

# 760 Management of Services

## Introduction

760 MANAGEMENT OF SERVICES provides the knowledge base and conceptual frameworks to facilitate the delivery of service excellence. Building on concepts from management and marketing, the subject explores the increasing contribution of service industries to the global economy. The subject identifies the specific challenges associated with services, to encourage new ways of thinking and establish fundamental principles for service managers. In a world where manufacturing industries increasingly compete on the basis of service elements in their package of consumer benefits, the need for managers who can provide leadership in services management is accentuated.

### Case studies

Real-life case studies are incorporated into the subject to provide opportunities for students to apply theory into practice in an authentic context. Examples of cases include

DeLong, T.J. and V. Vijayaraghavan  
*Cirque du Soleil*  
 Case #9-403-006  
 Harvard Business School Publishing  
 15 October 2002

Wosinska, M. and Y. Moon  
*PROPECIA: Helping Make Hair Loss History*  
 Case #9-505-035  
 Harvard Business School Publishing  
 24 September 2004

Hallowell, R. and C. Reavis  
*Monster.com: Success Beyond the Bubble*  
 Case #9-802-024  
 Harvard Business School Publishing  
 7 January 2002

### Who should attend

- Executives wishing to enhance their understanding of contemporary services management trends
- Managers seeking to improve the design and delivery of service processes
- Human resource practitioners who are responsible for the supervision and empowerment of frontline staff

### Learning objectives

Upon completion of this subject, students should be able to

- discuss the essential features of services and link them to the principles of service management
- explain the interdependence of key elements from marketing, operations and human resources in service management
- outline the particular challenges inherent in delivering service excellence
- identify and apply specific tools to meet these challenges

### Delivery method

The subject is delivered online over a 12-week period, with an assigned Professor acting as mentor. The class will comprise students from different countries and industry backgrounds. Practical case studies and discussions help to stimulate learning and knowledge exchange, while an examination at the end of the subject will help students review and apply the knowledge and skills learnt.

### Assessment

Case analyses (team and individual)	45%
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Discussion board activities	30%
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Final examination	25%
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### Prerequisites

None

# Syllabus

## Segment 1: Introduction

Students are introduced to the syllabus, the resources and communication tools available within the course.

## Segment 2: Thinking about Services

The segment presents the basic principles of service management and explains how each underlies the development of the discipline. Using the expanded marketing mix (the '7Ps'), the strategic differences for services within various classifications are highlighted. Students are encouraged to consider the service concept – what is offered, to whom and how it is facilitated. The segment discusses the trend to gain competitive advantage by using services ('servitisation') and organisational conflicts inherent in managing services.

## Segment 3: Understanding Customers

Students learn to distinguish between service quality and customer satisfaction, using the gap analysis model of service quality. The segment explains the links in the service profit chain, with special emphasis on customer loyalty and service profitability. Students also learn how to calculate the lifetime value of a customer and design and implement a customer satisfaction measurement system for a specific service. Service guarantees and service level agreements are examined.

## Segment 4: Delivering Services

The segment focuses on designing and delivering efficient service processes. Students learn to identify, design and evaluate different types of service processes. To enhance efficiency of services, tools to systematically influence demand patterns in services and manage customer waiting times are presented. The emphasis is on developing strategies and skills to improve service processes, including borrowing from lean manufacturing ('Just-in-Time') and information technology.

## Segment 5: Managing Service Staff

Students are introduced to specific human resource management practices that are fundamental to successful services management. Different types of employee competencies and their contribution in specific service situations are outlined, as are the importance of collaborative relationships to both employee and organisational learning. The segment explains the notion of employee empowerment and examines the extent to which it is applicable in different service contexts.

## Segment 6: Sustaining Performance

The segment addresses basic strategic issues in the management of services, including performance measurement, productivity, innovation and competitive advantage. Students are encouraged to discuss different approaches to performance measurement in services, outlining the major issues inherent in measuring productivity and innovation in services. The segment highlights the challenges for managers in contemporary service economies and presents the integrated approach to services management, to sustain high levels of performance in an increasingly competitive environment.

### Required textbook

Van Looy, B., P. Gemmel and R. Van Dierdonck. *Services Management: An Integrated Approach* (2nd ed). Essex: Pearson Education, 2003.

# Global Faculty

## Subject Author

Professor Alison Dean  
University of Newcastle

## Subject Reviewer

Professor Jochen Wirtz  
National University of Singapore

**U21Global subjects are created by acknowledged experts in their field, usually senior academics who have strong understanding of postgraduate requirements. The subject content is further reviewed by academic specialists who appraise the subject from an independent perspective, ensuring a high-quality, professional product.**

760 MANAGEMENT OF SERVICES was developed for U21Global by **Alison Dean**, Associate Professor of Marketing at The University of Newcastle, Australia. Dr Dean previously taught at Monash University, Australia, where she achieved several teaching awards including the Vice-Chancellor's Award for Distinguished Teaching in 1998, and a CAUT (Committee for the Advancement of University Teaching) award for exemplary practice in 1995. Dr Dean has published extensively in academic and peer-reviewed journals, as well as served as guest editor of *Managing Service Quality*. She holds a PhD from Monash University and an MBus from Southern Cross University.

The subject was reviewed by **Jochen Wirtz**, Associate Professor of Marketing, Academic Director of APEX-MBA (Asia-Pacific Executive MBA) Programme, Academic Co-director of the UCLA-NUS EMBA and a member of the Management Committee of the NUS Business School, National University of Singapore. He is co-author of the textbooks *Services Marketing – People, Technology and Strategy* (now in its fifth edition), and *Services Marketing in Asia*. Dr Wirtz has received several teaching awards, including the Outstanding Educator Award 2003 (from National University of Singapore), the Excellent Teacher Award 2002 and Outstanding Educator Award 2001 (from the NUS Business School). Dr Wirtz holds a PhD from the London Business School.

## Professors

**Students' progress will be guided by dedicated Professor Facilitators based around the world. They provide an international perspective and impart knowledge through a wealth of experience in their field of specialisation. Our Professor Facilitators will help students make sense of the information to enable students to transform the information into knowledge and creative solutions.**



Mohan AGRAWAL

Mohan Agrawal is a Visiting Faculty of Marketing at Alfred Lerner College of Business & Economics at University of Delaware in the US and Principal Strategy Consultant of Marketing Aims Inc (Canada). He is a former Founding Director of the Centre for Service Management at Xavier Labour Relations Institute (XLRI), Jamshedpur, India. Prior to that, Dr Agrawal was the Escotel Chair Professor of Customer Relationship Management (CRM) and Director of the Centre for CRM at the Indian Institute of Management, Lucknow, India. Dr Agrawal received his PhD at Kurukshetra University, India, and his MPhil from the University of Strathclyde, Glasgow.



Mark ESPOSITO

Mark Esposito is an organisational management and sustainability expert. He serves as Associate Professor of Management & Behavior for Grenoble Graduate School of Business and as Director of the MIB programme. He is also appointed as Affiliate Professor of Humanities and Social Sciences at ESCP-EAP, European School of Management (Paris, London, Berlin, Madrid and Torino). Dr. Esposito initiated his cooperation with UNESCO and more specifically with the educational unit based in Thailand, in his function of advisor and through these projects he has been able to get closer to the socio-cultural fabric of the Countries in the Pacific Rim. Dr. Esposito received his PhD in Sustainable Development in the School of Business & Economics at Atlantic University, USA. He also holds Doctor Magistralis in Humanities by the University of Turin in Italy.