SERVICE MODELS

GOD'S GIFT TO SERVICE MANAGEMENT?

Are there problems in your service delivery you can't put your finger on? Are your resources struggling, doing their best, but still your customer isn't really satisfied? Maybe you have read about Service Models and want to know more?

"OK" I hear you say, "You tell us that Service Models are "God's gift to Service Management". But how do we know that? Can you prove it?". And I hear you. There is nothing as frustrating as being told about the redemption but not being able to see it, or believe it. In this second article on Service Models I will make a try to prove it for you with 10 examples of what a Service Model should contain. Dependent on ambition and criticality it could (or should) contain up to 40 elements, but these are good to start with.

1. The Value Proposition

This is the reason for why the customer wants to buy your service. The core offer in the service could be the same as your competitors but the value proposition differentiates it. It could be the solution to a problem the customer has or satisfying a need they have. It can be innovative, as a fully new or unprecedented offer. It can be similar to an existing market offer, but with added features. It can be quantitative (price, speed of service, etc.) or qualitative (design, customer experience, etc.). Or both. But without a value proposition - no deal!

2. Dependencies between services

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3. Service sale and ordering

Every service has specific content and characteristics that give a need for guidelines regarding the sale of the service. There can for instance be limitations in who may use the service or in the way it can be used which will give limitations in the sale (who to sell too). The service ordering procedures are essential to analyse and define otherwise efficient and correct ordering will not be enabled. Who wants to be bounced between un-informed and un-skilled front desk staff?

4. The start of service delivery

When the service is ordered by your customer it must trigger some specific actions internally to get the service delivery started. When the customer put trust in you and are willing to turn over their money to you there is nothing to wait for. Get the service to them fast! This can be guidelines for access management, training of staff, procedures for the configuration of the service, securing capacity and availability to the service, etc. And don't forget to estimate the time it takes to get the service in delivery mode.

5. Invoicing

It's nice to get paid, isn't it? Let's have some procedures for that.

6. Service architecture

The service architecture is the description of how you build your service as a package of internal predefined supporting services. The service architecture are abstract entities that help us to manage the environment by enabling cost control and investments, establishing roadmaps and it establishes responsibility. Shouldn't be confused with technical architecture that are tangible entities needed for technical understanding of the environment in support and change of it.

7. Service levels and capacity

We need to map service levels possible to deliver in the service. This is based on the included supporting services (the capacity in our "service factory") and service levels in the service shouldn't outstretch the supporting services. Unless you are willing to take a business risk... Food for thought... Capacity in the service can be described as it having enough capacity for the calculated amount of users to be able to perform their business activities. The identified capacity is used both for identifying the design constrains regarding capacity (e.g. is the service designed for 20 or 10 000 users) and for knowing how much capacity is undelivered in the service. You need to know this as it shows your ability to deliver the service to the next customer that comes along as well as for long term capacity planning and investments decisions.

8. Options

What options do you offer the customer? Not everything included in a service is mandatory in the service delivery. Options exists in order to align the service with the customer's requirements but remember that they are additions to the core offer of the service and should therefore not significantly change the core offer. Service options should be carefully selected in order to optimize customer value, not all combinations should be allowed. And they only exist in Service Models, once an instance of the service has been created (a specific, configured service to a given customer), any options selected will become a part of the configured service.

9. Service Delivery

The small, trivial part of running the service, delivering it to the customer... Now, this is where you utilize your efficient and effective operational processes and you don't need to describe these all over again in the Service Model. But you need to secure that your organisation can deliver the service and that they will deliver it correctly once it is sold and ordered. You need to secure procedures and information that is specific for this service. That functional and hierarchical escalation is in place and adapted to the specific prerequisites of this service. And so on...

10. The service lifecycle and finances

You're not finished until you have a service roadmap identified. You need to know when to review utility and warranty, when to talk to the customers on improvements, how to finance these, who is responsible for decision making, how to govern the service. How the service is connected to other service roadmaps, including the roadmaps for supporting services. Etc.

This is 10 examples of crucial information to control in the Service Model, and then the customer involvement and responsibilities weren't even mentioned... Too much? Got tired? Well, you could skip all the above and just run with it. It all depends on how much risk you are willing to take. But you could do it better, cheaper, more efficient, with higher quality, to a lower cost if you elaborate and implement the Service Model. But, as always, mind the balance between control vs. risk. They both come with a cost, just at different times and with different impact on your business...

Read about how to implement Service Models: Service Model implementation