



UNIVERSITY OF MALTA

L-Università ta' Malta

FACULTY OF ECONOMICS, MANAGEMENT AND ACCOUNTANCY

MGT5205 – SERVICE DESIGN AND OPERATIONS STRATEGY

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Introduction:

Karsten and Eric just graduated from a Master of Science in Strategic Management and Digital Marketing course from the University of Malta and during their studies Eric worked as a CRM administrator with a local firm, whilst Karsten immersed himself into studying about Artificial Intelligence (AI), 5G and Internet of Things (IoT). Eric argued that there was a gap in the market when it comes to a better personalised Customer Relationship Management (CRM) since the customers were not being effectively targeted by the current data available. Karsten realised that with the introduction of 5G connections to the Maltese islands will result in a better connected society, hence, this data could be manipulated and analysed in order to provide a better targeted CRM service to the local firms that wish to benefit from this opportunity.

The Service Concept:

KED CRM System is an Application Software as a Service (SaaS) which will allow organizations to manage their relationships with their stakeholders in a more efficient and effective way. This tool improves communication through data analysis gathered from our client's typical communication channels such as Mobile, Social Media, Email and with the introduction of 5G cellular network to the Maltese islands. KED CRM system will also be able to gather customer data which will be transmitted from many Smart Devices stationed in Rural, Urban and Tourism Areas. This data will be analysed and processed using advanced machine learning algorithms and statistical models, together with our expertise and experience in CRM into useful information. This will allow our clients to conduct better customer segmentation and targeting, have a better understanding of the requirements that are not being met and predict future trends.

Our service will be accessible via web browser which the client will have dedicated user accounts which access can be scaled to the requirements of the client if more than one user will be using the system. This type of approach of delivering our service will be best since no downloads or large amount of storage is needed to operate our system. The system will also have a compact application which will be available for handheld devices in case our client wishes to access the system on the go. The system will be updated in real time and all the data manipulation will be stored on the cloud which would be accessible to all users. Cloud storage

is vital in today's business since it offers our customers the best of flexibility and reassurance that the data is secure and ready to be used without any worries that information will be lost, corrupted or stolen. This approach of delivering our service also eliminates the need for our customer to update any software needed whenever an additional service is added to the system or when any bugs are fixed. This ensures that our clients always focus on conducting their business whilst we provide the best possible CRM service online with the new services ready to be used.

The introduction of 5G cellular networks to the Maltese islands will enable us to capture a greater amount of data which never existed before. The sheer volume of raw data that will be transmitted by new smart devices (IoT) that are connected to the internet will provide us with a competitive advantage over other foreign companies offering similar CRM services, as this allows us to have more detailed data sets which can be analysed and offer our clients insights that could not have been provided if the network technology wouldn't be in place. 5G wireless technology will boost enterprise networking providing our clients with cutting edge and efficient communication channels by having more devices with which our client can interact with and conduct better business. This type of connection could be used for Business to Business or either a Business to Consumer relationship management depending on the industry in which our client is operating. This wouldn't be possible without the availability of smart devices which will be in the possession of the business or customers that will be targeted or in business with our clients. These devices will be connected to the internet and will be transmitting data to our data centre from which our client would be able to access the processed customer data.

The information required by the client must be processed from raw customer data into meaningful information. This is done by running the raw data through a series of processes such as cleaning, data modelling and utilising data mining algorithms with the goal of discovering the required information. This information is then presented on our dashboard, suggesting conclusions and decision-making alternatives. The dashboard makes it easier for our clients to see and understand trends, outliers, and patterns in data by representing the data analysed in charts, graphs, tables and maps and infographics. Utilising Machine learning algorithms play an important role in the presentation of the customer data since due to the vast detailed data being captured, we require the help of intelligent algorithms to grasp the most important strings of data which we can effectively predict future trends.

Ultimately converging all these tools together we will ultimately utilise our CRM expertise to carefully help our clients find new customers, win their business, and keep them happy by organizing customer information in a way that helps you build stronger relationships with them and grow your business faster. KED CRM system is built in a way that enables sales automation, more effective customer engagement and people-based marketing which can improve lead conversion, productivity, customer satisfaction, faster decision making and ultimately market share.

The Service Strategy:

KED CRM System's main aim is to ensure that the service offered is of value to the client making use of this CRM software. The company must ensure to focus its efforts on both its operations as well as its service strategy. A company must use its resources in the most efficient way so that KED CRM System will be the preferred choice. In order to guarantee that the service offered by KED CRM System exceeds client's expectations, the company must keep in mind several objectives.

The first objective would be cost. Costs will include the building for data centre, servers and storage units, software licenses, power, network connectivity & fibre optics and cooling. Capital expenditure is high and therefore we will need an early return on investment and therefore, the only way of reducing costs will be by employing economies of scale when more clients buy our services. The second objective is quality. KED CRM System focuses on providing the best possible analysed data to its clients, therefore, the data provided must meet the client's expectations and provide valuable insights for the clients to make strategic decisions.

We must ensure that the data collection is being executed properly since the notion of garbage in garbage out is applicable in our situation. Thirdly, KED CRM System should keep in mind the importance of speed. Making use of the latest technology, while also 5G network and IoT, lag time would be negligible, and the data processing would be immediate. Therefore, KED CRM System processes this data quicker to keep up with the clients' time constraints. Apart from this, dependability should also be given importance. KED CRM System must ensure that agreements are kept, and that customers' requirements are also met. We must under promise and over deliver to exceed customer expectations. If this is not executed, the whole concept of

KED CRM System would not be a fair one. The final objective would be flexibility. KED CRM System could ensure this by tailoring its business model to best fit the requirements of every type of client that requires the services of KED CRM System irrelevant in which industry it operates in.

Apart from focusing on the operations itself, KED CRM System should also focus on its service strategy. Having a well-executed service strategy could provide the company with numerous advantages and benefits.

- One advantage would be that KED CRM System would benefit from a competitive advantage. This is because it offers a more advanced service which no other service provider matches. This could lead us to attract more potential clients and therefore, increase the chances of becoming leaders in this market.
- Also, having a well-defined service strategy helps the employees as well, since they are provided with a sequence of steps of how the process should follow. This will eventually help in delivering excellent customer service which could lead to generate repeat business. Clients would not need to have to wait for long hours for their issues to be solved. This would also save time for both the clients and the employees.
- Having a structured way of providing a service, employees would easily learn how to treat KED CRM System's clients with kindness and respect. This would enhance the business reputation, which could lead to attracting new potential customers. Afterall, if we do not manage to retain our customers and attract new ones, the whole scope of the business would fail.

KED CRM System's customers would be the companies who require data in order to make certain business decisions. These companies, who seek for relevant data would make use of the service offered by KED CRM System. The data that is collected has to be as accurate as possible in order to attract as many clients as possible. KED CRM System's clients would use the data provided in order to satisfy their customers and eventually increase their market share as well. It is important that the company offers a better rate of return to its clients in order to convince them that using KED CRM System is more beneficial for their own company. Making use of IoT, KED CRM System could assure that the data it acquires is the best available and very relevant. This means that it could provide first-rate data to its clients. Data is automatically

stored into KED CRM System's servers and company cloud for backup. Also, the data is received in real time, which makes it more accurate.

IoT is an important factor in KED CRM System's strategy. This is because IoT allows the company to benefit from constant connectivity. Being able to have a lot of devices connected/operated by one device helps everything become connected. This connectivity results into a decrease in the amount of time that is normally to collect the required data, thus resulting into having a more efficient process. Besides this, IoT will allow KED CRM System to be as convenient as possible since time will be saved.

Another reason why KED CRM System decided to utilise IoT as part of the strategy is the fact that it opens the door for personalisation. 5G is as important as IoT for this company to be as successful as possible. 5G will provide the company with the opportunity to benefit from productivity, since the employees could work more quickly. Remote working is another benefit offered by 5G. With the use of 5G, internet connection is constant and unbroken. Therefore, employees will not detriment from losing internet connection, while data flows in real-time. Apart from this, KED CRM System would be able to operate from its own premises.

The service strategy that KED CRM System adapted will allow the company to benefit from all the mentioned benefits. Therefore, its main aim is to make use of the latest technology so as to facilitate the process while also providing the best possible service to its clients. Being innovative is highly important and will allow any company to succeed. For this reason, KED CRM System's service strategy is to focus on being as efficient as possible in order to provide the best possible results to its clients.

The Design of Facilities.

Due to the nature of our services, the facilities that are required would not be visible to the client since the services will be delivered online and any organisation-client interaction will be available online via direct chat on our company's website. Therefore, we must ensure that our service is top notch since the perceived servicescape is determined from how well our services exceed our customers perceptions. To ensure that our services communicate innovation and quality we must make sure that our services are easy to use through effective design, reliable and available upon request and secure.

We must make an extra effort to design a website and a platform layout which would make it easy and flexible for the user to use. This involves in simplifying the navigation through the

pages and the contents of the platform by learning the flow of our users and optimising our findings. Reliability is improved by utilising the best hardware and software available which will be managed by experts and made sure that there is efficient synergy of efforts between the resources so that when the user would access the service it would be available without a hitch. Additional backup equipment will be installed so that we ensure that no risk will be taken.

Security is paramount in the industry we are going to operate in since sensitive data is being trusted to us on behalf of the organisations. Data is considered as one of the major assets an organisation may have, and it also proves that this data could be of potential competitive advantage to the organisations. The data is protected by an inhouse cyber security professional which will use a range of security tools which will be deployed on premises and on the cloud such as firewalls, virtual private networks (VPNs) and intrusion detection systems. All these variables must be taken into consideration and focus of service quality of each is paramount as these effect the clients' behaviours which can lead them to commit to our service or not use it anymore.

The space design of the infrastructure needed to operate the service will consist of:

- The data centre premises; a large storage warehouse which will have a raised floor area; office area; provisional equipment rooms and equipment staging base.

This premise will require;

- Multiple power sources ranging from backup diesel generators to uninterrupted power Supply units (UPS).
- Heating, ventilation and air conditioning (HVAC) systems; these include rooftop units and distributed units that provide direct water cooling.
- Fire protection systems; detection and reduction systems combining pre-action wet systems interconnected with dry systems.
- Security Systems; perimeter and access control monitoring.

The premises will not be accessible to the customer due to security measures and thus little effort is implemented in keeping the aesthetic of the rooms inside the warehouse. The raised floor is will be covered in white tiling which would be easy to keep dust free and the area will be well lit by using LED lights throughout the ceiling. The premise will be installed with several fire detection and security systems.

The office area will host our work desktops and office utilities on our personal desks. The management will be available and working with all the employees in one room. The provisional equipment rooms will store any contingency parts that the engineer may need to be able to replace faulty or upgrade the rigs at any time. This room will always be kept well-lit and dust free.

The Management of The Service Encounter:

The organisation-client service encounters will occur online on two different instances; service encounters during which our clients get the service for themselves without the presence of our employees and service encounters with interaction with our employees. This happens when the client is purchasing and using the software and when the client is contacting customer support respectively. Since our service is a low contact service, we must ensure that whenever organisation-client interaction occurs it is seamless and exceeds the perceptions and requirements of the client when the ‘moment of truth comes’.

Our clients interact with our website and platform in order to conduct their business. Client navigates through the website and platform; the client will take into consideration various aspects of our service to formulate an impulse perception of our service. These could include the ease of navigation and accessibility, the colours used, the fonts, the lag time, the quality of the icons used, the innovation that incorporates our services and so on. This will determine the credibility and sell ability of our service.

The other instance where the client interacts with our organisation is when they contact client support. Client support icon will be available on every page that the client will be on and when they click on the support button and the client automatically enters a chat with our chat bot. The chat bot will have all the client’s information at its disposal and will be able to handle any frequently asked questions that fall in the categories that a chatbot could answer. If the client persists that they don’t feel that the problem is answered adequately then a fully trained customer contact specialist will handle the client personally in a professional manner.

Closing in the customer gap is a very tough task to get correctly done immediately and thus our services will require thorough testing and numerous improvement iterations to bridge the company’s perceptions of customer perception and the client’s expected service quality. To

ensure that we always keep focus on our clients' needs and make sure that our service is truly tailored to every client's requirements we allow the customer to modify their service experience how they want making the platform truly theirs. These modifications will have to be verified by us in order to be approved and utilised by our client. Feedback is always encouraged by utilising the client support icon and the feedback will be analysed and implemented if needs be.

The Management of Service Quality:

KED CRM System focuses a lot on quality. It is important that, for the product to be of high quality, every step of the process requires certain high standards. Therefore, to ensure that the service provided is excellent, there are some things that must be taken into consideration. One must keep in mind five dimensions when thinking about service quality. These are;

Tangibles – This refers to the physical assets that the company owns. This means that the way we design our physical location can create a different perception in our potential customers' minds. For example, in order to build a reputation that the service we provide is of high quality, we must own high quality equipment, decor, and communication materials. It is a fact that look matters for the customers. Therefore, in our case, making use of the latest technology and high-end machinery, we will provide our customers with the best possible service.

Reliability – Customers would not view KED CRM System as a company which provides a high-quality service unless we are reliable. This refers to ensuring that targets and deadlines are met. We must ensure that deals are respected, and expectations are, not only met, but exceeded. In order to do this, we must under promise in order to be able to over perform. This way, our customers would receive a better result than anticipated. Deadlines are very important, so, planning is required. We must plan to keep in mind that issues may occur while working on a certain project. This will reduce the risk of missing a deadline, which will make our company seem unreliable.

Responsiveness – Customers expect to be heard. This should come naturally, however, we must ensure that we give the opportunity to our customers to speak up and it is necessary to listen and respond. No issue should be ignored. Therefore, when customers ask a question, or have an issue, we must do our best to help them and fix their problem. The fact that KED CRM

System is a service means that there might be differences in outputs. When this happens, customers might ask questions. Explanations regarding what had happened should be provided so that the customers could understand better rather than stay unaware of the situation.

Assurance – Making use of the latest technology will help KED CRM System provide assurance. The use of 5G and IoT can project confidence in the employees working for the company. It will ensure that the company holds enough knowledge to convince its customers that the data provided is the best around. If we can assure that we provide the best CRM Software service for its price, it would be easier to attract new customers and retain them as well. If we manage to keep assuring our customers this, the company would benefit from projecting a high-quality perception.

Empathy – This is a very important factor, especially when providing a service. KED CRM System must ensure that customers are understood. Therefore, we must take care of our customers especially when they are troubled. We must be reasonable with the prices and deadlines for each project. Empathy is important since our customers would want to work with us more than once since they feel more welcomed. After all, without customers, there would be no business. Therefore, it makes a lot of sense to look after them.

Apart from these five dimensions, there are also four principle elements which could ensure that KED CRM System manages its service quality in the best possible way. These principle elements include the following.

Customer contact behaviour and skill – This goes hand in hand with providing assurance. KED CRM System should make sure that the customers do in fact perceive that, as a company, we have the necessary skills and expertise to provide the best possible outcome. This could also be done in a simpler form. For example, when sending an email, using the customers own name would show that the message is personal and could also project an idea of a high-quality company. This could also be done by making sure that we do not leave our customers waiting for an email reply or a call reply.

Service provider selection, development and empowerment – Undoubtedly, quality could be measured depending on the attitude of the employees. Therefore, the recruitment and selection process should not only focus on the qualifications, experience and knowledge, but also on the

way a potential employee treats other individuals. If we manage to give the best data to our customers, but one of our employees is rude with them, our reputation would be that of a low-quality company. Training must be provided to the employees in order to ensure that this never occurs and that clients are treated in the best possible way.

Recognition and reward – In order to provide and maintain a high-quality perception within the business, employees must do their best every time. Therefore, it would be suitable to reward them for their hard work, while it would also serve as a motivation for them to work very hard and be nice to the clients. Recognition and rewards could be varied, from simply thanking their employees, to giving promotions. Apart from this, employee of the month awards could be beneficial as well. Financial rewards or bonuses could serve as a motivation for some; however, other employees might prefer to benefit from additional time-off. In order to ensure that every employee is motivated, different reward options must be available in order to satisfy the preferences of every employee.

Service recovery and guarantees – It should be expected that sometimes, there will be technological issues. Therefore, KED CRM System should prepare for such events. If the company is well prepared for this, there would not be major issues. If not, deadline delays would most probably occur. In order to guarantee that deadlines are kept, the time to solve such an issue should be minimal. Therefore, once agreeing upon a specific target, the chance of technical issues should be taken into consideration. Apart from this, if something happens and a client is not happy with the result, KED CRM System should solve this problem in the shortest possible time. First, employees must analyse what went wrong and fix the issue and solve it as soon as possible. After, a deeper analysis should be conducted in order to ensure that this issue does not occur again. The company would make use of both a reactive and pro-active approach.

If all the mentioned points are taken into consideration by the management team and employees at KED CRM System, it would undoubtedly result in maintaining a high-quality image. The management must ensure that all the clients are satisfied with the service provided both by the system itself and the employees working for the company. Multiple benefits would occur from this.

Conclusion:

It is fair to say that for a business to be successful; it needs to be able to effectively control and manage both its service and its operations. Keeping in mind all the mentioned points, KED CRM System should be a success. Having a well-defined service concept and strategy will ensure that all decisions taken will lead the organisation to reach its final goals. If the company manages to ensure that the quality of the service provided exceeds the customers' expectations, the company will reach its goals in the least possible time. This is because if customers are satisfied, repeated business will occur. Apart from this, the chance of gaining new potential customers will also increase. Therefore, KED CRM System must ensure that these standards are kept, to avoid any disappointments which would lead to a bad reputation or else losing the trust of our customers.

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