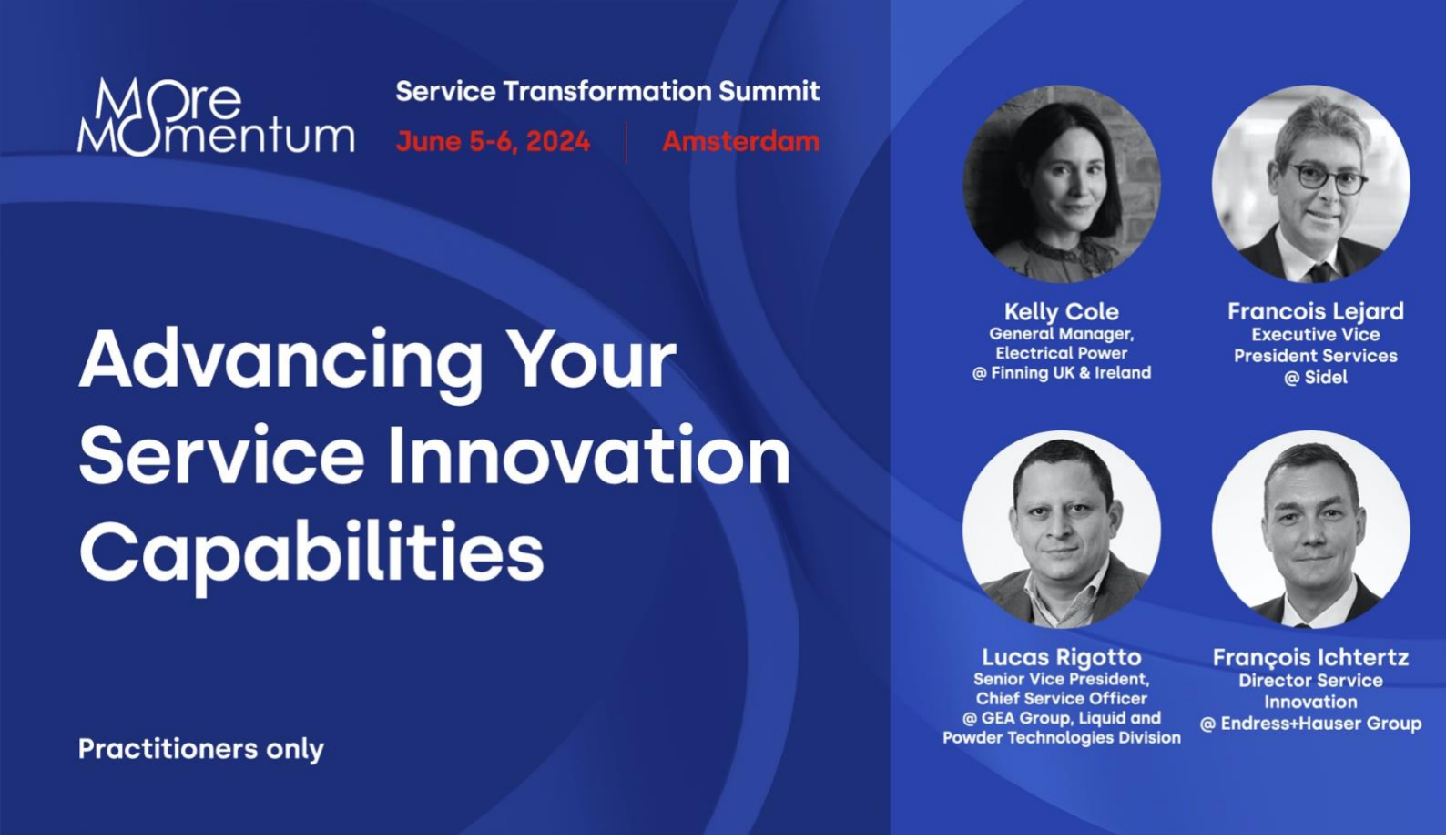

Post Summit Report

2024 – July

This is the post-summit report of the Service Transformation Summit about Advancing Your Service Innovation Capabilities, held on June 5-6, 2024, in Amsterdam.

It captures the approximately 9 hours of

- Q&As after presentations.
- In-depth discussion sessions in groups of 6-7 participants and a moderator.
- The plenary discussions after these discussion sessions.

The recordings and slide decks of the presentations are available on our portal for participants.

We will **repeat** this Service Transformation Summit in an **online** form in the EMEA, Americas and APAC early 2025:

- Watch the presentations online at your own pace.
- Participate in online discussion sessions over two half-days.
- Get an updated report capturing additional information and insights from these discussions.

Get your tickets or get on the waitlist here.

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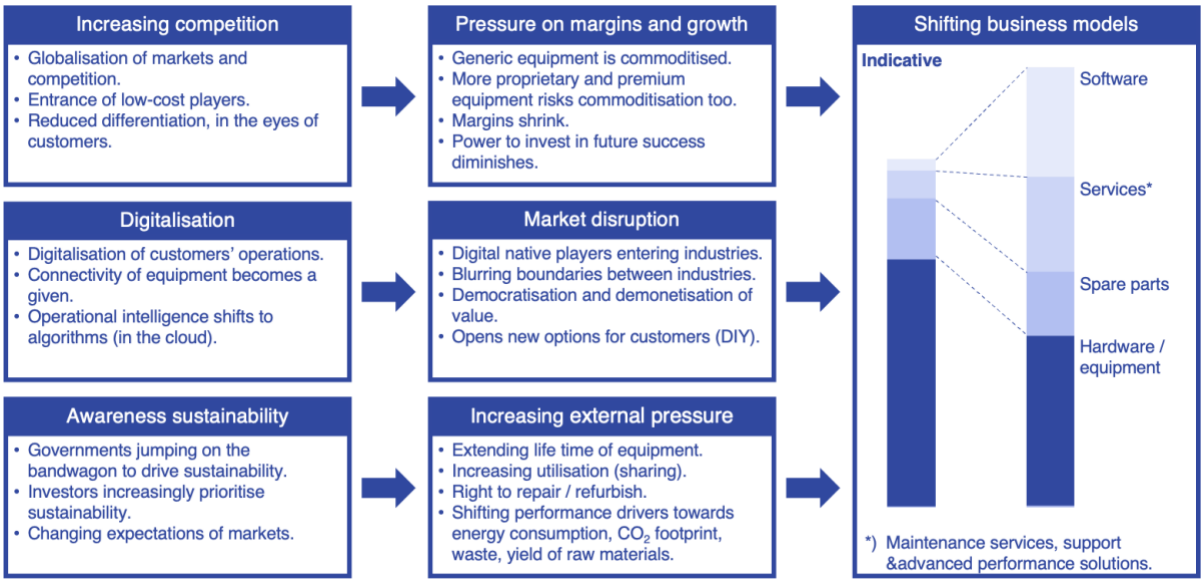
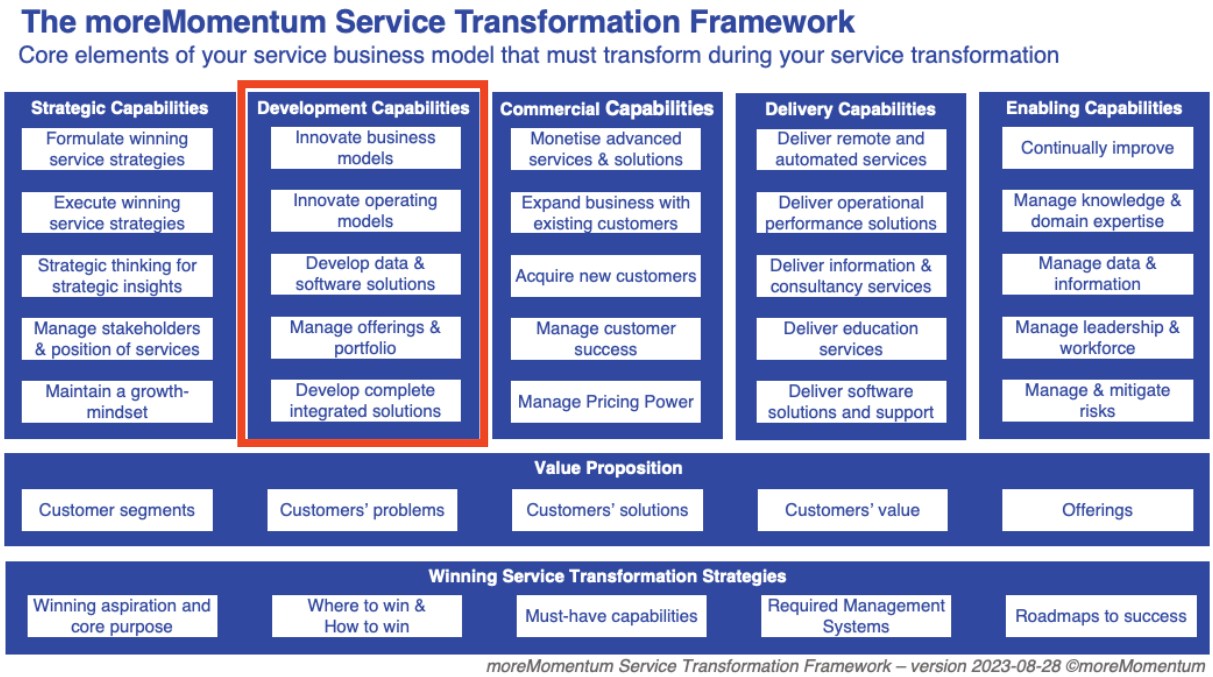
Overview

Service Transformation Journey

Manufacturers in B2B sectors are on an **exciting and complex transformation journey**: shifting from an **operational aftermarket function into a strategic business line**, maybe even towards an as-a-service model.



This transformation involves many complex areas, as captured in our Service Transformation Framework.



moreMomentum Service Transformation Framework – version 2023-08-28 ©moreMomentum

The big challenge in Service Transformation

Manufacturers in B2B sectors are navigating a transformative journey, evolving from an operational aftermarket function into a strategic business line. This transformation may lead to an as-a-service model encompassing many complex areas, as captured in our Service Transformation Framework.

Strategic Service Business Management

Manufacturers must shift their focus from traditional operational roles to strategic service business management to remain competitive. This involves redefining service models, value propositions, and revenue streams to align with market demands and technological advancements.

Transforming the Business Model

Transitioning to a service-oriented business model requires innovation beyond incremental improvements. Manufacturers must adopt best-practice innovation strategies to create high-value services that capture new market segments and drive growth. This includes developing new revenue streams and advanced service capabilities beyond standard offerings.

Embracing Data and Digital Transformation

Data and digital transformation are pivotal in modernising service operations. Leveraging advanced analytics, IoT, and digital platforms can enhance service delivery, customer engagement, and operational efficiency. These digital tools enable real-time insights, predictive maintenance, and customised service offerings, providing a competitive edge in the market.

Driving Growth

To drive growth, manufacturers must develop new revenue streams and maintain relevance for their customers as industries evolve and change their way of working. This involves offering innovative, high-value services that meet the market's changing needs and capture new segments. The ability to swiftly adapt and create tailored solutions will be crucial in achieving sustained growth and staying competitive.

Maintaining a High Pace

Maintaining a winning pace in the service transformation journey is essential in a rapidly developing industry. Continuous innovation and strategic agility are required to stay ahead of competitors and meet evolving customer expectations. Falling behind can result in missed opportunities, increased failure risk, and loss of stakeholder confidence.

Innovation as a Strategic Imperative

Service innovation is not merely an operational game but a strategic imperative. Manufacturers must move from product-centric, incremental innovation to applying comprehensive innovation strategies for growth and transformation.

However, we see many service businesses of manufacturing companies encounter critical challenges:

- Scarce resources for service development.
- Absence of dedicated service product management teams.
- Immature capability for service innovation and service product management.

- Limited support from other functions and leadership.
- Risk of falling into the commodity trap with standard and incomplete services.

The solution

Innovation process

Develop Insights

Gather data and information to understand the market, customer needs, and industry trends. This step involves research and analysis to identify opportunities for new services or improvements to existing ones.

Generate Ideas

Brainstorm and develop creative solutions or concepts based on the insights gathered. This step involves ideation sessions, workshops, and other techniques to generate a wide range of ideas.

Develop Concept

Refine and develop the best ideas into viable service concepts. This includes creating detailed descriptions, business cases, and prototypes to validate the feasibility and potential impact of the new services.

Develop for Launch

Prepare the service concept for market introduction. This step involves finalising the design, developing the necessary infrastructure, and creating a go-to-market strategy. It also includes testing and piloting the service to ensure it meets quality standards.

Introduce New Service

Officially launch the new service to the market. This step involves marketing, sales, and customer onboarding activities to ensure the service effectively reaches its target audience.

Scale and Develop

Expand the service offering to a larger market or enhance its features based on initial feedback and performance. This step involves scaling operations, optimising processes, and continuously improving the service.

Consolidate and Sun-Set

Evaluate the service's performance and decide on its long-term viability. This step involves consolidating successful services into the core business and phasing out (sun-setting) services that are no longer viable or relevant.

This process represents a structured approach to service innovation and transformation, ensuring that new services are systematically developed, launched, and scaled while continuously adapting to market needs and business objectives.

Innovation types

Innovation in services can be categorised into different types, each with unique challenges and, therefore, requiring different approaches, techniques, competencies, and decision-making.

The ***Hybrid Innovation Matrix*** differentiates four types of innovation with the respective challenges and strategies along two dimensions.

Along the **horizontal axis**, we differentiate innovations within the existing business logic from those developing new business logic. Every industry and business has prevailing business logic, a set of common patterns, knowledge, experiences and thinking frameworks. We use this logic to understand our environment and make decisions. This common business logic defines how we act, learn and change.

Our brains are hardwired to maintain a cognitive framework to rapidly assess our environment, filter information, and make decisions. This results in a strong bias toward protecting established business logic.

Along the **vertical axis**, we have the relative innovation size or change size. In the left column, we differentiate incremental improvements from the more radical innovations that push the boundaries. In the right column, we differentiate reconfiguring and extending an existing business model from developing new solutions and markets with new business models.

The Hybrid Innovation Matrix highlights four main categories:

Adaptive and Incremental Improvements

This type focuses on continuous, small-scale enhancements to existing services and operations. The primary challenge here is fostering a culture of continuous improvement and collaboration across departments.

Pushing Frontiers

These are significant innovations within the current business model. The main challenges include managing stakeholder influence and political dynamics while ensuring expert insights drive decision-making.

Reconfiguring and Extending the Business Model

This involves entering new markets or leveraging new technologies, often requiring a shift from established business logic. The challenge is maintaining a broad vision and adaptability to new market conditions and competitive landscapes.

Co-evolution of New Solutions and Markets

This category encompasses radical innovations and emerging market solutions. The critical challenge is recognising and capitalising on these opportunities early, ensuring the organisation can influence and adapt to these new developments.

Each type demands different capabilities regarding competencies, techniques, organisational structures, and decision-making processes, highlighting the need for a diversified approach to innovation management.

Developing Capabilities for Innovation

To effectively drive these diverse innovation types, B2B manufacturers must develop various capabilities to drive their service innovation.

This includes:

- Establishing robust processes that support both incremental and radical innovation
- Fostering a culture of continuous learning and adaptation.
- Developing the required competencies, requiring investment in training and hiring.
- Building flexible frameworks that allow for rapid prototyping and iterative development, as well as clear strategies that align innovation efforts with overall business objectives.
- Developing governance mechanisms that ensures that decision-making is distributed and responsive, enabling quick pivots in response to market changes.
- Having balanced resource allocation to support both ongoing operations and innovation initiatives, ensuring sustainable growth and competitiveness.

By focusing on these areas, companies can build the necessary foundation for sustained service innovation and transformation, positioning themselves for long-term success in an evolving market landscape.

The stakes

Only manufacturers with a winning pace in their service transformation will successfully capture the new opportunities and outperform (emerging) competitors. The laggards will find it challenging to grow and remain competitive.

With industries rapidly transforming digitally and in services, the gap between the frontrunners and the laggards is widening.

Building advanced service innovation capabilities will result in the following:

- Accelerated growth and expanded market share.
- Reinforced competitive positioning in the market.
- Enhanced customer satisfaction and loyalty.
- Gained and sustained strategic commitment from stakeholders.
- Increased confidence and engagement among teams.
- A remarkable reputation as an industry leader in service innovation.

Failure – however - could result in:

- Stagnation in service transformation.
- Excessive risk of loss after substantial investment.
- Losing ground to competitors.
- Missed market opportunities.
- Erosion of stakeholder trust and confidence.
- Inability to meet evolving customer needs.

That is why the service innovation capabilities are mission-critical for a service business.

A Pocket Size Guide to

Change Management

During Service Transformation

Ideas and best practices from Konica Minolta, Schneider Electric, Tetra Pak and McKinstry Co, in conversation with our Sarah Nicastro.

Read the Summary

Download the Guide

From our insightful advertisers, respecting our Practitioners Only Policy

Innovation for Growth & Service Innovation Strategy

Overview

Introduction

In today's highly competitive landscape, businesses must innovate for the present while envisioning future growth.

A robust service innovation strategy should focus on a tri-fold timeline: today, tomorrow, and the day after tomorrow. Therefore, it is vital to distinguish between different types of innovation, allocate resources effectively, and align them with your broader service transformation strategy.

By doing so, organisations can secure immediate results and long-term success, gaining buy-in from critical stakeholders.

The challenge

The challenge lies in developing a versatile innovation strategy that balances immediate needs with future aspirations.

Companies must recognise that innovation extends beyond internal resources and involves engaging with an ecosystem of diverse partners.

Maintaining a customer-centric approach, balancing technological advancements with service enhancements, shifting to proactive service management, overcoming internal resistance to innovation, and utilising digital tools are critical components.

Why it matters

A well-crafted service innovation strategy is crucial for fostering immediate and long-term success.

It enables companies to leverage external expertise, ensuring comprehensive and relevant solutions. By focusing on customer-centric innovation and balancing technology with service improvements, organisations can enhance customer satisfaction and loyalty.

Ultimately, this strategy drives substantial value, securing a competitive edge in the marketplace.

Creating Value Through Ecosystems

Description

Fostering innovation by collaborating with diverse partners within an ecosystem can drive substantial value. By recognising that innovation extends beyond the organisation, engaging with other players such as suppliers, customers, and competitors can enhance capabilities and broaden perspectives.

Example

A company partnered with a tech firm to integrate IoT solutions into their service offerings, which enabled predictive maintenance and improved service efficiency.

Benefits

This practice addresses the challenge of limited internal resources by leveraging external expertise, leading to more robust and comprehensive service solutions.

Critical Success Factors

- Effective communication and transparency among partners.
- Clear alignment of goals and mutual benefits.
- Flexibility to adapt to different partner needs and contributions.
- Remote troubleshooting cuts costs, driving efficiency and value creation.
- Bundling the product with the service.

Customer-centric Innovation

Description

Innovation efforts should be driven by a deep understanding of the customer's journey and specific needs. This involves listening to customer feedback and anticipating future needs and trends based on customer data and insights.

Examples

A service company conducted detailed interviews and workshops with various stakeholders within their customer base to identify pain points and opportunities for improvement. In one instance, the company introduced Alexa but faced resistance due to privacy concerns and specific usage requirements. In another example, they developed MVPs and engaged customers in the development process to gather insights and secure buy-in.

Benefits

This approach ensures that innovations are relevant and valuable to customers, enhancing satisfaction and loyalty while preventing the waste of resources on unwanted features.

Critical success factors

- Conduct comprehensive customer research, data analysis, and journey mapping.
- Engage customers through co-creation and MVP involvement.
- Understand and differentiate the voices of users and customers.
- Coach on marketing strategies, build necessary skills, and develop capability strategies.
- Identify your role in adding value and deeply understand customer processes.
- Tailor approaches based on customer maturity and segment different personas.
- Address challenges in change management, digital solutions, and service sales.
- Differentiate between customer demand and competitor pressure.
- Highlight tangible benefits like productivity and reduced downtime.
- Use a Pareto approach for high-potential services and tailor stories for better acceptance.
- Partner with customers to share knowledge and enhance complex tasks with digital tools.
- Continuously assess customer needs, quantify added value, and stay updated with industry changes.

Balancing Technological and Service Innovations

Description

Balancing the development of new technologies with the enhancement of service offerings can create a more comprehensive value proposition. This involves ensuring that technological advancements are complemented by corresponding improvements in service delivery.

Examples

A company launched a new line of smart products that came with a bundled service package, including remote monitoring and maintenance, ensuring customers derived full value from the technology. In a distinct instance, another company launched a new vehicle with added features and services impacting fuel efficiency, bundled into one solution tailored to meet specific customer needs.

Benefits

This practice addresses the challenge of disjointed product and service strategies, ensuring a seamless customer experience and maximising the impact of innovation investments.

Critical success factors

- Coordinate planning between product and service teams, treating them as separate but aligned processes.
- Train service personnel for new technologies and adopt continuous feedback loops.
- Remove unnecessary elements and balance production with service-oriented approaches.
- Differentiate between customer-centric and technology-centric companies and adopt a customer-centric design approach.
- Combine B2B and B2C approaches, tailoring value propositions and shifting from reactive to proactive service portfolios.
- Address challenges in adding tangible products to services, managing recurring revenue, and transitioning firm products to SLAs.
- Create a roadmap aligning product innovation with service offerings, offering comprehensive packages (equipment, training, support, monitoring), and allocating a fixed percentage of service revenue for budget.

Proactive Service Management

Description

Shifting from a reactive service model to a proactive one involves anticipating customer issues and addressing them before they escalate. This can be achieved using data analytics, predictive maintenance, and regular customer check-ins.

Examples

A company implemented an AI-driven monitoring system that flagged potential equipment failures before they occurred, allowing for timely interventions and minimising downtime.

Benefits

Proactive service management reduces unplanned downtime and enhances operational efficiency, increasing customer satisfaction and loyalty.

Critical success factors

- Invest in advanced data analytics, AI, and monitoring tools.
- Train staff to interpret predictive data and enhance service delivery.
- Establish clear protocols for proactive customer engagement and service portfolios.
- Educate customers on productivity gains and provide tangible benefits.
- Implement remote support to solve malfunctions innovatively.
- Set milestones, measure KPI changes, and track innovation outcomes.
- Reduce bureaucracy and conduct competitor analysis.

Overcoming Internal Resistance to Innovation

Description

Creating a culture that embraces innovation involves encouraging risk-taking, providing adequate resources for experimentation, and aligning incentives with innovative outcomes. Overcoming internal resistance is crucial for sustainable innovation.

Examples

An organization introduced a rewards program for employees who contributed successful innovative ideas, coupled with a structured innovation process that supported rapid prototyping and iteration.

Benefits

This practice addresses the challenge of organisational inertia, ensuring that innovation initiatives receive the necessary support and momentum.

Critical success factors

- Ensure leadership commitment to innovation and clear communication of goals and benefits.
- Provide resources, time, and training for employees to innovate and explore new revenue streams using collected data.
- Support technological advancements with solid processes and introduce innovation thinking into technology and service.
- Manage a service innovation portfolio with strong leadership, strategic balance, and justifying ROI to management.
- Allocate budget for service innovation, balance growth commitments, and promote product-service bundling with separate budgets.
- Measure innovation investment profitability and set KPIs for growth drivers like uptime, value-add services, renewal rates, and profitability.

Utilising Digital Tools for Service Enhancement

Description

The use of digital tools and platforms can enhance service delivery, especially in scenarios where physical presence is challenging. Remote support solutions can provide timely assistance, reduce costs, and improve service efficiency.

Examples

During travel restrictions, a company utilised augmented reality tools to guide customers through complex troubleshooting processes remotely, maintaining high service levels without physical visits.

Benefits

Digital tools mitigate the limitations imposed by distance and resource constraints, ensuring consistent and high-quality service delivery.

Critical success factors

- Adopt robust digital tools and train customers and service personnel.
- Continuously evaluate and improve digital support processes and manage technological changes.
- Invest in data collection and explore new revenue streams by effectively using collected data.
- Gather customer information and recognise challenges in changing management for customers.
- Profile key skills needed, balancing technical and business-oriented individuals.
- Ensure technological advancements are supported by solid processes and maintain consistency in fundamental processes.
- Implement digital tools to enhance service delivery and analyse data sets with AI for preventive maintenance.

Customer Centric Innovation

Overview

Introduction

In today's customer-driven market, developing comprehensive customer personas is crucial for delivering tailored services that meet specific needs and challenges.

Understanding and categorising customers based on their behaviours, usage patterns, and commercial expectations allows businesses to align their services accordingly. Leveraging technology and customer success management, rapid prototyping, and stakeholder validation ensures innovations are relevant and valuable.

This approach forms the backbone of a customer insights machine that drives strategic service innovation.

The challenge

The primary challenge in customer-centric innovation is developing accurate and comprehensive insights from diverse customer segments. This involves engaging with various touchpoints, such as direct interactions, observations, and feedback from different levels of customer-facing teams.

Additionally, balancing technological advancements with an empathetic understanding of customer needs, managing rapid prototyping processes, and overcoming biases in feedback are significant hurdles. Ensuring these insights translate into actionable strategies that align with business goals requires meticulous planning and execution.

Why it matters

Customer-centric innovation is essential for creating value and fostering long-term relationships with customers.

By developing comprehensive personas and leveraging technology, businesses can anticipate and respond to customer needs more effectively. This approach enhances satisfaction and loyalty by ensuring services align with usage patterns and expectations.

Moreover, engaging customers in the innovation process through rapid prototyping and stakeholder validation helps build trust and ensures that new products and services meet market demands.

Ultimately, customer-centric innovation drives strategic differentiation, operational efficiency, and competitive advantage.

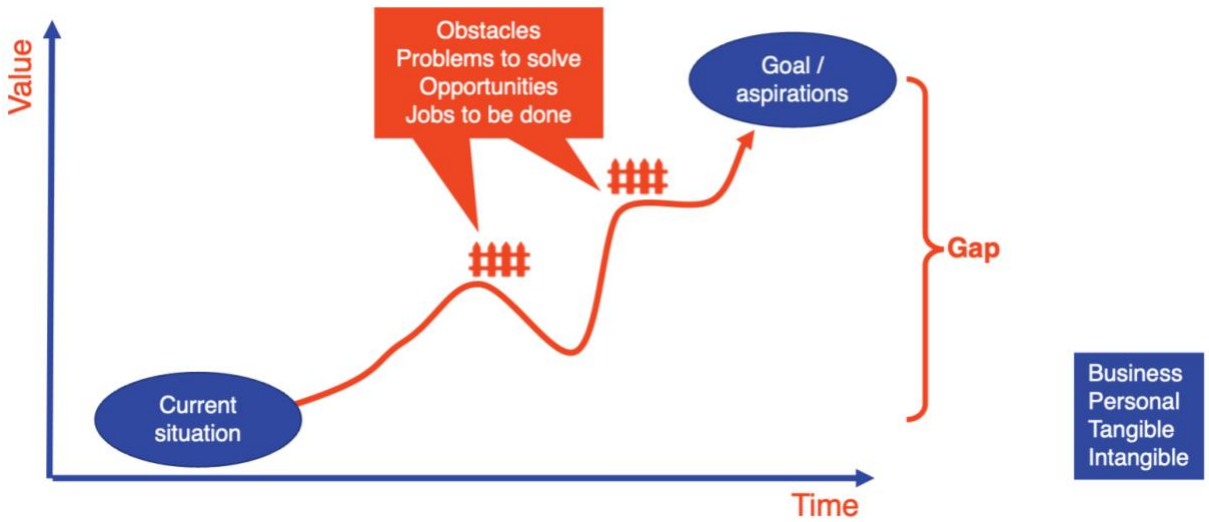
Definition of Customer Insights

An insight is a new, deep, and actionable understanding of problems, opportunities, solutions, behaviours, etcetera. It impacts decisions and actions.

An insight is not	Comes from hard work
• New data or information. • New knowledge. • An observation. • A statement of customers about wishes or needs.	• Unexpected or new views or understanding. • Changes momentum. • Specific to your business, industry, customers and strategy. • Drives new, different decisions and initiatives.

To understand customers' needs and pain points, we must go beyond their goals, objectives or aspirations. The pain points a service or solution can solve are the obstacles customers encounter in achieving these goals, objects or aspirations.

A customer insights contains several elements.



Developing Comprehensive Customer Personas

Description

Developing comprehensive customer personas involves understanding and categorising customers based on their needs, behaviours, and usage patterns. This requires gathering insights from various touchpoints, such as direct interactions, observations and empathy, and feedback from different levels of customer-facing teams. It also includes understanding

how customers actually 'use' the products, identifying their biggest risks, and aligning services with their different 'commercial expectations' such as their ROI goals. Building trust between business and customers is crucial to make sure that you can get open and honest feedback.

Examples

- Testing different customer personas' ways of working with equipment to identify misuse of machines or the reason for malfunctions.
- Engaging with our points of contact and service managers with deep insights into customer needs to get a broader perspective.
- Meetings with Customer Expert Groups to discuss the specific trends and challenges in different countries.
- Establishing Customer Success departments to identify customers' needs and behaviours deeply.

Benefits

- Provides a holistic view of how different customer segments interact with products and services (equipment, machines, etc.).
- Helps tailor services to meet diverse customer groups' specific needs and challenges.
- Improves satisfaction by aligning services with actual usage patterns and expectations.

Critical success factors

- Collecting information from a mix of different personas, including those who purchase the services, those who operate the machines/use equipment in the end, and the actors in between (such as dealers, resellers, etc.).
- Utilising design thinking techniques, such as empathy and observation, to understand what customers do with the products (how they use them).
- Involving customers at the early stages to gather relevant insights and build trust.
- Building trust between business and customer to receive open and honest feedback.
- Ensuring to offer services that meet the commercial expectations of customers.
- Identifying the biggest risks customers face to develop services that mitigate these risks.
- Avoiding biased mindsets during customer conversations to gather accurate insights.
- Ensuring to obtain a diverse and large enough sample size (as different customers have different desires and demands, which cannot be accurately obtained with a small sample).

Utilising Technology, Market Insight, and Customer Success Management to understand customer needs

Description

Leveraging technology (such as VR, AR, AI) and Customer Success Management (direct customer interactions, such as deep dive interviews and surveys) to gather comprehensive insights into customer needs, behaviours, and challenges. This involves combining technological tools with traditional methods to create a thorough and deep understanding of customers. It also includes

engaging with customer touchpoints, such as first-line support and those who directly use machines/equipment to align insights with business goals.

Examples

- Using VR and AR technology to visualise trends and customer interactions with products.
- Utilising social media platforms like Facebook for advertising and engagement
- Learning from competitors and being a fast follower in the market.
- Conducting deep-dive interviews and surveys to collect feedback that we can't normally get directly from customers.
- Evaluating NPS and CSAT scores to measure customer satisfaction.
- Having direct contact with service users (first-line support) through customer success management to gather more insights, resolve issues, and identify areas for improvement.
- Service managers who are close to customers and have a deep insight into customers' needs are valuable internal sources of feedback.
- Engaging with actors in between (such as dealers and resellers) as valuable sources of information to gather more feedback.
- Going to the lab to observe how people use products.
- Using customer value agreements to describe offerings.

Benefits

- Provides a clear and more accurate understanding of customer needs, pain points, and behaviours.
- Improves the possibility to predict and respond to customer challenges and opportunities in a timely manner.
- Improves the ability to adapt to changes and stay competitive quickly.
- Helps in developing solutions that are aligned with customer expectations.
- Increases the effectiveness of service innovation and strategic differentiation.

Critical success factors

- Identifying and involving the right personas and actors.
- Maintaining transparency and building trust with customers.
- Continuously updating solutions to meet future needs.
- Ensuring the quality and value of insights are worth investing time, money, and manpower.
- Combining and using data from multiple sources, including interviews, competitors, market intelligence, etc., to provide a comprehensive view.
- Understanding the company's strategy and how services are sold to align customer insights with business goals.
- Utilising every customer touchpoint as an opportunity to collect valuable information.
- Balancing technology use with sensitivity to customer needs.
- Continuously learning from market trends and competitor actions.

Rapid Prototyping and Engaging Key Customers in MVP Validation (Early validation of innovation ideas)

Description

Engaging key customers in validating MVPs involves collaborating with selected customers to test and refine early versions of products or services. This approach helps gather feedback and make necessary adjustments before a full-scale launch. It also helps providers to develop the products/services quicker. Partnerships with customers secure mutual benefits and commitment, but limited time and resources can challenge the validation process. Additionally, there is a risk of matching the customer's interest to propositions rather than creating services based on actual customer needs.

Examples

- Soft launching products as part of the development process and communicating openly with customers about the development stage.
- Creating service level agreements (e.g., 3 levels) and refining them based on customer feedback.
- Engaging key customers in MVP validation to gather early feedback.
- Conducting hackathons to brainstorm and filter down new ideas.
- Outsourcing certain problems to external parties for fresh perspectives.

Benefits

- Helps in building a product that better meets market demands.
- Involves customers early in the development process, ensuring solutions meet their needs.
- Leverages diverse perspectives to generate creative solutions.
- Accelerates the innovation process by focusing on quick, iterative testing.

Critical success factors

- Honest and clear communication with customers about the development stage.
- Regular feedback loops with engaged customers.
- Differentiating between customer needs and internal ideas to avoid pushing unsuitable propositions.
- Setting up a robust infrastructure for rapid assessments.
- Involving the right customers and stakeholders in the validation process.
- Maintaining flexibility to adapt based on feedback and insights.

Implementing a Gate Process and Stakeholder Approval for Innovation Validation (Early validation of innovation ideas)

Description

To assess and adjust the maturity and viability of service innovations before moving into the next stage, with multiple stages of stakeholder evaluation and approval implemented. However, the speed of execution can be a challenge, limiting thorough validation. Funnel management issues can also arise, such as the feasibility and productivity of validating many ideas simultaneously (e.g., validating

129 ideas at once). Therefore, it is important to consciously differentiate between customer needs and internal ideas and opt for quick evaluations rather than extensive validations to keep speed.

Examples

- Running new services through a committee with multiple signoffs.
- Evaluating customer willingness and interpreting feedback through diverse customer profiles.

Benefits

- Ensures thorough evaluation and alignment with customer needs and company capabilities.
- Reduces the risk of significant mismatches between the solution and customer needs after substantial investments.
- Reduces costs effectively.

Critical success factors

- Diverse stakeholder involvement to provide diverse perspectives.
- Regular progress reviews at each gate.
- Avoiding biased mindsets during evaluations to gather accurate insights.

Quick Evaluations for Innovation Feasibility (Early validation of innovation ideas)

Description

Conducting quick evaluations for innovation feasibility involves ‘rapid’ assessment of new ideas using customer value proposition/business proposition canvas. This helps to assess whether an idea solves customer problems and is technically and commercially viable without extensive validation processes. Speed of execution and resource constraints can limit proper validation, and there is a risk of bias in listening to customer feedback, which can negatively affect the validation process. Differentiating between customer insights/problems and internal ideas is crucial to secure accurate evaluations.

Examples

- Setting up service communities to generate and assess ideas quickly.
- Using techniques such as the 5 Whys to understand if an idea effectively solves customer problems.

Benefits

- Speeds up the innovation process by focusing on essential validation steps.
- Reduces spending on resources for ideas that may not be feasible.
- Improvements resulting from rapid iteration.

Critical success factors

- Infrastructure for assessing customer problems and idea feasibility.
- Avoiding extensive validation to maintain speed.

- Ensuring evaluations are based on significant and diverse customer insights to prevent bias.

Creating Partnerships (Early validation of innovation ideas)

Description

Forming partnerships with customers and engaging in continuous feedback involves establishing strong and long-term relationships with customers to gather their insights, complaints, and feedback regularly. This helps align services with customer needs and continuously improve the customer experience. Additionally, setting up a service community for generating and assessing ideas and outsourcing certain problems to external sources (such as universities or hackathons) can leverage additional resources and expertise.

Examples

- Setting up interviews and walking customers through new services to gather feedback.
- Taking customer complaints seriously and acting on feedback to show responsiveness.

Benefits

- Builds trust and strong relationships with customers.
- Ensures that services are in line with customer expectations.

Critical success factors

- Proactively seeking and acting on customer feedback.
- Establishing clear communication channels for continuous engagement.
- Differentiating between scalable and non-scalable customer requests to manage resources effectively.

Innovation methodologies and tactics

Overview

Introduction

In the rapidly evolving world of service provision, employing the right innovation methodology is essential for success.

With numerous methodologies available, understanding and selecting the appropriate approach can be overwhelming. This overview discusses various innovation methodologies — from business model innovation and ideation techniques to the Lean Start-Up approach, service design principles, and stage-gate innovation.

By mastering these methodologies, organisations can streamline their innovation processes, create relevant solutions, mitigate risks, and build a competitive position to drive growth.

The challenge

The main challenge in innovation methodologies and tactics is navigating the multitude of available approaches to identify the most suitable ones for specific scenarios.

Each methodology has its strengths and weaknesses, and selecting the wrong one can lead to inefficiencies, wasted resources, and missed opportunities.

Managing cross-functional dependencies and ensuring alignment between different departments can also be difficult.

Why it matters

Employing the right innovation methodology is critical for several reasons.

Firstly, it ensures that resources are used efficiently, reducing the risk of heavily investing in unviable projects.

Secondly, it fosters a holistic approach to innovation, considering all aspects of the business and enhancing collaboration across departments.

Thirdly, it enables organisations to stay competitive by quickly adapting to changes and developing solutions that align with customer needs.

The right innovation methodology ultimately drives growth, operational efficiency, and long-term success.

Cross-functional innovation teams and bridging roles

Description

In service innovation, there are numerous dependencies between the service and product departments. These dependencies must be carefully managed and aligned to ensure smooth progress in the innovation process. Misalignment between these departments can lead to delays, inefficiencies, and missed opportunities. Cross-functional innovation teams and bridging roles provide effective solutions

to bridge this gap. Cross-functional innovation teams consist of members from the product department and service department, working together towards common innovation goals. Bridging roles are specific positions created to facilitate communication and collaboration between the service and product teams. Individuals in these roles ensure that both teams remain aligned, sharing information and resources and working towards common objectives.

Examples

An example of an effective practice of a cross-functional innovation team is embedding a product expert in the service team. By being situated within the service team, the product expert is well-positioned to understand the specific needs and challenges of service delivery. At the same time, he can use his product development expertise to ensure that service innovations align closely with the organisation's capabilities. Furthermore, an example of effective practice of bridging roles is appointing one individual from the product side and one from the service side, who are responsible for linking and aligning their strategies and operations of both domains.

Benefits

- Enhanced collaboration and knowledge sharing across departments.
- Holistic approach to innovation, ensuring all aspects of the business are considered.
- Changing the internal organisation’s mindset about service innovation.
- Faster identification and resolution of potential issues.

Critical success factors

- Clear definition of roles and responsibilities.
- Effective communication channels between teams.
- Strong leadership to guide and support cross-functional initiatives.

Roadmap methodology

Description

A roadmap is a methodology for creating a strategic innovation plan that outlines the direction and steps required to achieve long-term innovation goals. It includes an investment and strategy cycle. During these cycles, equipment is measured, key results are defined, and direction is revised and adjusted. Typically, a simple roadmap offers incremental investments and special capabilities to guide the innovation process.

Examples

A common example involves a 5-year plan designed to change customer perceptions and save operational costs. This roadmap can be revised periodically to adapt to any changes. The plan includes steps to bring stakeholders into the vision, address roadblocks, and ensure the adoption of the innovation strategy.

Benefits

- Offers clear direction and measurable goals

- Brings stakeholders into the vision, ensuring support and involvement
- While it outlines a long-term plan, it allows for revision and adaptability

Critical success factors

- Measuring equipment and monetising early steps are crucial
- Taking long breaths, finding a balance between taking it seriously and leaving room for errors
- Adapting to changes and challenges, such as digital topics, while maintaining a balance between old and new thinking is vital.

Stage-gate process methodology

Description

The stage-gate process is a project management methodology used to guide innovations from conception through to market launch structurally. It divides the innovation process into distinct stages, separated by decision points known as "gates." At each gate, a team reviews the progress, evaluates the project's viability, and decides whether to continue to the next stage, requiring additional resources and budget. This structured approach ensures that each phase is carefully analysed and resources efficiently allocated.

Examples

As the stage-gate model was not originally designed for service innovation, one service company analysed the process and adapted it for its service innovations. Their process included a foundation phase, followed by the full development phase and finally the go-to-market phase.

Benefits

- Supports decision-making
- Reduces the risk of heavily investing in unviable projects by allocating resources incrementally

Critical success factors

- Process adaption for service innovation, using different tools
- Integration with other innovation processes to avoid siloed innovation processes

Customer-centric approach to idea generation

Description

A customer-centric approach to idea generation involves engaging with customers directly to gather innovative ideas and solutions. This method focuses on understanding customer interactions and leveraging their insights to drive innovation. By holding hackathon-style events or developing a service innovation community, companies can generate diverse and practical ideas that align with their customer’s needs and strategies.

Example

An example of this approach is setting a challenge for customers, such as “finding ways to reduce CO2 emissions across sites.” This hackathon-style event encourages customers to come up with ideas.

Another example of a customer-centric approach is creating a service innovation community. This involves gathering individuals from various regions to share information and insights, with the goal of mixing and matching problems and solutions.

Benefits

- Encourages different types of innovation by combining technical internal ideas with practical customer-generated solutions
- Increases customer-engagement
- Ensures innovative ideas directly align with customers’ needs
- Provides valuable insights into market trends

Critical success factors

- The willingness of customers to engage
- Ensure effective communication between frontline teams and customers
- Differentiate and balance scalable solutions and unscalable solutions

Customer-centric approach to filtering and prioritising ideas

Description

Service innovation teams spend a lot of time handling idea requests. A solution to speed up this process is to adopt a customer-centric approach to filtering and prioritising ideas. This approach involves starting at the customer’s problem and ensuring that ideas align with the customer’s needs and strategic goals. This approach emphasises understanding the customer problems, balancing short-term and long-term goals, and involving frontline communication with customers.

Examples

One example of a customer-centric approach is identifying innovation domains that represent customers’ problems. This enables innovation teams to filter ideas by allocating them to an innovation domain. They can then explore all ideas within an innovation domain, prioritise them, and feed the development pipeline

Benefits

- Fastens filtering and prioritising idea requests
- Aligns innovative ideas with customer needs and strategy
- Contributes to solving customer’s future problems

Critical success factors

- Start by identifying and understanding customer problems

- Differentiate and balance short-term and long-term solutions

New Service Introduction

Overview

Introduction

Many new products and services fail due to poor introduction.

This critical phase involves two core dimensions: preparing the internal organisation for a successful launch and commercialising the service to gain maximum market traction.

We delved into strategies that ensure both internal readiness—aligning teams, refining processes, and setting the right infrastructure—and effective commercialisation—positioning the service aptly in the market, pricing strategies, and stakeholder engagement.

Mastering the nuances of service introduction ensures a smooth internal transition and capitalises on market opportunities.

The challenge

Introducing new services presents significant challenges, including aligning internal teams, refining processes, and setting up the necessary infrastructure.

Simultaneously, commercialising the service to gain maximum market traction requires effective positioning, pricing strategies, and stakeholder engagement.

Poor introduction often leads to failure, with internal misalignment and ineffective market strategies being major contributors. Navigating these challenges is essential to avoid delays, inefficiencies, and missed opportunities.

Why it matters

Effective new service introduction is critical for organisational success.

Properly preparing the internal organisation ensures that teams are aligned, processes are refined, and the right infrastructure is in place. This internal readiness is vital for a smooth transition and operational efficiency.

Additionally, effective commercialisation strategies position the service correctly in the market, optimising pricing and engaging stakeholders.

These efforts collectively drive market traction, enhance competitive positioning, and ensure the long-term success of new services.

Definition of New Service Introduction

New Service Introduction (NSI) is the phase that follows the development of a new service, focusing on its operationalisation and commercialisation. This phase involves several key activities:

1. **Operationalisation**: Setting up the necessary processes, systems, and resources to deliver the new service effectively. This includes training staff, setting up support structures, and ensuring that all operational components are ready for launch.

2. **Commercialization**: Bringing the new service to market. This involves developing marketing strategies, pricing models, and sales tactics. It also includes promoting the service to potential customers, establishing distribution channels, and managing customer relationships.

The goal of New Service Introduction is to ensure that the new service is successfully integrated into the market and can be delivered consistently and profitably.

Structured Framework for Deploying Innovation and Local Adaptation

Description

Implementing a structured framework for innovation deployment involves a systematic approach to planning, developing, and launching new services. This framework includes budgeting, engaging stakeholders, adapting to local markets, and continuous monitoring to ensure alignment and success. It emphasises the importance of piloting services in selected regions to gather insights and refine offerings before a global rollout. This helps ensure that new services meet both global standards and local needs.

Examples

- Budgeting and Planning: The EDPD process helps determine budgets for innovation deployment, guided by leadership decisions. Super Week events are organized to brief top management, and the presentations are prepared a week in advance.
- Stakeholder Engagement: PMOs and Product Managers report and manage innovation. Input is gathered from various regions, but decisions are managed centrally.
- Framework and Scalability: Establishing a high-level executive team to gather information from different stakeholders and adapt services to local markets through pilot tests before a global rollout.
- Local Adaptation: Addressing specific regional challenges, such as connectivity issues in Asia, by implementing services in pilot markets to understand local interest and scalability.
- Continuous Monitoring: Monthly performance reviews using innovation dashboards (KPIs) to monitor and improve processes.

Benefits

- Systematic deployment secures a structured and organised approach to launching new services and reduces the risk of oversight and error.
- Effective decision-making facilitates informed decisions and resource allocation based on data and stakeholder input.
- Global alignment improves consistency across different regions and functions. In this way, services meet global standards while catering to local needs.
- It reduces risk by testing in pilot markets, which helps identify potential issues, gather insights, and reduce the risk of failure in broader implementation.
- Scalability practices help to make sure that services can be scaled effectively across different regions by refining offerings based on pilot feedback.

Critical success factors

- Clear processes for planning, decision-making, and execution.

- Regular review meetings (such as monthly meetings) to monitor performance and make necessary adjustments.
- Stakeholder engagement from the start to gather comprehensive input and ensure buy-in.
- Pilot testing in appropriate markets based on data and gathering feedback to refine services before a broader/global rollout.
- Balancing global standardisation with local adaptation to meet diverse regional needs.

Change Management and Comprehensive Training

Description

Effective change management and comprehensive training are critical for successfully introducing new services. This practice involves proactive and reactive change management strategies, engaging stakeholders, and ensuring internal adoption through structured training programs. It focuses on preparing teams to adapt to new services, addressing resistance to change, and building the necessary skills and knowledge.

Examples

- Change Management Strategies: Implementing strategies that balance global and local requirements, standardising processes while allowing for local differences. Engaging stakeholders through workshops and continuous communication to ensure alignment and address resistance.
- Stakeholder Engagement: Involving leadership, finance, and other key departments early in the process. Addressing challenges such as language barriers and regulatory differences to ensure smooth implementation.
- Structured Training Programs: Using a "cook book" approach for standardised product and service introduction. Conducting separate technical and sales training sessions to equip teams with the necessary skills and knowledge.
- Ensuring internal teams such as sales teams understand the value they bring to customers (adopt the change). Providing tools and templates to facilitate service sales and make it easier for teams to adopt new services.
- Organising remote and on-site training sessions to help local teams adapt and adopt new services effectively. Offering continuous support and guidance to address any issues that arise.

Benefits

- Smooth transitions facilitate the smooth adoption of new services, reduce resistance, and improve alignment.
- Stakeholder support builds buy-in and support for new initiatives by involving them early and addressing their concerns.
- Consistent delivery ensures consistency in service delivery across different regions through comprehensive training and standardisation.
- Skill development improves teams' ability to sell and support new services effectively by providing the necessary training and tools.
- Building confidence improves overall service quality by building competence in sales and technical teams.

Critical success factors

- Being proactive to address potential resistance and ensure alignment.
- Regular communication and updates to stakeholders to keep them informed/engaged.
- Structured training programs tailored to different roles with continuous support and guidance.
- Clear communication of new services' value and benefits ensures teams understand their importance.
- Ongoing evaluation and improvement of training programs based on feedback and performance.

Balancing Global Standards with Local Creativity

Description

Maintaining global standards while allowing for local creativity involves creating a framework that standardises processes (where possible) but also adapts to local requirements. This practice encourages innovation within the global framework and ensures that services meet specific regional needs and preferences without compromising global consistency.

Examples

- Implementing global standards while allowing adaptations to meet local requirements. Ensuring that innovations align with global objectives and do not create excessive complexity.
- Encouraging local teams to innovate and be creative within the framework of global standards. Addressing challenges such as language barriers, regulatory differences, and local market conditions.
- Managing and monitoring local innovations to ensure they align with global goals and do not lead to over-customization that complicates the overall service offering.

Benefits

- Consistency in service quality across different regions by maintaining global standards.
- Flexibility to address local needs and preferences => improves customer satisfaction.
- Innovation at the local level allows teams to develop solutions that cater to specific regional challenges and needs. => improves customer satisfaction.

Critical success factors

- Clear global standards and guidelines while also allowing for local adaptations.
- Flexibility levels to adapt standards to local requirements without compromising overall consistency.
- Encouraging local innovation and creativity within the global framework to address specific regional needs and challenges.
- Equipping local teams with the necessary resources and support to implement adaptations.
- Monitoring the complexity levels of local adaptations to prevent too much customization (which can complicate service delivery).

Continuous communication and support

Description

Building and maintaining continuous communication and providing ongoing support ensures the successful adoption and implementation of new services. This practice involves establishing effective communication channels, providing regular updates, and offering support and consulting services. It emphasises keeping global and local teams aligned and addressing issues promptly.

Examples

- Providing communication channels, such as establishing ticketing systems to track and address issues. Providing regular updates and guidance to local teams to ensure they are informed and supported.
- Providing ongoing support and consulting services during the rollout to help local teams navigate challenges. Maintaining continuous feedback loops to monitor and improve service implementation.
- Ensuring consistent coordination, communication, and support between global and local teams. Addressing issues effectively and fast and providing the necessary resources to resolve them.

Benefits

- Timely resolution of issues and challenges minimises disruptions to service delivery.
- Alignment between global and local teams improves overall success in new service introduction.
- Continuous improvement by gathering feedback and making necessary adjustments to services.

Critical success factors

- Establishing effective communication channels for continuous updates and support.
- Effective support systems to address local challenges and provide guidance.
- Regular feedback loops to monitor and improve service implementation.

Agile Service Product Management

Overview

Introduction

Agility is the new currency in the business world, especially in product management.

We will explore how an agile approach to service product management can enhance your effectiveness and responsiveness, particularly in managing your service product backlog and sprints.

We will also address how to introduce new service products, turn intangible services into tangible 'productised' offerings and scale up your offerings.

An agile product management strategy allows for adaptability and speed in a rapidly changing market, enabling you to stay competitive and ahead of the curve.

The Challenge

For most B2B manufacturers, the service product management function is not well established, hindering their ability to drive the success of existing and new service offerings effectively.

This lack of a robust service product management function is a significant barrier to achieving service transformation and growth.

Companies struggle with cross-functional collaboration, market expansion, and maintaining coherence while adapting to varying needs without a dedicated and well-structured approach. Establishing a strong service product management function is crucial for overcoming these challenges and ensuring the successful development and delivery of service products.

Why it matters

Service Product Management is essential for ensuring that service offerings are launched successfully, sustained, and evolved to meet changing market demands. It matters because it directly impacts a company's ability to drive growth, enhance customer satisfaction, and achieve competitive advantage.

Effective Service Product Management aligns product development with customer needs and business objectives, ensuring that each service product remains relevant and valuable throughout its lifecycle. This alignment is crucial for maximising revenue potential, optimising resource allocation, and responding swiftly to market changes. Additionally, it helps manage the complexities of cross-functional collaboration and balancing global standards with local adaptations, which are vital for maintaining service consistency and meeting diverse customer needs.

Ultimately, Service Product Management enables organisations to systematically address challenges, leverage best practices, and drive innovation, leading to improved market positioning and sustained business success.

Definition of Agile Service Product Management

Service Product Management is a strategic and operational process in overseeing the entire lifecycle of a service offering, from its conception through development, launch, growth, maturity, and eventual decline.

This discipline integrates elements of traditional product management with a focus on services. It encompasses tasks such as defining the service's market position, managing stakeholder expectations, aligning cross-functional teams, and ensuring that the service meets customer needs and business objectives throughout its lifecycle.

Service Product Management is essential for driving the success of service-based products, balancing the need for innovation with operational efficiency, and adapting to changing market demands.

Roles and Responsibilities

Strategic Planning and Vision

- **Define Service Vision**
  Service Product Managers are responsible for crafting a clear and compelling vision for the service. This involves aligning the service's goals with the broader business objectives and ensuring it addresses key market needs. The vision should guide the service's development and positioning throughout its lifecycle.
- **Market Analysis**
  Conducting thorough market research is essential for understanding customer needs, emerging trends, and the competitive landscape. This includes analysing market data, customer feedback, and competitor strategies to inform service development and positioning.
- **Service Roadmap**
  The service roadmap outlines the key milestones and deliverables for the service throughout its lifecycle. It serves as a strategic guide, detailing phases such as development, launch, growth, and eventual maturity or decline. This roadmap helps in aligning cross-functional teams and tracking progress against goals.

Cross-Functional Collaboration

- **Stakeholder Management**
  Engaging with diverse stakeholders—including teams in service development, product development, sales, marketing, and local operations—is crucial. Service Product Managers must facilitate alignment and ensure that all stakeholders are informed and committed to the service's success.
- **Coordination**
  Effective coordination between various teams is necessary to drive the service from concept to market. This involves managing interdependencies, ensuring timely communication, and resolving conflicts to keep the service development on track.

Service Development and Lifecycle Management

- **Conceptualisation**
  Overseeing the development of service concepts involves translating market needs and business objectives into actionable service offerings. This phase includes defining the service features,

benefits, and unique selling points to ensure it meets customer expectations and stands out in the market.

- **Launch Management**
  Planning and executing a successful service launch requires meticulous attention to detail. This includes coordinating marketing efforts, training sales teams, and ensuring all operational aspects are prepared. The goal is to introduce the service effectively and impact the market.
- **Growth Management**
  After the launch, Service Product Managers focus on driving the service's growth. This involves analysing performance data, implementing strategies to enhance service adoption, and adjusting based on market feedback and evolving customer needs.
- **Maturity and Decline**
  As the service matures, the focus shifts to optimising performance and managing its lifecycle. Decisions regarding updates, enhancements, or potential discontinuation are made based on performance metrics, market changes, and strategic goals.

Customer and Market Focus

- **Customer Insights**
  Gathering and analysing customer feedback is vital for refining and enhancing the service. This involves collecting data through surveys, interviews, and usage analytics to understand customer preferences and pain points.
- **Market Positioning**
  Developing and executing market positioning strategies involves determining how the service should be presented to potential customers. This includes setting pricing strategies, crafting promotional messages, and deciding on distribution channels to ensure the service effectively reaches the target audience.

Performance Monitoring and Reporting

- **Metrics and KPIs**
  Defining and tracking key performance indicators (KPIs) helps measure the service's success. Metrics such as revenue, customer satisfaction, and usage rates provide insights into how well the service performs and highlight areas for improvement.
- **Reporting**
  Regular reporting on service performance keeps stakeholders informed and supports data-driven decision-making. This includes preparing reports that summarise performance against goals, highlight successes and challenges, and recommend actions for optimisation.

Problem Solving and Adaptation

- **Issue Resolution**
  Addressing and resolving issues during the service lifecycle is a key responsibility. This involves identifying problems, coordinating with relevant teams to find solutions, and implementing corrective actions to minimise disruptions.
- **Adaptation**
  Adapting the service strategy based on market changes, customer feedback, and performance data is crucial for maintaining relevance and competitiveness. Service Product Managers must adapt to evolving conditions to ensure continued success.

Enablement and Support

- **Sales Enablement**
  Providing support and training to sales teams is essential for effective service selling. This includes creating training materials, conducting workshops, and offering ongoing support to ensure sales teams have the knowledge and tools to promote the service successfully.
- **Local Operations**
  Working with local teams to adapt the service to regional requirements involves addressing specific local needs and challenges. This ensures that the service is effectively implemented and supported in different markets, enhancing its overall success.

Innovation and Continuous Improvement

- **Service Innovation**
  Driving innovation within the service offering involves identifying opportunities for enhancements and new features. This requires staying abreast of industry trends, exploring new technologies, and incorporating customer feedback to keep the service competitive and relevant.
- **Continuous Improvement**
  Continuous evaluation and improvement of the service are necessary for maintaining high quality and effectiveness. This involves regularly reviewing performance data, gathering feedback, and making iterative improvements to enhance the service and address issues.

By fulfilling these roles and responsibilities, Service Product Managers are critical in ensuring that service offerings are well-developed, effectively launched, and optimised to meet customer needs and achieve business objectives.

Challenges in Agile Service Product Management

Cross-Functional Collaboration

- **Alignment Issues**
  Coordinating among diverse teams—such as service development, product development, sales, marketing, and local operations—can be challenging. Each team may have different priorities, timelines, and perspectives, leading to misalignment and inefficiencies. Ensuring all teams work towards a unified goal requires effective communication, clear role definitions, and regular check-ins.
- **Conflict Resolution**
  Differences in opinions or objectives between departments can lead to conflicts that hinder progress. Service Product Managers must mediate these conflicts, facilitating discussions and finding common ground to ensure smooth collaboration.

Expanding the Addressable Market

- **Market Research**
  Identifying and understanding new market opportunities involves extensive research and analysis. Service Product Managers must gather and interpret data about potential markets, customer needs, and competitive landscapes. This process can be resource-intensive and requires navigating market potential and customer behaviour uncertainties.
- **Scalability**
  Adapting the service to new markets often requires significant changes to meet local regulations,

preferences, and operational conditions. Ensuring the service can scale effectively without compromising quality or performance is a considerable challenge.

Maintaining Coherence and Standardization

- **Balancing Standardization and Customization**
  Striking the right balance between maintaining global standards and adapting to local needs is complex. Over-standardization can lead to a lack of relevance in regional markets, while excessive customisation can create operational inefficiencies and reduce the service's overall coherence.
- **Consistency in Service Delivery**
  Ensuring a consistent experience across different regions and markets requires rigorous quality control and process alignment. Variations in service delivery can lead to customer dissatisfaction and damage to the service's reputation.

Establishing a Service-Product Management Function

- **Defining Roles and Responsibilities**
  Establishing a clear structure for the service-product management function involves defining roles, responsibilities, and processes. This can be challenging, especially in organisations with existing, established functions or where service-product management is a new concept.
- **Integration with Existing Processes**
  Integrating the service-product management function with existing organisational processes and structures requires careful planning. This includes aligning new processes with current workflows and ensuring all stakeholders are on board with the changes.
- **Building Expertise**
  Developing the necessary expertise and capabilities within the service-product management function can be challenging. This includes recruiting skilled professionals, training, and fostering a culture supporting effective service-product management.

Handling Complexity and Ambiguity

- **Managing Uncertainty**
  Service-product management often involves uncertainty and ambiguity, especially in rapidly changing markets. Navigating these uncertainties requires agility and a willingness to adapt strategies based on evolving information.
- **Complexity of Service Offerings**
  Services can be inherently complex, with multiple components and interactions. Managing this complexity involves ensuring that all aspects of the service are well-coordinated and that any issues are addressed promptly.

Performance Monitoring and Improvement

- **Measuring Success**
  Defining and tracking relevant metrics to measure service success can be challenging. Service Product Managers must identify appropriate key performance indicators (KPIs) and collect and analyse accurate data.
- **Continuous Improvement**
  Implementing a continuous improvement process requires ongoing evaluation and refinement of the service. This involves gathering feedback, analysing performance data, and making necessary adjustments to enhance the service and address any issues.

Change Management

- **Adapting to Change**
  Implementing service or delivery model changes requires careful management to minimise disruption. Service Product Managers must guide teams through these changes, addressing resistance and ensuring a smooth transition.
- **Communication**
  Effective communication about changes and updates is essential for maintaining stakeholder engagement and ensuring that all parties are informed and aligned.

Resource Allocation

- **Balancing Resources**
  Allocating resources effectively across different service lifecycle stages is a common challenge. This includes managing budgets, staffing, and other resources to ensure the service is successfully developed, launched, and supported.
- **Prioritisation**
  Prioritising initiatives and investments based on their potential impact and alignment with business objectives requires careful consideration and decision-making.

Addressing these challenges can enhance service product managers' ability to drive successful service offerings and achieve desired outcomes.

Best Practices for Agile Service Product Management

Establish Clear Objectives and KPIs

- **Define Success Metrics**
  Start by setting clear objectives and key performance indicators (KPIs) aligning with the service's goals and broader business objectives. Metrics such as revenue growth, customer satisfaction, and market penetration should be used to measure success and guide decision-making.
- **Regular Monitoring**
  Continuously monitor these KPIs to track performance and make data-driven decisions. Regularly review and adjust the objectives based on performance data and market changes to ensure ongoing alignment with strategic goals.

Foster Cross-Functional Collaboration

- **Integrated Teams**
  Form cross-functional teams that include representatives from service development, product development, sales, marketing, and support functions. Encourage regular communication and collaboration to ensure alignment and address issues promptly.
- **Defined Roles and Responsibilities**
  Clearly define each team member's roles and responsibilities to prevent overlaps and gaps in coverage. Use project management tools and regular meetings to keep everyone on the same page.

Develop a Comprehensive Service Strategy

- **Market Analysis**
  Conduct thorough market research to understand customer needs, competitive landscape, and

potential opportunities. Use this information to develop a well-informed service strategy that addresses market demands and aligns with business objectives.

- **Service Roadmap**
  Create a detailed service roadmap that outlines key milestones, deliverables, and timelines. This roadmap should guide the service's development, launch, and ongoing management.

Ensure Effective Communication

- **Stakeholder Engagement**
  Engage stakeholders early and often throughout the service lifecycle. Provide regular updates and solicit feedback to ensure alignment and address any concerns or issues.
- **Clear Messaging**
  Develop clear and consistent messaging for both internal teams and external customers. Ensure that all communications reflect the service's value proposition and benefits.

Prioritise Customer Needs

- **Customer Feedback**
  Continuously gather and analyse customer feedback to understand their needs, preferences, and pain points. Use this feedback to refine the service and enhance its value.
- **Customer-Centric Design**
  Design the service with the customer in mind, ensuring it addresses their specific needs and delivers a positive experience. Incorporate usability and accessibility considerations into the service design.

Implement Agile Practices

- **Iterative Development**
  Use agile methodologies to manage the service development process. Implement iterative planning, development, testing, and feedback cycles to adapt quickly to changes and continuously improve the service.
- **Flexibility**
  Be prepared to pivot or adjust the service based on feedback and market changes. Maintain flexibility in your development approach to accommodate new information and evolving customer needs.

Maintain Strong Change Management

- **Change Readiness**
  Prepare teams and stakeholders for changes by clearly communicating the rationale and benefits of the changes. Offer training and support to facilitate a smooth transition.
- **Monitor Impact**
  Track the impact of changes on service performance and stakeholder satisfaction. Address any issues or resistance promptly to ensure successful implementation.

Focus on Continuous Improvement

- **Performance Reviews**
  Review service performance regularly and gather feedback from customers and stakeholders. Use this information to identify areas for improvement and implement changes to enhance the service.

- **Innovation**
  Encourage innovation within the service team to explore new ideas and approaches. Stay abreast of industry trends and emerging technologies to keep the service relevant and competitive.

Balance Global Standards with Local Adaptation

- **Standardisation**
  Develop global standards and guidelines to ensure consistency in service delivery. These standards should cover quality, processes, and customer experience.
- **Local Customization**
  Allow for local adaptations to address specific regional needs and preferences. Ensure local modifications align with global standards and do not compromise overall service quality.

By adhering to these best practices, Service Product Managers can effectively manage the service lifecycle, drive successful outcomes, and ensure that the service meets business objectives and customer expectations.

Conclusion

Service Product Management is a critical discipline that bridges the gap between product development and service delivery, ensuring that service offerings are innovative, meet market needs, and drive business growth. Organisations can effectively manage their service products through their entire lifecycle by defining clear roles and responsibilities, addressing common challenges, and implementing best practices.

The key to successful Service Product Management lies in maintaining a holistic view of the service, from development to customer engagement. This involves fostering cross-functional collaboration, developing a comprehensive strategy, and prioritising customer needs. Implementing agile practices and leveraging technology can enhance efficiency and responsiveness, while strong change management ensures smooth transitions and stakeholder alignment.

Balancing global standards with local adaptations helps meet diverse regional needs while maintaining overall service consistency. Continuous improvement, driven by performance reviews and customer feedback, ensures the service remains relevant and competitive in a dynamic market.

In summary, effective Service Product Management is about aligning internal processes, engaging stakeholders, and adapting to market changes while focusing on delivering customer value. By adhering to these principles, organisations can navigate the complexities of service delivery, drive innovation, and achieve sustainable success in an ever-evolving business landscape.

A Pocket Size Guide to

Change Management

During Service Transformation

Ideas and best practices from Konica Minolta, Schneider Electric, Tetra Pak and McKinstry Co, in conversation with our Sarah Nicastro.

Read the Summary

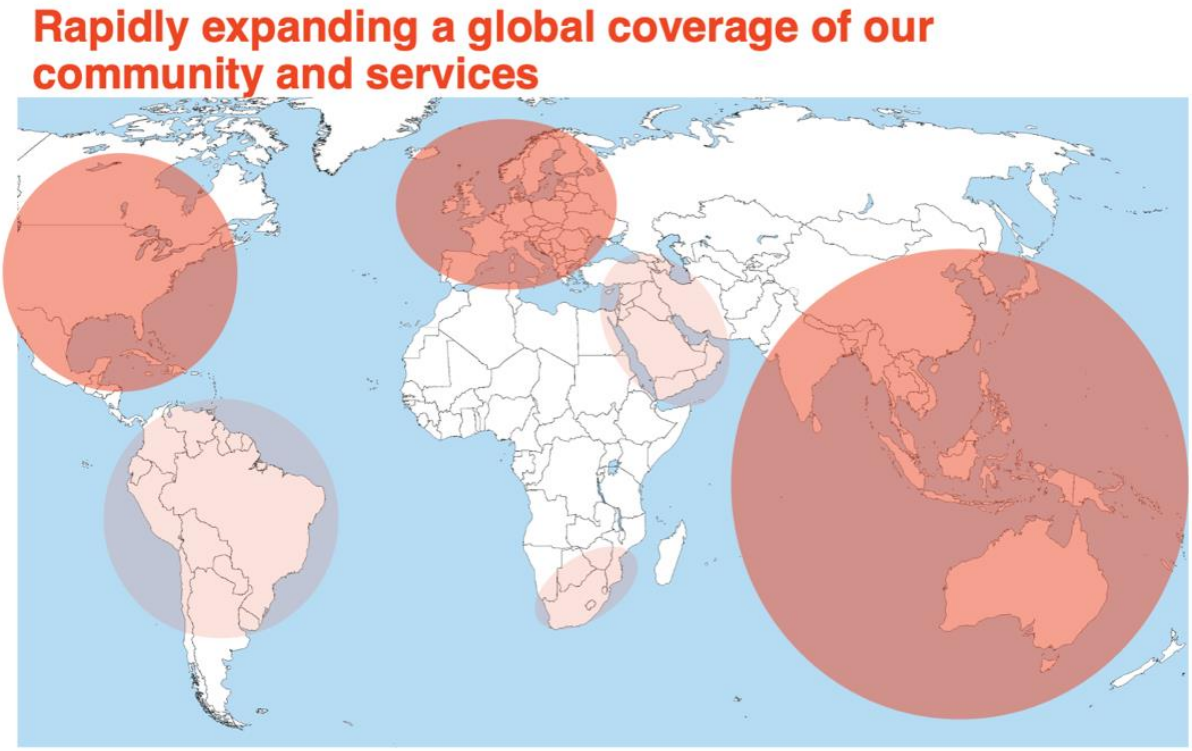
Download the Guide

About the Global Service Transformation Summits

Brief Description

The Global Service Transformation Summits are intensive 2-day conferences for service leadership and development teams in B2B manufacturing. These events facilitate deep, peer-to-peer exchanges on insights, experiences, challenges, emerging best practices, and winning service strategies.

The annual program of 5 Summits is ideal for you and your teams to stay up-to-date and knowledgeable on all aspects of service transformation.



Key Features

- **Coherent Annual Program**: Each year, we host five Summits, each focusing on a specific domain: strategy, service development and innovation, revenue generation, delivery, and miscellaneous areas (e.g., people, technology, knowledge management).
- **Global Coverage**: Each Summit consists of 3 In-Person and 3 Online Chapters across three regions: EMEA, APAC, and the Americas. This provides comprehensive global coverage for your service teams.
- **In-Person and Online**: Participate in in-person and online events, allowing flexibility and accessibility for all team members.
- **Focused Topics**: Each summit focuses on a specific challenge, ensuring the content is highly relevant to current industry opportunities and challenges.
- **Presentations from Your Peers**: Enjoy three to four in-depth presentations from practitioners and industry peers. Each presentation brings unique insights and real-world experience and provides food for thought in the discussion sessions.

- **In-Depth Discussions**: Engage in focused, extensive, moderated small-group discussions. These discussions delve into vital subtopics, fostering deeper understanding and collaboration. Groups are thoughtfully composed, considering the seniority of the participants and the maturity level of their service business, to ensure productive and relevant engagement for all participants.
- **Comprehensive Follow-Up**: Participate in a one-on-one strategy call after the Summits to discuss the main takeaways and potential actions. There are also two follow-up sessions in smaller groups in the three months after the Summits to continue the discussion and enable the exchange of new insights and experiences.
- **Online Summit Resources**: Access all online resources from all chapters, including recordings and slides of each presentation. A post-summit report summarises critical insights and discussions from all Chapters, ensuring you can refer to learned concepts.
- **Practitioners Only:** Experience from undisturbed networking with peers, unbiased agenda, and discussions free from external commercial influences.

Expected Outcomes

- Gain actionable insights and clear action points for immediate implementation.
- Develop vital and up-to-date knowledge of all essential aspects of your service transformation.
- Draw inspiration from successful peers, industry leaders and our experts.
- Accelerate the pace of your service transformation.

How are our Summits different from other service conferences

- **Practitioners Only**: Exclusively for industry professionals, ensuring relevant and focused discussions.
- **Global Scale**: Accommodates your team wherever they are, bringing together insights and knowledge from peers worldwide.
- **Focused Topics**: Each session addresses specific challenges, providing personal relevance and impactful insights.

The Service Transformation Summit aims to be the most valuable event for service leadership and innovation teams, by offering the following:

- A community-driven, in-depth exchange of up-to-date experiences, practices, and challenges is required for your service transformation.
- Focus on relevant challenges for different members of your leadership and innovation teams.
- 3 live Summits per year, each with a different theme.
- High-quality keynote presentations from practitioners.
- Extensive moderated discussions in smaller groups.
- Practitioners only. No solution providers, consultants, or academics.
- Option to build continuity through follow-up community meetings (like monthly roundtables and peer group meetings).
- An extensive post-summit report with insights, takeaways, and open questions.

Who is the Summit for

Designed for executives, senior, mid-level roles, and young talents within service-oriented manufacturing businesses, with topics tailored to the specific challenges of these roles.

About moreMomentum Service Community

Manufacturers in B2B sectors are on an exciting and complex transformation journey: shifting from an operational aftermarket function into a strategic business line, maybe even towards an as-a-service model.

This transformation involves many complex areas, such as:

- Winning service strategies.
- New business and operating models.
- Service innovation capabilities.
- Revenue generation capabilities.
- Data-driven and digital capabilities.

Only manufacturers with a winning pace in their service transformation will successfully capture the new opportunities and outperform (emerging) competitors. The laggards will find it challenging to grow and remain competitive.

Inspiring and empowering service leadership and development teams is vital to succeed in such complex and long journeys.

This is where we come in: moreMomentum is a global service community for B2B manufacturers.

At moreMomentum, we inspire and empower your service leadership and development teams to drive an ongoing and winning pace in service transformation by allowing them to:

- **Stay Current**
  Stay up-to-date on the latest new strategies, service models and emerging practices.
- **Develop Expertise & Skills**
  Elevate knowledge and skills in all areas vital for services that are evolving into a strategic business line.
- **Supercharge projects**
  Supercharge strategic projects with cutting-edge expertise, methodologies and critical thinking.

We do this via the following offerings:

- Interactive **community meetings**, such as Service Roundtables, Peer Groups, and Service Transformation Summits, which foster collaboration and learning from industry leaders.
- In-depth and actionable insights through our **Global Service Transformation Benchmark** and focussed **research projects**.
- A comprehensive **Service Transformation Academy** that offers specialised training and development programs.
- Personalised **advisory services** and **bespoke workshops** to guide your service projects and transformation journey.