# Key concepts of service management

Stakeholder and service consumer roles

Syllabus

1. Understand the key concepts of service management

   1.1 Recall the definition of:
      d) Customer
      e) User
      g) Sponsor

   1.2 Describe the key concepts of creating value with services:
      b) Value
      c) Organization

   1.3 Describe the key concepts of service relationships:
      c) Service provision
      d) Service consumption
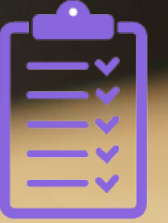
What you will learn

By the end of this section, you will be able to:

- Describe the relationship between **value** and its **stakeholders,** including the **organization, service providers and service consumers, and other stakeholders.**

- Recall the definitions of the service consumer roles of **customer, user,** and **sponsor.**

Stakeholders
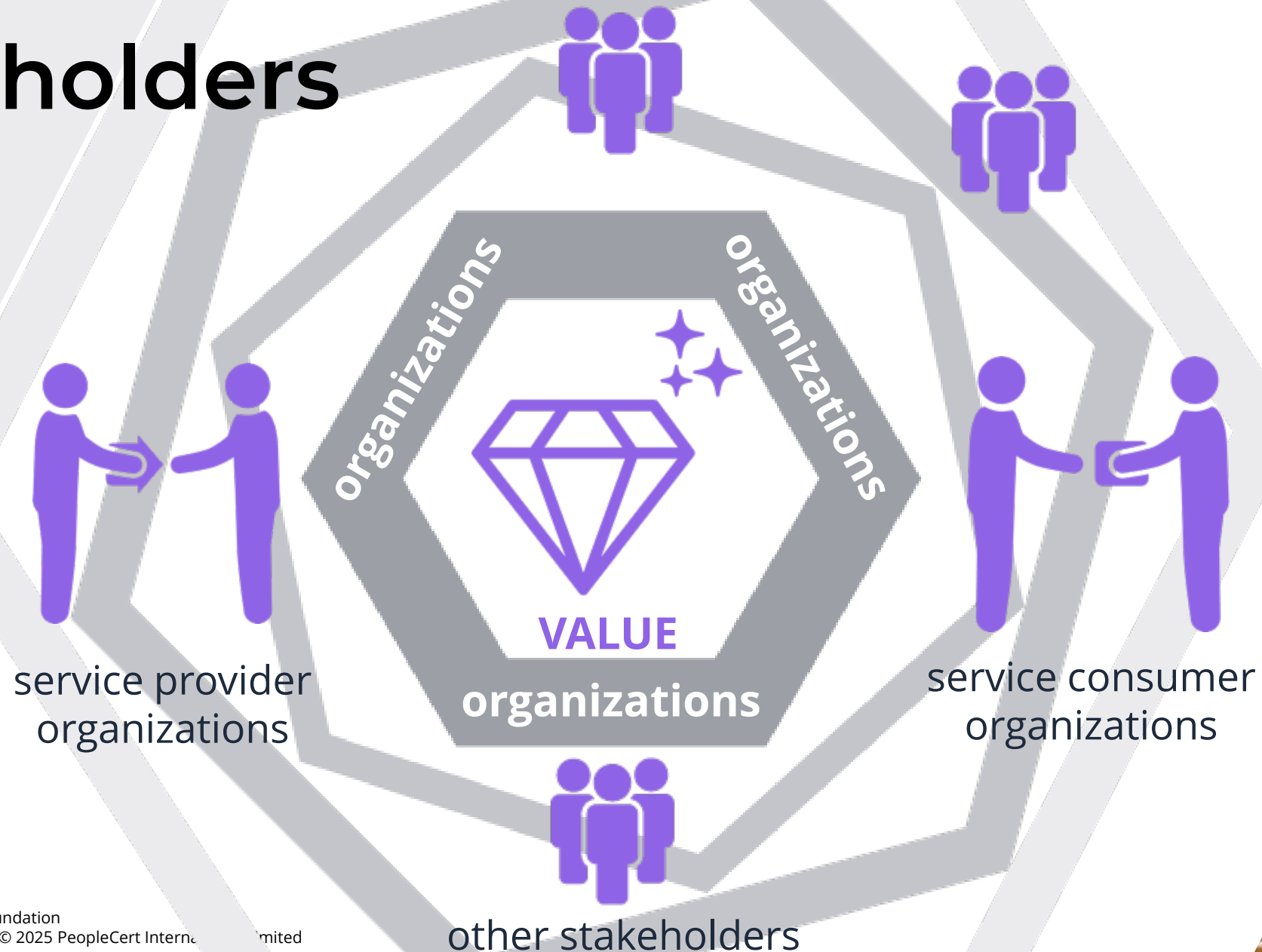
Who do you think

are the **stakeholders**

involved in **creating value?**

Stakeholders

organizations

organizations

VALUE

organizations

organizations

service provider organizations

service consumer organizations

other stakeholders

Organizations

Organizations vary in **size and complexity,** from a **single person** to a **team** with its own functions, responsibilities, and relationships.

Service relationships are established between **two or more stakeholder organizations** to **co-create value.**

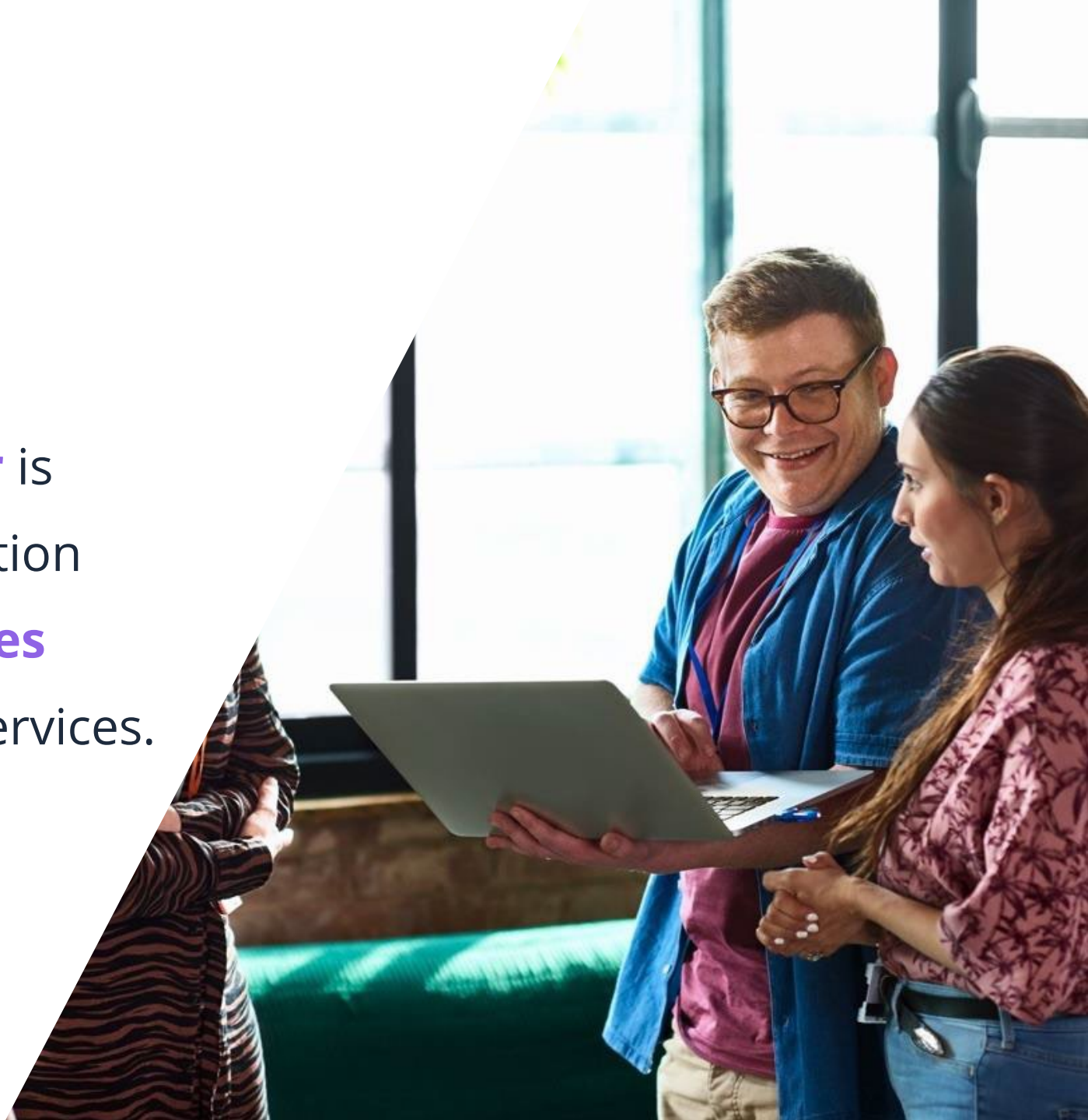Organizations take the **roles of service providers** or **service consumers.**

Organizations both **provide** and **consume** services at the **same time.**
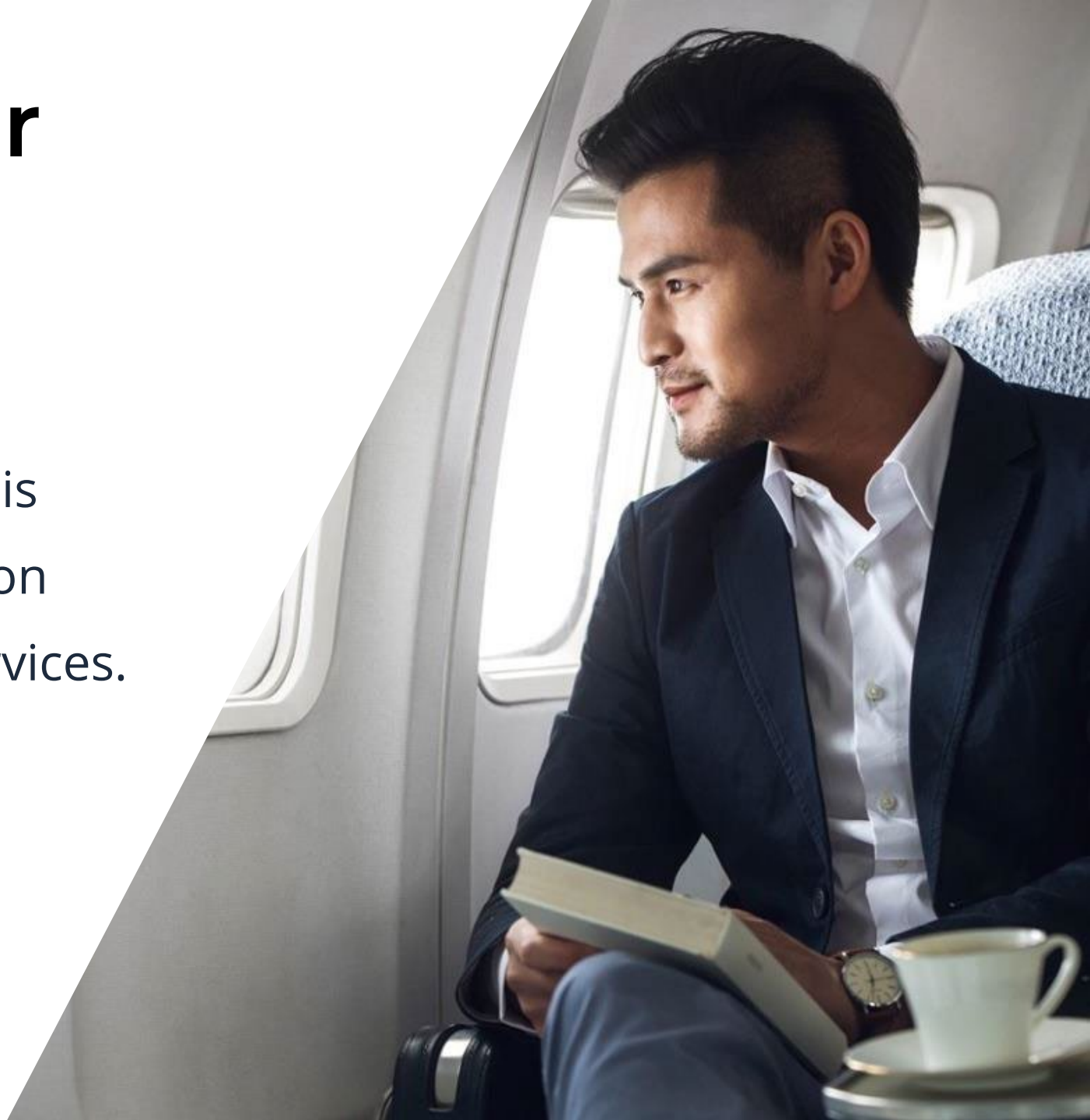
Service provider organizations

A **provider** is

an organization

that **creates**

and **delivers** services.

Service consumer organizations

A **consumer** is

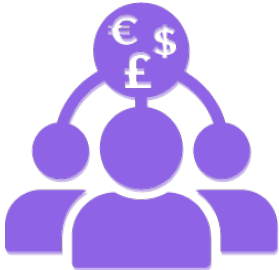an organization

that **receives** services.
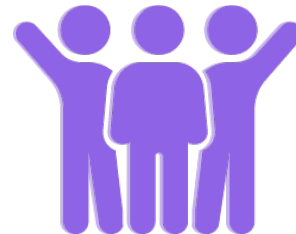
Other stakeholders

employees

All play a role in **creating value** and stand to gain from **value creation.**

partners and suppliers

investors and shareholders

social and community groups

government organizations

How is value created?

Think of examples of how value might be created for:

- **consumers**
- **employees**

- **shareholders**
- **the community**

Some values created for stakeholders are **direct**, such as the generation of revenue.

Others are **indirect**, such as employee experience.

Society and community may benefit from provision of jobs or contributions to community development.

Service consumer roles

Customers ⟩ Define requirements for services and take responsibility for outcomes.
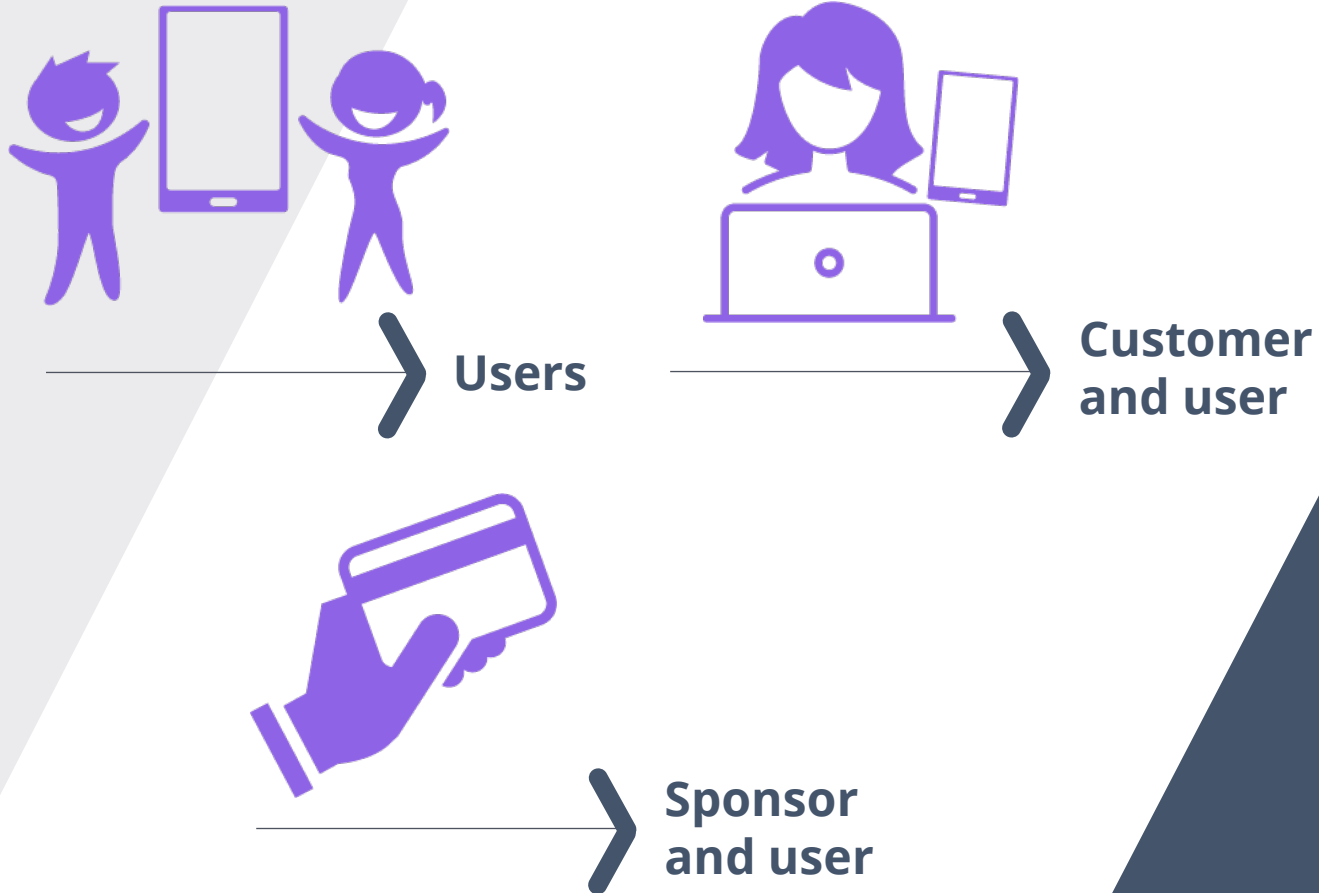
Users ⟩ Use services.

Sponsors ⟩ Authorize the budget for service consumption.

⟩ Each of these roles may have **different**, and sometimes even conflicting, **expectations** from services and have **different definitions of value.**

Service consumer roles

Users

Customer and user

Sponsor and user

It is important to identify these **consumer roles** in **service relationships**, to ensure **effective communication** and **stakeholder management**.

Recap: Key learning points

- Service relationships are established between **two or more stakeholder organizations** to **co-create value.**

- A **provider** is an organization that **creates** and **delivers services.**

- A **consumer** is an organization that **receives services.**

- Three specific roles are involved in service consumption:
  - **Customers;** they define requirements.
  - **Users;** they use services.
  - **Sponsors;** they authorize the budget.

- Each of these roles has **different** and sometimes even conflicting **expectations from services.**