



Services That Change Lives

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Center for Services Leadership

W. P. Carey School of Business

Arizona State University

P.O. Box 874106

Tempe, AZ 85287-4106

Phone: 480-965-6201

Web: wpcarey.asu.edu/csl

[Twitter.com/WPCCSL](https://twitter.com/WPCCSL)

ASU W.P. Carey
School of Business
Arizona State University

Center for Services
Leadership

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Services dominate the economy and they are a source of profit in every kind of business. Worldwide, services account for 70 percent of gross domestic product, while in the U.S. the share rises to nearly 80 percent. And, for almost 40 years, research has shown that services generate revenues and profit, for goods producers as well as enterprises that are pure service providers.

Yet services are still not universally well-understood, and many companies struggle to provide consistently good service, let alone innovate new service products. This was the focus of the fall Strategic Service Institute, offered by the Center for Services Leadership on the Arizona State University campus September 16-20, 2019. What is good service, and what is the mindset that produces it? What tools can help a company deliver excellent service? How can companies innovate? And what kind of leadership propels the companies that excel?

What is good service?

It's easy to identify a win: your customer is so delighted with the service he receives through your company that he feels compelled to evangelize. As Doug Olsen, the center's faculty director, describes it, this customer will say to a friend, "I like you, and because I do I'm telling you that you must try Company X. Really, I insist. You won't be sorry."

A fail is often harder for customers to explain. The awkward software implementation, the lost luggage: those are clear-cut disasters. But sometimes customers cannot put a finger on specifics. Still they know that something about it was unsatisfactory.

Delivering great service isn't easy, Olsen says, but done correctly it is powerful. In ways big and small, he says, service is the business of changing lives.

Services take on different forms, depending on the business and the customer. The helping interactions your firm has with customers is possibly the most easily understood, but services can also be a product such as an app, or a value your company adds to a purchase, such as training or repairs. The service can even be a physical object: a cup is a delivery service for a measured amount of hot liquid.

Customers are equally multi-faceted. Customers are those people or organizations that buy something

from you, but customers might also be internal to your organization: for the marketing department, the sales team is a customer. Or customers may be outside your company, such as suppliers.

Olsen suggested using the [Service Triangle](#) to understand the relationships that are part of good service. The company and providers form two points of the triangle, with customers as the third.

Companies make promises to customers and rely on providers to perform the actions that fulfill the promise. Providers may be employees of the firm, but they also could be third parties. Success – promises to customers fulfilled – is the provider's job, but he can do it well only if the company supports him.

"Your take-away is that delivering exceptional service means working all three side, balancing the triangle," Olsen says.

Concepts behind great service offerings

Research offers ways of thinking about services that help firms uncover the friction within their offerings and create new ones.

Speaker Sal Bravo, an experience design strategist at the consultancy Cast and Hue, took listeners back to the first iPhone announcement as a way of exploring his concept of "Be versus Do" services.

When Steve Jobs took the stage to announce Apple's first iPhone, Bravo says, he spent some 15 minutes talking about everything but the product. He described life in that 2007 world and asked a series of "wouldn't it be great" questions about personal communication. Then he pulled out his new iPhone, and the cell phone paradigm shifted. The sophisticated phone at the time was the Blackberry with its slide-out keyboard – it was the product to beat. The Blackberry had enabled users to manage email as well as make calls, enabling them to work outside the office. But the iPhone took big steps toward the future by moving the keyboard to the screen, a screen that could also display photos taken by the device.

The Blackberry was a service that addressed Do goals: keeping in touch with the office. But the iPhone was something more. In addition to doing work by accessing email, it allowed users to multitask, work on the road, conveniently save memories (photos made by the phone itself), and more. It allowed the user to be more connected and effective in career *and* life. Before the iPhone, consumers wanted a better keyboard for their Blackberries; with the advent of the iPhone customers wanted their device to help them manage their lives. The difference between the Blackberry and the iPhone was the difference between using a product and changing your life.

Getting at the consumer's Be goals requires a deep understanding of the customer. Consultant Gwen Ortmeier, an executive coach with the Strategic Service Institute, says that successful products and services are designed holistically as solutions to problems.

For example, consider the self-moving business. Individuals who are moving need a truck, therefore companies in the self-move business would be expected to own a fleet. But securing a truck and driving it to a new address does not describe the customer's job to be done. People who are moving need to pack, so they need boxes, tape, and furniture padding. And, "who knows better what you need for moving" than a company that deals almost exclusively

with people who are moving their households, Ortmeier asked. U-Haul, which calls itself "your moving and storage resource," understands the breadth of its customers' task, and offers the tools and supplies they need when they are moving.

Ortmeier has developed a Jobs-to-be-Done (JTBD) tool helps companies discover what customers really need so that they can create new services that hit the mark. Look for ways to address experiences, and pay close attention to emotions, she advised.

Designing services

Thomas Hollmann, executive director of the Center for Services Leadership, says that the way services are developed differs from product development. Hollmann's research looked at services firms and goods firms, comparing the way each handles innovation. Both kinds of companies begin the process with the same number of ideas, and each eliminates ideas through development, he said, but new service offerings take far less time to bring to market than new products, and they perform just as well.

New goods product development is closely managed, Hollmann said, remembering the large process binders that were passed from team to team when he was working in industry settings. In contrast, services are designed by teams who work with little oversight by management. "Services innovation usually involves finding two people, locking them in a room and leaving them alone," he quipped. At the end, however, "they better have something awesome."

Hollmann demonstrated some of the tools that are available to help companies understand whether they are following goods- or services-type innovation processes, and whether their methods are appropriate for their goals.

One of the ways to tackle services development is what Bravo describes as design thinking.

Start with data, and when you find insights, try to match them with one of the common human needs, Bravo recommends. The next step, ideation, is the

equivalent of opening the doors and windows to ideas – welcoming any out-of-the-box idea. He recommends bringing in participants from across the company, brainstorming in a setting where hierarchy doesn't matter. One recent consulting job included two full days of ideation, he said. Then narrow the list down to a small set of ideas for prototyping and testing. Be ready to use the feedback from testing to tweak the product until it's ready for market, he said.

Don't limit the ideation stage to the creative team warns Jordan Haugan, a sales manager at Google who works in new product development. It's a mistake to cordon off creativity as a specialty, he says. "Everyone has to be creative; everyone has to be a storyteller."

Companies should also consider including technology in their service strategy, according to speaker Gary Bridge, managing director of Snow Creek Advisors. Cell phone addiction to the contrary, he says 30 percent of Americans simply don't like technology. But technology solutions are available that can be deployed without engaging with a big, disruptive platform, and the payback can be high. Companies that exclude technology from the equation need look no further than Kodak for a cautionary tale. Best known for its film and cameras, the company considered itself in the chemical business – not photography. That mindset proved fatal, as the company ignored digital photography until it was too late.

Technology has the potential to do five things for a company: create better customer services, deliver services faster, operate at a lower cost, give customers more control and connect socially and emotionally, Bridge says. Many solutions use relatively inexpensive technologies like RFID, which can be used to identify customers and personalize their experiences. Another is mobile phone technology. The cell phones that live in virtually every pocket or purse in the country are built with some 17 sensors and five radios, an ecosystem that's fertile for applications. Other technologies that merit a look include virtual and augmented reality, cloud computing, artificial intelligence and robotics. Data is another. Big

companies are repositories of huge amounts of data, yet they are falling behind in using it effectively, he says.

Tell your story

Once a company has launched a new service the next task is marketing. But, as a society we are "categorically rejecting ads," says Haugan. We fast forward through them on our televisions and wait impatiently when they block what we want to read online. Reject these "boring marketing" methods and look for other ways to tell a compelling story, he says.

The first step Haugan recommends is to decide on a key metric that you want to advance, such as increasing web traffic. Then ask an existential question: what is your right to win? What differentiates your product or company in such a way that it is worthy of a customer's money and loyalty? In other words, what story can you tell that will make people want to affiliate themselves with you? It could be that your product is a game-changer or life-saver. But your company does not have to be a trailblazer in order to have a story. Ralph's Supermarkets in California developed a series of ads focusing on local sources for their products, in the process creating an identity distinct from other markets. Compelling stories are the meat of social media.

Good stories can be deployed to customers through influencer marketing. Influencers are experts or celebrities who are trusted by your customers and who epitomize your brand or product. They reach the public through social media channels, talking about your company in their own voices and providing context for your product message. The best way to work with an influencer, Haugan says, is to provide a top-line creative brief, then allow the influencer freedom to develop a message around it. One campaign he cited was a series of pet care videos starring a well-known groomer and branded by a pet supply chain. Because they were instructional, the videos have had a long life online and have generated high volumes of web traffic for the store.

Leading through change

When firms tackle big initiatives, such as new service implementations, the pressure can reveal fault lines in the organization, including in the leadership. Suzanne Peterson, an associate professor at the Thunderbird School of Global Management at ASU, has been studying leadership for two decades. Theories abound, she says, but consistent throughout is a set of behaviors common to strong leaders who successfully lead their organizations through change. Whether they have the hearts of their followers or whether they are focused on results alone, great leaders have these two behavioral qualities in common: they are competent and credible. More than this, they behave the same way at home as they do in the office.

For the attendees at the Services Leadership Institute, Peterson presented five behaviors common to leaders that inspire followers.

People follow leaders who keep promises. People make small promises all the time. They promise to send an email or schedule a lunch, but most people don't consider these promises a commitment. In fact, 75-80 percent of the time people don't follow through, says Peterson. This is the reason that most of the work on your team is done by a handful of people, the ones who unfailingly follow through. You would not trust someone who cannot keep a trivial promise with work that is important, she points out. Similarly, why would you follow a leader who doesn't keep her promises?

These lapses carry over to the home front as well. Our lives are busy, but letting these small promises go tells your family and friends that they can't count on you.

Peterson recommends watching what you say. If you don't think you can follow through, don't make a promise, even casually. Instead, practice building credibility by deliberately making small promises and keeping them. You can learn a lot about a job applicant, too, by asking him to email you some unimportant information, such as restaurant recommendations. Whether he follows up or not will help you decide if you want him on the team.

People follow leaders who are capable of being fully present. Peterson draws a distinction between being accessible and available. Accessible means you can be reached anytime by email or phone, or by stopping by the office. This sends the message that you will divide your attention whenever needed. Available means you will give that person your full attention.

If you are always accessible, Peterson says, you will never give your people the undivided attention they sometimes need. Access is a poor substitute for your full attention. And, you will not have time to think or work on complicated projects.

Peterson recommends blocking times when you will be fully available. Keep those appointments short, but make them frequent. Research has shown that short periods of close attention and more of them are more effective than infrequent longer periods.

Take this one home, too. "If you had 10 minutes every day, focused closely on your family member with no distraction from TV or anything else, it would change that relationship," she said.

People follow leaders who are willing to do what they ask others to do. "Never be above doing what needs to be done in order to complete the work," Peterson says. She doesn't mean doing your employee's work. She means wiping down the white board or washing the coffee cups. If you ask employees to work a Saturday to get a project done, you should come in on weekends too.

She tells a story Jamie Dimon, chairman and CEO of JPMorgan Chase. On his way out after speaking to a large crowd, Dimon noticed that a trash barrel by the door had overflowed. He stopped to pick up the papers. People notice those things, Peterson says. These actions build credibility.

People follow leaders who save people publicly. Leaders who come to the rescue in public earn loyalty and respect. Peterson says to ask yourself if you are the kind of manager who backs up her team, or if your people are afraid you will let them crash in public. You may still have a hard conversation with the employee

in private, but not in front of their peers or the leadership.

You can practice this one too. Peterson recommends that you look for situations where you could do something to bail out a friend or colleague. People never forget that helping hand, Peterson says.

People follow leaders who are authentic. “Make sure you are the same person off stage as you are on stage,” Peterson says. Are you the boss who makes snarky comments after the meeting is over and the senior leadership team is gone? This is not the same as “flexing your style,” she adds. Your demeanor will be different at happy hour than at the staff meeting, but not your core behavior.

“Watch who you are, and don’t change your behavior based on hierarchy,” she advises. Be aware that in truth you are always on stage: if your staff witnesses your rude behavior with the staff at the conference hotel you will lose credibility – and your ability to lead effectively.

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Join us in February!

The winter session of the Center for Services Leadership Strategic Service Institute is slated for February 24-28, 2020 at Arizona State University.

[Information and registration.](#)

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Biographies



Salvador Bravo

Experience Design Strategist
Cast and Hue

One part philosopher, one part researcher, one part experience designer, Sal is a T-Shaped strategist with a penchant for the cognitive

sciences. He’s passionate about how people make choices about products and services and how they

develop attitudes and beliefs about brands. He helps clients understand their audience better so they can design experiences and services with their customers’ top of mind.



R. Gary Bridge, Ph.D.,

Managing Director, Snow Creek Advisors, LLC
Former Senior Vice President and Global Lead, Cisco Systems, Inc.

Gary Bridge came to the business world via academe. While teaching social and organizational psychology at

Columbia University, Bridge started a consulting practice that helped technology companies navigate risky strategic decisions. IBM acquired this company during Big Blue’s historic turnaround, which was marked by a strategic shift from mainly products to mainly services. As a corporate vice president, Bridge’s management portfolio included worldwide market intelligence and economics, marketing management, brand strategy, licensing, global customer information, and customer relationship management systems.

After IBM, Bridge helped inventor Dean Kamen launch the Segway self-balancing transporter, a totally fun but ultimately unprofitable venture. As senior vice president /CMO, Bridge designed the launch strategy and roll out campaign, which won two Silver Anvil Awards.

Most recently, Bridge served nine years as senior vice president and global lead of Cisco System’s strategic consulting arm, the Internet Business Solutions Group. IBSG’s 200-plus consultants operated at the intersection of competitive strategy, advanced technology, and process re-engineering to accelerate growth and increase productivity in the world’s largest enterprises and governments.

Bridge’s work with multinational companies continues through Snow Creek Advisors, and his current engagements focus on accelerating innovation and aligning strategy with a rapidly changing business environment. His research interests involve data analytics or what is often called “big data” technology.

He is the lead investor in NeuralEye, a facial recognition startup that specializes in identifying very low quality probe images.

Educated at the University of California, Los Angeles (UCLA), Bridge holds degrees in Economics (BA) and Experimental Social Psychology (MA, Ph.D.) and did additional work in Statistics and Engineering Psychology. Dr. Bridge has been associated with a number of U.S. think tanks, including the RAND Corporation, Battelle, and the Defense Advanced Research Projects Agency (DARPA).



Jordan Haugan
Sales Manager, Google
Jordan Haugan is the sales operations lead for the Sales Acceleration and Innovation Labs (SAIL) team within Google. As the innovation engine of Google Ads, his

team pilots, incubates, and scales new ideas that drive more, sustainable Google customers. Prior to joining Google in early 2019, Jordan spent the better part of the last decade helping Fortune 500 marketing leaders “Rid the World of Boring Marketing” by telling their brand’s story in powerful ways that engaged audiences and inspired action. As the Director of business development for industry-leading influencer marketing agency, August United, Jordan developed award-winning digital marketing strategies for clients including Kroger, Microsoft, PetSmart, Persil, See’s Candies, Children International, and more.



Thomas Hollmann
Thomas Hollmann, Clinical Associate Professor of Marketing and Executive Director, Center for Services Leadership, W. P. Carey School of Business at Arizona State University
Thomas’ work experience spans four countries and over 10 years

in Fortune 100 companies, including Black & Decker, Xerox, and as an executive at Sun Life Financial. His

research interests include services science, with a focus on B2B, service analytics, and relationship marketing, with a particular interest in relationship outcomes (profitability, customer equity, defection, retention, satisfaction, etc.).

His research has appeared in the Journal of the Academy of Marketing Science, the Journal of Business and Industrial Marketing and several leading marketing and services conferences. He has received research grants and awards from the Center for Innovation Management Studies, Xerox, IBM, and the Center for Services Leadership. Thomas has consulted with a range of Fortune 500 firms and he received awards for his teaching at Arizona State University and at NC State.

Thomas earned a Ph.D. in Marketing from Arizona State University.



Douglas Olsen, Ph.D.
Faculty Director, Strategic Service Institute, Associate Professor, W. P. Carey School of Business Arizona State University
Douglas Olsen, B.Sc., MBA, Ph.D. is an associate professor of marketing in W. P. Carey School of Business at Arizona State University and coordinator of the

Strategic Marketing and Services Leadership Specialization. Douglas has been active in both graduate and undergraduate programs and teaches marketing strategy, research methodology and marketing communication. He has been an instructor in a broad range of executive development programs related to business strategy and service excellence. He currently serves as faculty director of the Strategic Service Institute, held annually at the Center for Service Leadership at ASU, and the faculty director of the Strategic Marketing and Services Leadership (SMSL) Specialization in the W. P. Carey MBA Program. Over the past two decades, his dedication to teaching has been recognized with numerous awards for instructional excellence. On a pragmatic level, Douglas has been actively involved in consultation to both government and private enterprise.

Current academic work focuses on factors limiting and enhancing the success of innovation and technology commercialization, as is focused on in his recent book, *The Five Laws of Innovation Success: Generating Critical Momentum for Products, Services and Ideas*. His academic research has been published in journals that include: *Journal of Advertising*, *Journal of Advertising Research*, *Journal of Consumer Research*, *Journal of Business Research*, *Journal of Public Policy and Marketing*, *Journal of Experimental Psychology: Applied*, *Journal of Consumer Psychology* and *International Journal of Research in Marketing*. His research has been presented at over 30 conferences in Canada, the United States, Europe, South America and Australia.

On a personal side, Douglas is fascinated by contemporary design, and enjoys traveling, furniture making, browsing eBay for “really cool old stuff” and spending time outdoors.



Gwen Ortmeyer, Ph.D.
Independent Consultant
Strategic Service Institute
Executive Coach
Throughout her 20 years of business consulting, Gwen Ortmeyer has helped business teams design and execute market and business strategy. Dr.

Ortmeyer is also active in the design and delivery of in-house executive learning programs in marketing, competitive strategy, market planning & implementation, and business management. She has specific domain knowledge in the marketing discipline, including such areas as branding, positioning, integrated marketing communications, pricing, retailing and market research.

She has worked with executives in many different firms including Unilever, General Electric, Seagram, Newell Rubbermaid, Amgen, AT&T, Avon, Boston Scientific, Cardinal Health, Cisco Systems, Citibank, Corning, DuPont Dow Elastomers, Gilead, Honeywell, Household International, Kimberly-Clark, Land’s End, Life Technologies, National Starch, Navistar, Norfolk & Southern, Johnson & Johnson, Bristol Myers Squibb,

Eli Lilly, Praxair, PSE&G, Siemens, and Texas Instruments.

She has served as an Assistant Professor of Marketing at Columbia and Harvard Business Schools and as an Associate Professor of Business Practice at Duke University’s Fuqua School of Business. In addition she has taught in executive education programs at various business schools including Stanford, Harvard, MIT and Columbia. Dr. Ortmeyer received her B.S. from the University of California at Berkeley and her Ph.D. in Management from Stanford University’s Graduate School of Business.



Suzanne Peterson, Ph.D.
Associate Professor,
Thunderbird School of
Global Management,
Arizona State University
Suzanne Peterson is an
associate professor of
leadership. She is focused

on bringing her leadership expertise and content to Thunderbird’s executive education clients as well as the growing graduate student base. She previously served as faculty director of executive education at Arizona State University’s W. P. Carey School of Business where she served as a liaison between industry and academia. Although she advises senior executives in a variety of industry sectors, the majority of her time has been spent on Wall Street and other financial services firms. She has advised leaders in firms such as J.P. Morgan Chase, Morgan Stanley, Societe Generale, Fidelity, and Bank of America Merrill Lynch, as well as Blue Cross Blue Shield, Avnet, McDonalds, State Farm, and Microsoft to name a few.

Her consulting and coaching leverage the theory that excellence in leadership consists of routines and behaviors that can easily be taught. Emphasizing leadership style, effective communication, and relationship building as keys to leadership success, she works with leaders to provide them the tools to deliver excellent business results while concurrently inspiring exceptional levels of loyalty and followership.

She is a sought-after speaker, and winner of multiple teaching awards, research awards and grants.

Functionally, she has extensive experience working with leadership in the C-Suite. Given her interest and experience in leadership development and talent assessment, she also has worked closely with the human resources function to ensure excellence in design and ROI of leadership development initiatives.

Her long-standing tenure with Arizona State University makes her ideally poised to leverage Thunderbird’s vast executive education experience and expert faculty with the diverse and multi-faced strengths within the larger ASU community.

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The Center for Services Leadership

The Center for Services Leadership is a groundbreaking research center within the W. P. Carey

School of Business at Arizona State University that concentrates on expanding service innovation by combining the latest scientific insights from the academic world with the best of service strategy in the business world.

The CSL was created in 1985 as a response to the unique set of challenges that companies faced. While others were focusing on products and manufacturing enterprises, the CSL pioneered the study of service. Today, the Center is a globally recognized authority and thought leader in the science of competing strategically through the profitable use of service.

The Center’s success is due to our partnership with the business community. Our distinguished Board of Advisors, who serve as thought leaders representing our member firms, provide us with valuable insights into the challenges that firms face in the services arena. We partner with our Member Firms on research and projects in a “real world” context that keeps our message practical and vital.

For more information on the Center for Services Leadership, visit wpcarey.asu.edu/csl.