

Dr Veronica Martinez  
vm338@cam.ac.uk

# Leadership Requirements for Scaling Services Up

## Background

Industrial manufacturers face a large problem in scaling up their service innovations and solutions.

- 50 – 90% of innovations fail in the marketplace before achieving their full scalability potential. This is largely true in service industry (Downey, 2007; Edvardsson and Olsson, 1996).
- There is need for more research on “Scaling up Services” (Benedettini, et al., 2014).

## What is Scale Up?

Scale up is defined as the increase, expansion or growth...

"...efforts to increase the impact of innovations successfully tested in pilot or experimental projects so as to benefit more people and to foster policy and programme development on a lasting basis." Simmons (2007).

## How Do We Measure Success in Scaling Services Up?

We need a mix of leading and lagging indicators.

Scaling up services: Indicators of success

Lagging Indicators			Leading Indicators	
Financial Indicators	Context Indicators	Operational Indicators	Strategic Indicators	Competitive Indicators
<ul style="list-style-type: none"> <li>Revenue *</li> <li>Growth</li> <li>Operating margin</li> <li>Profit</li> <li>Sales</li> <li>Investments</li> </ul>	<ul style="list-style-type: none"> <li># Years</li> <li># Customers</li> <li># Services contracts</li> <li>Portfolio of services by industry</li> <li>Pipeline - sales</li> </ul>	<ul style="list-style-type: none"> <li>Utilization</li> <li>Availability achieved</li> <li>Customer feedback</li> <li>Customer value</li> </ul>	<ul style="list-style-type: none"> <li>Captured value from customer throughout lifetime of contact</li> <li>Cross sales led to sales in other brands</li> </ul>	<ul style="list-style-type: none"> <li>Is the service a considered strategic by the client ?</li> <li>Did the service displace a competitors position?</li> </ul>

## Objective

The **research objective** is to perform an exploration of the leadership requirements and characteristics for scaling services up.

*“First mover advantage doesn’t go to the first company that launches, it goes to the first company that scales.”*

Reid Hoffman, co-founder of **LinkedIn**

## Types of Scale Up

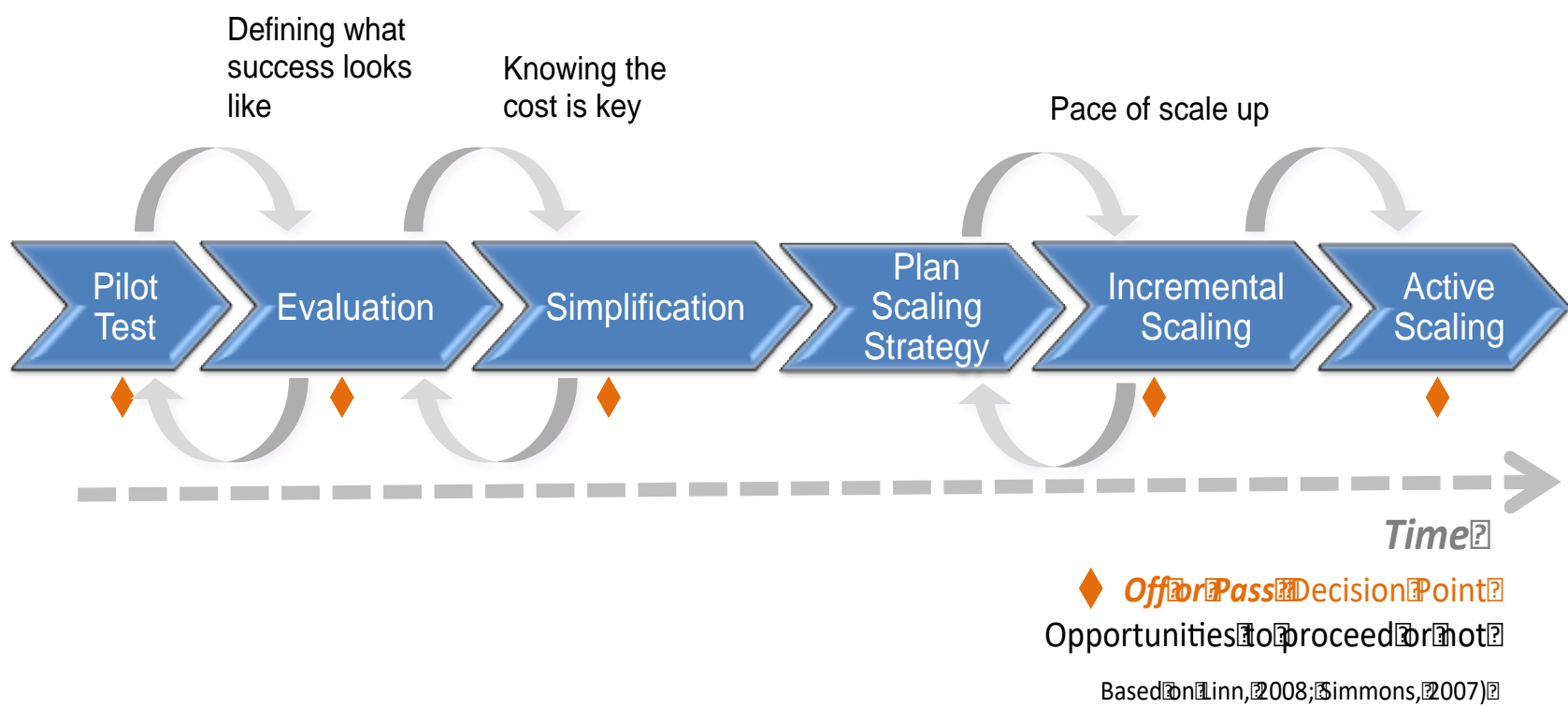
**Vertical** - replication, geographical replication

**Horizontal** – expansion, growth of projects  
Simmons (2007)



## How Do We Scale Services?

Iterations, decision points and brining business talents to complement technology talents are key.



## Leadership Requirements & Characteristics for Scaling Up Services

Targeting, coordinating & promoting service scale ups

### Dynamic Requirements

- Business Skills
- Customers & People Skills
- Top Teams Mgmt Skills
- Exploration & Exploitation Drive

### Basic Characteristics

- Visionary Tenacious
- Integration old & new portfolios
- Stimulation Motivation

Conference paper  
Webinar  
Podcast  
Blog

