

Service Science: Research and Innovations in the Service Economy

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Case Studies in Service Innovation

 Springer

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Introduction to the Book

Case studies in service innovation brings together contributions from researchers and practitioners in a celebration of achievements of innovation in practice, with the intention of adding to the wider understanding of how service innovation develops and to stimulate learning from one context to another.

The book benefits from an introduction by world-leading expert, Professor Ian Miles of Manchester Business School, UK, who has been researching and publishing in Service Innovation since the early 1990s. The introduction maps out some of the early approaches to service innovation, introduces the terms “service” and “services” and guides us through the complexities of service innovation, thus providing an excellent context for the cases that follow.

The book is organised around five major themes each reflecting recognised sources of service innovation. For purposes of simplicity each case is reported under only one theme. The themes can be summarised as follows:

Theme 1: Business Model Innovation: Service innovation through new ways of creating, delivering or capturing value (economic, social, environmental or other types of value).

Theme 2: The Organisation in its Environment: Service innovation through an organisation engaging beyond its own boundaries, for example through public private partnerships; sourcing knowledge externally; innovation networks; open or distributed innovation.

Theme 3: Innovation Management within an Organisation: Service innovation through an organisation actively encouraging innovation within its own boundaries, for example through project teams, internal governance of innovation, methods or tools that stimulate innovation.

Theme 4: Process Innovation: Service innovation through changes in service design and delivery processes, for example through consumer-led innovation or consumers as part of the innovation process, service operations management, educational processes.

Theme 5: Technology Innovation: Service innovation through the use of technology, for example through ICT-enabled innovation, ICTs that are themselves innovative and support the delivery of new services, new ICT services, new ways of delivering services associated with ICT products, technology other than ICT.

Each case provides a two-page description of the context in which the innovation occurred, the opportunity that led to the innovation and an overview of the innovation itself. It also addresses how success was measured, what success has been achieved to date and links to further information.

On reading a given case it will soon become clear that the case may also contribute to other themes; for example, technology innovation may not be achieved without process innovation; business model innovation may be stimulated by technology innovation, and so on. Hence the final part of the book presents extended case studies illustrating the complexity of service innovation and the inter-relatedness of all things within the service system that will ultimately deliver the innovation.

The cases are not limited to one industry sector but are from a wide range of sectors and countries. Theme one, business model innovation, includes cases from the aviation sector and the telecoms sector in China, the video games industry in Taiwan and the manufacturing sector in Finland. Theme two, the organisation in its environment, includes cases from the farming sector in France and the healthcare sector in Denmark and Tanzania. Theme three, innovation management within an organisation, presents cases from the public sector within the UK including social housing and health services. Theme four, process innovation, includes the insurance sector in Finland and a case of applying techniques from the manufacturing sector to the healthcare sector in the UK. Theme five, technology innovation, includes cases from the real estate sector in Taiwan, the telecoms industry in the UK and Spain, government services in Switzerland and the IT sector in multinationals.

The book is organised by theme rather than by sector in order to facilitate learning from one sector to another and to stimulate the reader in examining how innovation occurs.

It is clear from the cases that innovation occurs for many different reasons, usually some opportunity or motivation for change that has stimulated the need for innovation. Deregulation of the Chinese aviation industry led to development of a new business model. A change in government policy on health promotion stimulated creation of public-private innovation networks in Denmark. Security threats and the challenge of software piracy led to a rethinking of the business model in the Taiwanese video games industry. New European Union environmental regulations on crop spraying led to the use of satellite technology by farmers. The economic downturn and pressure to reduce costs of providing services whilst maintaining quality standards in the social housing sector in the UK led to the adoption of private sector tools and techniques by the public sector.

The book includes examples of innovation motivated by deregulation, government initiatives, security threats, the environment, the economic downturn, the need for greater customer involvement and of course the opportunities afforded by new technologies.

New technologies stimulating service innovation include: the use of knowledge sharing between real estate brokerages to help grow the size of the market in Taiwan; the use of Telco 2.0 technologies to support an “innovation community” and facilitate personalisation of telecoms services; the use of ultra-high seismic sensing technology to improve the quality of data delivered to energy companies; and the use of virtual

world technology to enable geographically dispersed students to attend graduation via their avatars.

Measurement is an important aspect of service innovation. In this book authors were asked to address the question of whether the innovation was successful and how success was measured. Measures include: ability to attract new customers; efficient use of human resources; ability to export services to overseas markets; profit; growth; profit despite the economic downturn; the innovation resulting in a stable, long-lasting solution; the level of trust between partners leading to longer-term partnerships; customer satisfaction; cost savings whilst maintaining standards; compliance to regulations; environmental measures; complementarities between public and private sector partners; revenue generation; accuracy of stock levels; shorter transaction time; and the expansion of market size.

In addition to the twenty-two cases summarised above, the final part of the book is given to four extended cases allowing for a more in-depth treatment of innovation within a complex service system. The extended cases also illustrate two important and growing trends, firstly the need for, and benefits of, a more customer centric approach to service innovation and secondly the need for better understanding of public services and the role of public-private partnerships in identifying and achieving innovation.

Finally, this text is offered as a resource for students and practitioners who are looking for examples against which they might test their ideas, thus contributing in some small way to the on-going dialogue about service innovation within the service science community.

Linda A. Macaulay

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