Designing Services and Service Delivery

Purposeful Customer Service

The playground of small businesses and entrepreneurs is not only product development but also services and their delivery. In fact, a service business is a common point of entry for entrepreneurship. On some level, almost everyone is qualified to start a service-based business, because everyone has some skill, knowledge, or experience for which others are willing to pay. Starting a service-based business is quite an egalitarian proposition; anyone with a decent work ethic and a desirable skill can sell a service; as opposed to product-based businesses, there is a reduced financial commitment because there is no physical inventory to purchase and maintain.

Differentiating your service business from the sea of others is equally as challenging as it would be with a product-based business. However, by applying a design thinking approach and using the discipline's tools, you can be purposeful where competitors may be haphazard.

■ **Note** Design thinking can differentiate your offerings and help you stand out from the crowd.

Services as Solutions

Just as a product must fulfill a customer need, a service must provide a solution to a customer's problem. For example, customers need a more fuel-efficient, high-capacity vehicle, so a U.S. car manufacturer produces a hybrid version of its best-selling SUV. The automaker's product fulfills a need. Furthermore, entrepreneurs and small-business owners need help getting everyday tasks done, so a software as a service (SaaS) company creates a web-based platform through which entrepreneurs and owners can contract with freelance assistants to accomplish those tasks. The SaaS company's service provides a solution.

Here is where the conversation about products and services can get esoteric. I have had many a colleague posit that a product can provide a solution, and a service can fulfill a customer need. Perhaps the hybrid SUV is the solution to a customer's transportation problem, and the SaaS company's platform is the product that fulfills the customer's need for an assistant. Do the semantics matter? Not all that much, but for our purposes of discussing the use of design thinking in developing services, we'll define services as solutions.

Successfully applying design thinking to a service business requires a solid understanding of the customer's problem for which the service is to be the solution. Chapter 2 covers the important role of research in the design thinking process. If you don't have a clear understanding of the problem for which the customer needs a solution, you simply cannot properly design a service to satisfy that problem. If you skipped Chapter 2, go back and read it now. If you've read it, remember that research helps eliminate assumptions, and design thinking research methods are affordable, accessible, and very user-friendly.

The 5 Whys

With regard to service design, I highly recommend you use the 5 Whys as one of your design thinking tools (see Chapter 2 for a description). It is particularly important to understand the true root of the customer's problem to best design the service solution. Let's use a virtual assistant service as an example. At the surface, the belief is that entrepreneurs need help getting general business and personal tasks done. Why? Because they don't have time to do it all. The answer to "why?" may seem to be sufficient and a reasonable basis on which to design a service to solve the entrepreneur's problem. By digging deeper, however, we can design a service that delivers a more precise—and satisfactory—solution. Answers to additional why questions could reveal that ultimately, the entrepreneur doesn't have the expertise to handle specific tasks but won't or doesn't readily admit that to him- or herself.

■ **Tip**   Embrace your inner toddler and enjoy asking "why?"

With a surface-level understanding of the problem, we may have designed the virtual assistant service to provide task fulfillment in a wide variety of areas performed by assistants with generalized experience. Instead, with a deeper level of understanding, we would design the service to offer assistance provided by more specialized experts to fulfill highly specific tasks in targeted areas of operations, such as finance or human resources.

Making the Intangible Memorable

The one distinct feature of a service business that I encourage you to keep at the forefront of your mind and your awareness is this: services are intangible. Although services can be experienced and consumed, they cannot be physically touched, and their intangible nature produces some unique challenges with customers.

Services are at a great disadvantage as compared to products when it comes to forming lasting impressions among customers. Generally, services don't result in physical artifacts or tangible representations of the service that was provided. (Paperwork and forms—regardless of how classy their presentation folder is—do not count.) With product-based businesses, customers possess a physical artifact that they can identify with the business transaction, for example, an air-conditioning system, a car, a dress, or a watch. The artifact serves as a sort of memory device, prompting the customers to remember the business and their experiences interacting with it.

Intangible services are much like memories: they can be described in great detail, can be emotionally charged, and leave a lasting impression. Conversely, they can also be insignificant and transient. It's the quality and depth of meaning in what occurred that creates a lasting memory. It's also what gives a service its significance in the eyes and minds of customers.

To illustrate this dichotomy, I'll put the concept in personal terms: think of a vacation from which you brought home a souvenir, say, a seashell from the beach or a miniature Eiffel Tower from Paris. When you see that souvenir, do you recall the details of your vacation and all that you experienced? Now, think of a vacation from which you didn't bring home a souvenir. How often do you recall the memories of that trip? Can you recall those memories in rich detail, or are the memories a bit fuzzy?

■ **Note**   Services lack the advantage of physical artifacts, which provide customers with visual cues to remember their interactions with a business.

A service business's lack of a physical artifact shouldn't be seen as a deficiency, but should be considered a ripe opportunity to engage design-thinking tools to ensure a service is delivered in such a meaningful way that it can be remembered in detail, over time, without the need of a visual prompt.

Service Delivery Pathways

Service delivery seems inextricably linked to the customer experience, and from many viewpoints, it is. However, the focus of service delivery is efficiency and effectiveness—for your customer and your business—and it should be regarded as a distinct characteristic of your business and therefore planned and designed accordingly. The easiest way to view service delivery is to focus on the mechanisms through which your service is delivered. Let's go back to the virtual assistant service example to illustrate the difference.

An entrepreneur has decided to use your service to help her with book-keeping. How will you provide that service? In other words, through what paths can the customer engage your business, and at what points along those paths are there transactions through which you deliver your service?

The customer journey map (CJM; see Chapter 4) is an excellent design-thinking tool for mapping not only the customer journey, but also your service delivery process. If you've already completed a CJM for your business, bring the flip-chart pages out of your file drawer—or print out the digital photos you took of your completed map on the white board—and use them for reference. To incorporate your CJM into service design, you need to go a level deeper and add details of how your service is delivered to the customer.

There can be multiple starting points and service delivery pathways with any business. In our scenario, we'll compare and contrast two pathways. Both start online, and one remains online through the duration of the transaction, whereas the other goes offline to complete the service delivery in person.

Your entrepreneur customer goes online and reviews the content of your website (a pretty common occurrence in any business sector). Again, focusing on the mechanisms of service delivery and its roots in efficiency and effectiveness, how well does your website perform? Do the pages load quickly? Is the information clear and easy to understand? Is it clear to the customer what her next step needs to be to engage your company?

In our example, the entrepreneur reads on your website that to receive further information and a cost estimate, the next step is to submit an inquiry about services, describing what type of assistance she needs (see Figure 6-1). Is it clear via the copy and design how she is to submit that inquiry? Once she clicks on the link or button on the website, a fill-in-the-blank form pops up, with a request to provide as much information as possible. Are the form's fields defined in such a way that it guides her through providing the information, ensuring that you get the information you need?

Virtual Assistant Service
How can we help you?

Thank you for contacting Virtual Assistant Service. We look forward to helping you. Please complete this form, providing as much detail as possible, and click the submit button. One of our team members will be in touch with you within 48 hours.

Name: _____ Company: _____

Type of Business: _____

Address: _____

Email: _____ Phone: _____

Please select the area(s) in which you need assistance:
☐ Office Administration ☐ Bookkeeping/Accounting ☐ Human Resources ☐ Sales Support

Please select the level of assistance you need:
☐ Entry-level (<3 years' experience) ☐ Mid-level (3-7 years' experience) ☐ Senior-level (+7 years' experience)

Must the assistant be available to work on-site at your office or business? ☐ Yes ☐ No

Please describe the activities with which you need assistance:

Please select how long you will need assistance:
☐ As-needed/On-call ☐ Short-term (<1 month) ☐ Long-term (1-3 months) ☐ Ongoing (>3 months)

Submit

Figure 6-1. Inquiry form for service delivery

The form the customer receives—with defined fields—is designed to make service delivery efficient (Figure 6-1). By prompting the customer to provide detail up front and in a way that is helpful to you potentially will minimize the amount of communication needed before you can provide a cost estimate, thus making the delivery of service at this point more effective.

Once you have received the customer's form, identify how you will deliver the next level of service: the cost quote and the solution to the customer's problem. At this point the service delivery pathways can diverge into online-only and online/offline formats. As the service provider, you have a decision to make: how do your transactions need to happen? If research indicates that your customers prefer the efficiency of a completely online service experience, then that is the delivery pathway you design and provide. Alternatively, if research indicates that your customers are more likely to contract your services after meeting and conducting business in person, then you design your delivery pathway to start online and then move offline to close the deal. What if you don't have any research that indicates a preference? You can offer both and evaluate which means of service delivery performs better for you, or you can offer the service delivery that you prefer and monitor it closely to ensure you are able to meet your business goals.

In the virtual assistant services example, the steps along each pathway would have more differences than similarities (Figure 6-2). However you design service delivery, scrutinize the efficiency and effectiveness of each transaction point along the path. Not only do you want to ensure that the process is cost-effective for your business, you also want to minimize the risk of your customer abandoning the transaction altogether.
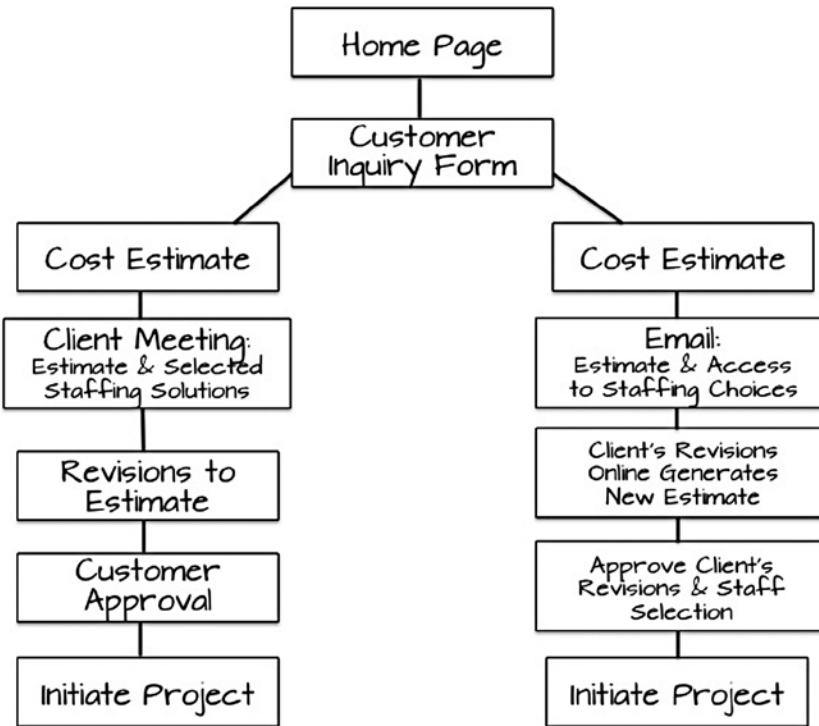
Figure 6-2. Service delivery pathways

Risk of Abandonment

The phrase "abandon rate" has infiltrated many e-commerce conversations over the past five years, and it refers to how often an online customer starts but does not complete a shopping transaction. It's an alarming trend for businesses, and online retailers follow the data closely. Although it is well known that the "death rate" of customer transactions by abandonment is high for product-based businesses, I argue that the rates are likely higher among service-based businesses. Why? In my experience, the transaction points require a deeper level of engagement on the part of the customer before he or she has committed to the purchase. The form requires detail so that the next transaction is more effective. Providing that level of detail requires the customer to spend more time and thought early in the process and thus elevates the risk of abandonment.

Should we allow that risk to influence us to shorten the inquiry form and request less detail from the customer? There are arguments for yes and no. I am in the "no" camp; let me tell you why.

A service-based business by nature is more hands-on and generally requires more investment on the part of the business to complete a transaction (salespeople will tell you it's harder to sell a service than a product). As a business owner, I would opt to spend my investment on customers who are more engaged and by extension better prospects. A customer who has completed a more detailed form as part of an inquiry about my services demonstrates that deeper engagement.

Should we allow the risk of abandonment to influence us in how we design service delivery? Absolutely. I would be arrogant—and irresponsible—to suggest that service-based businesses don't need to be concerned about abandonment. The key here is to balance the business's need to invest in potential customers with the need to operate effectively and successfully. As one of my mentors would say, "Choose your battles."

In the war on abandonment, how do you identify which battles are worth fighting? I recommend using your CJM with the service delivery details and working with your team to identify points along the path at which customers may abandon the transaction. Any transaction point at which the customer has to make a decision is a potential abandonment point (see Figure 6-3).
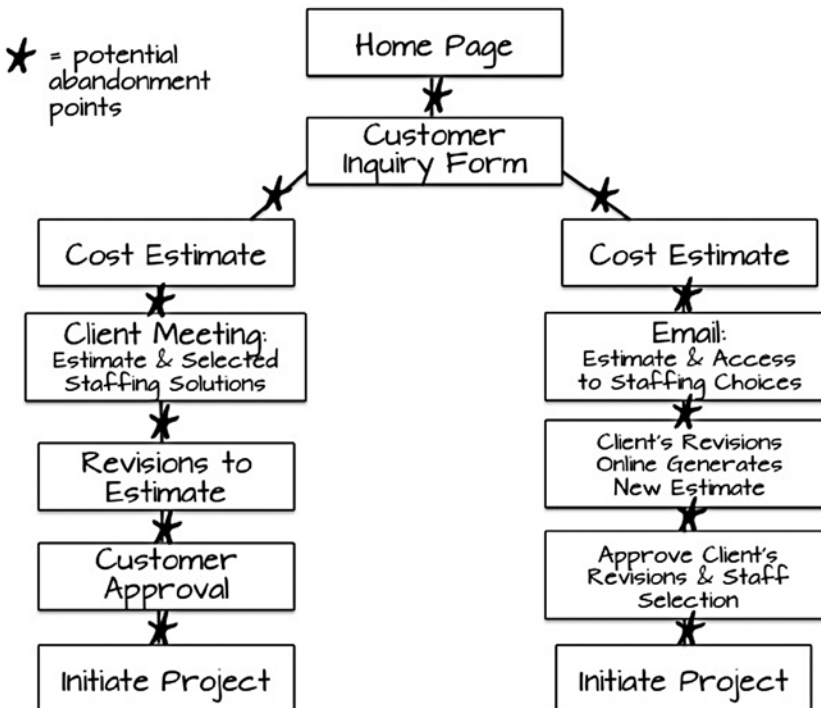

Figure 6-3. Potential abandonment points

Returning to the virtual assistant service example, abandonment can occur at many points, the first of which is when the customer reviews the website. As I noted earlier, if your pages load slowly, the information isn't clear, or there's no clear indication of what a potential customer should do to continue the transaction, the potential customer could bail. The detailed inquiry form could be an abandonment point. The cost estimate could also be an abandonment point. And so on.

Your challenge as a business owner or entrepreneur is to evaluate those potential abandonment points and prioritize them. For example, do you feel (and if you've done target market research, you likely know) that your prospective customer wants to be able to choose her own assistant from among the pool of resources you offer? Allow for that functionality. Is your prospective customer more likely to balk at the cost and potentially abandon the transaction at the cost estimate point? Consider redesigning the way you deliver that part of your service—presenting the estimate—via a meeting with the potential customer.

Summary

Although service delivery and customer experience may seem like two sides of the same coin, they are in fact distinct aspects of business and demand individual attention. To best design the way your business delivers the service(s) it provides, acknowledge that the devil is in the details. Focus on the mechanics of how your services are delivered, with emphasis on efficiency and effectiveness for you and your customer. Well-delivered services produce great customer experiences.