

Drivers for Industrial Service Excellence

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Abstract

An increasing number of manufacturing companies add services to their product range in order to generate more revenue and profit. Globalization and competitive markets require a service-dominant logic in business-markets and forces traditional manufacturers to seek new ways for growth. According to Neu and Brown (2005) the necessity of the transition from products to services in a B2B context is also widely discussed. In order to benefit from the service-business it is crucial to provide high-quality offerings. The professional management of different aspects throughout the whole company, enabling the professional offering of industrial services, is called Industrial Service Excellence. To give companies guidance on how to achieve Industrial Service Excellence, our research identified important aspects from literature as well as practical paths to excellence. Therefore our multi-method approach consists of two parts. Based upon a systematic literature review this paper analyzes which aspects are central for Industrial Service Excellence and should be considered in service-driven businesses. Twelve dimensions were identified: (1) Strategic partnership with customer and value co-creation means that manufacturer and customer work together on a long-term basis. (2) Network and relational capabilities refer to the ability to cooperate with other companies or institutions. Besides the (3) organizational culture which should be customer- and service-oriented the (4) organizational structure is crucial too. The (5) ability to price services as well as a (6) selling approach and sales force capabilities aligned to services are essential for achieving Industrial Service Excellence. Furthermore the (7) fundamental strategy should support services and executives should serve as models fostering service-oriented culture and strategy. Using (8) key performance indicators measuring the profitability and assessing the risks of the service business are important in the intangible service-sector. (9) Organizational processes should allow working across departments to share knowledge and resources. To meet the individual needs of the customer and to produce at low costs (10) modular offerings are an opportunity to encounter the trade-off between customization and repeatability. (11) Service quality experienced by the customer as well as (12) continuous development of services are important success factors in service business. To validate the findings from the literature meta-analysis, the research is also based on a qualitative study among representatives of leading manufacturing companies and industrial solution providers in Upper Austria and Lower Bavaria. Depth interviews with 25 companies serving as best practice examples, revealed, which of the identified twelve aspects are applied and which points of excellence within the different aspects are important in practice. By merging the results of the literature analysis and the qualitative interviews, research in this field can be expanded as well as practical recommendations for action can be given. To validate these findings a comprehensive quantitative analysis will be conducted.

Topics:

- service design
- service innovation

Keywords:

industrial services, business-to-business services, Industrial Service Excellence, servitization