

Service Management

~ The service quality of Yuan-Tsui bread store Final Report.

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Contents

1.0 Introduction	2
1.1 Service design- service blueprints (the flowchart)	2
1.2 Identifying and classifying supplementary service - Flower of service	3
1.2.1 Facilitating supplementary services.....	3
1.2.2 Enhancing supplementary services.....	4
1.3 Yuan-Tsui bread store.....	5
2.0 Aims.....	6
3.0 Method	7
4.0 Findings	9
4.1 The cycle of service	9
4.2 Service Design – Flowchart	10
4.3 Flower of services	18
4.3.1 The facilitating services	19
4.3.2 The enhancing services.....	20
5.0 Conclusions and recommendations	21
6.0 Reference:.....	24

1.0 Introduction

1.1 Service design- service blueprints (the flowchart)

Service design is a complex task requires an understanding of how the core and supplementary services are combined to create a product offering that meets the needs of target customers. For physical objects like new buildings or ships, the design is usually captured on architectural drawings called buildings.

Blueprinting can be used to document an existing service or design a new service concept. To develop a blueprint, we need to be able to identify all of the key activities involved in service delivery and production, clarify the sequence, and to specify the linkages between these activities. **Service blueprints** clarify the interactions between customers and employees and how these are supported by additional activities and systems backstage.

By analyzing blueprints, managers are often able to identify potential **fail points** in the service delivery process where there is a significant risk of problems that can hurt service quality. Knowledge of these fail points enables managers to design procedures to avoid their occurrence or implement effective recovery strategies if necessary. Blueprints of existing services can suggest ideas for product improvements. Managers may spot opportunities to reconfigure delivery systems, add or delete specific elements, or reposition the service to appeal to other segments.

Blueprinting is a structured procedure for analyzing existing services and planning new ones. In particular, it enables us to define the different components of the augmented service, to examine the sequence in which they are delivered, and to identify potential fail points. Also gain insights into what is happening to the customer at each stage. Supporting each front-stage action are backstage activities involving people. Supporting equipment and facilities, and information.

1.2 Identifying and classifying supplementary service - Flower of service

The more we different types of core service are examined, the more it is clear that most of them have many supplementary services in common. Although **core products** may differ widely, certain supplementary elements-like information, billing, and order taking- keep recurring. There are dozens of different supplementary services, but almost all of them can be classified into one of the following eight clusters. They are listed them as either **facilitating supplementary services**, which aid in the use of the core product or are required for service delivery, or **enhancing supplementary services**, which add extra value for customers.

1.2.1 Facilitating supplementary services

- Information: to obtain full value from any service experience, customers need relevant information. New customers and prospects are especially information hungry. Customers need may include directions to the physical location where the product is sold, service hours, prices, and usage instructions.
- Order taking: once customers are ready to buy, companies must have effective supplementary service processes in place to handle applications, orders, and reservation. The process of order taking should be polite, fast, and accurate so that customers do not waste time and endure unnecessary mental or physical effort.
- Billing: is common to almost all services. Billing procedures range from verbal statements to a machine-displayed price, and from handwritten invoices to elaborate monthly statements of account activity and fees.
- Payment: in most cases, a bill requires the customer to take action on payment. A variety of options exist to facilitate customer bill paying.

1.2.2 Enhancing supplementary services

- Consultation: involves a dialog to identify customer requirements and develop a personalized solution. At its simplest, it consists of immediate advice from a knowledgeable service person in response to the request: "what do you suggest?"
- Hospitality: should ideally reflect pleasure at meeting new customers and greeting old ones when they return. Hospitality finds its full expression in face-to-face encounter. The quality of a firm's hospitality services can increase or decrease satisfaction with the core product. This is especially true for people-processing services where customers cannot easily leave the service facility.
- Safekeeping: while visiting a service site, customers often want assistance with their personal possessions. In fact, unless certain safekeeping services are provided (like safe and convenient parking for their cars), some customers may not come at all.
- Exceptions: that falls outside the routine of normal service delivery. Astute businesses anticipate exceptions and develop contingency plans and guidelines in advance. That way, employees will not appear helpless and surprised when customers ask for assistance. There are several different types of exceptions include special requests, problem solving, handling of complaints (suggestions and compliments) and restitution. A flexible approach to exceptions is generally a good idea because it reflects responsiveness to customers needs.

1.3 Yuan-Tsui bread store

Yuan-Tsui bread store was established in 2000 and is located opposite to Kun-Shan University. At that time there were not any bread store near there and the most main reason they chose this location is that the demand exceeded supply in the market. Yuan-Tsui always maintains a stable produce service. It is a great opportunity to establish opposite to Kun-Shan, they focus on the customers who are students and teachers of Kun- Shan. The main mission of Yuan-Tsui bread store is always baking delicious breads. Yuan-Tsui develops continuously new products to satisfy the variety demand of the customer; in the process of the baking breads, they aim at nutrition, practicing hygiene and good quality to be relieved the customers to eat their delicious cooking.

2.0 Aims

1. Design the cycle of the service in order to let the manager of Yuan-Tsui could understand which step the customer dissatisfy, the manager could base on this problem to improve.
2. Design the blueprint in Yuan-Tsui to draw the structured procedure for analyzing existing services and planning new ones, understand the process between the front stage and the backstage then identify potential fail points.
3. Understand the definition of the core product, the facilitating service and the enhancing service. (The flower of the service)
4. Combining the cycle of the service, the blueprint and the flower of the service, we find the fail points and give some suggestions. We hope our suggestion could give the manager of Y-T some ideas to increase the satisfaction of the customers.

3.0 Method

Step1. Read the midterm project again.	➤ Put all the information in mind.
Step2. We interview the manager of Yuan-Tsui.	➤ The manager didn't expose much information to us. But the information we want enough.
Step3. Design the cycle of service	➤ We went into Yuan-Tsui again; think the process of the service of Yuan-Tsui they provide.
Step4. Design the flower of service.	➤ We thought the flower of service in Yuan-Tsui in present.
Step5. Design the blueprint	<ul style="list-style-type: none"> ➤ Think of the manager gave us the information of the back stage and how we feel the front stage they provide. ➤ Then we discussed the flowchart, thought about the difference between "service standards and scripts" and "physical evidence."
Step6. Discuss with our supervisor, Dr. Stanworth.	<ul style="list-style-type: none"> ➤ We discussed with Dr. Stanworth about the cycle of service, the flower of service and the blueprint. ➤ We knew that the blueprint that includes the front stage and the back stage. And the front stage includes the service standards and scripts, physical evidence and Line of interaction. But we got confused about service standards and scripts and physical evidence. ➤ We thought the service standards and scripts which means "the expectation of the customers", and physical evidence which means "The present of Yuan-Tsui." ➤ Thank Dr. Stanworth, we realized that "The service standard" which mean "what things are done, when, how often and in what way" and "scripts" which mean "what order it should happens" ➤ And the flower of service, we know there is something that Yuan-Tsui need to improve, so

Service Management

	<p>Dr. Stanworth suggested us we can design a new flower of Yuan-Tsui.</p> <ul style="list-style-type: none">➤ And the cycle of service, we need to put our feeling when we purchase some bread from Yuan-Tsui.
Step7. Design the cycle of service again.	<ul style="list-style-type: none">➤ We went into Yuan-Tsui again, felt the service of Yuan-Tsui they provide.
Step8. Design the blueprint again.	<ul style="list-style-type: none">➤ We thought more clearly what we are going to design.➤ We made some new processes and some new ideas into the blueprint. (We wrote those new ideas by green.)
Step9. Design a new flower of service.	<ul style="list-style-type: none">➤ Put our new ideas into the new flower of service.
Step10. Link our midterm report, the cycle of service and the blueprint.	<ul style="list-style-type: none">➤ We linked those two parts to find out the fail point of Yuan-Tsui.
Step11. Think some conclusions and suggestions.	<ul style="list-style-type: none">➤ Found some fail point that Yuan-Tsui really needs to improve.➤ Gave some conclusions and suggestions to Yuan-Tsui.
Step12. Write report and prepare presentation	<ul style="list-style-type: none">➤ According to the format which Dr. gives us on the ftp file.➤ Writing our completion report.➤ Give our report to Dr. Stanworth by hands.➤ Preparing the presentation.

4.0 Findings

4.1 The cycle of service

The cycle of service is based on the feeling we entered and purchased the product in Yuan-Tsui, and understand the process of the service they provide. As customers we think about service “a moment of truth” at a time. A moment of truth is the point where customers come into contact with service employees; service equipment and the out come may affect what we think of the quality of service. Understand if the service of Y-T provided that make customers satisfy. We made this cycle of service in order to let the manager of Y-T know which steps need to improve.

As show in figure 1:

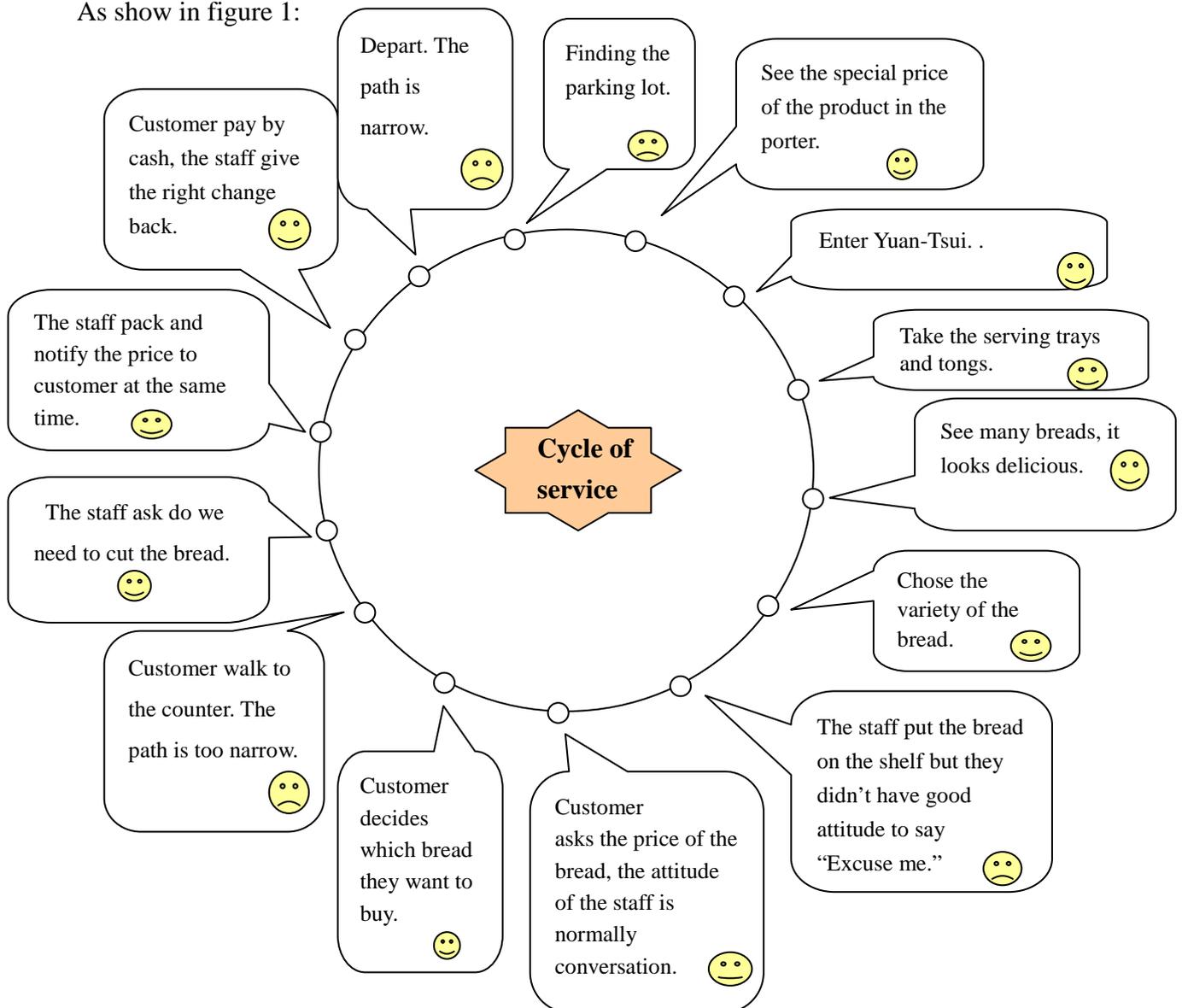


Figure 1. The cycle of the service

4.2 Service Design – Flowchart

Act I : Starting the service experience

Act I begins the customers arrive at the bread store. From this point on, front-stage actions take place in a very visual environment. By the time the customers reach the store, they have been exposed to several supplementary services, including parking and the process of the purchase. Standards that are based on a good understanding of guest expectations should be set for each of these service activities. Below the line of visibility, the blueprint identifies key actions that should take place to ensure that each front-stage step is performed in a manner that meets or exceeds customer expectations. These actions include preparation of food, maintenance of facilities and equipment, training and assignment of staff for each task, and use of information technology to access, input, store, and transfer relevant data.

Identifying the Fail Points

Running a good bread is a complex business and much can go wrong. The most service fail points, marked by , are those that will result in failure to access or enjoy the core product. They involve the parking space (Was the parking space available at desired time and date?), the price (Some customers may consider the budget.), the path (Is the path in front of Yuan-Tsui clean? Is the path of Y-T freely flowing?), date due (Is the due date?), the counter (Is it easy for customers to reach the counters?), the staff (Do the staff have good attitude and proactive?) and the environment (Does it have enough space for customers purchase the product?)

Setting Service Standards

Through both formal research and on-the-job experience, service managers can learn the nature of customer expectations at each step in the process. Customers' expectations range across a spectrum—referred to as zone of tolerance—from desired service (an ideal) to a threshold level of merely adequate service. Service providers should design standards for each step that sufficiently high to satisfy and even delight customers. These standards

Service Management

may include time parameters for specific activities, the script for a technically correct performance, and prescriptions for appropriate employee style and demeanor.

The initial steps of service delivery are particularly important, since customers' first impressions can affect their evaluations of quality during later stages of service delivery. Perceptions of their service experiences tend to be cumulative. If things go badly at the outset, customers may simply walk away. Even if they stay, they may be looking for other things that aren't quite right. On the other hand, if the first steps go well, their zones of tolerance may increase so that they are more willing to overlook minor mistakes later in the service performance.

Act II: Delivery of the core product

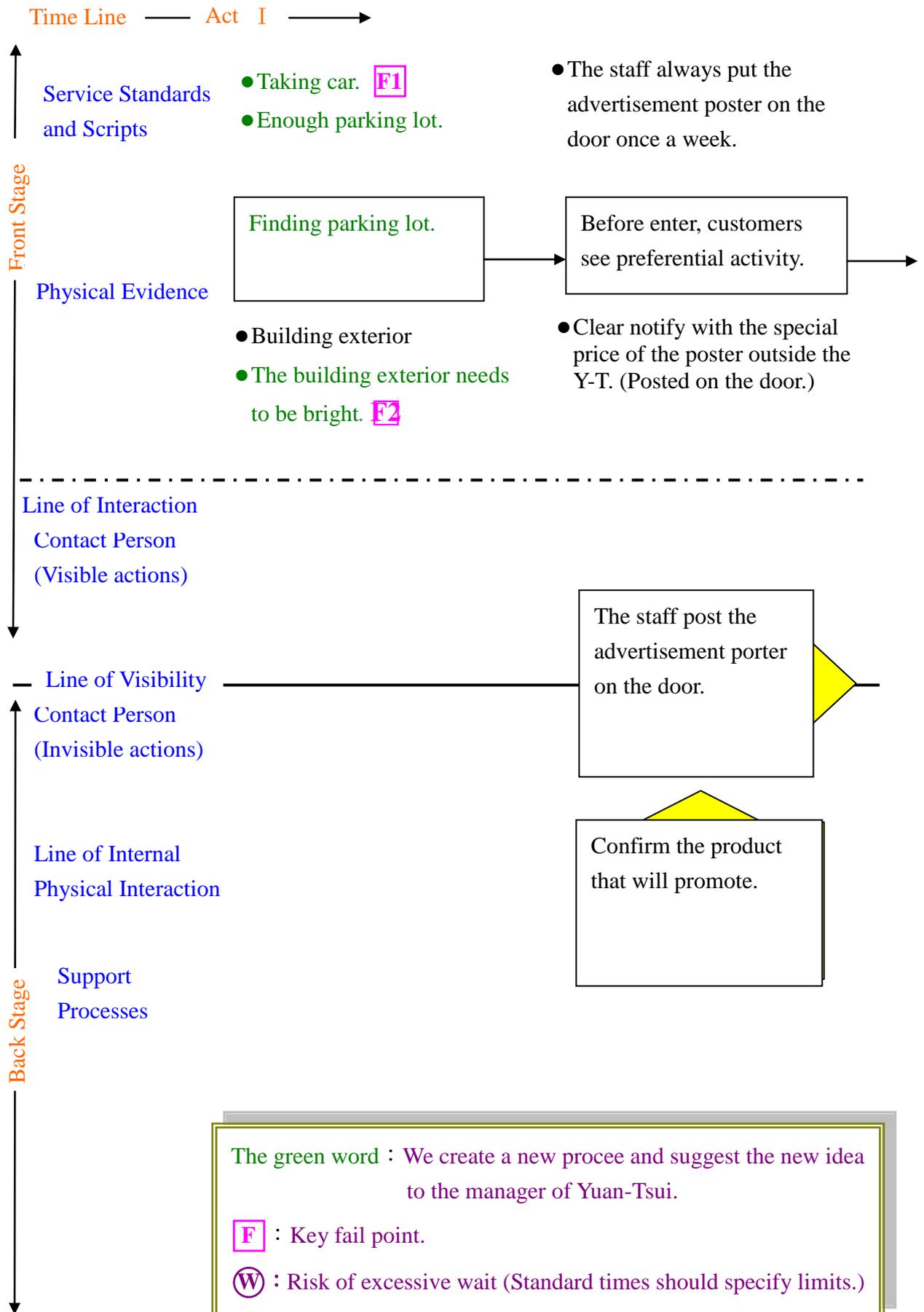
In act II, the customers are finally about to experience the core service they came for. Reviewing the process the customers get into Yuan-Tsui store. Assuming all going well, customers have a good experience in it. But there is always the possibility that the restaurant won't satisfy customer expectations during Act II. The answers to the following questions can help managers identify potential fail points: Is the parking space available? Does the product mark the eating date due? Does it mark the price? Is The staff's attitude? Is the path free flowing?

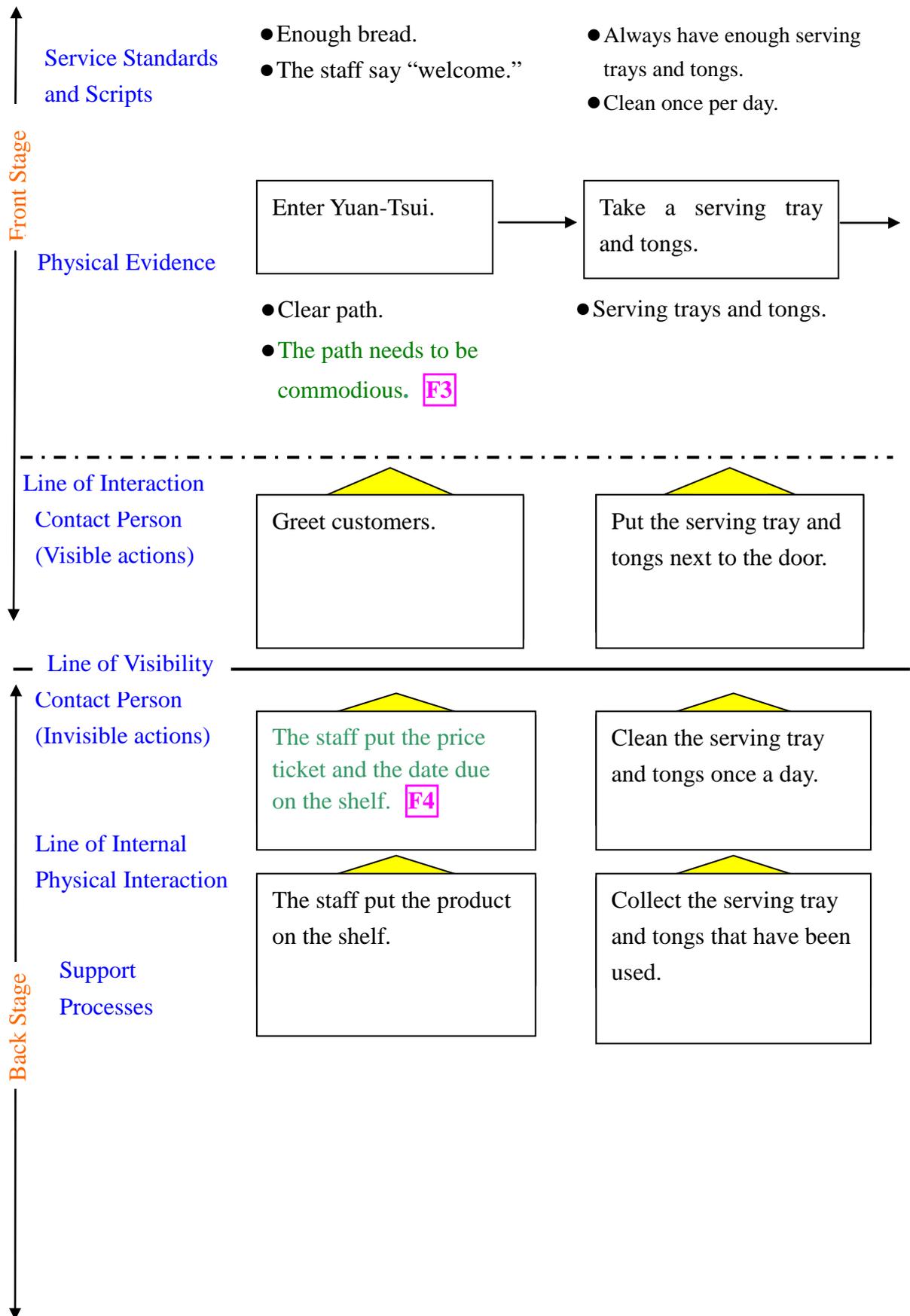
As Act II continues, our customers evaluate the quality of the bread-the most important dimension of all.

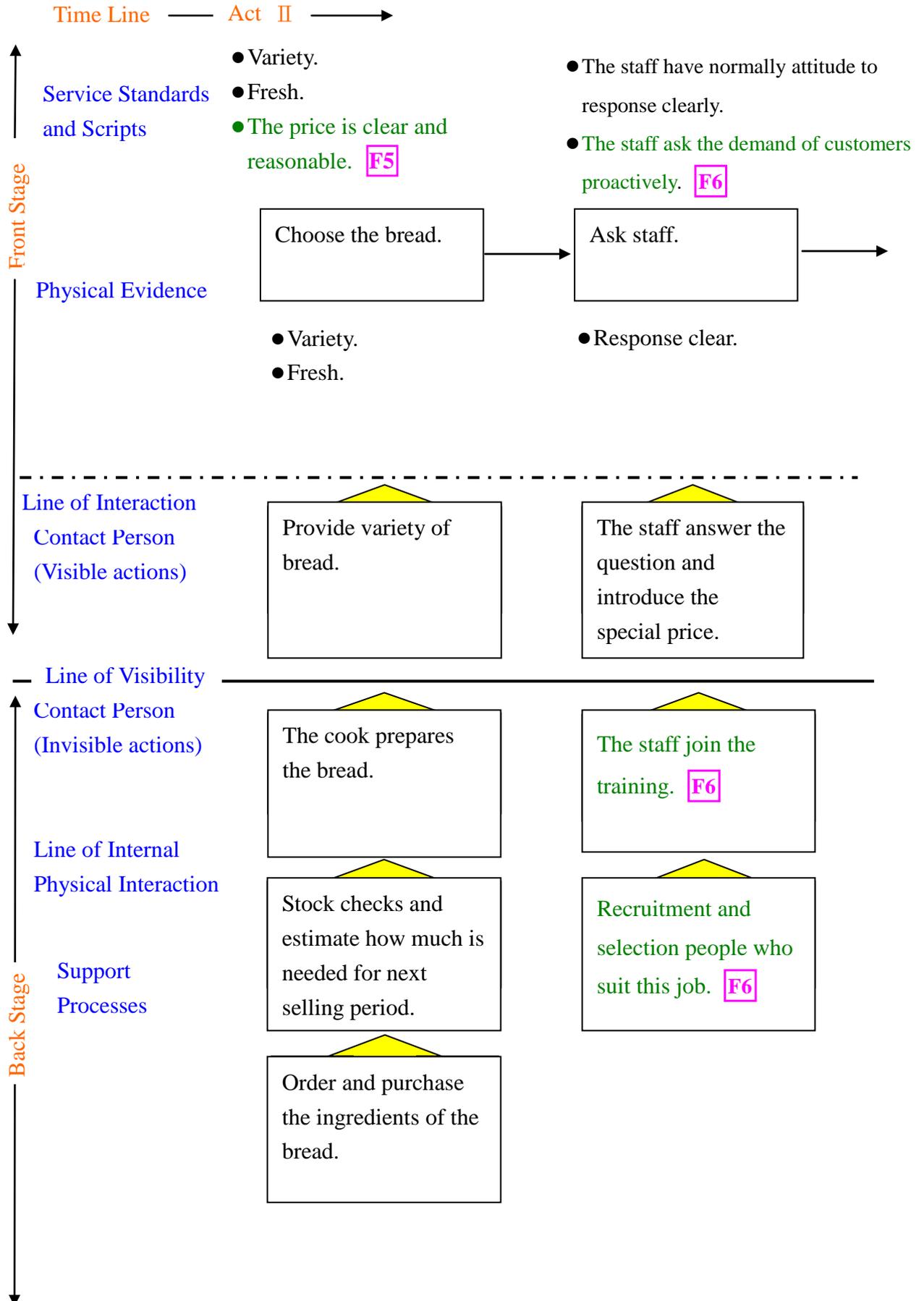
Act III: Concluding the service performance

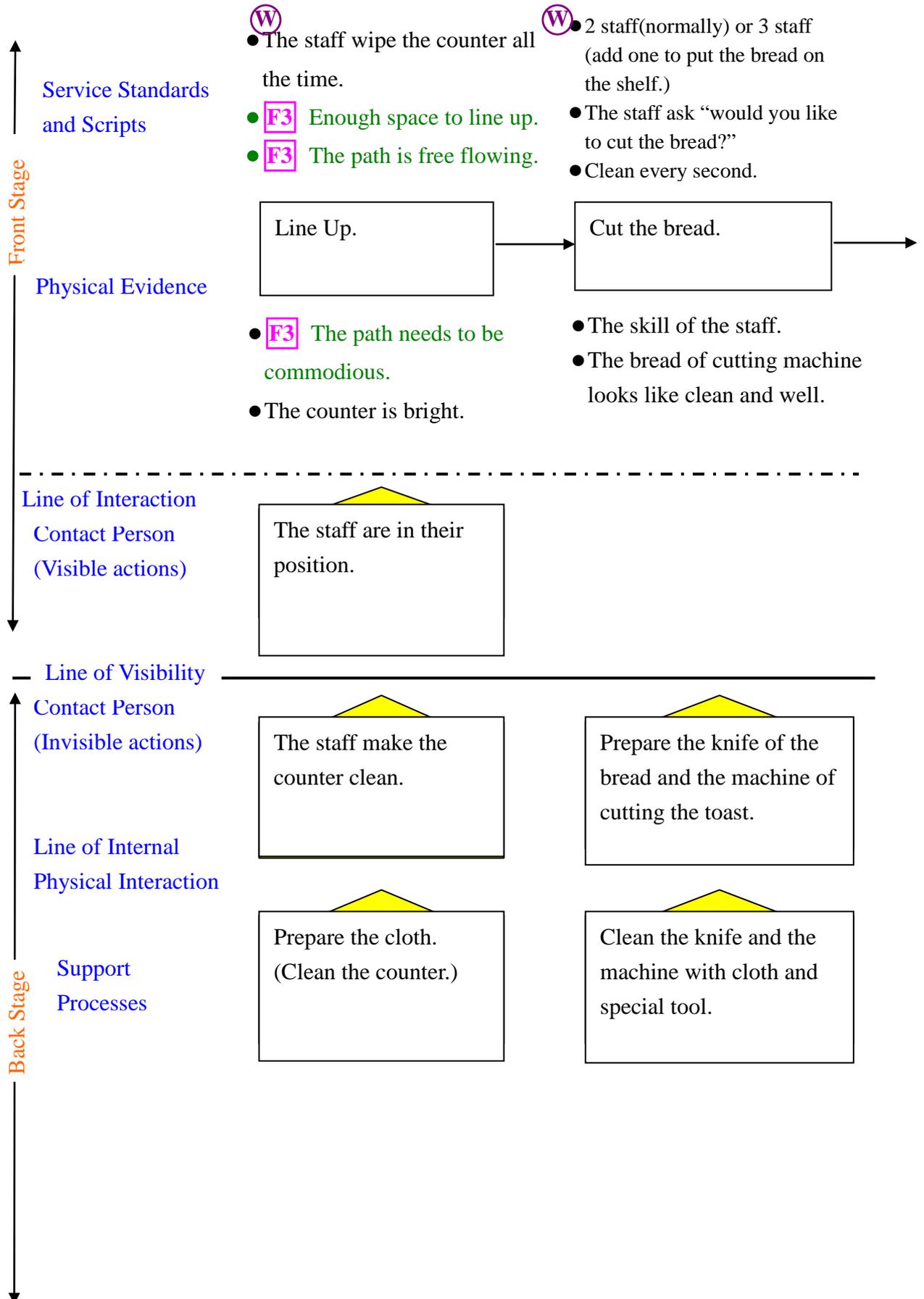
Choosing the bread may be over, but much activity is still taking place both front stage and backstage as the service process moves to its close. The core service has now been delivered, and we'll assume that our customers are happily digesting it. Act III should be short. The action in each of the remaining scenes should move smoothly, quickly, and pleasantly, with no shocking surprises at the end.

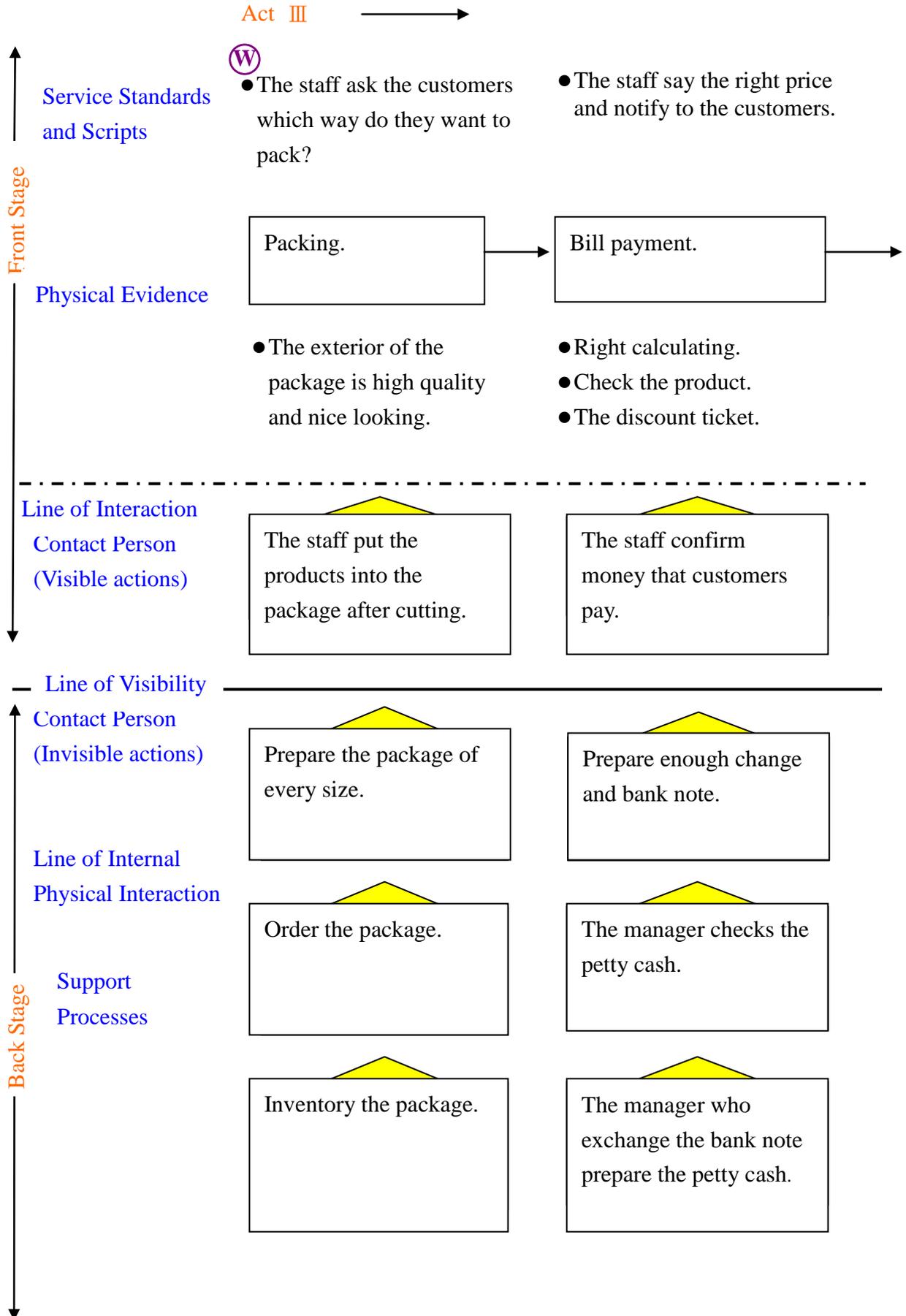
As show in figure 2:











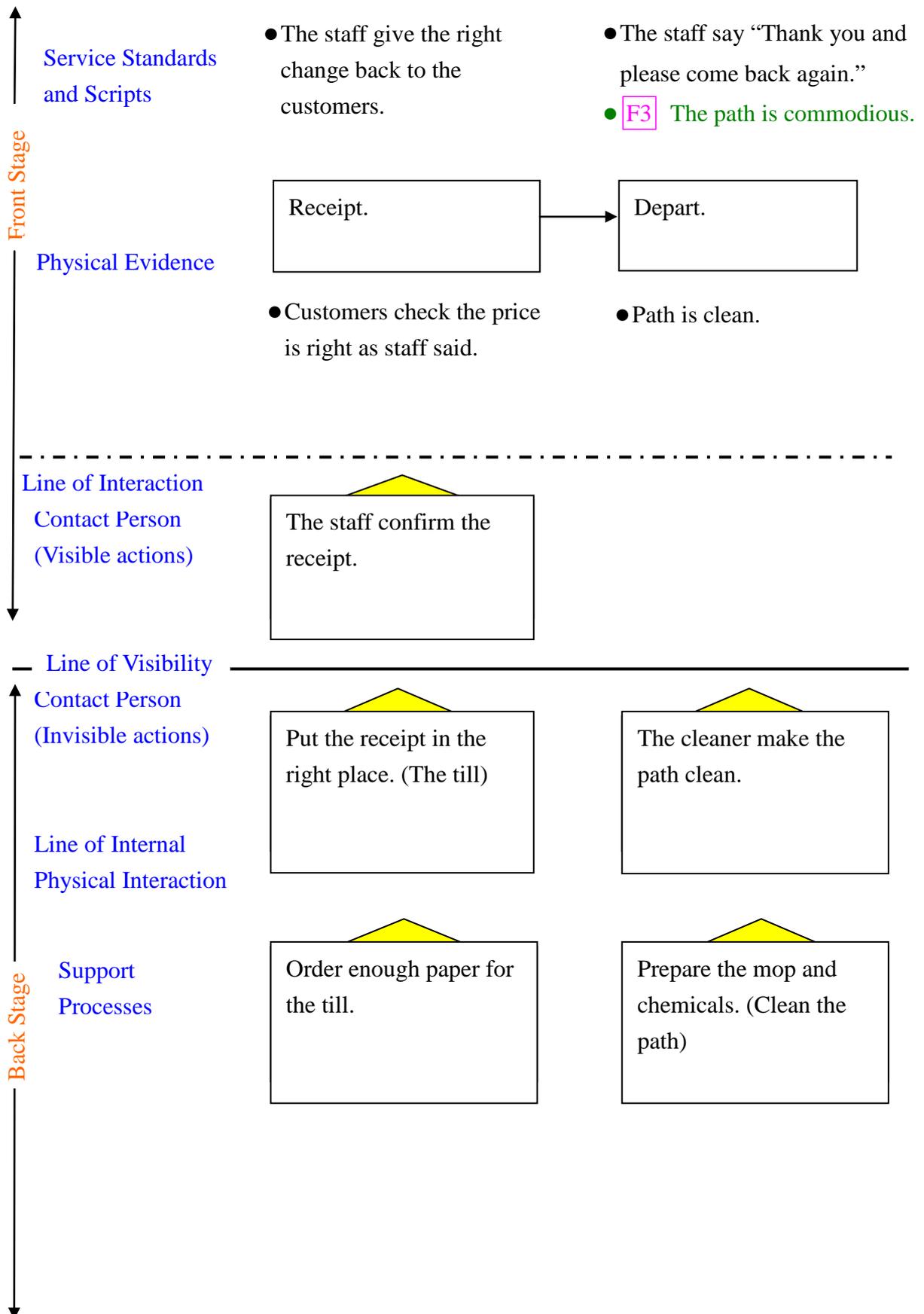


Figure 2. The Flow Chart

4.3 Flower of services

The flower is made up of with the core, facilitating & enhancing services. Different types of core product often have the same facilitating and enhancing services. Flower of service: a visual framework for understanding the supplementary service elements that surround and add value to the product core.

The facilitating services: supplementary services that aid in the use of the core product or are required for service delivery. The enhancing services: supplementary services that may add extra value for customers.

As show in figure 3:

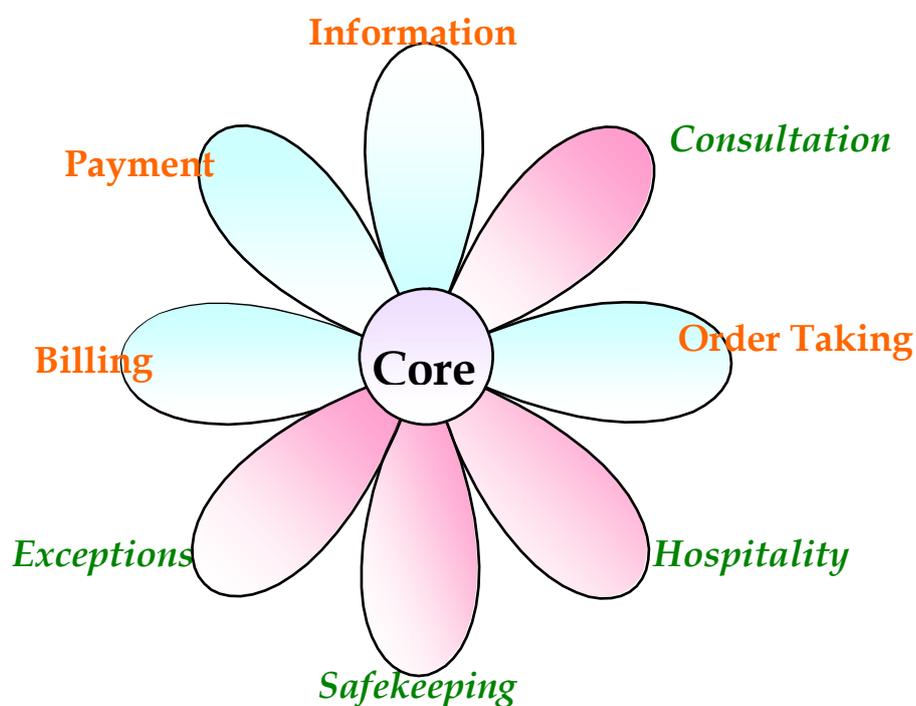


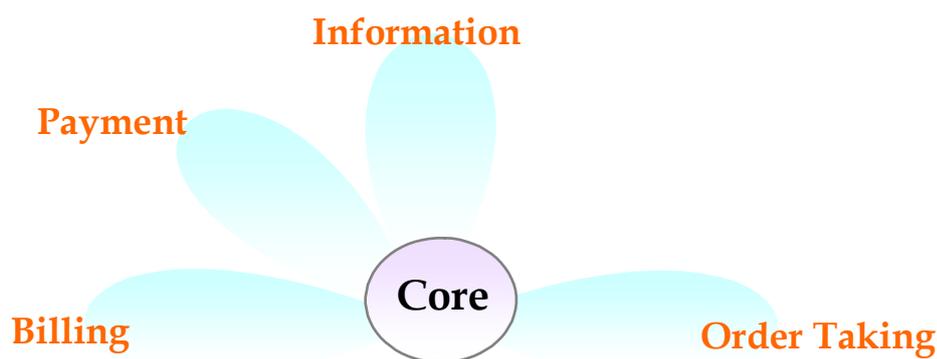
Figure 3. The Flower of Services

KEY:

Facilitating services

Enhancing services

4.3.1 The facilitating services



1. Information :

(1) Advertisement:

- Poster. (Posts on the door.)
- Send out DM
- Establish their own website.
- Word of mouth (By friends and family.)
- Matching community and school's activities catch customers' eyes.

(2) Price :

Bread	NT\$6~100
Cake	NT\$35~1000
Cookie	NT\$50~100
Beverage (Milk)	NT\$10~400
Jam	NT\$30~200

(Print it by the computer and put the right eating date due and ingredient on the price ticket.)

(3) Opening hours :

- AM8:00~PM10:00

2. Order Taking : Order cakes and lunch pail

- Reservation by phone
- Made all products on the DM to let the customers could chose easily.

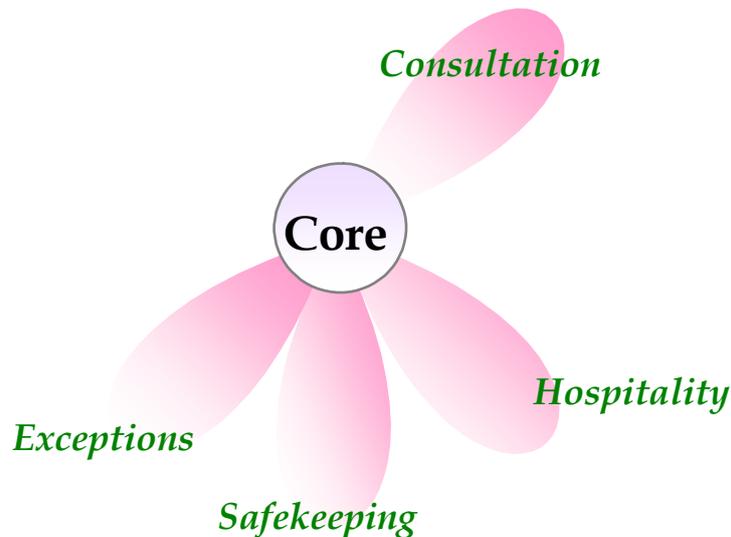
3. Billing :

- The staff will calculate and notify the price as customer purchase.

4. Payment :

- Customers check the price as staff said, then pay and take the receipt.

4.3.2 The enhancing services



1. Consultation :
 - Customers can ask staff the price and the ingredient of the price or what questions they want to ask and help them to cut the bread.
2. Hospitality : We focus on the staff
 - Say “Welcome” and “Please come back again ” with smile.
 - Ask the demand of the customers proactively.
3. Safekeeping :
 - Y-T has good reputation on the products, customers feel safe to eat and have confidence to Yuan-Tsui.
 - Y-T could mark the direction of the safety exit. (If there was a fire.)
4. Exception :
 - Y-T could delivery the cake to the place you order.
 - Promote special price when there is a Mother’s Day, or other festival days.
 - Promote special price or discount before half hour Y-T close, it could decrease the inventory of the bread.
 - Accumulate the price customers buy with a card, NT\$100 is a point. Then when there are 5 point (NT\$500), the customers could trade a product that is worth \$50 for free.

5.0 Conclusions and recommendations

We found the problem in the cycle of the service, the blueprint (the flowchart) and the flower of the service. We found some problems (Fail point) in those three sections, and also made some suggestions to the manager of Yuan-Tsui. We hope that we could offer some fresh ideas to the manager of Yuan-Tsui.

Fail point	Problem	Our suggestions
F1	Y-T doesn't provide the parking lot.	Customers need the staff to point out where the parking lot is. Sometimes in front of Y-T, scooter can park, but when small or big car want to park in front of Y-T, it doesn't have enough space to park. So we suggest that Y-T could <ul style="list-style-type: none"> ➤ Find a new space for customers to park ➤ Hire a person who takes care of the vehicle.
F2	The exterior of the building in Y-T is gray.	The building exterior needs to be bright. Most customers (as a new customer, you don't know this business at all.) think if the business want to attract their eyes, the most important you need to increase your advantage, maybe by way of the building.
F3	The path of Yuan Tsui is too narrow, it doesn't provide freely flowing path.	We suggest that the path needs to be commodious. Because Y-T only has one door in present and the path is too narrow, so we suggest that Y-T could: <ul style="list-style-type: none"> ➤ Designs a new door to exit and the old door to enter. ➤ Redesigns a new fresh bread store in order make customer have enough space to walk with the serving tray and line up to the counter. ➤ Designs a little space that could put customers' umbrellas when it rains.
F4	Yuan-Tsui doesn't provide the right eating date due.	Customers sometimes need to ask the staff the information of the bread; it is really not convenient for them. What if the customers want to ask more questions, they may feel embarrassing about it. Customers may think, "How will the staff feel like when I ask?" It may cause 'Psychological risk'. In order to reduce this risk, could it possible that the staff put the price ticket and the date due on the shelf

		before customer get into Y-T? We think yes, the staff could put any information that includes the price, the ingredient on the price ticket. The price ticket of Y-T is written by hand. We suggest they could print it by computer; it could make the price ticket look like more clearly.
F5	The price is not clear and reasonable.	<p>Customers think the price in Y-T isn't reasonable, although they are not satisfied with Y-T offer the price, but it is only neutral satisfaction. Why still keep purchase in Y-T? Maybe they think the quality of the bread meet their expectation even if it is too high.</p> <p>We suggest that maybe Y-T could provide</p> <ul style="list-style-type: none"> ➤ The discount ticket ➤ Promote by season. For example, the season of the strawberry, Y-T could promote the bread and cake of the strawberry. ➤ Some discount before Y-T close. It could reduce the inventory of baking bread.
F6	The staff don't ask the demand of customers proactively.	<ul style="list-style-type: none"> ➤ Improve the training of the staff. ➤ The manager may encourage the staff; let them be proactive to service the customers. For example, vote election, chose the best staff. ➤ And recruit and select people, then help the staff join the training.

In mature industries, the core service can become a commodity. The search for competitive advantage often centers on improvements to the supplementary services that surround this core. Designing the overall service experience is a complex task that requires an understanding of how the core and supplementary service should be combined and sequenced to create a product offering that meets the needs of target customers.

Businesses tend to establish a good relationships with their customers for good, not only just tend to a trade of 'one off'. Businesses need to think what the most important thing for customers. When customers' expectation meets their perception, they think the business is fine. But what if their expectation exceeds their

Service Management

perception--they are unhappy. And how to delight the customers, it needs more effect to make their perception exceeds their expectation. Y-T tends to make good quality to the bread and the package, if Y-T do the business so well but why the score of every dimension is majority located on neutral satisfaction. Even if Y-T has good service marketing and delivery systems, it has to think of the service people and the customers. The front line people is the most important to the customers, when the customers walk into the store, purchase, want to ask questions and depart, the last thing that customers see is always front people. Business needs to remind itself “we need to take time to recruit servicing people.”

Like Maslow’s hierarchy—own and others’ domain. Often businesses affect staff in others’ domain. The manager of Y-T needs to encourage the staff and give them motivation. When people need food, house and a job, it is physiological need. Where is the staffs’ space? It is safety need. Staff become part of the group, it is belongingness need. The esteem is divided into two parts, one is recognition by others and the other one is self-esteem. The staff have good performance, the manager could encourage them, and the staff feel so proud. It is recognition by others. When staff think they could do the best, no one can affect me. It is self-esteem.

Sometime when thing goes wrong, even it is a small mistake that customers may likely to defect—walk away. Something (like order the wrong meal) could fix it but if the attitude of the staff is not good enough that customers don’t satisfy with them. We think that anything could fix it but only people are hard to manage. The staff also need to have intrinsic motivation to encourage themselves in order to get the highest level—self actualization.

The big challenge for service marketers lies not only in giving prospective customers a reason to do business with their firms, but also in offering existing customers incentives to remain loyal and perhaps even increase their purchases. If the staff have a good though to make customers satisfy, the high loyalty could may affect the business to gain the unbelievable profit.

6.0 Reference

Christopher Lovelock and Lauren Wright, (2002), “Principles of Service Marketing and Management” , 2nd .