

ABSTRACT

Academic institutions, businesses, societies, and governments all have a great deal to gain by investing in a better understanding of the science, management, and engineering aspects of services. However, instead of waiting for all the questions to be answered in the academic laboratory, services scholarship is best served in an iterative process that moves from the crucibles of academe to the portals of practice and vice versa. This paper describes three unique applications of this precept in The Ohio State University Fisher College of Business’ Initiative for Managing Services. The contexts include projects for students, working with chiefs of police and superintendents, and a collaborative venture with a business to help public school principals.


Services Management at Fisher College

At the Fisher College of Business, The Ohio State University, the services journey is relatively recent. Under the leadership of Dean Joseph A. Alutto and the support of visionary businessman, William E. Arthur, a small group of academics came together in 2004 to address the needs of a services-dominant economy. The Initiative for Managing Services (IMS) was the outcome. Ohio, like much of the traditionally industrial Middle America, faces the challenge of reinventing itself to be globally competitive in services. It was deemed unacceptable for OSU, as the flagship institution in the state, to move into the future without a formal structure and discipline around services in business education. IMS quickly rallied faculty across disciplines and a number of leading business organizations to promote the creation, dissemination, and application of best practices in service as well as interdisciplinary services research.

IMS activities are supported by a roster of ten charter partners: Alliance Data Systems, Cardinal Health, Convergys Corporation, Deloitte and Touche, Huntington Bancshares, Limited Brands, Nationwide, OSU Medical Center, Porter Wright, Morris and Arthur,

1 http://www.fisher.osu.edu/IMS
and Scott’s LawnCare. True to its interdisciplinary charter, IMS benefits from the insights of faculty advisors in accounting, business strategy, finance, human resources, marketing, management, and operations. The business advisors are active participants in developing and encouraging town and gown interactions. We describe below our model of services and three applications.

A Model of Services Management
We propose the four pillars model of professional services. Managing services effectively requires attention to the four pillars of providers, partners, processes, and profitability. The first pillar of professional services is knowing how to manage oneself and others as service-providers. In a services-dominant world, a company’s most important assets, its human and social capital, go home every night. Managing employees in a service organization requires leadership and understanding of the human resource management issues of recruiting, selecting, training, compensating, and rewarding service talent.

The second pillar of professional services is managing partnerships, with clients and other key parties in the services supply chain. This element of professional services requires a sound grasp of marketing principles, including an understanding of how other parties view the services firm, how to define a strong and compelling value proposition, how to communicate and deliver on the proposition, and finally, how to capture the value.

The third pillar of professional services is managing service processes to maximize both efficiency and customer satisfaction. In increasingly complex and tangled service relationships, the key to competitive differentiation may be simpler, easier-to-navigate service processes. Applying the principles of lean and six sigma process improvement methods requires more than mere duplication; it requires a deep understanding of the particular problems and potential of human-intensive service processes.

The final pillar on which a successful professional services firm rests is profitability. Service organizations struggle with clear allocation of overhead, optimal resource allocation and scheduling, and calculations of customer as well as service provider implications for revenue and profitability. Successful practitioners of services science must have a thorough understanding of accounting and financial principles.

We have used the four pillars model of professional services to educate our students and to inform our applications to business contexts. What follows next is an exposition of three practical applications of IMS services research.