

Service Management

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MGT 875 | Service Management

SPRING 2, 2019-2020 | March 23 - May 6, 2020

TEACHING TEAM

- **INSTRUCTOR | YOSHINORI (YOSHI) FUJIKAWA**
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 - LinkedIn | <https://www.linkedin.com/in/yoshinori-fujikawa-3bb0771/> (<https://www.linkedin.com/in/yoshinori-fujikawa-3bb0771/>)
 - Office Hour | Wednesdays, 1200-1300, by Zoom | Meeting ID: 813-016-8430; <https://yale.zoom.us/j/8130168430> (<https://yale.zoom.us/j/8130168430>) or email Yoshi Fujikawa for an appointment.
- **SESSION COORDINATOR | NICOLE ROMEOS** | nicole.romeos@yale.edu (<mailto:nicole.romeos@yale.edu>)
- **TEACHING ASSISTANT | JUSTIN TANG** | j.tang@yale.edu (<mailto:j.tang@yale.edu>)

NOTE TO STUDENTS: As we are moving the course online in Spring 2 term, I have revised the course syllabus as follows:

- First, no change has been made on course objectives, structure, and schedule as originally published.
- Evaluation section has been changed (or not changed) as below:
 - Case Method: We are taking "hybrid" approach, consisting of synchronous (live session via Zoom) with asynchronous discussion (pre-session online poll and post-session discussion board on Canvas)
 - Individual Assignment: Letter Writing Campaign has been replaced with Module Takeaway 3-2-1 Memo
 - Group Assignment: No change
- Changes made from the originally published syllabus are indicated in orange font, for your reference.

COURSE OVERVIEW

Service economy is expanding more than ever, not just with the growth of the services industries (conventionally defined as the third sector) but also with services' increasing importance in non-services industries such as agriculture (the first sector) and manufacturing (the second sector). Today, driven by emergence of digital technologies and amplified by hyper-connectivity of global markets, anything and everything seems to become something as a service e.g., Software-as-a-Service (SaaS), Mobility-as-a-Service (MaaS), and now Everything-as-a-Service (XaaS). Are things going too far? What does it mean for our everyday marketing, operations, HRM, and strategy? Should we now strategizing, organizing, and leading businesses, differently, and, if so, how?

By introducing you to Service Management, an emerging field of management science which was originally developed out of the research on the services industries but has later evolved into the study on the logic (or lens, if you will) of value creation and value capture across industries, this course attempts to help future business leaders to see ongoing fundamental shift in management logic and to seize opportunities and challenges involved in leading business in such an exciting time.

In this course, we will first look at global-scale, multi-decade changes with three key words, namely:

- **SHIFT | Towards Service Economy**
- **MELT | Disappearing Industry Boundaries**
- **TILT | Economic Center of Gravity Moving from the North to the South**

We then take a brief look at a variety of "lenses" you can wear when exploring "value creation and value capture" opportunities in the rapidly changing business environment:

- **LENS 1 | Goods-Dominant Logic (GDL)** | The traditional lens, through which we look at "goods" and "services" as two separate domains of business, and assume that company creates value and customers just consumes the value company creates.
- **LENS 2 | Service-Dominant Logic (SDL)** | A new pair of lens, with which we do not distinguish "goods" and "services" but rather regard all economic activities as "service" and consider both company and its customers "co-create" of value together with companies.
- **LENS 3 | Multi-Sided Platform (MSP)** | Defined as "technologies, products, or services that create value primarily by enabling direct interactions between two or more customer or participant groups", by wearing MSP lens, we can extend the notion of "value co-creation" to multiple sides of market and open up many possibilities for both value creation and value capture (monetization) in unprecedented ways.

COURSE STRUCTURE

The course employs two-module structure:

- **MODULE 1 | Service Management – Classics from the Pre-digital Age** | The first half of the course takes a traditional approach to understanding service businesses by focusing on key difference between goods and services. Multiple management disciplines typically taught as core courses in

MBA curriculum play central and interrelated roles when running service businesses. Using Service Profit Chain (SPC) as the overarching framework of the module, we discuss challenges in managing service employees (OB/HRM), service customers (Marketing Management), and service operations (Operations Management), and also looked at importance of aligning these functions around "service concept" which should be defined as part of firm's strategy (Strategic Management). Cases to be discussed in this module are primarily from conventional, labor-intensive industries which still consist of big part of economy in many countries.

- **MODULE 2 | Service Management – Frontiers into the Post-digital Future** | The second half of the course examines service opportunities and challenges in the increasingly digitizing society, where digital technologies – AI, big data, block chain, robotics, IoT, and so forth – are everywhere and moving into background (just like oxygen or electricity). To this end, the module introduces different worldviews (or lenses) on value creation and value capture, which have been discussed in the frontiers of service research: Goods-Dominant Logic (GDL) as Lens 1, Service Dominant Logic (SDL) as Lens 2, and Multi Sided Platform (MSP) as Lens 3. With these different lenses as our common language, we approach contemporary issues in service management such as "open service innovation" and "smart, connected products".

COURSE SCHEDULE

- **OVERALL SCHEDULE** | [YALESOM_MGT875_SMG_T Course Schedule_20200308.pdf](#) 
- **SESSION DETAILS** | <https://yale.instructure.com/courses/56661/modules>

TEACHING METHODS

- **CASE METHOD** | The primary teaching approach is the case method. There is no right or wrong answer in case discussions. More accurately, there is no single right answer, but many viable answers. What matters most is for participants to be able to take a specific position among alternative courses of action, and articulate, support, and defend an argument. Towards this goal, students are expected to prepare a case for each session in line with the discussion questions provided by the instructor before the session meets. Substantial learning then takes place through classroom interaction with classmates and the instructor and also via group discussion before and/or after the session. **Since we move the course 100% online in the Spring 2 term, we will take the "hybrid" approach to the case method - synchronous (live Zoom session) and asynchronous (pre-session online poll and post-session discussion board on Canvas) - both of which count toward your class contribution.** Cases are selected from a diverse set of business contexts: B2C and B2B, high-tech and low-tech, entrepreneurial and established, and East and West. Cases to be discussed include but not limited to:
 - Module 1 (Tentative): Federal Express, International Management Group (IMG), Manzanita Insurance, Shouldice Hospital, Yamato Transport.
 - Module 2 (Tentative): Airbnb, GE Industrial Internet, Lego Ideas, Waze, Weathernews
- **CANCELLED - INDIVIDUAL ASSIGNMENT – LETTER WRITING CAMPAIGN (TENTATIVE)** | Taking an active stance on the issue of service quality, students write (and actually send) two letters to two different service organizations with which they have interacted as a customer: one letter complains about a service failure, the other extends congratulations on an aspect of service excellence. The purposes of this individual assignment include providing students with an opportunity to apply their analytical skills in a practical situation, supplying valuable feedback to service organizations, and learning from real-life examples about how organizations address customer feedback. More details of the assignment are provided on the first day of the course.
- **ADDED - INDIVIDUAL ASSIGNMENT - MODULE TAKEAWAY 3-2-1 MEMO** | Revisit your course materials – including cases, readings, live case discussion, post-session discussion boards, etc. – and reflect on what we discussed in each module. What are your key takeaways from each module? Write a memo including:
 - **3 things** you did not know or had not thought about before the module
 - **2 things** you are going to share with someone else or continue to research because they are so interesting
 - **1 thing** you will change in your professional practice or personal life because of the insight learned in the module
- **GROUP ASSIGNMENT – FINAL PROJECT** | Select two companies in one same industry/sector/market:
 - GDL Company | One company which you think is doing business mainly based on Goods-Dominant Logic (let's call the firm "GDL Company"), and
 - SDL Company | The other company which you believe is managing its business based on Service-Dominant Logic ("SDL Company")

Compare and contrast the way these two companies are currently managing their business by using concepts and frameworks introduced in the course. Imagine that you are contacted by CEOs of both companies, and asked for advice on their future strategy going forward. Prepare and propose in the format of group presentation on the final day.

For further details please refer to | [YALESOM_MGT875_SMG_Group_Assignment_20200416.pdf](#) 
- **OTHERS** | In addition to cases above, the course explores a variety of cutting-edge examples of service excellence, many of which are based on new logics of value creation and value capture. Mini lectures, videos, and other course activities will supplement the case discussions.

EVALUATION

The final grade is determined based on the following points and scale:

• **POINTS | 100 Points in Total**

- 40 Points Class Contribution – Case Method: **Hybrid Approach - Synchronous and Asynchronous Discussion**
- 30% Individual Assignment – (CANCELLED) Letter Writing Campaign; **(ADDED) Module Takeaway 3-2-1 Memo**
- 30% Group Assignment – Final Project

• **SCALE | “Credit/Fail”**

- **Decided at Yale SOM Senior Faculty Meeting on MAR 23**
- **Absolute (not relative, no forced curve)**
- **Threshold: 70 Points, with more than half from each component* (*i.e., 20 points or more from Class Contribution, 15 points or more from Individual Assignment, and 15 points or more from Group Assignment)**

COURSE MATERIALS

Required Textbooks












- There is no required textbook. Readings (cases, articles, and other materials) are available through direct link from each session description page.




















Recommended Textbooks

- Frei, F. & Morriss, A. (2012) *Uncommon service*. Boston: Harvard Business Review Press
- Heskett, J. L. Sasser, W. E., & Schlesinger, L. A. (1997). *The service profit chain*. New York: The Free Press.
- Lovelock, C. & Wirtz, J. (2010). *Services marketing: People, technology, strategy* (7th ed.). New York: Pearson Prentice Hall.
- Lusch, R.F. & Vargo, S.L. (2014). *Service-dominant logic: Premises, perspectives, possibilities*. Cambridge, United Kingdom: Cambridge University Press.
- Zeithaml, V., Bitner, M. J., & Gremler, G. (2008). *Services marketing*. (5th ed.). Boston: McGraw-Hill/Irwin.

End.

Course Summary:

Date	Details	
Tue Mar 24, 2020	 MGT 875 - 01 - Service Management (https://yale.instructure.com/calendar?event_id=134105&include_contexts=course_56661)	8:30am to 10am
Wed Mar 25, 2020	 MGT 875 Pre-Session Meeting for Yoshi & Nicole (https://yale.instructure.com/calendar?event_id=153952&include_contexts=course_56661)	11am to 12pm
Thu Mar 26, 2020	 MGT 875 - 01 - Service Management (https://yale.instructure.com/calendar?event_id=134106&include_contexts=course_56661)	8:30am to 10am
Sun Mar 29, 2020	 SESSION 1 "What is Service" In-class Drawing Exercise (https://yale.instructure.com/courses/56661/assignments/158035)	due by 12pm
	 SESSION 1 Introduce Yourself By Telling a Lie (https://yale.instructure.com/courses/56661/assignments/158034)	due by 12pm
	 SESSION 2 Service Profit Chain - Shouldice Hospital 3-2-1 Takeaway Memo (https://yale.instructure.com/courses/56661/assignments/158033)	due by 12pm
Tue Mar 31, 2020	 MGT 875 - 01 - Service Management (https://yale.instructure.com/calendar?event_id=134107&include_contexts=course_56661)	8:30am to 10am
Thu Apr 2, 2020	 MGT 875 - 01 - Service Management (https://yale.instructure.com/calendar?event_id=134108&include_contexts=course_56661)	8:30am to 10am
Sun Apr 5, 2020	 SESSION 3 Managing Service Employees 1 Egon Zehnder 3-2-1 Takeaway Memo (https://yale.instructure.com/courses/56661/assignments/158812)	due by 12pm
	 SESSION 4 Managing Service Employees 2 IMG 3-2-1 Takeaway Memo (https://yale.instructure.com/courses/56661/assignments/159063)	due by 12pm
Tue Apr 7, 2020	 MGT 875 - 01 - Service Management (https://yale.instructure.com/calendar?event_id=134109&include_contexts=course_56661)	8:30am to 10am
Thu Apr 9, 2020	 MGT 875 - 01 - Service Management (https://yale.instructure.com/calendar?event_id=134110&include_contexts=course_56661)	8:30am to 10am

Date	Details
Sun Apr 12, 2020	 SESSION 5 Managing Service Customers Fedex 3-2-1 Takeaway Memo https://yale.instructure.com/courses/56661/assignments/159927 due by 12pm
	 SESSION 6 Managing Service Operations Manzana https://yale.instructure.com/courses/56661/assignments/160225 due by 12pm
Tue Apr 14, 2020	 MGT 875 - 01 - Service Management (https://yale.instructure.com/calendar?event_id=134111&include_contexts=course_56661) 8:30am to 10am
Thu Apr 16, 2020	 MGT 875 - 01 - Service Management (https://yale.instructure.com/calendar?event_id=134112&include_contexts=course_56661) 8:30am to 10am
Sun Apr 19, 2020	 INDIVIDUAL ASSIGNMENT #1 Module 1 Takeaway 3-2-1 Memo https://yale.instructure.com/courses/56661/assignments/160766 due by 12pm
	 SESSION 7 "Module 1 Wrap-up" In-class Breakout Room Exercise https://yale.instructure.com/courses/56661/assignments/160765 due by 12pm
	 SESSION 8 Service Dominant Logic Weathernews https://yale.instructure.com/courses/56661/assignments/161103 due by 12pm
Tue Apr 21, 2020	 MGT 875 - 01 - Service Management (https://yale.instructure.com/calendar?event_id=134113&include_contexts=course_56661) 8:30am to 10am
Thu Apr 23, 2020	 MGT 875 - 01 - Service Management (https://yale.instructure.com/calendar?event_id=134114&include_contexts=course_56661) 8:30am to 10am
Sun Apr 26, 2020	 SESSION 10 Open Service Innovation LEGO https://yale.instructure.com/courses/56661/assignments/161813 due by 12pm
	 SESSION 9 Multi-sided Platform Airbnb (https://yale.instructure.com/courses/56661/assignments/161746) due by 12pm
Tue Apr 28, 2020	 MGT 875 - 01 - Service Management (https://yale.instructure.com/calendar?event_id=134115&include_contexts=course_56661) 8:30am to 10am
Thu Apr 30, 2020	 MGT 875 - 01 - Service Management (https://yale.instructure.com/calendar?event_id=134116&include_contexts=course_56661) 8:30am to 10am
Sun May 3, 2020	 SESSION 11 Smart, Connected Products GE https://yale.instructure.com/courses/56661/assignments/162489 due by 12pm
	 SESSION 12 Value Co-creation & Value Capture Waze https://yale.instructure.com/courses/56661/assignments/162490 due by 12pm
Tue May 5, 2020	 MGT 875 - 01 - Service Management (https://yale.instructure.com/calendar?event_id=134117&include_contexts=course_56661) 8:30am to 10am
Wed May 6, 2020	 MGT 875 - 01 - Service Management (https://yale.instructure.com/calendar?event_id=134297&include_contexts=course_56661) 8:30am to 11:30am
Sun May 10, 2020	 INDIVIDUAL ASSIGNMENT #2 Module 2 Takeaway 3-2-1 Memo https://yale.instructure.com/courses/56661/assignments/162843 due by 12pm
	 SESSION 13 "Module 2 Wrap-up" In-class Breakout Room Exercise https://yale.instructure.com/courses/56661/assignments/162844 due by 12pm