ICT – A Key Enabler of Service Delivery

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Sunil Thawani

Author, "Business Excellence Awards-Strategies for Winning"
Fellow, American Society for Quality (ASQ) & ASQ Country Councilor, UAE
Chairman, Continual Improvement Subgroup, DQG

Agenda

- Our dependence on ICT
- Service and service quality
- Measuring service quality for improvement
- Defining a service
- Key challenges of delivering service
- Role of ICT in service delivery
- Experience of Australian public services
- Impact of ICT on service delivery
- Concluding thoughts

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Our Dependence on ICT

- Traffic jams in Hong kong
- Transforming Swedish Government services
- Self Service Vignette.
- Welcome to Service economy
- Services are being revolutionized by ICT
- ICT is having profound effect on ways customer interact with service providers.
- Shift in service from labor intensive to capital intensive.

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Service Defined

- " Services are deeds, processes and performances."

- " Service companies sell a promise".

Experiencing a Service

- Customers experience tangible products (like wrist watch) differently than intangible services (like air transportation).
- Physical nature of tangible products help tell service story.
- Service story is told through tangibles e.g. Airline - the leather seats, meal menu, cutlery.
- Physical clues are reinforced by friendliness, competence and responsiveness of service providers.

Goods vs. Services

Goods	Services	Resulting Implications
Tangible	Intangible	• Services cannot be inventoried & patented. • Services cannot be readily displayed or communicated.
Standardized	Heterogeneous	• Pricing the service is difficult. • Service delivery and customer satisfaction depend on employee and customer actions.

Goods vs. Services

Goods	Services	Resulting Implications
Production separate from consumption	Simultaneous production and consumption	• Customers participate in service and affect the transaction. • Employees affect the service outcome. • Mass production of service is difficult.
Non-perishable	Perishable	• Service cannot be returned or resold. • It is difficult to synchronize supply and demand with services.

Classification of Services

	People	**Objects**
Tangible	**Peoples Body** Health care Saloons	**Peoples Goods** Laundry Auto repair
Intangible	**Peoples Minds** Education Information Broadcasting	**Peoples Intangible Assets** Accounting Legal Banking

Services performed directly for customers mostly require customer's participation during the performance.

Labour Intensity vs. Customization

Degree of Interaction and Customization

Degree of Labour Intensity

	Low	High
Low	**Service Factory** Airlines Hotels Trucking	**Service Shop** Hospitals Auto repair
High	**Mass Services** Retailing Wholesale	**Professional Services** Physicians Lawyers Architects

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Application of ServQual Model for Achieving Service Excellence
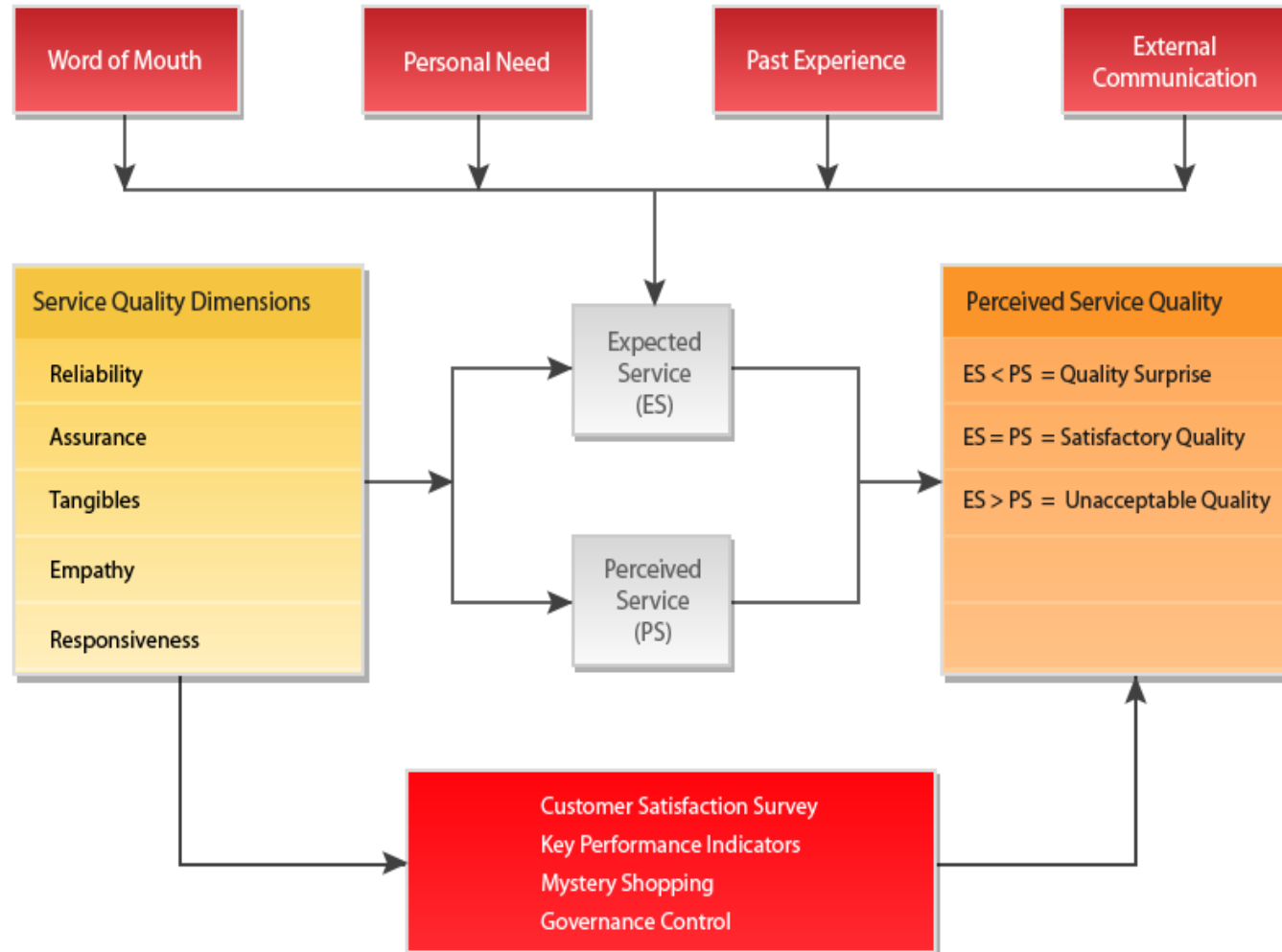
Dimensions of Service Quality

Dimension	Definition
Reliability	Ability to perform the service dependably & accurately.
Assurance	Employees knowledge and courtesy and their ability to inspire trust and confidence.
Tangibles	Appearance of physical facilities, equipment, personnel and communication material.
Empathy	Caring, individualised attention given to customers.
Responsiveness	Willingness to help customers, provide prompt service and solve problems.

Service Quality Model is the industry standard for implementing, measuring and improving service quality.

Customers use the dimensions to evaluate service quality

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Defining Your Service – Brief Exercise

Defining a Service and Its Attributes

- Name of service

- Brief description of service

- Customers of services

- Channels of service delivery

- Service measurement

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Challenges of Delivering Service – Human Aspect

- Service companies usually employ high labour
  - Inconsistency in service delivery as human beings deliver a more variable service.
  - People delivering services differ from one another in their attitude, personalities, and skills.
  - Same service provider may provide varying levels of service quality from one customer to the next.
  - Service firms cannot develop inventory as compared to manufacturing.

Challenges of Delivering Service – Human Aspect

- Service work is emotional.
- Excellence in serving requires listening, helping, caring.
- Service work often is demanding, exhaustive and repetitive. Customer contact personnel are "on stage"/ performing.
- Many service jobs are dead end, low wage and low skill.

Challenges of Delivering Service – Trust Aspect

- Services difficult for customers to evaluate *prior* to purchase. Customers must buy the service to actually experience it.

- Most goods are manufactured *prior* to purchase, whereas most services are performed *after* the purchase.

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Traditional Method of Service Delivery

	Transaction	Single Site	Multiple Sites
Nature of interaction between customer and service provider	Customer travels to service provider.	Theatre Saloon	Metro/ Bus Fast food chain
	Service provider travels to customer	Pest control Taxi	Courier delivery Car repair service

# Informational (Technology Mediated Service Encounter)

- Conveys the information like location of hospitals and their working hours;

- Distributes information (job listings);

- Customer can contact the Customer care staff for clarification;

- No transactions can be done.
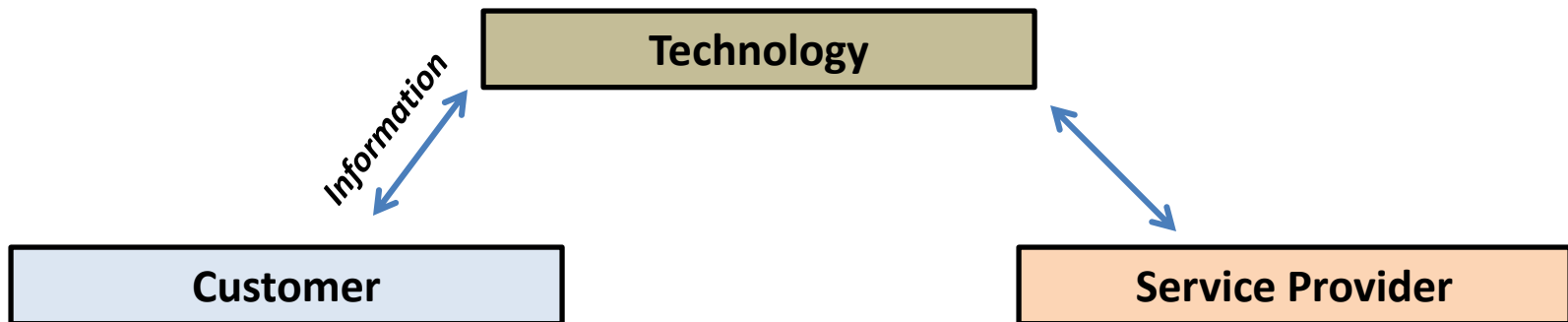
Interactive– Technology Mediated Service Encounter

- Customer completes part of the transaction online.

- Front end process involves direct interaction with the customer. Customer needs to visit the office of service provider to complete the transaction.

- Customer may have to participate with the Service Provider in the service delivery process

- Service is directed either at goods of the customer (vehicle testing) or "intangible" asset of the customer (Banking, legal)

- Service is typically standardized and cannot be customized.

Interactive– Technology Mediated Service Encounter
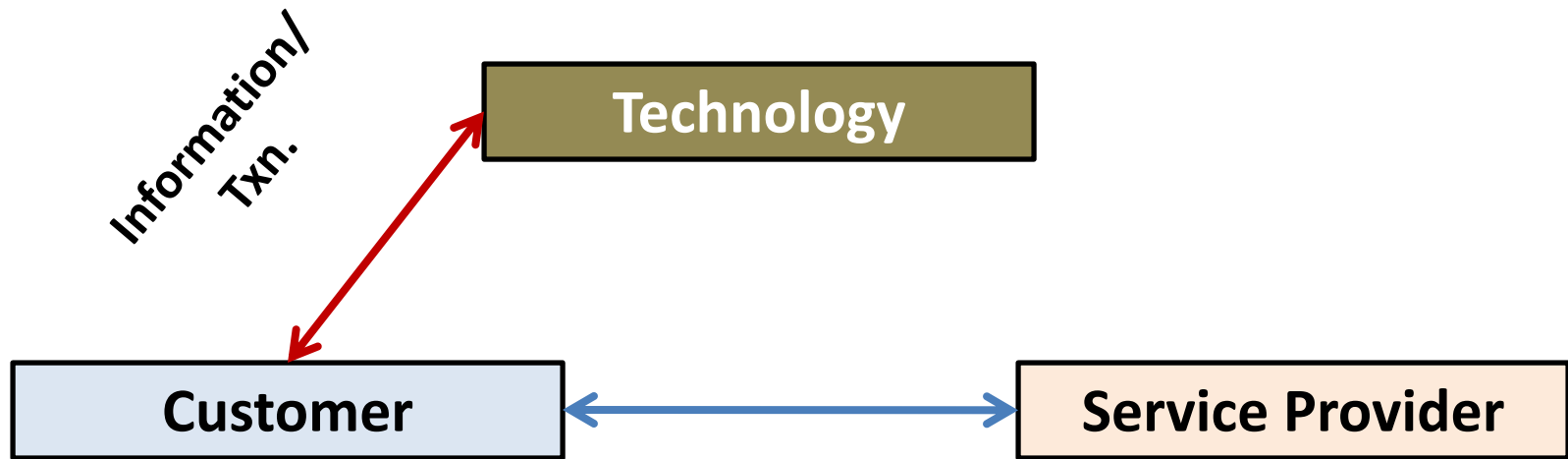
Technology

Customer

Service Provider

Information/
Txn.

Transactional (Self Service. Technology Generated Service Encounter)

- Customer completes the transaction online. [Customer processes the order himself/ herself.]

- In most cases, the customer is not required to visit the office of the service provider to complete the transaction/ to collect the output (ID Card).

- There is no involvement of staff in the service except electronically.

- Service is directed either at goods of the customer (vehicle testing) or "intangible" asset of the customer (Banking, legal)

- Back end processes are done by Service provider with little/ no involvement of customer.

- Service is standardized and cannot be customized.

Transactional (Self Service. Technology Generated Service Encounter)
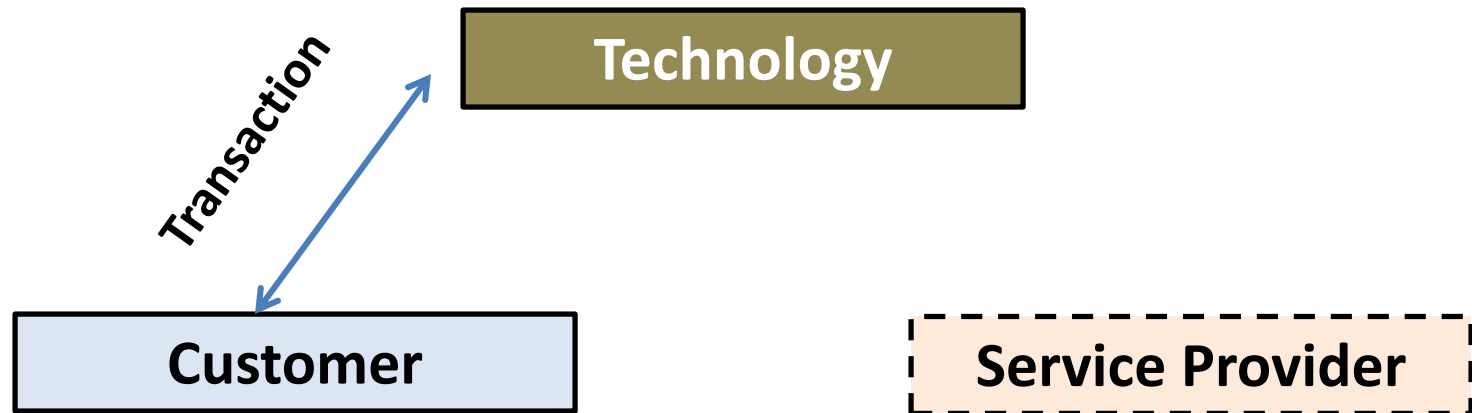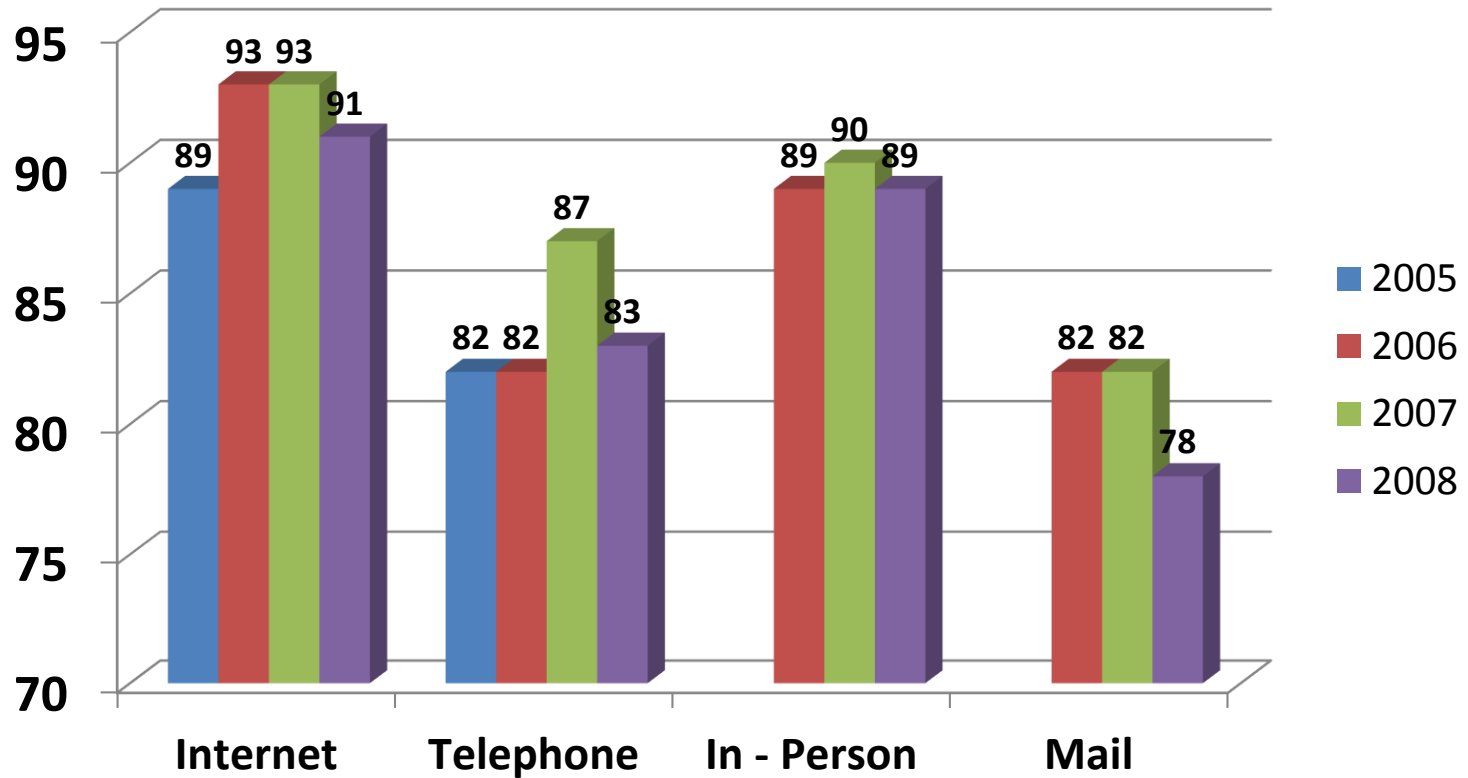
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Use of Channel to Contact Government @
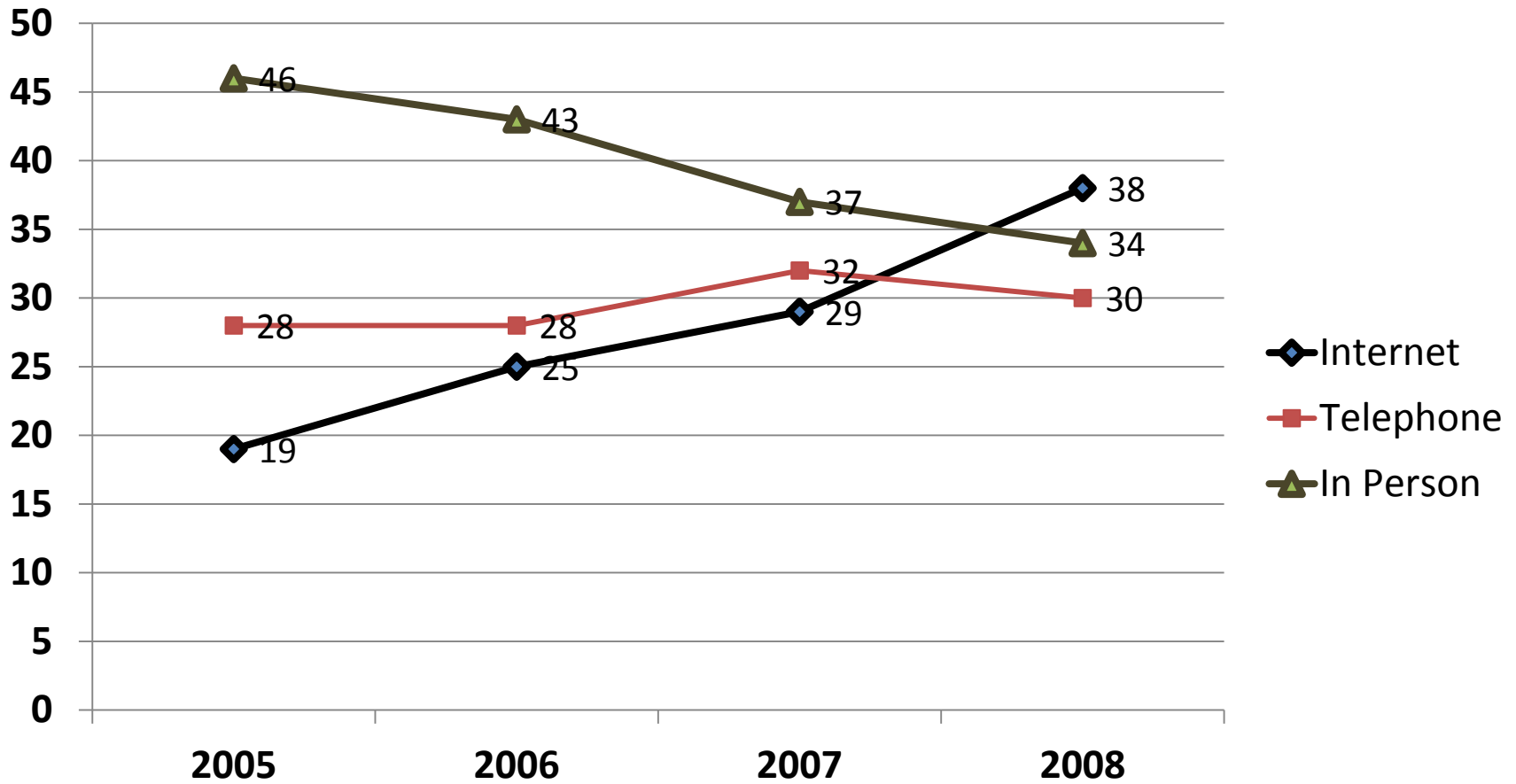
@ Australian Government – Interacting with Government

Satisfaction with Government by Channel@

@ Australian Government – Interacting with Government

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Impact of ICT on Service Delivery

Increase
Convenience
Customer service
Discipline
Efficiency
Service quality
Transparency

Decrease
Cost
Errors
Time
Variability in delivery

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Questions and Answers

Wish you all the best in your Quest for Excellence

Thank You

Sunil Thawani

qualityindeed@gmail.com

www.qualitywaves.com