

# Service Management

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# APQC – the basis for our entire following discussion

## ABOUT APQC

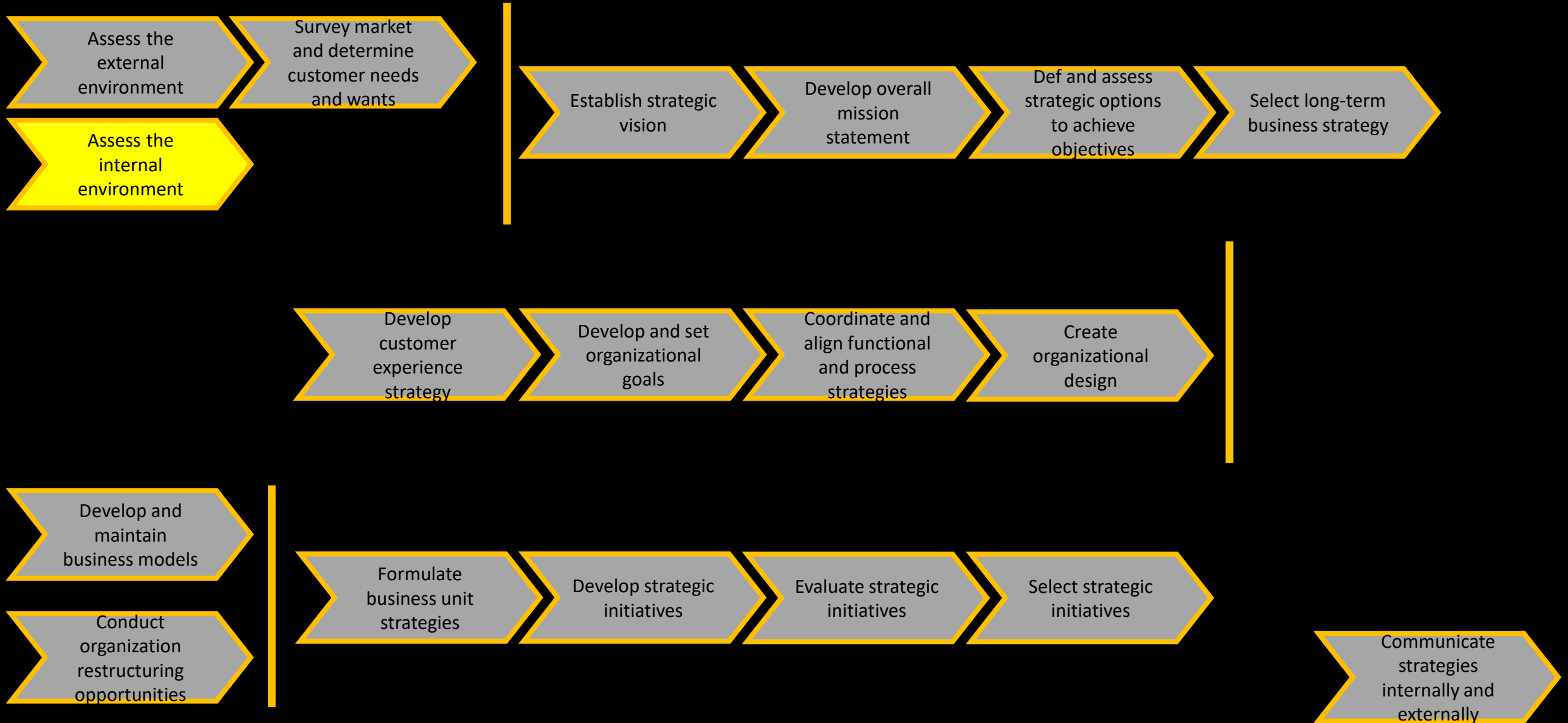
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# The Strategic Planning Process



# Assess the internal environment

Undertaking a review of the organization's

- in-house **skills** and
- **resources**

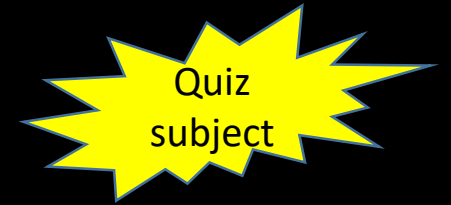
in order to create a big-picture understanding of **internal capacities**.

Assess the organization's capabilities in order to **advance** the advantageous and **weed out** the detrimental aspects.

Identify **synergic associations** within the backdrop of the forces and players active in the market, and take into account all externalities.

# Assess the internal environment - steps

- Analyze organizational characteristics
- Analyze internal operations
- Create baselines for current processes
- Analyze systems and technology
- Analyze financial health
- Identify core competencies

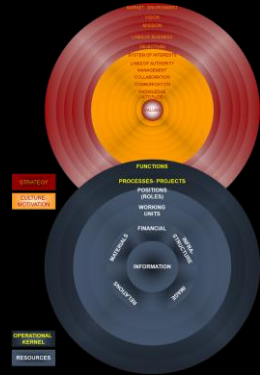
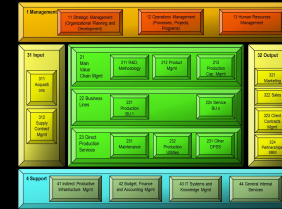


# Analyze organizational characteristics

Identifying and examining key attributes that

- **differentiate** the organization in the market and those that
- **underscore** the core of its operations.

Consider how the organization functions.

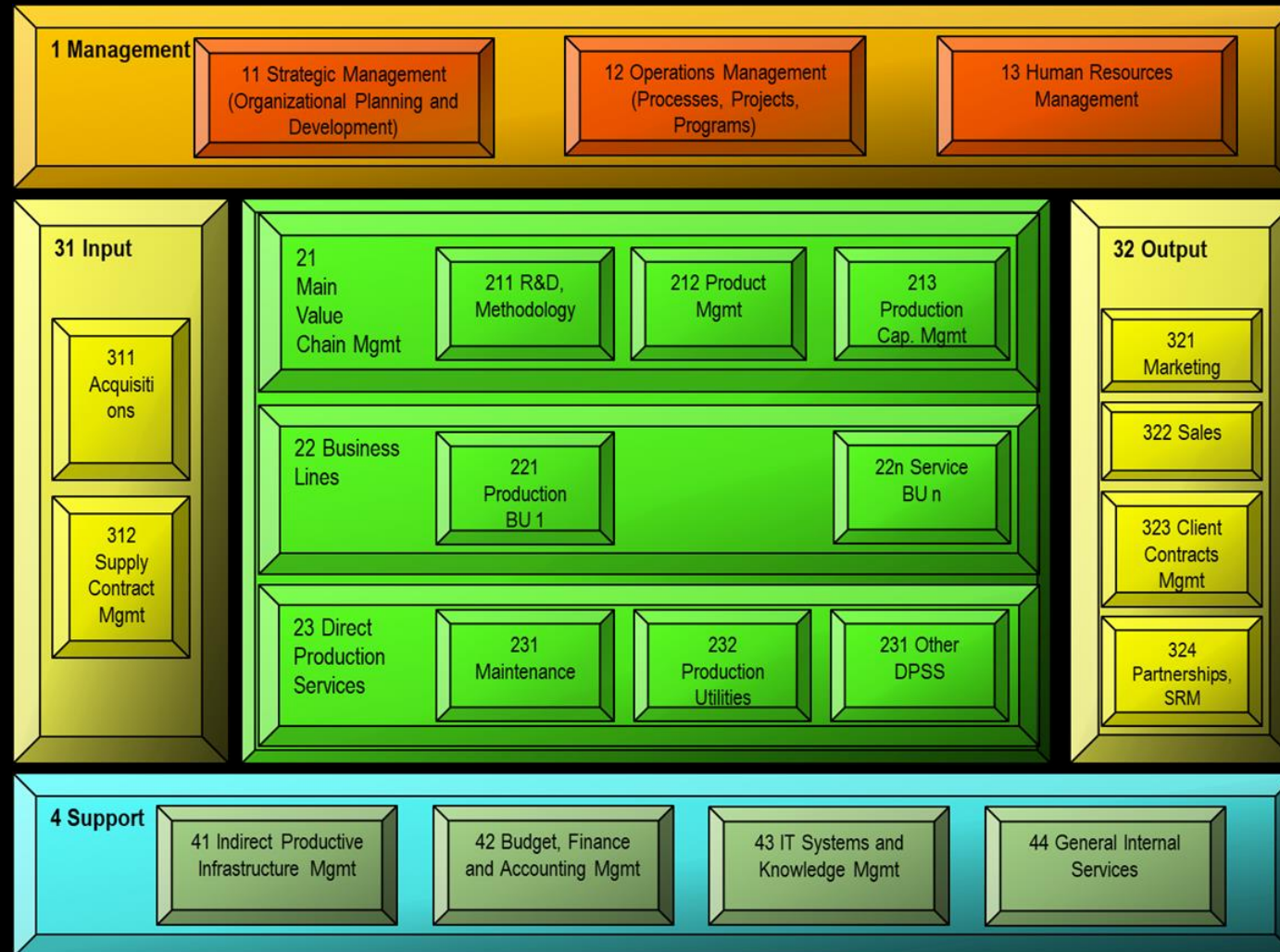


Reflect over **tangible and intangible** aspects in order to spot critical correlations and the interplay between these attributes.

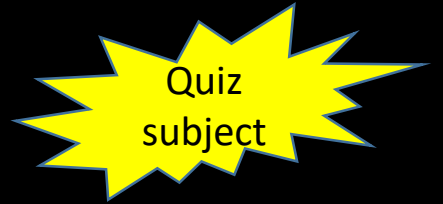
Have senior executives conduct the analysis, with input from management and operational personnel.

# Analyze organizational characteristics

What internal differentiators do you think a company in your sector should have?



# Create baselines for current processes



Establishing **baselines** that

- provide standards for assessing **performance levels** and
- allow for a **relational benchmarking** of current processes.

Undertake a survey

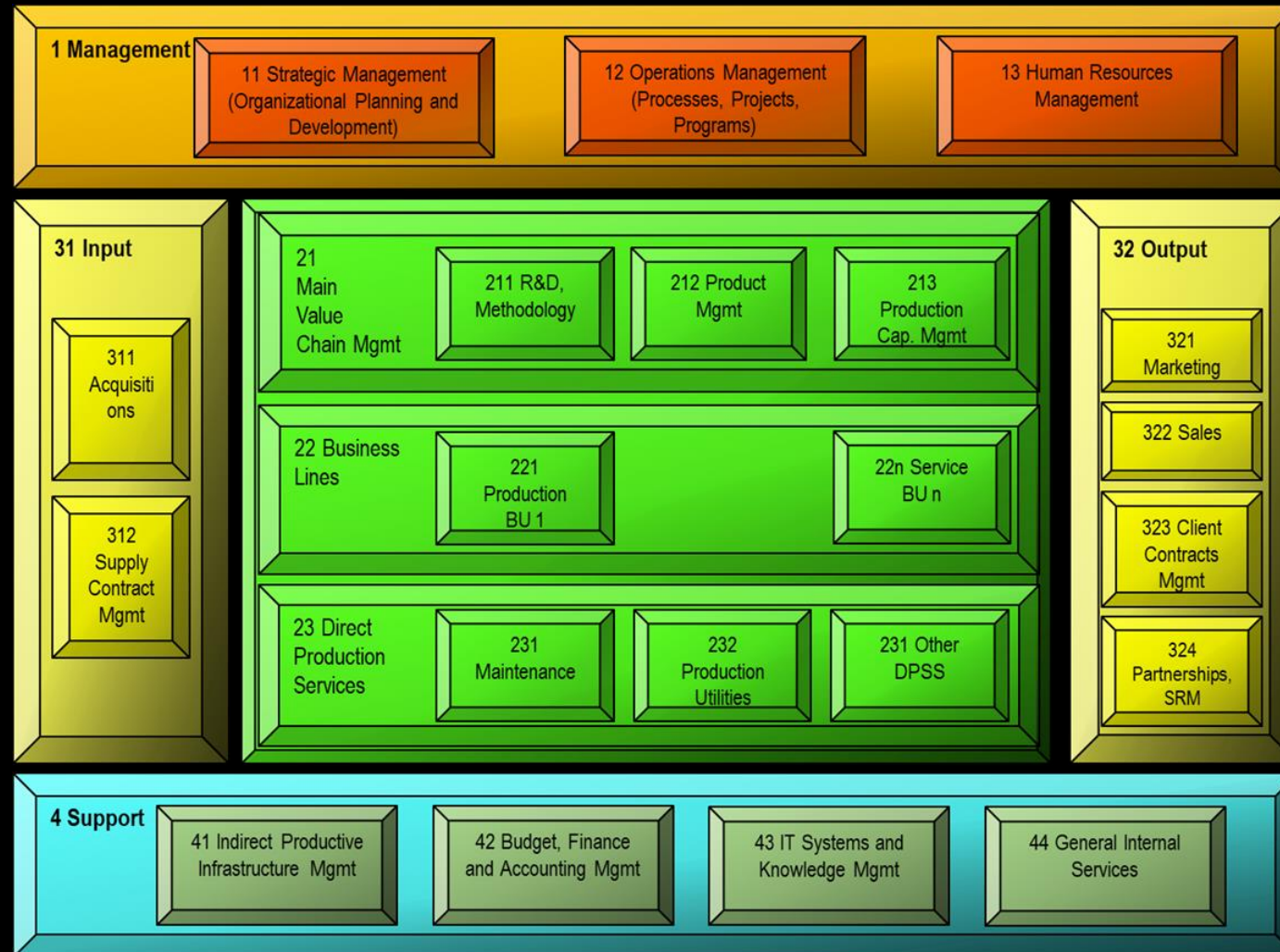
- of archival **performance records**,
- conducted in conjunction by the management and the operations personnel.

Take into account the organization's internal objectives, particularly for **process improvement** and enhancement.

Understand industry **best practices**.

# Create baselines for current processes

Find an example of industry best practice in your sector !



Benchmarks for  
process  
performance

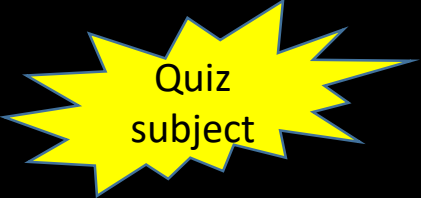
# Analyze systems and technology

Analyzing the capabilities of **technology** and **process automation** systems deployed within the organization in order to direct future associated processes.

Conduct a broad-based survey to examine various aspects associated with such systems and technologies, with the objective of identifying key facts that are of interest.

Investigate the

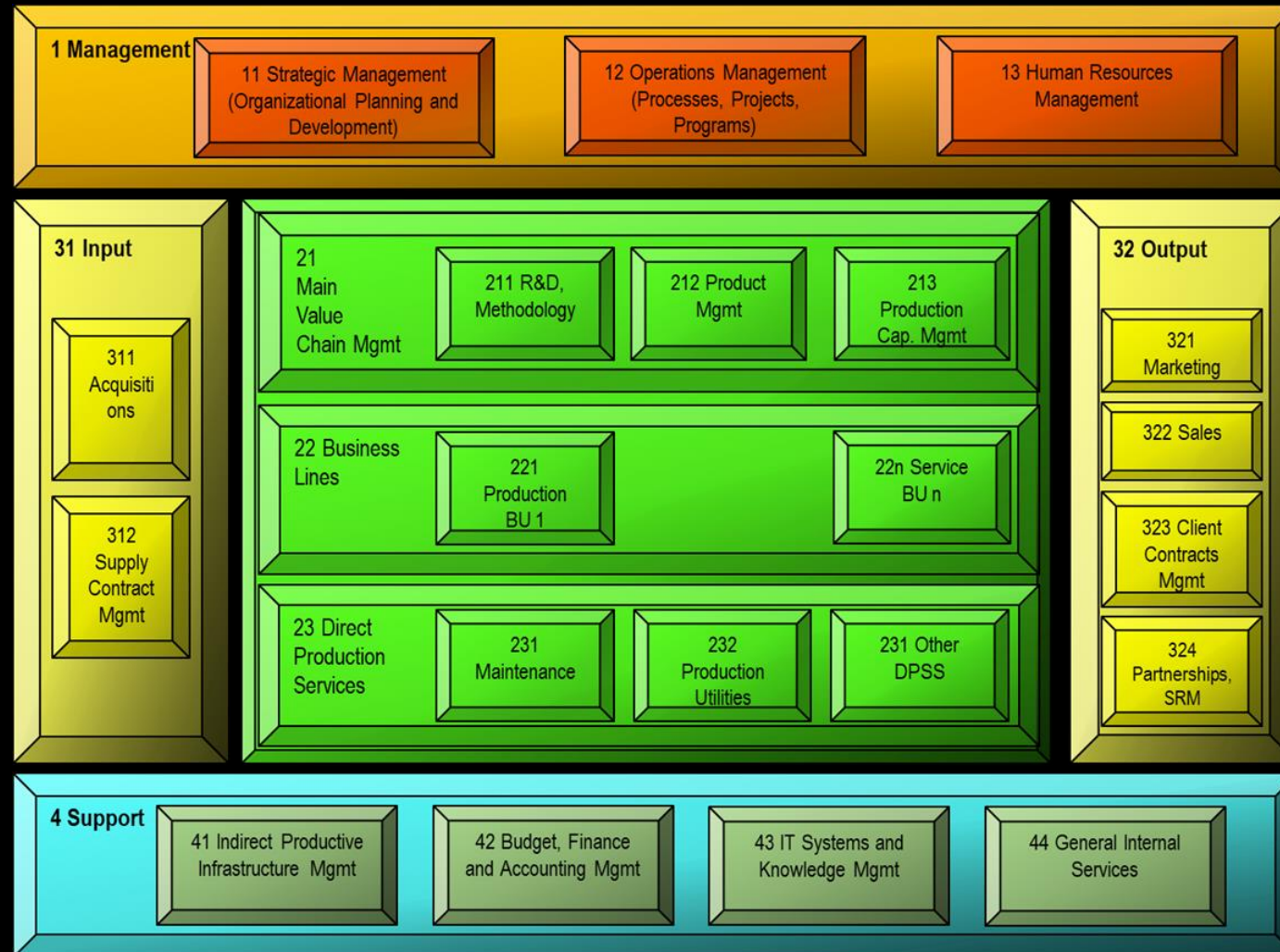
- **intended** purpose,
- purpose **served**,
- utility,
- longevity,
- remaining service-life,
- repair or service requirements, etc.



Quiz  
subject

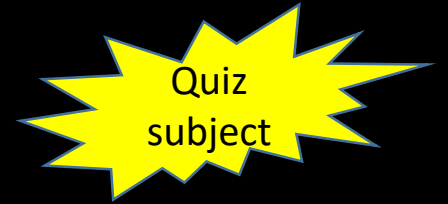
# Analyze systems and technology

Give an example of a process that may be automated in your sector.



New systems and technology projects (S,B,T)

# Analyze financial health



Appraising the financial state of the organization so that management can create **resource allocation** strategies.

Scrutinize the organization's financials--including

- **balance sheets**,
- **P&L** statements,
- statements of income,
- cash-flows,
- equity holdings, and
- liquidity—

with the objective of understanding the organization's financial health and capacities.

(This analysis directly feeds into

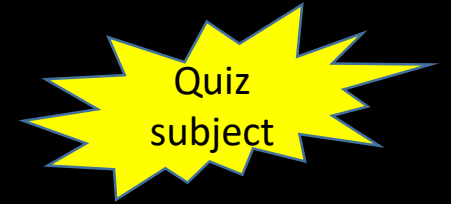
- Conduct organizational restructuring opportunities and
- Define a business concept and long-term vision.)

# Analyze financial health

What performance indicators would you consider in analyzing financial health of a company in your sector ?



# Identify core competencies



Determining a strategically significant aggregate of

- **competence** and
- capacities

that differentiates the organization in the market.

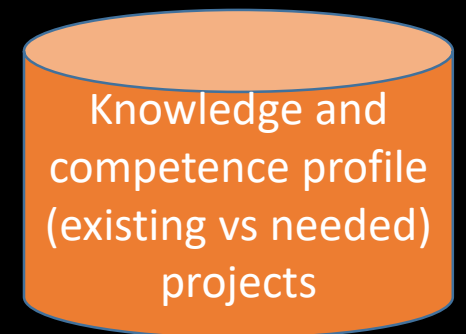
Identify **distinguishing** attributes including

- **unique skills** and resources and
- its **brand** and **services** in the marketplace.

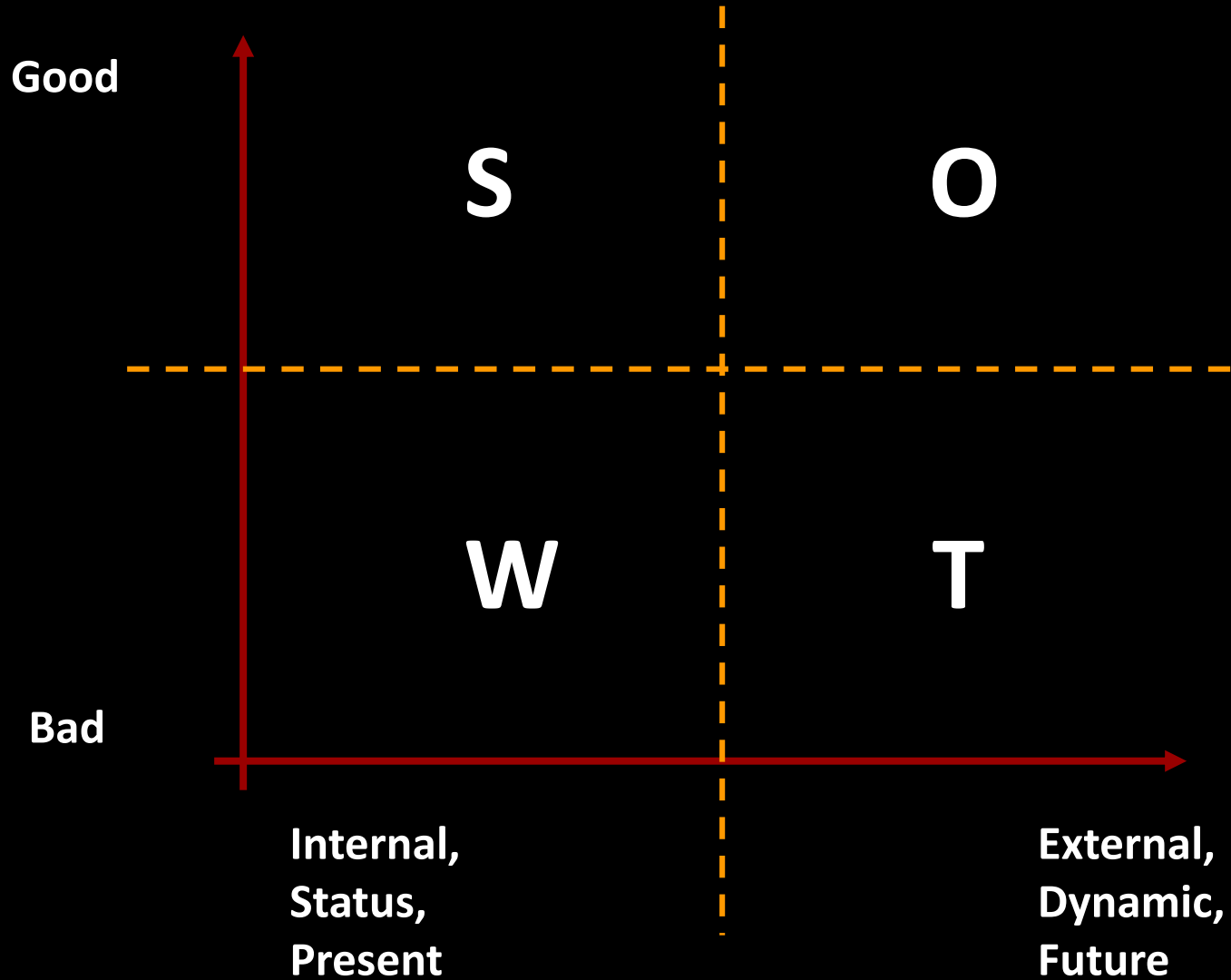
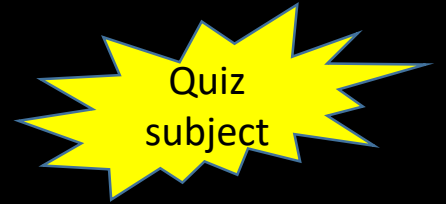
Have senior executives and management personnel assess competencies in order to further develop these capabilities into distinct commercial value propositions.

# Identify core competencies

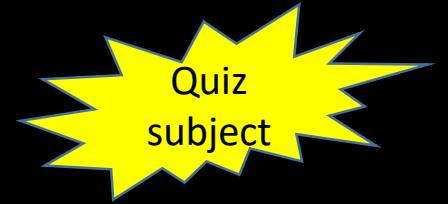
What kind of competencies would you see as necessary in your sector? Identify one core competency.



# SWOT Logic

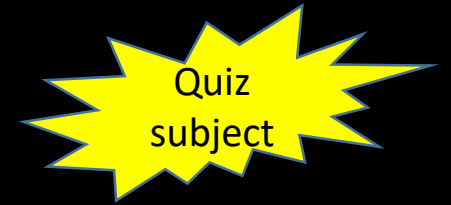


## Strengths:



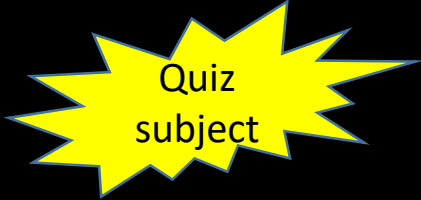
- ⑩ What are your **advantages** ?
  - ⑩ What do you **do well – better** than anyone else?
  - ⑩ Which are the **relevant** resources ?
  - ⑩ What **unique** resources do you have?
  - ⑩ What would **others** (people in your market) consider to be your strong points?
- 
- Do consider all these from your own point of view and from other's point of view.
  - Don't be modest, be realistic.
  - When analyzing strong points, think about them comparing yourselves with **competition**, for example, if all the competitors offer high quality products then a high quality production process is a necessity, not a strong point.

# Weaknesses



- ⑩ What could you do better / **improve**?
  - ⑩ What do you do **wrong** or with poor quality/performance?
  - ⑩ What should you **avoid** ?
- 
- Again, consider both your perspective and **other's** perspective. What would they see as being your weakness?
  - Is your **competition** better than you in any way? It's preferable to be realistic and face unpleasant truths; the sooner, the better.

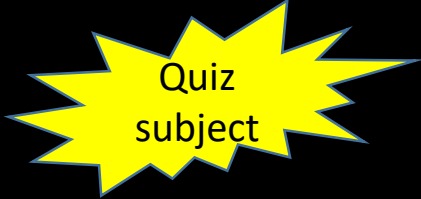
# Opportunities



Quiz  
subject

- ⑩ What are your competitors' **vulnerabilities** ?
- ⑩ Where do **opportunities** come from?
- ⑩ Which are the interesting **tendencies** you know about?
- ⑩ What customer **needs and interests** are there in the market ?
  
- Opportunities may come from many directions, such as:
  - ⑩ Changes in **technology**, in the entire market or into niche sectors
  - ⑩ Changes in governmental **politics** referring to the chosen sector
  
  - ⑩ Changes in the **sociological** and **behavioral** models, population profiles, life style, etc.
  - ⑩ Specific events
  
- A useful approach in opportunities analysis is to look at your own strong and ask yourselves if they open opportunities when combined with external factors
- Similarly, look at your weak points and ask yourselves if by eliminating them you would be able to approach some opportunities

# Threats



Quiz  
subject

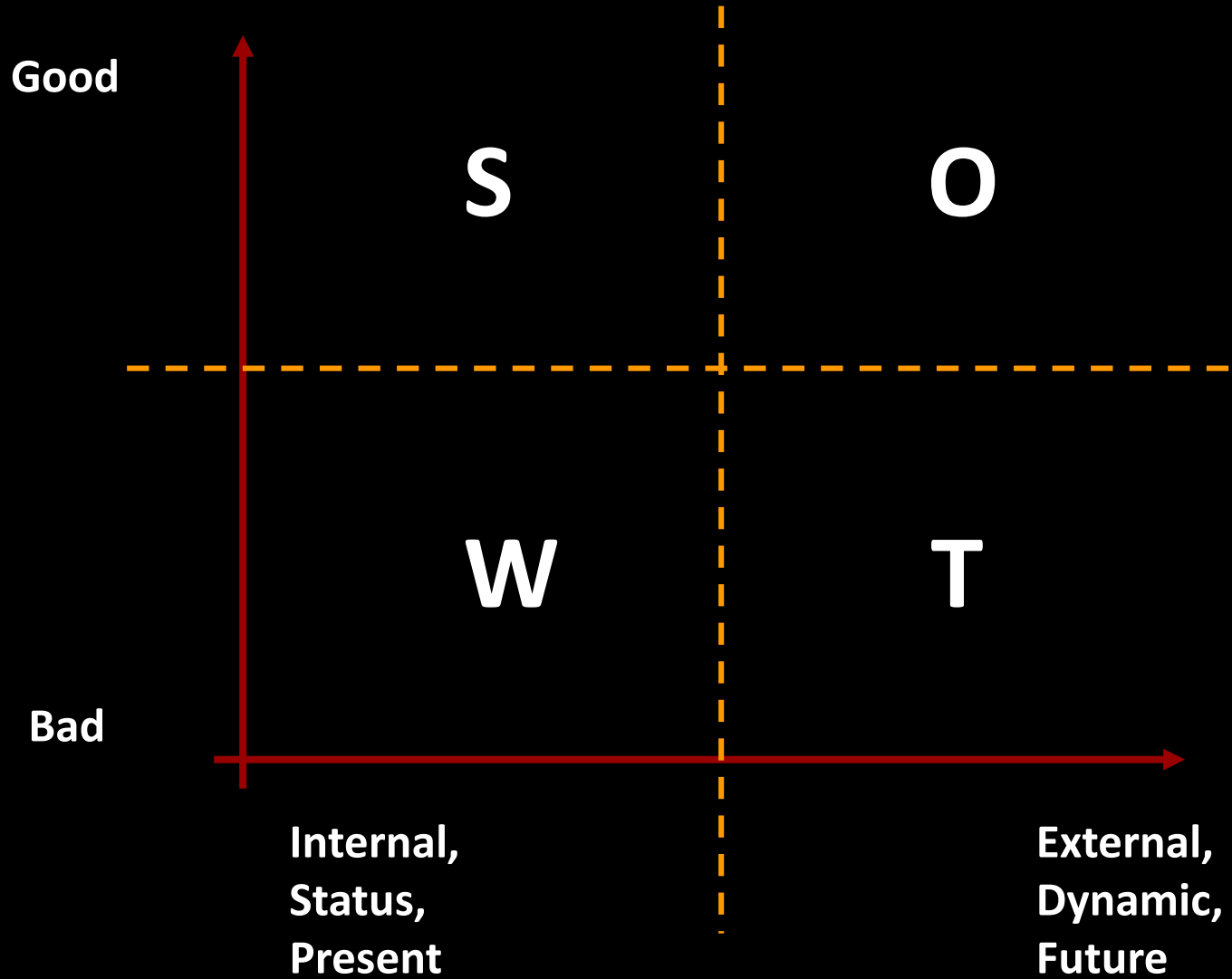
- ⑩ Which are the **obstacles** you encounter?
  - ⑩ What is your **competition** doing ?
  - ⑩ Does something **alter** the requirements and **specifications** for your activity, services and goods?
  - ⑩ Is in anyway the **technological** evolution a threat?
  - ⑩ Do you have problems regarding your **cash** flow?
  - ⑩ Could any of **your weak** points **favour** an external factor to become a threat to your business?
- 
- Performing this analysis shall be illuminating in many situations, both regarding the things you must do and regarding the big image perspective.

# SWOT

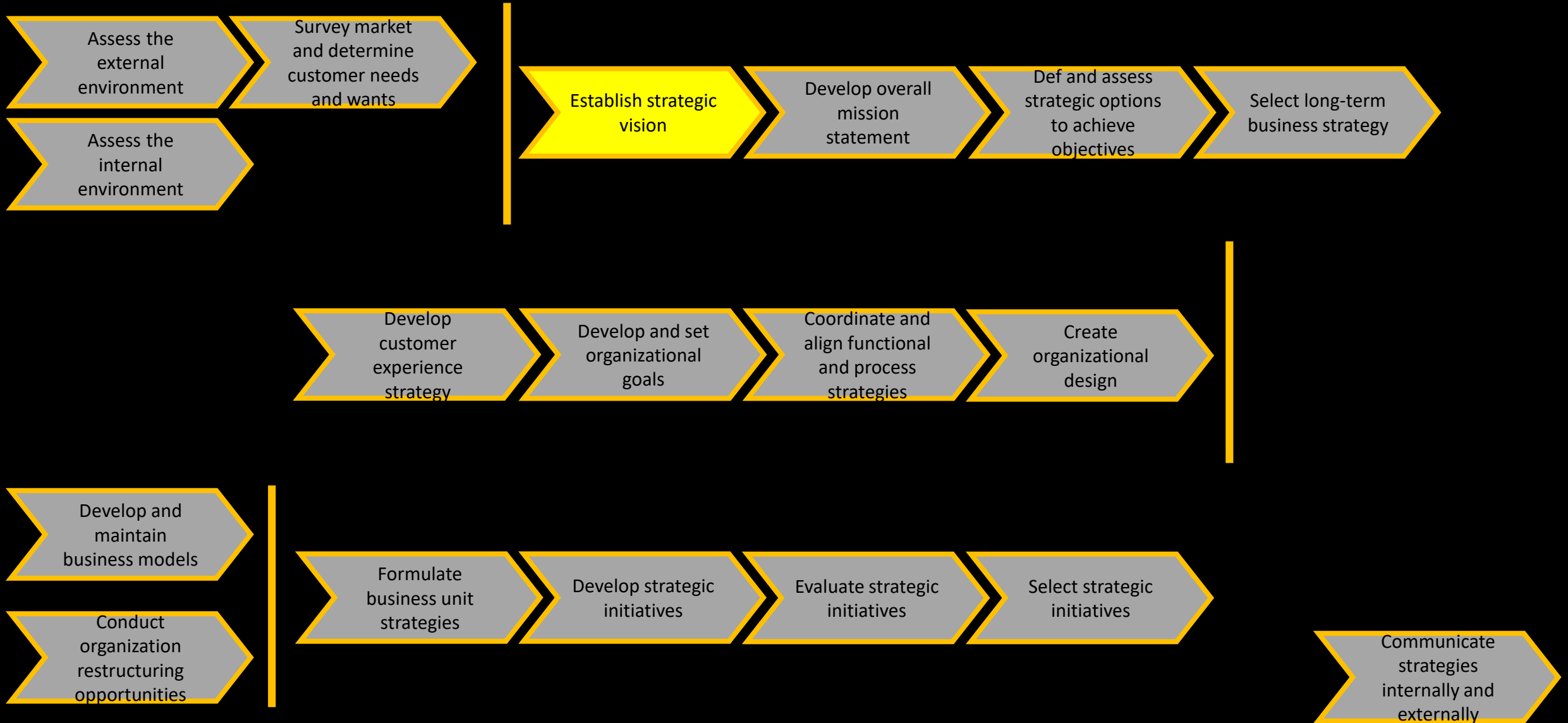
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- S
- W
- O
- T

# SWOT Logic



# The Strategic Planning Process



# Establish strategic vision

Establishing the organization's **long-term vision** as a strategic positioning and engagement of stakeholders.

Institute the vision by creating strategic orientations of all **stakeholders**.

Understand the strategy development frameworks in this context.

# Establish strategic vision - steps

1. Define the strategic vision
2. Communicate strategic vision to stakeholders

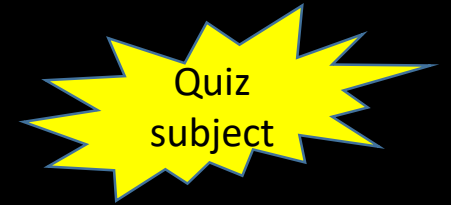
# Define the strategic vision

Developing goals to define organizations vision.

Define and document

- ideas,
- direction, and
- activities which enable the organization to reach these goals.

# Define the strategic vision – Helpful questions:

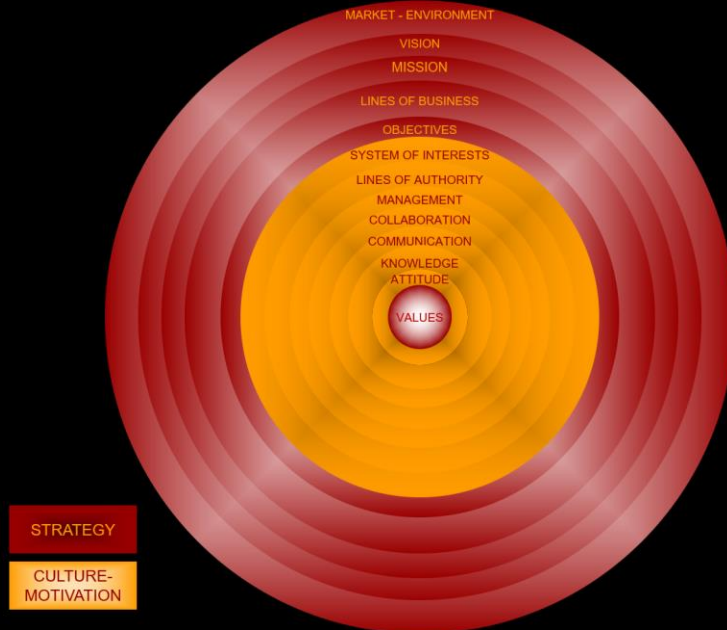


- How should our company **look like** over time?
- What **kind of future** do we want to contribute to?
- What **trends** do we want to **support** ? What trends do we want do **discourage**?
- What is our view on the future of the economic-social-environmental sector we want to **impact** with our company ?
- How is this going to contribute to a **better future world** ?



# Remember? Organizations: some clarifications – Vision vs Mission

Quiz  
subject



## Mission Statement

About

A Mission statement talks about **HOW** you will get to where you want to be. Defines the purpose and primary objectives related to your customer needs and team values.

Answer

It answers the question, "**What do we do? What makes us different?**"

Time

A mission statement talks about the **present leading to its future.**

Function

It lists the **broad goals for which the organization is formed.** Its prime function is internal; to define the key measure or measures of the organization's success and its prime audience is the leadership, team and stockholders.

Change

Your mission statement may change, but it should still tie back to your core values, customer needs and vision.

Developing a statement

**What do we do today?** For whom do we do it? What is the benefit? In other words, Why we do what we do? What, For Whom and Why?

Features of an effective statement

**Purpose and values of the organization:** Who are the organization's primary "clients" (stakeholders)? What are the responsibilities of the organization towards the clients?

## Vision Statement

A Vision statement outlines **WHERE** you want to be. Communicates both the purpose and values of your business.

It answers the question, "**Where do we aim to be?**"

A vision statement talks about your future.

It lists **where you see yourself some years from now.** It inspires you to give your best. It shapes your understanding of why you are working here.

As your organization evolves, you might feel tempted to change your vision. However, mission or vision statements explain your organization's foundation, so change should be kept to a minimum.

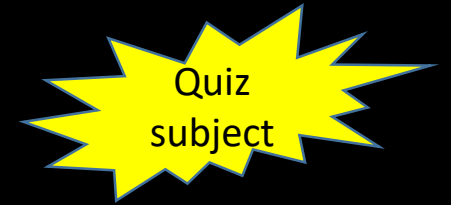
**Where do we want to be going forward?** When do we want to reach that stage? How do we want to do it?

Clarity and lack of ambiguity: **Describing a bright future (hope);** Memorable and engaging expression; realistic aspirations, achievable; alignment with organizational values and culture.

# Define the strategic vision

- Find the “Strategic Vision” statement of a company in your sector.

# Communicate strategic vision to stakeholders



Developing and executing  
**communication** strategies

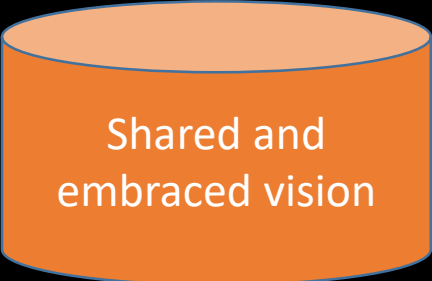
to convey an **alignment** plan of all organizational stakeholders,  
which helps the organization realize its vision.

Create custom communication strategies and delivery channels with the objective of orienting stakeholders according to the configuration maps created in the process “Align stakeholders around a strategic vision”.

Have senior strategy personnel closely collaborate with the communications/marketing team.

# Communicate strategic vision to stakeholders

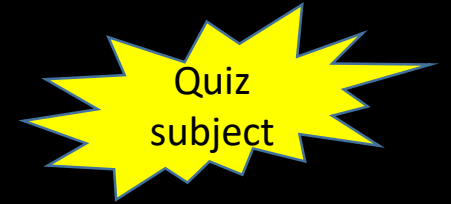
- No assignment here.

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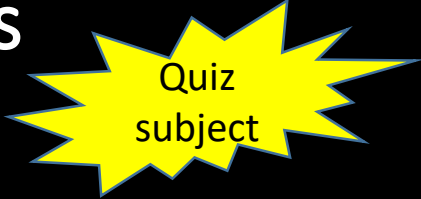
Shared and  
embraced vision

# Driving forces to the Service Economy

- Happy employees
- IT
- Instant Communications
- Significant volumes of data regarding
  - Sales
  - Inventory status
  - Product updates
  - Credit authorizations for customers.



# STRATEGY – TOP-DOWN APPROACH for small companies



Quiz  
subject

- VISION
- MISSION
- GOALS
- TASKS
- RESOURCES

# SUCCESSFUL STRATEGIES

- **Cost** leadership
- **Differentiation**
  - Must have
  - Should have (better-cheaper-faster)
  - Unique value proposition
- Market **focus**

