ICS HITOTSUBASHI
The Global Knowledge Hub in Tokyo

GLOBAL NETWORK FOR ADVANCED MANAGEMENT

SERVICE MANAGEMENT | From the Pre-digital Classics into the Post-digital Frontiers
TERM 1(2), 2022-2023 | November 11 – December 20, 2022
TUESDAYS & FRIDAYS | 0700-0900AM, JST
SYLLABUS | Tentative: June 3, 2022

1. TEACHING TEAM

- **INSTRUCTOR | YOSHINORI (YOSHI) FUJIKAWA** | Associate Professor & Faculty in Charge of External Affiars, Hitotsubashi ICS | https://www.linkedin.com/in/yoshinori-yoshi-fujikawa-phd/ | yfujikawa@ics.hub.hit-u.ac.jp
- **TEACHING ASSISTANT | TBA** | https://www.linkedin.com/in/..... / | .....@.....com

2. COURSE OVERVIEW

Service economy is expanding more than ever, not just with the growth of the services industries (conventionally defined as the third sector) but also with its increasing importance in non-services industries such as agriculture (the first sector) and manufacturing (the second sector). Today, driven by emergence of digital technologies and amplified by hyper-connectivity of global markets, anything and everything seems to become a service e.g., Software-as-a-Service (SaaS), Mobility-as-a-Service (MaaS), and now Everything-as-a-Service (XaaS). Are things going too far? What does it mean for our everyday marketing, operations, HRM, and strategy? Should we now be strategizing, organizing, and leading businesses, differently, and, if so, how?

By introducing you to Service Management, an emerging field of management science which was originally developed out of the research on the services industries but has later evolved into the study on the logic (or lens, if you will) of value creation and value capture across industries, this course attempts to help future business leaders to see ongoing fundamental shift in management logic and to seize opportunities and challenges involved in leading business in such an exciting time.

In this course, we will first look at global-scale, multi-decade changes with three key words, namely:
- **SHIFT | Towards Service Economy**
- **MELT | Disappearing Industry Boundaries**
- **TILT | Economic Center of Gravity Moving from the North to the South**

We then take a brief look at a variety of "lenses" you can wear when exploring “value creation and value capture” opportunities in the rapidly changing business environment:
- **LENS 1 | Goods-Dominant Logic (GDL)** | The traditional lens, through which we look at "goods" and "services" as two separate domains of business, and assume that company creates value and customers just consumes the value company creates.
- **LENS 2 | Service-Dominant Logic (SDL)** | A new pair of lenses, with which we do not distinguish “goods” and “services” but rather regard all economic activities as “service" and consider both company and its customers “co-create" of value together with companies.
- **LENS 3 | Multi-Sided Platform (MSP)** | Defined as “technologies, products, or services that create value primarily by enabling direct interactions between two or more customer or participant groups”, by wearing MSP lens, we can extend the notion of "value co-creation" to multiple sides of market and open up many possibilities for both value creation and value capture (monetization) in unprecedented ways.

3. COURSE STRUCTURE

The course employs two-module structure:

- **MODULE 1 | Extending the Pre-digital x Pre-pandemic Classics** | The first half of the course takes a traditional approach to understanding service businesses by focusing on key difference between goods and services. Multiple management disciplines typically taught as core courses in MBA curriculum play central and interrelated roles when running service businesses. Using Service Profit Chain (SPC) as the overarching framework of the module, we discuss challenges in managing service employees (OB/HRM), service customers (Marketing Management), and service operations (Operations Management), and also looked at importance of aligning these functions around "service concept" which should be defined as part of firm's strategy (Strategic Management). Cases to be discussed in this module are primarily from conventional, labor-intensive industries which still consist of big part of economy in many countries.

- **MODULE 2 | Exploring the Post-digital x Post-pandemic Frontiers** | The second half of the course examines service opportunities and challenges in the increasingly digitizing society, where digital technologies – AI, big data, block chain, robotics, IoT, and so forth – are everywhere and moving into background (just like oxygen or electricity). To this end, the module introduces different worldviews (or lenses) on value creation and value capture, which have been discussed in the frontiers of service research: Goods-Dominant Logic (GDL) as Lens 1, Service Dominant Logic (SDL) as Lens 2, and Multi Sided Platform (MSP) as Lens 3. With these different lenses as our common language, we approach contemporary issues in service management such as "open service innovation" and "smart, connected products".

4. TEACHING METHODS

- **CASE METHOD**
  - The primary teaching approach is the case method. There is no right or wrong answer in case discussions. More accurately, there is no single right answer, but many viable answers. What matters most is for participants to be able to take a specific position among alternative courses of action, and articulate, support, and defend an argument. Towards this goal, students are expected to prepare a case for each session in line with the discussion questions provided by the instructor before the session meets. Substantial learning then takes place through classroom interaction with classmates and the instructor and also via group discussion before and/or after the session.
  - Since we are running the course 100% online, we will take the "multi-mode" approach to the case method – That is, we will supplement synchronous, Zoom/Miro-based live discussion with asynchronous, Canvas-based pre-session online poll and post-session discussion board. This way, we can leverage this new learning mode by keeping our discussion going throughout the course while maintaining fairness in terms of class participation opportunities among students.
  - Cases are selected from diverse business contexts: B2C/B2B, high-tech/low-tech, entrepreneurial/established, and East/West. Cases to be discussed include but not limited to:
    - **MODULE 1** | Shouldice Hospital, Egon Zehnder, International Management Group (IMG), Federal Express, Manzana Insurance
    - **MODULE 2** | Weathernews, Airbnb, Lego Ideas, GE Industrial Internet, Waze
  - In addition to the cases above, the course explores a variety of service excellence examples, many of which are based on new logics of value creation and value capture. Also, case discussion will be supplemented with mini lectures, videos, and Zoom breakout/Miro-based group discussion.

- **INDIVIDUAL ASSIGNMENT | 3-2-1 TAKEAWAY MEMO DISCUSSION BOARD**
  - Select 3 sessions, and reflect on what we discussed in each session. What are your key takeaways? Write a memo in the 3-2-1 takeaway memo format (below) and comment to each other:
    - **3 THINGS** | you did not know or had not thought about before the session (Tips: Go beyond just

summarizing what you did not know, and describe what you took away from it, what it means for you, etc.)
    - **2 THINGS** | you are going to share with someone else or continue to research because they are so interesting (Tips: Explain why you want to share with whom and for what purposes, what do you want to do with insights gained through your further research, etc.)
    - **1 THING** | you will change in your professional practice or personal life because of the insight learned in the session. (Tips: Be specific. Make sure to describe one specific change, especially action you would start taking.)

- **TEAM ASSIGNMENT | FINAL PROJECT - SERVICE MANAGEMENT FOR SOCIAL IMPACT**
  - **1. REAL-WORLD CASE SELECTION** | Select one social impact initiative in the real world. It can be a project led by an established company, a business started up by an entrepreneur, or an effort led by a non-profit organization. You can refer to the resources including, but not limited to:
    - COP26 | Glasgow Climate Change Conference | https://www.un.org/en/climatechange/cop26
    - United Nations | Global Compact | https://www.unglobalcompact.org/
    - United Nations | Sustainable Development Goals | https://sdgs.un.org/goals
    - WBCSD | Vision 2050 | https://www.wbcsd.org/
    - World Economic Forum | The Global Risk Report 2022 | https://www.weforum.org/reports/the-global-risks-report-2021
  - **2. CURRENT STATE** | By applying Service Management concepts and frameworks – from both MODULE 1 and MODULE 2 – to the initiative of your choice, evaluate its performance up to date and analyze its current state, i.e. the way the initiative is currently being managed. What is going well? Not so well? Any room for improvement from Service Management perspectives?
  - **3. FUTURE GROWTH** | Imagine that you are approached by CEO/founder/leader of the initiative, and asked for advice on further expansion going forward. Based on insights gained from your current state analyses, develop a set of specific actions they should take - right away, in one year, and in three years. Propose it in the format of team presentation on the final day.

5. EVALUATION

- **POINTS** | The total course points consist of:
  - 25 Points | Class Contribution – Case Method
  - 45 Points | Individual Assignment – 3-2-1 Takeaway Memo
  - 30 Points | Team Assignment – Final Project

- **GRADE** | Letter Grade without Forced Curve | Percentage of Total Course Points Earned:
  - 95%+ = A+
  - 90%-94% = A
  - 75%-89% = B
  - 60%-74% = C
  - 0%-59% = F

- **GRADE QUOTA** | Applied only to Hitotsubashi ICS students
  - The total number of A+'s/A's awarded must be less than or equal to one-third of the total number of A+'s/A's/B's/C's awarded.
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6. COURSE MATERIALS

REQUIRED MATERIALS
No required textbook. Cases are available on HBSP Coursepack | https://hbsp.harvard.edu/import/.....

RECOMMENDED MATERIALS
- Frei, F. & Morriss, A. (2012) Uncommon service. Boston: Harvard Business Review Press
- Heskett, J. L. Sasser, W. E., & Schlesinger, L. A. (1997). The service profit chain. New York: The Free Press.
- Lusch, R.F. & Vargo, S.L. (2014). Service-dominant logic: Premises, perspectives, possibilities. Cambridge, United Kingdom: Cambridge University Press.
- Wirtz, J. & Lovelock, C. (2021). Services marketing: People, technology, strategy (9th ed.). Singapore: World Scientific Publishing Company.

7. PRE-COURSE IT PREP | MIRO

Prior to the session, please prepare yourself with MIRO, a virtual whiteboard platform.

STEP 0 | Access Miro App or Browser-based Miro
- Download Miro application here | **https://miro.com/apps/**
- Or, alternatively, you can use Miro on your browser. Make sure to use Google Chrome, Microsoft Edge, Firefox, or Safari. Please avoid using Microsoft Internet Explorer, on which Miro would not function properly.

STEP 1-2-3 | Visit the Miro board "SM 2022-2023 SNOC | Base Camp"
https://miro.com/app/board/...../
- **STEP 1** | Scroll your mouse to zoom in and out. Find "WELCOME! ON BOARDING" section of the board, and check out the short tutorial videos (1-2 minutes each).
- **STEP 2** | Then move down to the next board "EXERCISE!" Find your name. Double click on the sticky note, and type up your answer to two questions. If you are not sure how to do this, no worries. We will do this together in the first 1-2 sessions.
- **STEP 3** | Go to the third board, "PLAYGROUND!", and try out any of the functions and tools Miro has to offer.

8. COURSE SCHEDULE

See next page.

Session	Date	Topic	Case	Article	Guests, Audio Visuals, & Assignments
MODULE 1 | Extending the Pre-digital x Pre-pandemic Classics					
1	NOV 11 FRI	Course Introduction: What is Service?		Heskett et al. (2008) "Putting the Service-Profit Chain to Work" Harvard Business Review, Jul 2008 (R0807L)	
2	NOV 15 TUE	Service Profit Chain (Focus: Strategy)	Shouldice Hospital Ltd. (HBS 9-683-068)		WEB | "Stitch in Time"
3	NOV 18 FRI	Managing Service Employees 1 (Focus: OB/HRM)	Strategic Review at Egon Zehnder International (A) (HBS 9-904-071)	McKinsey Quarterly (2019) Are We Long – or Short – on Talent?	GUEST | Grant Clayton, Managing Partner, Egon Zehnder Atlanta Office (To be confirmed)
4	NOV 22 TUE	Managing Service Employees 2 (Focus: OB/HRM)	International Management Group (IMG) (HBS 9-702-409)	Cappelli (2008) "Talent Management for the Twenty-First Century," Harvard Business Review, March 2008 (R0803E)	DVD | "Jerry Maguire"
5	NOV 25 FRI	Managing Service Customers (Focus: Marketing Management)	Federal Express: The Money Back Guarantee (A), (B), & (C) (HBS 9-690-004, -005, & -006)	Service Recovery (HBS 9-801-342) Service Quality Gaps Model (Websites: Verint (2013), Brainmates (2009))	
6	NOV 29 TUE	Managing Service Operations (Focus: Operations Management) & Module 1 Wrap-up	Manzana Insurance – Fruitvale Branch (Abridged) (HBS 9-692-015)		
MODULE 2 | Exploring the Post-digital x Post-pandemic Frontiers					
7	DEC 2 FRI	Service Dominant Logic	Weathernews Inc. (A) & (B) (ICS-112-001-E, ICS-112-002-E)	One from Service Dominant Logic (SDL) Literature - Early Years (mid-late 2000s); One from SDL Literature - Recent Years (2010s-2021).	TEAM ASSIGNMENT | Introduction
8	DEC 6 TUE	Multi-sided Platform	Airbnb (A) (HBS 9-912-019)	Hagiu, A. (2014) "Strategic Decisions for Multisided Platforms," MIT Sloan Management Review (SMR477)	
9	DEC 9 FRI	Smart Connected Products	Digital Transformation at GE: What Went Wrong? (Ivey, W19499)	GE and the Industrial Internet (HBS 9-614-032); Iansiti & Lakhani (2014) "Digital Ubiquity: How Connections, Sensors, and Data Are Revolutionizing Business," HBR, Nov 2014	
10	DEC 13 TUE	Open Service Innovation	LEGO Products: Building Customer Communities Through Technology (Michigan, W93C26)	Chesbrough (2011) "Bringing Open Innovation to Services," SMR, Jan 2011 (SMR377)	GUEST | Kohei Nishiyama, Founder and CEO, CUUSOO System (To be confirmed)
11	DEC 16 FRI	Value Co-creation & Value Capture	Waze: Product Evolution and Fundraising (Stanford E-500)	Michel (2014) "Capture More Value," HBR, Oct 2014 (R1410F)	
12*	DEC 20 TUE 0700-1100	Team Assignment Final Presentation & Course Wrap-up	---	---	TEAM ASSIGNMENT | Final Presentation

* Class meets at date/time other than regular schedule (Tuesdays & Fridays 0700-0900AM JST)

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