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June 2017 Newsletter

Welcome to the June 2017 edition of the Cambridge Service Alliance newsletter. This quarter has seen some interesting developments for the Alliance, including the [appointment of Dr Mohamed Zaki as Deputy Director](#), and the introduction of our new executive programme on [Business Ecosystems](#), which you can find out more about below. We hope you enjoy this edition of the newsletter. Please forward this to any colleagues who may be interested using the link above. If you would like to hear more about the Alliance or find out how you can get involved please contact us.

Andy Neely, Director, Cambridge Service Alliance

New Programme! Ecosystems Strategy



We are pleased to announce a new executive programme on Ecosystems Strategy, to be held in Cambridge on 22 November 2017. This new programme builds on expertise developed in the Ecosystems, Value Mapping and Analysis Research Stream, and provides an opportunity for executives to learn first hand some of the techniques developed by the Alliance. This course will show you how, through understanding your business' ecosystem and leveraging partnerships, you can deliver services quickly and effectively. [\[more\]](#)

- Alliance Visitor - Martin Fritz
- Bridging the co-creation gap
- Tim Pearce placement at Alan Turing Institute
- Seminar on co-creation in Living Labs
- Theme update: Ecosystems value mapping and analysis
- Exploring the Journey to Services

OUTPUTS/PRESENTATIONS AND EVENTS

Events



Executive Programmes

Shift to Services 2-day programme
15-16 November 2017

Ecosystems 1-day programme
22 November 2017

Community Of Interest
2017

11-12 July
28-29 November

Cambridge Service Week 2017

5-6 October: Academic Conference
10 October: Industry Day
11 October: Partners Day

Webinars

Service Week 2017 - Bridging to new service technology

Cambridge Service Week 2017 will commence with the Academic Conference on 5-6 October, followed by the Industry Day Conference on Tuesday 10 October and a Partner only event on 11 October. The theme for this year will be '**Bridging to "new" service technology**'. At this event the speakers will be examining not only the technologies important for service delivery, but will be looking at what needs to be done in the short term to enable your organisation to be ready for these technologies. They will give examples of digital service strategy and will show how they create value through technology today and plan to do so in the future. [\[more\]](#)



New Deputy Director of the Service Alliance



Dr Mohamed Zaki has been appointed as Deputy Director of the Cambridge Service Alliance, to provide local leadership, following Professor Andy Neely's appointment as Pro-Vice-Chancellor: Enterprise and Business Relations. Professor Neely intends to stay involved in the Alliance and participate as actively as he can. Dr Zaki's research interests lie in the field of Big Data advanced modelling and its application on digital manufacturing and services. He uses an interdisciplinary approach to data science techniques to address a range of real organisations' problems. Dr Zaki is research manager and co-investigator in many UK research councils projects (EPSRC/ESRC) and industrial research projects sponsored by big organisations such as IBM, Cisco, BAE Systems, Caterpillar, Rolls Royce, Zoetis, Pearson, GEA Food Manufacturer.

Exploring the Journey to Services - Thought Leadership Blog

Many organisations, when exploring their transition to Services ask themselves the question: 'what does a service journey look like?'. At the Cambridge Service Alliance, this question also emerged when our Industry Partners met to discuss 'the shift to services' – among them Presidents, Vice Presidents and Directors of Caterpillar, Zoetis, GEA, IBM, BAE Systems and Pearson. Interestingly, around the

10 July 2017 - Business Ecosystems: Towards a Classification Model - Florian Urmetzer

12 June 2017 - Exploring the Journey to Services - Veronica Martinez

8 May 2017 - [A Process for B2B Partnerships: designing to deliver capability across companies](#) - Florian Urmetzer

10 April 2017 - [Investigating risks of outcome-based service contracts from a provider's perspective](#) - Jingchen Hou

13 March 2017 - [The Ecosystem Value Framework: Supporting Managers to Understand Value Exchange between Core Businesses in Service Ecosystems](#) - Florian Urmetzer

Presentations and Papers

Papers

['Exploring the Journey to Services'](#), by Veronica Martinez, Andy Neely, Chander Velu, Stewart Leinster-Evans and Dav Bisessar

['Bridging the Co-creation Gap Between Co-creators, Companies and Living Lab'](#) by Katharina Greve, Veronica Martinez and Andy Neely

['Business Ecosystems: Towards a Classification Model'](#) by Florian Urmetzer, Andy Neely and Veronica Martinez

[Exploring the Journey to Services](#), Martinez V., Neely A., Velu C., Leinster-Evans S. and Bisessar D. (2017). International Journal of Production Economics. (In Press)

table, none of the firms could articulate the lessons from their own service journeys in a comprehensive manner. This is not an uncommon issue in organisations embarking on the journey to provide services.

So, we setup an interdisciplinary team of academic and industrial partners to explore the Journey to Services. The concept itself is not new but certainly largely unexplored.

Through 7 years of an in-depth study of three comparable firms and countless sets of workshops and interviews with other firms (for academic details please read our journal paper), we jointly discovered what a service journey looks like:

The Five Key Lessons You Need to Know about the Service Journey are:

1. The service journey in industrial manufacturers is neither logical nor structured but much more emergent and intuitive in nature.
2. Similar steps, different journeys. Some organisations followed similar steps but the sequence of these were different. Often the sequence of steps in the service journey is described as a 'back and forth' sequence – or trial and error. Exploited by choices, the typical examples include: the services are ready to be sold, but the sales training and/or incentives for selling services are missing. Services are offered to customers, customers buy them, but the accounting systems are set to manage product transactions and not service contracts. Services are designed, as products, consequently the service experience is missed and gradually the services fail.
3. The evolution and coexistence of different services. Typically, in the first three years of the service journey, organisations incrementally evolve by offering basic to intermediate services. After the fourth year, organisations follow 'the continuous evolution of the basic and intermediate services and the emergence of complex services'. Then, the coexistence of basic, intermediate and complex services varies across the service continuum.
4. The pace of change. Once organisations embark in the service journey, they are in continuous 'change' (flux) as opposed to punctuated interventions of change. This is the continuous granular change at different functional levels throughout the organisation.
5. Service Strategy: Seven associated stages of the service strategy model should be considered by organisations to manage their service journeys.

From our perspective, we think the understanding of the service journey has evolved significantly over recent years. This is the first framework that longitudinally maps the journey to services. Firms which have used the framework express more confidence in managing the transition process and are more prepared to handle the issues that they confront. In future, organisations urgently need to focus on the



'The interplay of customer experience and commitment', by Timothy Keiningham, Joan Ball, Sabine Benoit (née Moeller), Helen L. Bruce, Alexander Buoye, Julija Dzenkowska, Linda Nasr, Yi-Chun Oh, and Mohamed Zaki, (2017), Journal of Services Marketing, Vol. 31 Iss: 2.

'The Role of Big Data to Facilitate Redistributed Manufacturing Using a Co-creation Lens: Patterns from Consumer Goods', by Mohamed Zaki, Babis Theodoulidis, Philip Shapira, Andy Neely, and Efe Surekli (2017), Procedia CIRP, Forthcoming July 2017.

'Digital Redistributed Manufacturing (RdM) Studio: A Data-Driven Approach to Business Model Development', by Christopher Turner, Ashutosh Tiwari¹, Jose Luis Rivas Pizarroso¹, Mariale Morenol, Doroteya Vladimirova , Mohamed Zaki , and Martin Geißdörfer (2017), in Sustainable Design and Manufacturing 2017, Smart Innovation, Systems and Technologies 68, Springer International Publishing

'Dynamics of innovation made in LATAM', by David Diaz and Mohamed Zaki “Lo ‘Big’ y lo no tanto”, (2017), “Dinámicas de la innovación made in LATAM”, Spanish Translation.

dynamic evolution of their service journeys, particularly on the proactive management of individual lifecycles of their services. As Joseph Schumpeter expressed – the importance to focus on the ‘creative destruction’ within their processes of transformation.

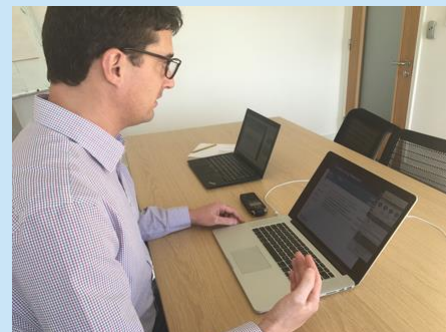
Read our monthly paper, journal paper **'Exploring the journey to services'** or listen to our **podcast**.



PODCAST recording on this research with Dr Veronica Martinez

Webinar - Ecosystems value framework

In this webinar Florian Urmetzer discusses the paper **'The Ecosystem Value Framework: Supporting Managers to Understand Value Exchange between Core Businesses in Service Ecosystems'**, which focuses on building a framework to help solve a factual problem often described by the managerial staff of companies. [\[more\]](#) [\[watch\]](#)



RECODE Network at CIRP Manufacturing Systems 2017 - Taiwan

Mohamed Zaki presented his feasibility study 'The Role of Big Data to Facilitate Redistributed Manufacturing Using a Co-creation Lens: Patterns from Consumer Goods', at the RECODE Workshop at CIRP manufacturing systems 2017 conference in Taichung, Taiwan. The paper proposes a conceptual framework to stimulate and organise thinking about emerging interrelationships between big data, co-creation and



redistributed manufacturing, built upon an extensive literature review and qualitative analysis of 15 cases from the consumer goods industry using primary and secondary data. [\[more\]](#)

2 day executive programme - Making the shift to services



New dates for the next edition of the Alliance's popular two-day executive workshop, **'Making the Shift to Services'**, have been announced. This will again be held on 15-16 November 2017, at the IfM, Cambridge, where delegates will be introduced to the idea of servitization in the manufacturing context, looking particularly at the role of technology and big data. [\[Watch a webinar introduction\]](#) [\[book\]](#)

Service Excellence Programme - Veolia



A Two-Day Service Excellence Programme has been developed and delivered to Veolia by the Cambridge Service Alliance. The participants were business unit managers from Veolia Water Technologies and other Veolia product

groups. The work included pre-interviews with all attending managers to assess participants needs. Then, the bespoke programme was designed and executed. The work included the development of service innovations for the business units. The newly developed services concepts will be presented to the CEO of Veolia in Paris on the 16 June 2017.

Human-Technology Frontier for Smart Services

Dr. Veronica Martinez was invited to Silicon Valley to debate the human-technology frontier for next generation of smart services.



The event was sponsored by the the National Science Foundation & ISSIP on the 28 and 29 March 2017. The [Final Agenda with](#)

presentations is available along with presentations made during the workshop.

Risks of outcome-based service contracts

'Investigating risks of outcome-based service contracts from a provider's perspective'

In this webinar Jingchen discusses her paper which reports her research into the risks of outcome-based contracts. Increasingly servitized companies use outcome-based contracts (OBCs) or performance-based contracts (PBCs) to provide advanced services such as availability or capability. By proposing the risk framework of OBCs, this paper provides guidance for risk management for practitioners who use outcome-based contracts for the service provision. [\[more\]](#)



UK Defence and Security Innovation Initiative

The Cambridge Service Alliance was represented by Dr Florian Urmeter at the UK Defence and Security Innovation Initiative event organised by the Ministry of Defence, Cambridge Enterprise and the Maxwell Centre. Florian presented insights and learnings into transferring his own research on Ecosystem mapping and value exchange into BAE Systems. The research is now used in the solution sales cycle of BAE Systems. The meeting introduced the 'The Defence and Security Accelerator', which is the new part of the 'Defence Science and Technology Laboratory (DSTL)', and aims at increasing of research for defence.



Theme update - Making the shift to services

This month, the shift to service team welcomed the fantastic addition of two members: Caroline Burstall from Perkins and Chris Weeks from Caterpillar. In this phase of the project, we interviewed the 'Providers' of Digital Twins. IBM and Siemens participated this month in our research. Multiple interviewees from Design to Implementation Departments shared with us their 'realities as to how Digital Twins are used and applied to diverse contexts'. We explored how Digital Twins are shaping the future of our industries, in particular the Service Industry. From this exploratory data gathering, we learnt that Digital Twins have different levels and dimensions that are important to understand in the mission of extracting the Best in Class companies. A convergent agreement among the interviewees shows that the

Digital Twins have a long and strong trajectory for Future Product-Service Business Models. [\[more\]](#)

Business ecosystems classification



The Alliance paper for April focused on classification of business ecosystems, which allows the differentiation of inter-company connections. The problem arose for the researchers that the definition of a business ecosystem lacks separation in the types of connection between companies. Business ecosystems are found to differentiate significantly, starting from loosely coupled to highly regulated and organised company relationships. Some may even result in newly founded business ventures. [\[more\]](#)

Webinar - B2B partnerships



In this webinar Florian Urmutzer discusses the executive briefing on '[A Process for B2B Partnerships - designing to deliver capability across companies](#)'. The briefing aimed to provide a handrail process for consideration of a discussion on how to build a

partnership and drive it towards delivery. [\[webinar\]](#)

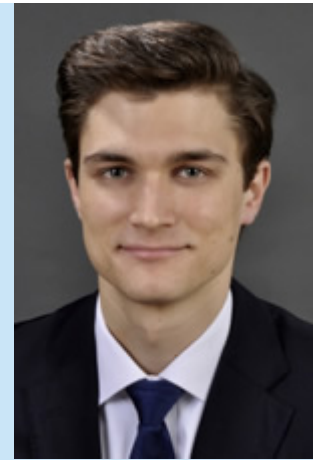
Theme update - Data analytics for services

This year the Data Analytics for Services Theme will be focusing on Service Consumer's Experience Analytics. The project aims to develop a methodology using big data and cognitive computing for understanding the service consumer's experience through the consumer journey. This year, we will experiment with one of our partners, how we can capture and analyse the raw components of CX (e.g., social listening, text, mobile applications, location-based data) to further understand CX and the consumer journey. The project aims to develop a review app and a text mining methodology for understanding the service consumer's experience in real time and use the generated insights to improve and design better service delivery. [\[more\]](#)

Alliance Visitor - Martin Fritz

We are pleased to welcome Martin Fritze to the Cambridge Service Alliance. Martin joins us as a visitor and will be working on a joint research project with Florian

Urmetzer. The project seeks to conceptually examine and empirically investigate strategic threats of servitization. Martin P. Fritze is a PhD student at the Institute for Marketing and Service Research at University of Rostock in Germany. Martin's research bridges the knowledge on product and services marketing. Most recently, he investigates the role of possessions and ownership in the service context. [\[more\]](#)



Bridging the co-creation gap

Living labs offer a new open innovation platform for companies to engage in co-creation. This study offers first insights into the operational activities, design structures and data collection approaches which are implemented to facilitate the co-creation process in living labs. The study integrates findings from a systematic literature review with primary data collected with managers and researchers of a living lab called JOSEPHS, co-creators and companies that have utilized the living lab. [\[more\]](#)



Tim Pearce placement at Alan Turing Institute



Alliance PhD researcher Tim Pearce has been accepted onto the Alan Turing Institute (ATI) PhD enrichment scheme and will be based there for the academic year 2017-18. The ATI is the national centre for data science research. Tim will continue to work on his PhD topic in warranty data analytics, and hopes to benefit from being in surroundings at the forefront of machine learning and AI research.

Seminar on co-creation in Living Labs



Katharina Greve recently gave a seminar on 'Co-creation in Living Labs: An Interorganisational Perspective' at Carlo Cattaneo University in Castellanza, Italy. The focus of the seminar was the interaction between different stakeholders that engage in co-creation in the context of JOSEPHS - a German living lab for new product and service development. In addition, Katharina presented empirical

findings that describe how co-creation can be facilitated in a large network of stakeholders that are involved in living labs. This seminar has been part of a series of postgraduate lectures in the 'Company Networks Management and Design' course at Carlo Cattaneo University (LIUC). [\[more\]](#)

Theme update: Ecosystems value mapping and analysis

This research revolves around how to design a firm, or a part of the firm, that allows the delivery of a solution to a customer that has changing needs over time. This is taking into consideration the integration to multiple partners of a business ecosystem. The problems firms are facing is that the orchestration of service delivery across firms, is often based on contracts. However the value delivery often needs to be flexible over time, this has an impact on execution, accountability, capability and capacity of firms as well as their customers. We understand well that customers' needs to service and solution delivery needs change over time. [\[more\]](#)

Exploring the Journey to Services



Firms are increasingly providing services to complement their product offerings. This study investigates '**what does a service journey look like?**' It analyses the actual service journeys undertaken by three firms in the well-being, engineering and learning sectors. This paper tells you; i) Why the fourth year in the transition to services is crucial. ii) Why the pace of service development is important, and iii) When the coexistence of basic, intermediate and complex services occurs. [\[more\]](#)

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