Service environment

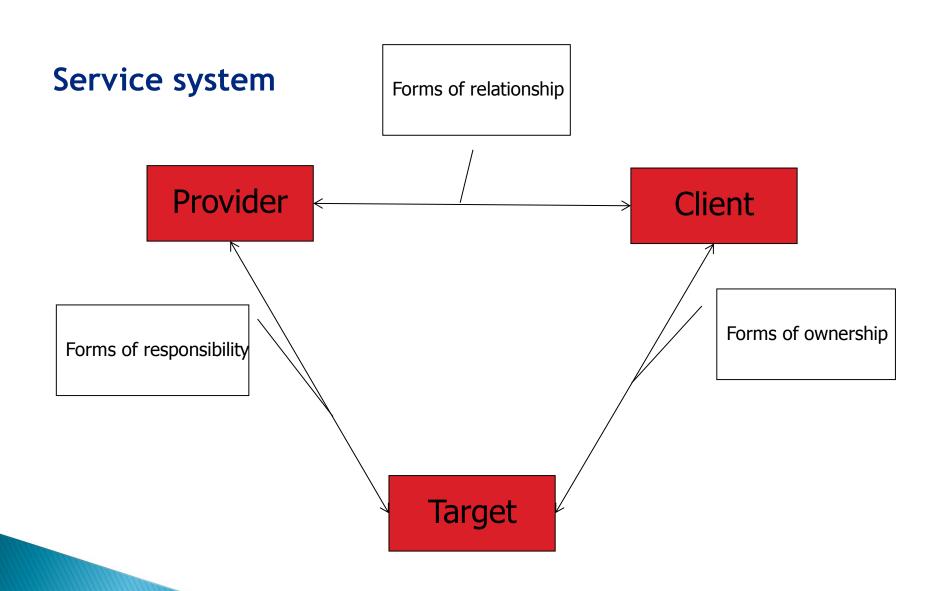# Service system

Client – Provider Relationship

Information Sharing

Knowledge Sharing

Negotiations

Balancing and establishing Value Proposition

Repetitive reviewing of previous items

In Mention Mode

Client – Target connection

Client owns the Target

Client owns rights to use and/or manipulate the Target

Client has (owns) problem
- Client recognizes a problem on the Target
- Client is willing to invest to the problem solution

The solution involves an operating and/or transformation of the Target
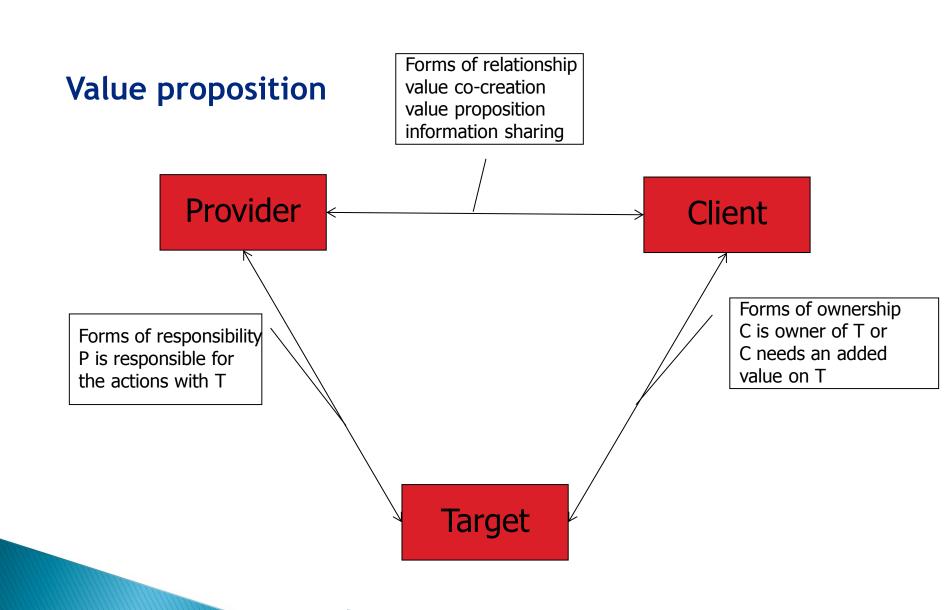
Provider – Target Connection

Kind of competence

Provider knows and is able to operate on the Target

Provider knows how and is able to transform the Target

Provider understands the Target and is able to plan operation on transformation of it

Provider improves in a way the Target for its better utilization by the Client (benefit for the Client)

Value creation

- What is the value?
  - Sake of client?
  - The benefit of the client
- Value is strongly related with the target
- Value is created by both (client + provider)
  - Value is co-created
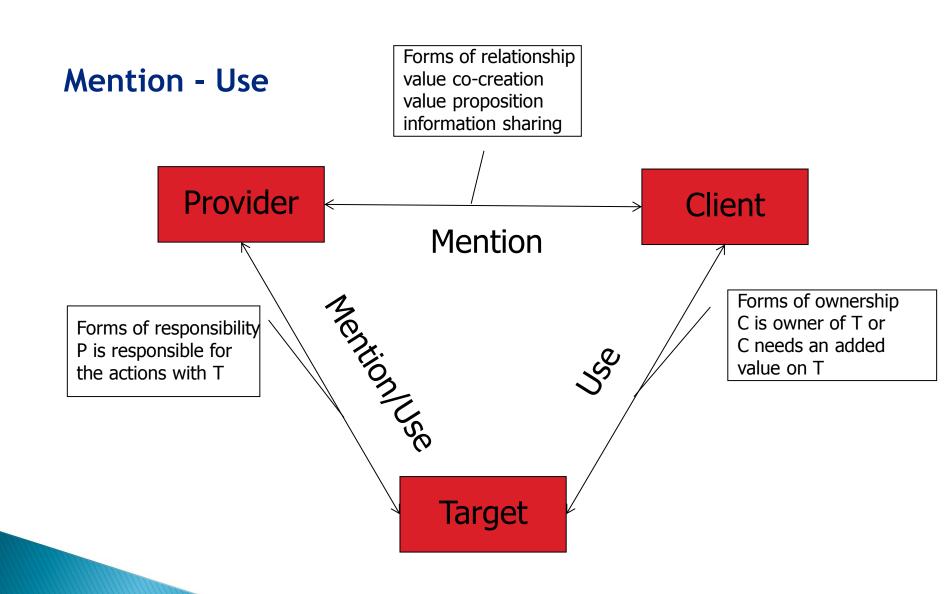- Value can be created only if Client wants (or needs) an added value on Target

Value proposition

- The most important connection between C and P
- The offer done by provider to the client
- What he/she is able to do with the target to increase beneficiary of the client
- Based on
  - Knowledge about target
  - Information about client
  - Similarities on the market
- What we can do for what price

Value proposition

Forms of relationship
value co-creation
value proposition
information sharing

Provider

Client

Forms of responsibility
P is responsible for
the actions with T

Forms of ownership
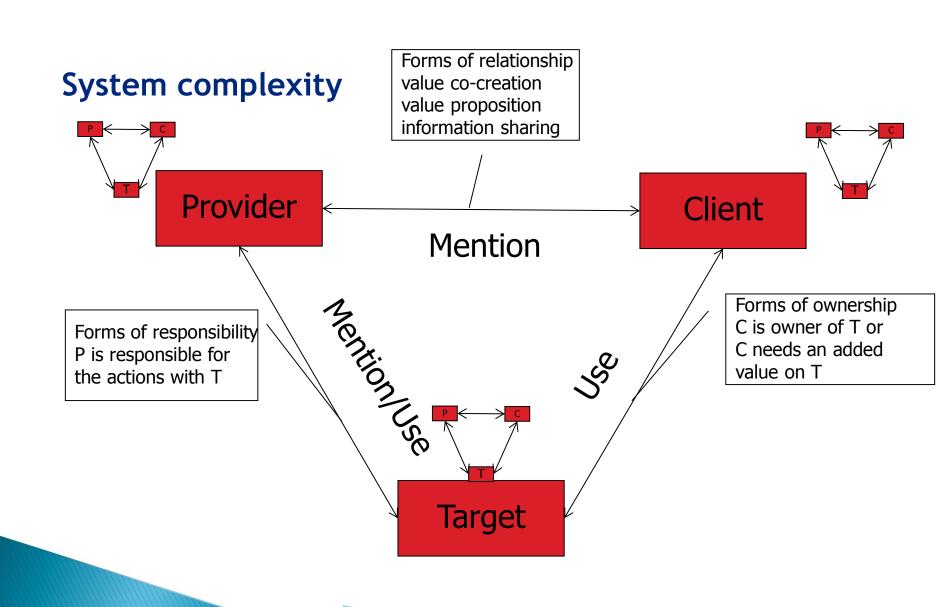C is owner of T or
C needs an added
value on T

Target

Mentioning and Using

- Mentioning
  - To think about future actions
  - What / how / who / where / when / why / for how much
  - Negotiation between client and provider
- Using
  - Use our capabilities to do some action to **bring a value**
- Duality between mentioning and using
  - Each entity can mention, use or make both
- Project management
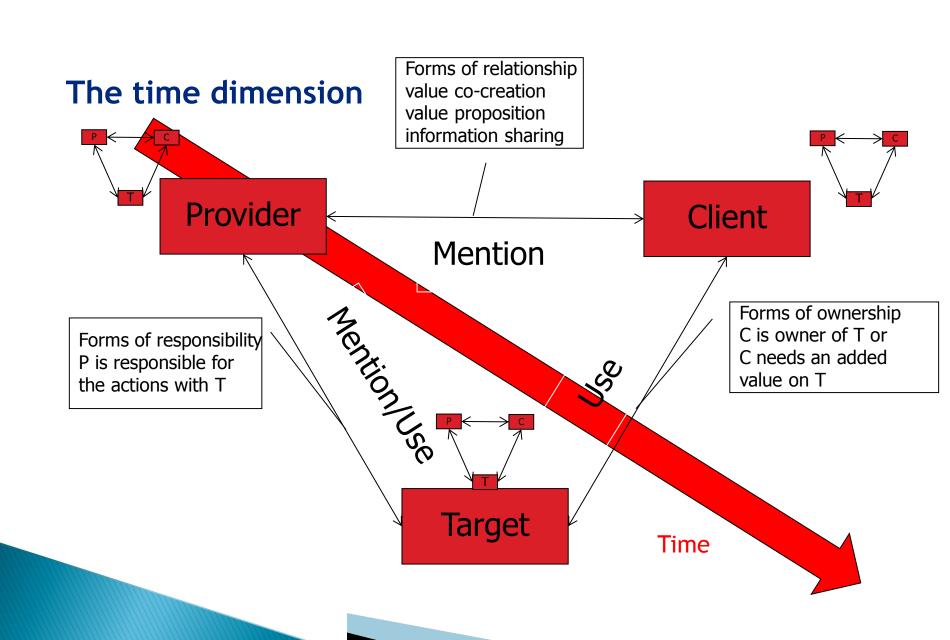 - Application of the principle of mention / use

Mention - Use

System complexity

▣Provider, Client or Target may contain one or more service systems
  ▣Those service systems need to cooperate in some way
  ▣The cooperation between those service systems is also service system
▣If they are not a simple person or technology
▣They can be organization, more complex entity etc.
  ▣Technology with the community of developers
▣It must be organized in synergy
  ▣Some services must be finish first, some in the specific order etc.

System complexity

Forms of relationship
value co-creation
value proposition
information sharing

Provider

Client

Mention

Forms of responsibility
P is responsible for
the actions with T

Mention/Use

Use

Forms of ownership
C is owner of T or
C needs an added
value on T

Target

The time dimension

- Selling a service means a lot of preliminary work
- Sold product means success
- Selling a service is the beginning
    - Start of the service execution
    - Preliminary work is about
        - Value proposition
        - Service modelling
- Providing services means continual development
- To stabilize the service system is necessary to continue with the cooperation

The time dimension

Forms of relationship
value co-creation
value proposition
information sharing

Provider

Client

Mention

Mention/Use

Use

Forms of responsibility
P is responsible for
the actions with T

Forms of ownership
C is owner of T or
C needs an added
value on T

Target

Time

Role of time

- The roles of all elements are not changing during whole life cycle of the service system
- Time period of existence of a service system is not a trivial one compared to actions performed within a service provision systems
- The dividing of the time and planning of the life cycle are important for the relationship client - provider

Example

- Two companies
  - Software developer EasySoft
  - Telecommunication company Telecoco
- Problem
  - Telecoco want to have outsourced information system, developed by EasySoft
- The service system is easily created
- Is there any possibility (or need) to create other service system?
- And if yes, are they related?

Service system

- Provider – EasySoft
- Client – Telecoco
- Target – Information system
- Benefits are focused to the client
- Easysoft uses its competencies to act for the sake of Telecoco
- There is one more special relationship
    - The payment is also service system

Payment service system

- Provider – Telecoco
- Client – EasySoft
- Target – the bank account of EasySoft
- The provider (Telecoco) acts on Target (send the payment) for the sake of EasySoft
- This service system can not exists without the first service system

Prime service system

▸ Primary created service system

▸ The roles are distributed and do not change

▸ Creation of this service system causes the creation of next service systems

▸ We need to analyze

  ▸ The relationships between them

  ▸ The possibility of influence

  ▸ The causes of synergy

Cooperation of service systems

- Lets have some service system (S1) with provider, client and target defined
- We say the system S1 cooperates with system S2 if
  - Agent who plays the role of client in S1, plays role of provider in S2
  - Agent who plays the role of provider in S1, plays role of client in S2
  - Benefits for the client in S2 depends on benefits for the client in S1 (or vice-versa)
  - The target is not same

Example of cooperation

▷ Study program SSME and cooperation with business partners on internships
▷ Client – business partner
  ▷ Wants to have properly educated students
▷ Provider – Faculty of informatics
  ▷ Has abilities to educate the students
▷ Target – study program SSME
  ▷ Provides the students

Cooperating service system

- Internships projects
  - For the successful study program faculty needs
    - Practice – an internships with quality emphasis
    - Mandatory for every student enrolled in the program
- Agents
  - Client – faculty of informatics
    - Demand the internships positions for the students
  - Provider
    - The company
      - Offers the positions for the students

Cooperating service system

- The target
  - The study program SSME
  - Students are „only" the products of the study program
  - Faculty wants to improve the study program
    - Through the internships
    - Using the feedback from the partners
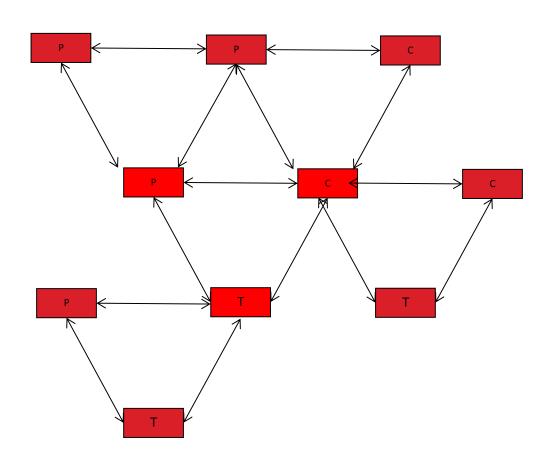- In this case the target is the same in both cooperating service systems

Dual service system

- Lets have the prime service system S1
- Lets have a second service system S2, where
  - Agent who plays the role of client in S1, plays role of provider in S2
  - Agent who plays the role of provider in S1, plays role of client in S2
  - Benefits for the client in S2 depends on benefits for the client in S1 (or vice versa)
  - Target is the same in S1 and S2 with the bidirectional value proposition

Service system environment

- Are there any other possibilities of the cooperation?
- What to do if
  - Client or Provider in one service system plays the role of of the Client, Provider or Target in other service systems?
  - If the value proposition or the benefits depends on other related service system?
    - Company is able to pay only if its customers will pay
    - Value proposition can be set properly only if we know all related inputs

Service system environment

Service system environment

⇒ During negotiations must be explored not only the target, but also all important relations
  ⇒ Cooperating service systems
    ⇒ Dual service systems
  ⇒ Related service systems
⇒ After that the value proposition can be set