3.06
Total			**$58.14***

Zipcar Process Flows

Membership Process Flow

Membership Marketing → Receive Application → Check Driving Records → Send Access Card → Member Database

Receive Access Card

Booking Process Flow

Online Vehicle Search → Reserve Vehicle → Process Billing

Process Reservation

Log/Transmit Mileage → Confirm Return

Vehicle Process Flow

Vehicle Database

Customer Vehicle Usage

Repair Vehicle

Clean Vehicle

Secure Parking → Acquire Vehicle → Install Technology → Deploy Vehicle → Sell Vehicle

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Group Exercise:
Customer Experience Cycle

- Work in groups of 3 or 4.
- Map out the customer experience as a process flow (or cycle) for a service that is related to your business.
- Draw a diagram to explain the process.
- Identify several opportunities for innovation.

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Product-Service Systems

- **Bundling of product and service**

- **Transformation of product to service**

- **Designing a service as a product**

Tools of Service Design

- Personas

"Personas should have an expiry date of around 12 months. In a year, a lot can change in terms of technology, organisational, and policy shifts – and you don't want to design based on old data." — Hazel White

PERSONA

Morena Rivera
Name

36 — Accountant at railway company
Age   Sex   Occupation

Married, 1 son — **Spanish**
Marital status — Nationality

💬 "Relaxing on my couch …watching TV all night is sometimes just what I need."
Typical quote

Morena is just that friendly mother next door. She has a secure job at the national railway company. Together with her husband Marco, she earns a monthly income of 5,000 after tax. Marco loves the outdoors, so whenever possible, the couple takes long hiking tours with Josh, their nine-year-old son. **Morena is not very interested in technology, she wants things to just work.**
General description

| 20,000 | 24% | 3 | 377 |

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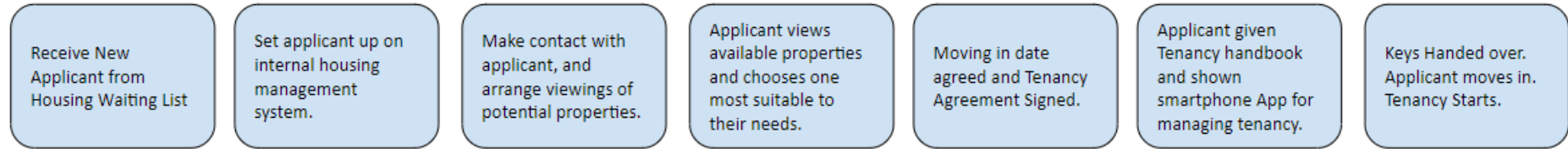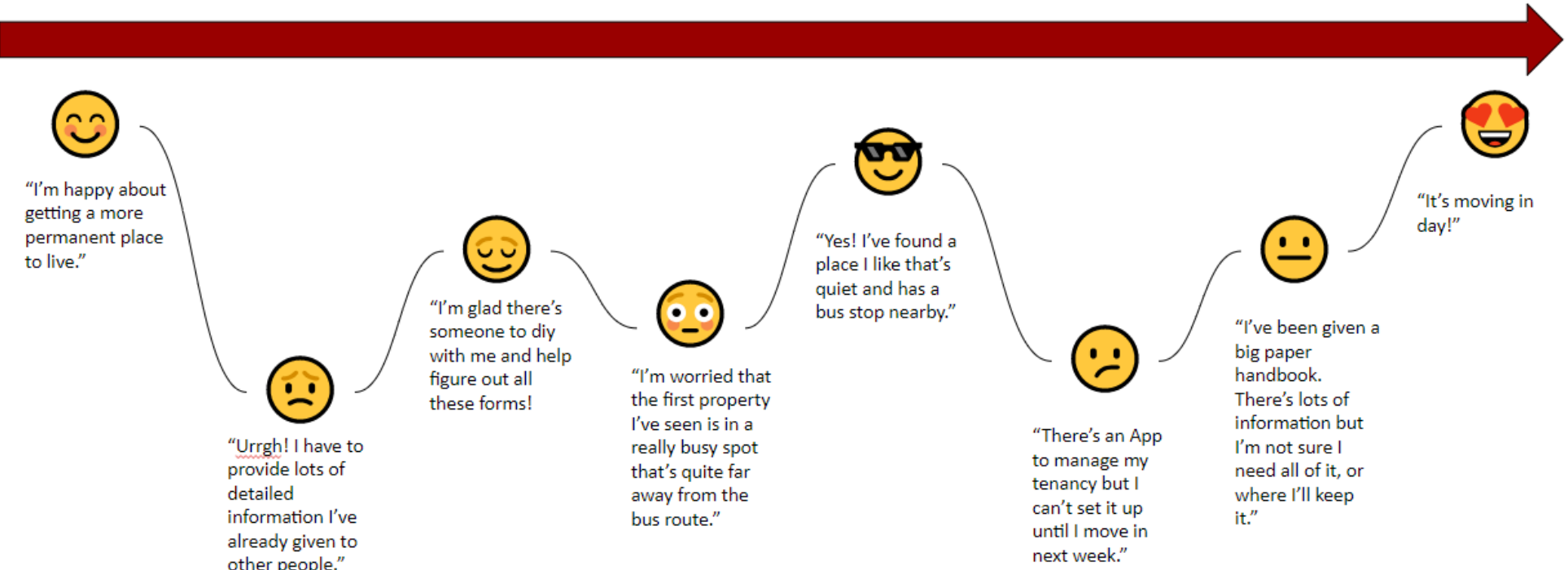Dr. Samah Abu Assab

Tools

Journey Maps

"Journey maps are the most flexible tool we use with clients. We use them in three ways: 1. To visually and transparently gather user stories when interviewing. 2. To understand how existing services work and uncover pain points and opportunities for improvement. 3. To envision future services." — Hazel White

The Process

Receive New Applicant from Housing Waiting List

Set applicant up on internal housing management system.

Make contact with applicant, and arrange viewings of potential properties.

Applicant views available properties and chooses one most suitable to their needs.

Moving in date agreed and Tenancy Agreement Signed.

Applicant given Tenancy handbook and shown smartphone App for managing tenancy.

Keys Handed over. Applicant moves in. Tenancy Starts.

Customer Journey Map

"I'm happy about getting a more permanent place to live."

"Urrgh! I have to provide lots of detailed information I've already given to other people."

"I'm glad there's someone to diy with me and help figure out all these forms!"

"I'm worried that the first property I've seen is in a really busy spot that's quite far away from the bus route."

"Yes! I've found a place I like that's quiet and has a bus stop nearby."

"There's an App to manage my tenancy but I can't set it up until I move in next week."

"I've been given a big paper handbook. There's lots of information but I'm not sure I need all of it, or where I'll keep it."

"It's moving in day!"

Opportunities

How might we ask the applicant for less data or make the process of capturing data much more user friendly?

How might we better capture people's preferences so we only show them properties that are likely to meet their needs?

How might we change our smartphone app so that people can sign in before their tenancy officially goes lives?

How might we redesign the tenants handbook so that the information is more convenient to reference?

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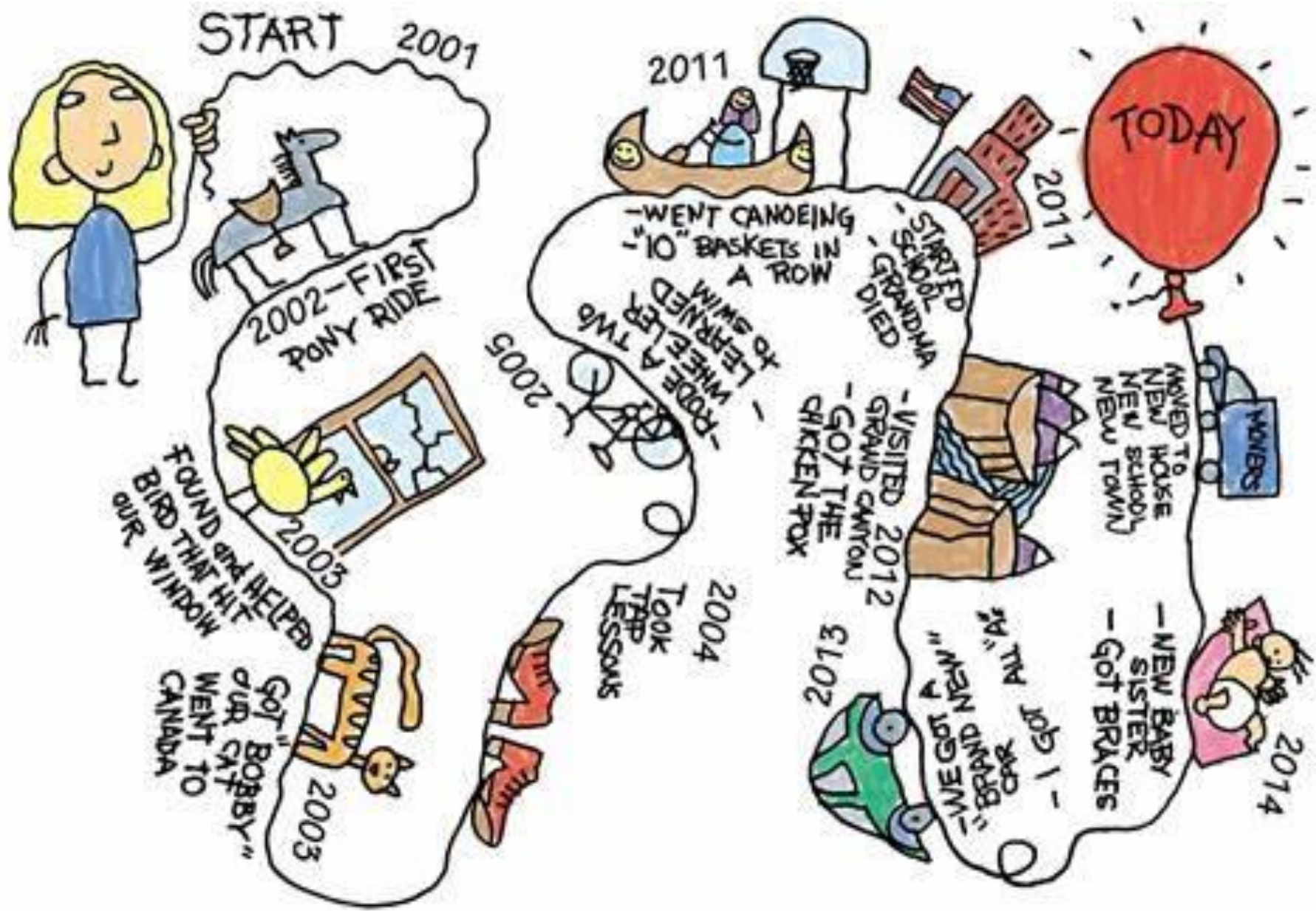
Module 4 - Team assignment

- Continue working on refining your needs statements. (By now you should have a good understanding of latent and unmet needs)

- Map out the customer experience cycle for your product or service – may be a useful decomposition for additional brainstorming/concept generation

- Begin downselecting/choosing the best of your concepts

- Evaluate those with respect to competing solutions on the market: Can we WIN with this concept?

Thank you :)