Service Operations Management

Introduction

Manufacturing, service and agriculture are the major economic activities in any country. In India, manufacturing and services together constitute nearly 75% of the GDP. Moreover, in recent years the growth in GDP is primarily due to the growth in these sectors of the economy. During the last ten years, the share of services in the GDP has grown steadily from about 40% to about 51%. The Union Government began taxing three services in 1994-95. This has grown steadily and as of 2004-05 the number of services taxed has gone up to 71. All these indicate the growing importance of services in the Indian economy and the need to apply management practices to plan and control operations in the service sector.

Service organisations respond to the requirements of customers to satisfy some needs and leave certain experiences in the minds of the customer through a service delivery system. This course addresses the strategic and operational aspects of managing service systems. In addition to discussing the design and operational control of service operations, specific issues pertaining to certain sectors of the service industry are also addressed.

Session-wise course outline

Module A. Introduction to Service Operations

1. Understanding Services Economy

   Global trends in Services Sector; Changing paradigms in Competitiveness of services; Services – Manufacturing Continuum

   Readings:


2. Role of services in manufacturing firms

   Recent trends in manufacturing, increased role of services in manufacturing

   Readings


Module B. Service Strategy

3. Developing an overall vision for the service system

   Case: Arvind Eye Hospitals
Readings


4. Developing a service strategy

**Case: Benihana of Tokyo**

Readings


5. Service Positioning & Implications for Service Delivery Design

Degree of customer contact, divergence, customization; Service blue printing

Readings


6. Service Enhancement using Internet

**Case: ITC eChoupal**

Readings


7. Pricing strategies in Services

Readings


8. Performance issues in service systems

Case: Starbucks: Delivering Customer Service

Readings


Module C. Design of service delivery design

9. Capacity issues in service systems

Notion of capacity, Capacity build up strategies
Capacity Vs System Performance

Readings


10. Mid Term Exam

11. Queueing Theory Applications in Service Systems

Basic queueing systems will not be discussed; More useful models will be dealt with.

Readings

12. Simulation as a tool for design of services

Use of simulation software for modeling  
Nature of design issues addressed using simulation

Readings


13. Simulation Applications in Service System Design

Case: Ambulance Services RK Mutt

Readings


14. The services supply chain

Case: Dubbawallahs of Mumbai (A)

Readings


Module D. Application Domain in Services

15. Services Management in IT/ITES Sectors

Off-shoring/Outsourcing – Strategic dimension & Competitive advantage

Case: Wipro Technologies: The Factory Model

Readings
16. Services Management in IT/ITES Sectors

Capacity Management Issues
Models for Manpower Planning


17. Risk & Security issues in Financial Services Sector: Role of technology

Guest Speaker: To be identified

18. Services Management in financial services

Case: Personal Finance Limited

Readings


19. Term Paper Presentations

20. Term Paper Presentations & Conclusions

Evaluation

Mid Term : 30 points
End Term : 30 points
Term Paper : 20 points
Case Analysis : 20 points
Total : 100 points

Group Work

The students will assign themselves into groups of five and work on the assignments and the term paper. All submissions are due at the beginning of the class in which the respective cases are scheduled. Each group will analyse two cases and make a submission for evaluation. Similarly, each group will write a term paper and make a submission for evaluation at the end of the term.