DOWNLOAD PDF SERVICE MANAGEMENT STRATEGY AND LEADERSHIP IN SERVICE BUSINESS

Chapter 1 : What Is the Meaning of Strategic Leadership in Business? | calendrierdelascience.com

The book stresses the need for a streamlined service managementsystem and analyses and illustrates growth strategies and thenature of innovation -but above all it emphasizes the special roleplayed by good leadership.

Processes[edit] Strategic leadership provides techniques that focus organizations when they are deciding on their purpose and best business practices that are critical for remaining competitive and relevant. Being able to learn and adapt has become vital for sustainability. Failure to be able to adapt to changing technology, climate change, and economic factors risks the organization becoming obsolete. Remaining successful requires a different way of thinking about how to marshal the resources and deliver services. Strategic leadership balances a focused analytical perspective with the human dimension of strategy making as documented by the Park Li Group. It is important to engage the entire business in a strategy dialogue in order to lay the foundation for building winning organizations that can define, commit, adjust and adapt their strategy quickly as needed. Addressing these expectations usually takes the form of strategic decisions and actions. For a strategy to succeed, the leader must be able to adjust it as conditions require. But leaders cannot learn enough, fast enough, and do enough on their own to effectively adapt the strategy and then define, shape and execute the organizational response. If leaders are to win they must rely on the prepared minds of employees throughout the organization to understand the strategic intent and then both carry out the current strategy and adapt it in real time. This requires the leader to focus as much on the process used to develop the strategy â€" the human dimension, as the content of the strategy â€" the analytical dimension. These differences are largely driven by the bias leaders have for how they divide their time between the two dimensions. This bias is reflected in how leaders answer questions such as the following: What is their primary role as chief strategist? What is their job as a leader during ongoing strategy making? What type of team should their strategy making create? When is strategy making finished? How leaders answer these questions will ultimately impact their ability to deliver a winning strategy because their responses indicate whether and how they build and lead an organization that is aligned and committed to a particular agenda. Should the focus be on being the architect of the strategy product or being the architect of the strategy process? Is their primary job to come up with the right strategy or is it to manage a process to achieve this outcome? There is a recognition that the product will necessarily evolve so the more important endpoint is to build the capacity for strategic thinking across the group so that change, when it occurs, can be absorbed more quickly and more completely. Linked to the first question, this second question focuses on how leaders conceptualize their role as they participate in the ongoing strategy process. Analytical leaders feel the need to personally come up with the right answer. If they are to be the leader, they must be the one with the solutions. They feel obligated to lead from the front on strategic issues, demonstrating expertise through business insights and customer knowledge, skillfully outsmarting the competition and outguessing the marketplace. These leaders are seen as visionary, smart leaders comfortably assuming star status as they fill the role of a Homeric hero. Responsibility for developing the strategy is widely dispersed but carefully coordinated. These leaders focus on guiding and responding while building commitment and empowerment among those building the strategy. This third question recognizes that every strategy process defines a community and creates a team. This is true whether the leader is aware of it or not and whether the leader manages it or not. Being part of this group feels good because it is similar to being part of a private society. The common element that binds society members together is their close knit exclusiveness and the extraordinary access and understanding of the data and thinking that leads to the strategy. This smaller group is well versed in the views of the leader and the data, and knows how the different pieces of the strategy fit together. A leader focusing on the human dimension is concerned about building a sense of citizenship among a much larger group of people. It is built around a process that invites much broader participation and relies on input from many others outside of the top team. The aim is to create a sense of belonging and ownership across the organization. In this situation many more people feel they can have an informed opinion about the overall strategy. They believe they have been part of its development, and that they can influence the outcome. In that sense, it is their strategy. Most leaders have an idea of how strategy making and time are related. Or, is strategy something that is continually reforming itself, never quite complete or perfected but always in a state of evolution? As set out in many strategy texts, it is a set of reasonably well defined steps leading to a fully formed plan of execution. Effectively, the strategy is set for a defined time period and executed. Leaders who lean to the human dimension see strategy as a continuing work in process, something that is more free-flowing, never truly complete but continuously being shaped as interactions occur with customers and competitors and as new issues and knowledge emerge from the people throughout the organization. They are comfortable circling back on key ideas and frequently will drive the strategy process to re-visit critical assumptions and, based on the insights gained, alter course. For these individuals, changes in strategy are markers of leadership success, not leadership failure. Incorporating both analytical and human dimensions[edit] To integrate both dimensions into strategy making in a way that creates a winning outcome and gets the whole organization understanding and committed to this common agenda requires leaders who are clear about the strategic capacity of each of their internal stakeholder groups and who have the perspective and insights to lead in a way that incorporates both dimensions as the strategy is developed. The steps described below are intended to provide the leader with techniques to do that. Taken collectively, they define a process that incorporates both the analytical and human dimensions, while challenging individuals throughout the organization to raise the quality and quantity of their strategic thinking and their strategic leadership. Standardize vocabulary and agree on a toolset[edit] Strategy making that enlists large groups of employees needs a common vocabulary and a common set of tools in order to be effective. Deciding on a vocabulary is not difficult but it does need to be done with intent and with a sense of discipline. Why and when is it used? In many cases, toolsets come with their own embedded vocabulary. Some leaders use relatively more elaborate tools such as shareholder value add SVA , computer modeling , and scenario planning. Other leaders tend toward simplicity. What does the playing field look like now? What has the competition been up to? What have we been up to? What is our winning move? There is a great deal of useful vocabulary and many fine toolsets in the strategy marketplace and no shortage of advocates for one or another of these. The important outcome is that the leader, as the executive leading the strategy process, needs to select a vocabulary and a toolset, use it consistently over time and require others in the senior and middle ranks of the organization to do the same. Finally, when deciding what vocabulary and toolset is best to use while working across large populations, simpler is usually better. The simpler the language and the fewer the tools, the more accessible the strategy becomes to larger groups of people and the more people can understand it, know how they should think and talk about it, and identify how they can contribute. Some situations require more sophisticated i. The right balance point between comprehensiveness and simplicity will provide enough analytical complexity to adequately describe the marketplace, the customers, what you do and how you will compete, but nothing more than that. Simplicity, where it can be found, makes a significant difference when working across a large population. Broaden and strengthen senior managers as a strategic leadership team[edit] Broadening and strengthening the team at the senior levels of the organization begins with an honest assessment of whether there actually is a working strategy currently in place and if there is, the state of understanding and ownership for it in the organization. The lack of clarity and ownership deeper in the organization leads to 1 misallocated resources because people are working at cross purposes, 2 excessive leadership time spent correcting and clarifying the direction because others are not convinced or they fail to understand it, and 3 poor execution of the strategy due to diffuse and differing priorities. Perhaps most importantly it directly impacts organizational agility because there is no broad understanding and agreement on the current strategy, so subsequent changes to the strategy make no more sense than the original agenda. Leaders can address these dynamics by broadening out the understanding and ownership of the strategy to a much larger group without sacrificing the sense of commitment at the top of the organization. Having this larger group of managers accountable for successfully defining and executing a strategy is not only critical to building winning strategies but if done in a way that includes both the analytical and the human dimensions, it is incredibly energizing for the organization. This is especially true in those cultures and organizations where the decision making is traditionally held more closely by a relatively small group of senior people. The mechanics of how to broaden the senior team will vary depending on cultural and organizational considerations. In most cases, the process creates a group of 50â€" or more people who recognize that they are collectively accountable for the success of the entire strategy and not just their piece of it. These steps lay the foundation for partnering with the middle of the organization by setting the stage for the senior team to speak with one voice to the middle managers. Build a strategy support team to serve as champions for the strategy process[edit] With varying degrees of success, many leaders get their strategy making to this point and either stop or their process stalls. A major reason is the lack of understanding and commitment to the steps required to build more effective strategic leadership practices and a strategy dialogue in the operating groups below the senior managers. These groups and especially their leadership teams frequently do not know how to proceed and there is no consistent in-house resource to assist them. The net effect is the sense of excitement and momentum that was generated at the top of the house in the earlier stages of the strategy process is lost and the strategy team of employees is derailed before it is even gets started. One of the best ways to address this is to identify and train a cadre of high potential line managers in the middle of the organization that can serve as champions of the strategy process to those both above and below them. They do not replace the leadership role of the senior teams in each of these operating group but they do serve as a critical additional resource that is dedicated to creating momentum and fostering consistency. This can be especially important if the strategy defined requires changes in the organizational culture as well as the business model. This resource also helps to ensure that the day-to-day running the business is not neglected as the demands of building a large scale strategy dialogue come into play. The make-up of this strategy support team SST generally includes 1 or more people from each of the operating groups, usually 2â€"3 downs from the senior person. The skills and behaviors required of these individuals are a blend of both the analytical and the human dimensions. Too much emphasis on one dimension over the other undermines the effectiveness of the role. In partnership with the senior team from their operating group, the members of the SST serve as a coach and guide for the strategy process as it unfolds. In this capacity, they reinforce expectations and teach methods for building and sustaining a strategy dialogue in their respective groups, ensure that the local strategy product being produced is of a uniform quality including vocabulary and tools , and foster behavioral and organizational alignment over time. Additional roles for these individuals might also include facilitator, tracker and chaser, success and failure transfer agent across the businesses and writer when required. In addition to serving as a resource to those around them, it is unique opportunity of the SST members to participate in the strategy discussion 2â€"3 levels above their normal level of discourse. It is also an excellent training ground for those involved and it gives the senior executive direct access to the middle of the organization while observing the performance of these high potential line managers. Building understanding and skills on topics such as the vocabulary and toolset, marketplace dynamics and the associated ambiguity, strategy story telling and their own individual strategic leadership strengths and weaknesses are all aspects of a process that can ignite a sense of understanding and commitment across the middle of the organization in a way that leverages the human fabric. A key insight that drives this outcome is the recognition that most middle managers regardless of cultural background want to commit to something and belong to something that is more than who they are as individuals. In all instances, providing the settings for these individuals includes asking them to be story tellers of the organizational strategy to those around them. Doing this requires these middle managers to understand and embrace both the analytical and human dimensions of the strategy making. It also creates a much smarter and more prepared middle manager that has publicly committed to the strategy and is in a much stronger position to make local decisions as the strategy evolves. Their needs center largely on context, community and clarity. Engaging this group in a discussion of the basic business model and the organizational strategy provides critical context and gives meaning to their work. Their participation in shaping the local strategy builds understanding and ownership and a sense of partnership with the larger organization.

Chapter 2 : Strategic leadership - Wikipedia

The book stresses the need for a streamlined service management system and analyses and illustrates growth strategies and the nature of innovation -but above all it emphasizes the special role played by good leadership.

Leadership in Service Industry Leadership in Service Industry The past few decades has seen unprecedented growth of service industry. In fact we can today say that the service industry is at its maturity stage. The gamut of services that make up for the significant contribution towards the GDP of the economy are numerous ranging from financial services, health care, hospitality, travel, insurance, information services, retail, utilities, information technology enabled services including social network and media services etc. One of the prominent features of service industry that we see is the use of technology and standardized processes to drive operations. Every company makes investments into technology and offer gamut of services to the customers. Every service company tries its best to increase its operational efficiency and protect its bottom line while trying to increase its market share. Doing business efficiently and offering best service at the cheapest rates is what these companies are aiming to achieve. In the bargain most service organizations tend to lose out in the longer run and fail to see a real healthy growth in revenues. This happens only because they have failed to perceive the right direction and leadership strategies for service companies. A service company needs to create that edge by doing things differently from the others, while continuing to strive for operational excellence and efficiency from within. While competition can easily duplicate the service offering, maintaining leadership calls for a different mindset and thinking in terms of continuous innovation and providing enhanced value of customer experience and service. The major different is that these organizations are built and think differently than the rest of the companies. These organizations too are driven by the same philosophy of operational efficiency, excellence and quality etc. But the difference lies not in their procedures but in the people that manage the operations and the management. Each of these Companies have tried to achieve excellence by choosing to focus few value propositions and create customized service experience that is difficult to be copied or matched by competition. When Bank of America introduced its credit cards in the market, they chose to build such robust processes and equipped with technology they promised fastest delivery of credit cards to the customers, which no other company could match at that point of time. The pain of having to apply and wait for the card to reach the customer through mail after due verification and authentication was something that this bank chose to attack and work to address this major pain point. While the rest of the credit card offerings would have been the same as the others in the market, they managed to score over the others and managed to establish their leadership overnight. This was not all, the company further went on to provide enhanced value to personalized customer service to customers. The bank being a service industry had got their focus and strategy just right.

Chapter 3 : Service management : strategy and leadership in service business. (Book,) [calendrierdelascie

Examines the special characteristics that make services and the management of service organizations successful. Provides a comprehensive framework for service oriented businesses that stresses a streamlined service management system, the key components of which are market segment, service concept, service delivery system, image, and culture.

Strategic planning is analytical in nature and refers to formalized procedures to produce the data and analyses used as inputs for strategic thinking, which synthesizes the data resulting in the strategy. Strategic planning may also refer to control mechanisms used to implement the strategy once it is determined. In other words, strategic planning happens around the strategic thinking or strategy making activity. While described sequentially below, in practice the two processes are iterative and each provides input for the other. Formulation ends with a series of goals or objectives and measures for the organization to pursue. Environmental analysis includes the: Where are the customers and how do they buy? What is considered "value" to the customer? Which businesses, products and services should be included or excluded from the portfolio of offerings? What is the geographic scope of the business? What differentiates the company from its competitors in the eyes of customers and other stakeholders? Which skills and capabilities should be developed within the firm? What are the important opportunities and risks for the organization? How can the firm grow, through both its base business and new business? How can the firm generate more value for investors? Bruce Henderson [17] In , Henry Mintzberg described the many different definitions and perspectives on strategy reflected in both academic research and in practice. Because of this, he could not point to one process that could be called strategic planning. Instead Mintzberg concludes that there are five types of strategies: Strategy as plan â€" a directed course of action to achieve an intended set of goals; similar to the strategic planning concept; Strategy as pattern â€" a consistent pattern of past behavior, with a strategy realized over time rather than planned or intended. Where the realized pattern was different from the intent, he referred to the strategy as emergent; Strategy as position â€" locating brands, products, or companies within the market, based on the conceptual framework of consumers or other stakeholders; a strategy determined primarily by factors outside the firm; Strategy as ploy â€" a specific maneuver intended to outwit a competitor; and Strategy as perspective â€" executing strategy based on a "theory of the business" or natural extension of the mindset or ideological perspective of the organization. The first group is normative. It consists of the schools of informal design and conception, the formal planning, and analytical positioning. The second group, consisting of six schools, is more concerned with how strategic management is actually done, rather than prescribing optimal plans or positions. Prior to , the term "strategy" was primarily used regarding war and politics, not business. He addressed fundamental strategic questions in a book The Practice of Management writing: He recommended eight areas where objectives should be set, such as market standing, innovation, productivity, physical and financial resources, worker performance and attitude, profitability, manager performance and development, and public responsibility. Andrews in into what we now call SWOT analysis , in which the strengths and weaknesses of the firm are assessed in light of the opportunities and threats in the business environment. Interactions between functions were typically handled by managers who relayed information back and forth between departments. Chandler stressed the importance of taking a long term perspective when looking to the future. In his ground breaking work Strategy and Structure, Chandler showed that a long-term coordinated strategy was necessary to give a company structure, direction and focus. He says it concisely, " structure follows strategy. He developed a grid that compared strategies for market penetration, product development, market development and horizontal and vertical integration and diversification. He felt that management could use the grid to systematically prepare for the future. In his classic Corporate Strategy, he developed gap analysis to clarify the gap between the current reality and the goals and to develop what he called "gap reducing actions". This supported the argument for achieving higher market share and economies of scale. The idea of strategy targeting particular industries and customers i. The prevailing concept in strategy up to the s was to create a product of high technical quality. If you created a product that worked well and was durable, it was assumed you would have no difficulty profiting. This was called the production orientation. Henry Ford famously said of the Model T car: The fallacy of the production orientation was also referred to as marketing myopia in an article of the same name by Levitt. This marketing concept, in the decades since its introduction, has been reformulated and repackaged under names including market orientation, customer orientation, customer intimacy, customer focus, customer-driven and market focus. Jim Collins wrote in that the strategic frame of reference is expanded by focusing on why a company exists rather than what it makes. What are we passionate about? What can we be best in the world at? What drives our economic engine? Change creates novel combinations of circumstances requiring unstructured non-repetitive responses; Affects the entire organization by providing direction; Involves both strategy formulation processes and also implementation of the content of the strategy; May be planned intended and unplanned emergent ; Is done at several levels: Chaffee further wrote that research up to that point covered three models of strategy, which were not mutually exclusive: A planned determination of goals, initiatives, and allocation of resources, along the lines of the Chandler definition above. This is most consistent with strategic planning approaches and may have a long planning horizon. The strategist "deals with" the environment but it is not the central concern. The need for continuous adaption reduces or eliminates the planning window. There is more focus on means resource mobilization to address the environment rather than ends goals. Strategy is less centralized than in the linear model. A more recent and less developed model than the linear and adaptive models, interpretive strategy is concerned with "orienting metaphors constructed for the purpose of conceptualizing and guiding individual attitudes or organizational participants. It places emphasis on symbols and language to influence the minds of customers, rather than the physical product of the organization. These reflect an increased focus on cost, competition and customers. These "3 Cs" were illuminated by much more robust empirical analysis at ever-more granular levels of detail, as industries and organizations were disaggregated into business units, activities, processes, and individuals in a search for sources of competitive advantage. By the s, the capstone business policy course at the Harvard Business School included the concept of matching the distinctive competence of a company its internal strengths and weaknesses with its environment external opportunities and threats in the context of its objectives. This framework came to be known by the acronym SWOT and was "a major step forward in bringing explicitly competitive thinking to bear on questions of strategy". Andrews helped popularize the framework via a conference and it remains commonly used in practice. Experience curve The experience curve was developed by the Boston Consulting Group in It has been empirically confirmed by some firms at various points in their history. Author Walter Kiechel wrote that it reflected several insights, including: A company can always improve its cost structure; Competitors have varying cost positions based on their experience; Firms could achieve lower costs through higher market share, attaining a competitive advantage; and An increased focus on empirical analysis of costs and processes, a concept which author Kiechel refers to as "Greater Taylorism ". Kiechel wrote in Further, the experience curve provided a basis for the retail sale of business ideas, helping drive the management consulting industry. Modern portfolio theory and Growthâ€”share matrix Portfolio growthâ€”share matrix The concept of the corporation as a portfolio of business units, with each plotted graphically based on its market share a measure of its competitive position relative to its peers and industry growth rate a measure of industry attractiveness , was summarized in the growthâ€”share matrix developed by the Boston Consulting Group around This framework helped companies decide where to invest their resources i. Prahalad and Gary Hamel suggested that companies should build portfolios of businesses around shared technical or operating competencies, and should develop structures and processes to enhance their core competencies. He mentioned four concepts of corporate strategy; the latter three can be used together: A strategy based primarily on diversification through acquisition. The corporation shifts resources among the units and monitors the performance of each business unit and its leaders. Each unit generally runs autonomously, with limited interference from the corporate center provided goals are met. The corporate office acquires then actively intervenes in a business where it detects potential, often by replacing management and implementing a new business strategy. Important managerial skills and organizational capability are essentially spread to multiple businesses. The skills must be necessary to competitive advantage. Ability of the combined corporation to leverage centralized functions, such as sales, finance, etc. The growth-share matrix, a part of B. Analysis , was followed by G. Companies continued to diversify as conglomerates until the s, when deregulation and a less restrictive anti-trust environment led to the view that a portfolio of operating divisions in different industries was worth more as many independent companies, leading to the breakup of many conglomerates. Competitive advantage In , Porter defined the two types of competitive advantage an organization can achieve relative to its rivals: This advantage derives from attribute s that allow an organization to outperform its competition, such as superior market position, skills, or resources. Porter five forces analysis Porter developed a framework for analyzing the profitability of industries and how those profits are divided among the participants in In five forces analysis he identified the forces that shape the industry structure or environment. The framework involves the bargaining power of buyers and suppliers, the threat of new entrants, the availability of substitute products, and the competitive rivalry of firms in the industry. Companies can maximize their profitability by competing in industries with favorable structure. Competitors can take steps to grow the overall profitability of the industry, or to take profit away from other parts of the industry structure. Porter claimed that a company must only choose one of the three or risk that the business would waste precious resources. Porter described an industry as having multiple segments that can be targeted by a firm. The breadth of its targeting refers to the competitive scope of the business. Porter defined two types of competitive advantage: The focus strategy has two variants, cost focus and differentiation focus.

Chapter 4 : Strategic management - Wikipedia

Intended for high-level executives in organizations whose 'products' have a high immaterial content, such as service, image or know-how, this work aims to be a comprehensive discussion of the management of service businesses, based on several years' research and consultation.

Return on investment Strategic Assessment Before crafting service strategy, a provider should first take a careful look at what it does already. Which or our services or service verities are the most profitable? Which of our activities in our value chain or value network are the most different and effective? For example resources and capabilities, service quality, skills, cost structures, product knowledge, customer relationship etc. For example, is the service provider vulnerable to substitution? Value Creation Service strategy defines a unique approach for delivering better value. This is fir for purpose. Value of warranty is communicated in terms of level of certainty. Warranty is usually defined in terms of availability, capacity, continuity, and security of the utilization of the services. Availability It assures the customer that the services will be available for use under agreed terms and conditions. Capacity It assures that the service will support a specified level of business activity or demand at a specified level. Continuity It assures that the service will continue to support the business through major failures. Security It assures that the service provided by the service provider will be secure. The resources are transformed by management, organization, people and knowledge. Capabilities Capabilities refer to skills to develop and control the resources for production. The skills are based on knowledge, experience and information. Administration, finance, human resources, and IT service providers all comes under internal service providers. It can offer competitive prices and drive down unit cost by consolidating demand. The Four Ps of strategy The below mentioned Four Ps identify the different forms of a service strategy and are considered as entry points to service strategy. Positions It describes the decision to adopt a well defined stance. It is expressed as distinctiveness in minds of customers. This means competing in the same space as others but with differentiated value proposition that is attractive to the customer. Whether it is about offering a wide range of services to a particular type of customer or being the lowest cost option, it is a strategic position. Plan A plan describes "How do we offer high value or low cost services? Service Portfolio Management Service portfolio defines all services that a service provider can provide. It helps to control service management investments throughout an enterprise and actively managing their value. Demand Management This process maintains balance between consumption of services and their delivery. Financial Management Financial management helps to determine all the costs of IT organization.

Chapter 5 : Leadership in Service Industry

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Chapter 8 : Service Management: Strategy and Leadership in Service Business by Richard Normann

Strategic leadership is an approach to company management where all facets of leadership are aligned with business strategy and objectives. If a company has a strategy of improving customer.

Chapter 9 : ITIL Service Strategy Overview

l CHAPTER 10 l LEADERSHIP AND MANAGEMENT Chapter 10 LEADERSHIP AND MANAGEMENT INTRODUCTION TO GOOD MANAGEMENT Th e aim of good management is to provide services to the community in an.