

UNIT-3  
MBA MK<sub>1</sub>  
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# Service Process

# Meaning

Process in services refers to the actual procedures, mechanisms, and flow of activities by which the service is delivered- the service delivery and operating systems.

In fast food outlets the process comprises buying the coupons at one counter and picking up the food against that at another counter.

# Understanding Service Process

**1. Variety in Process:** Process variety has implications on cost, complexity and flexibility of operations.

□ **Runner-** Standardized set of activities and allows high efficiency in operations. Example- Checking the bank account, railway enquiry

□ **Repeaters-** More or less like runners except that they tend to be little more complex and occur less frequently. Example- Fast food restaurant.

□ **Strangers-** a non-standardized process.

**2. Value Addition in Process**

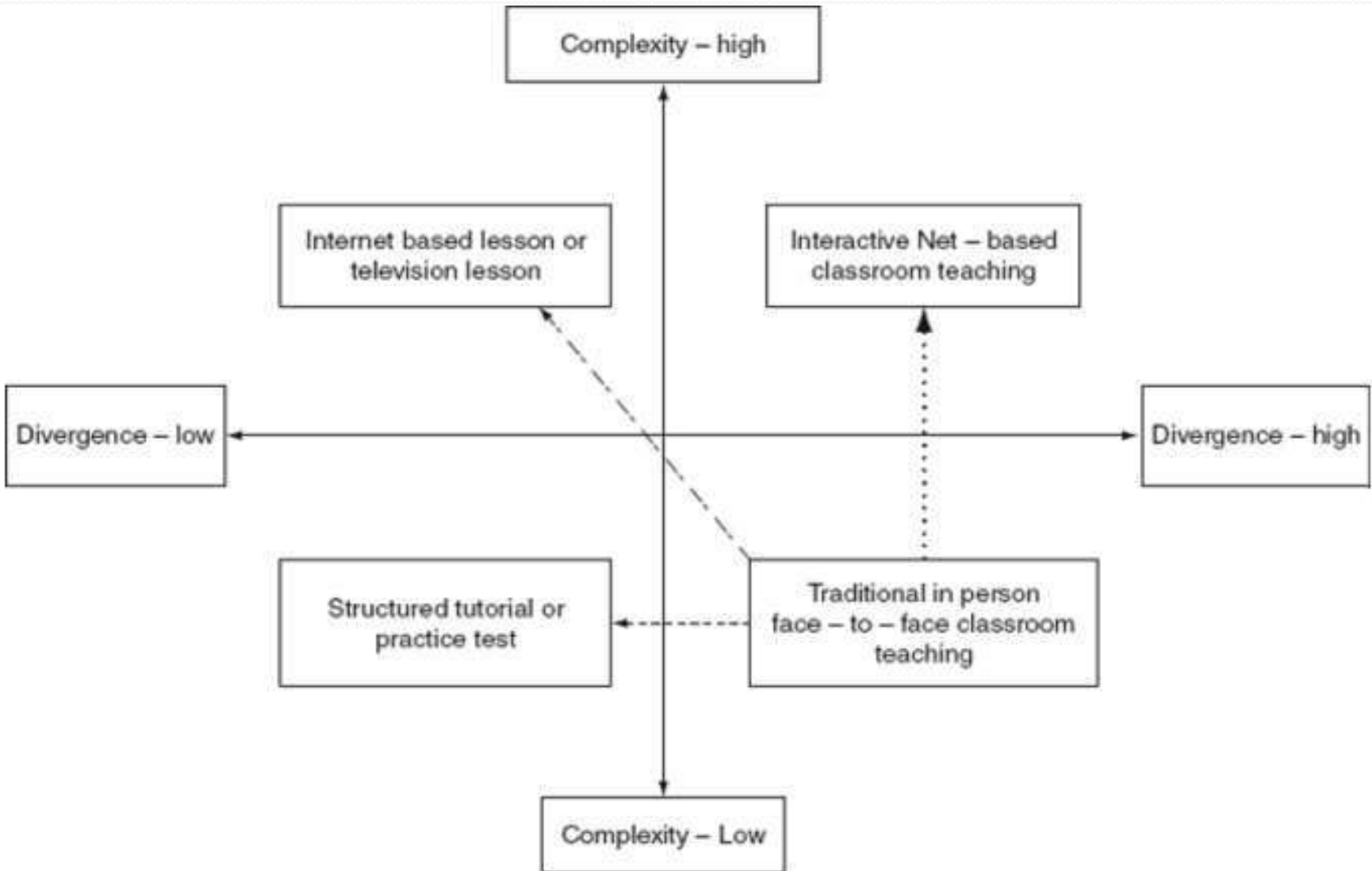
**3. Task Allocation**

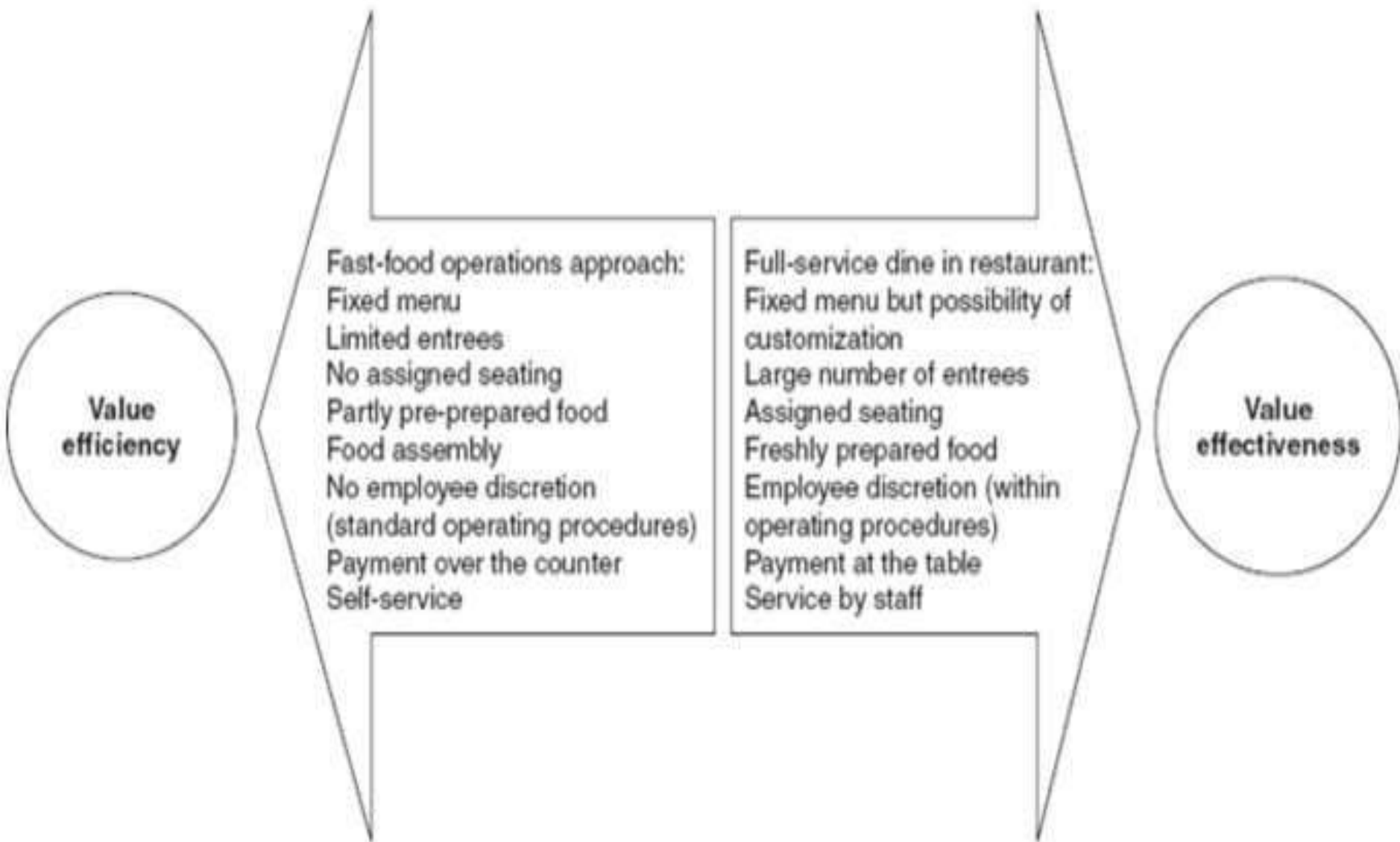
# Strategic Position and Service Process

## Steps and Sequences (Complexity) and Steps variability (Divergence):

1. **Low complexity and low divergence:** simple short structured processes like one product-Mcdonalds standardized service.
2. **High complexity high divergence:** long multi-step process with high employee discretion and judgment-chefs in premium hotel
3. **Low complexity high divergence:** short process but high discretion but high discretion and customization – tutor services.
4. **High complexity low divergence:** long complicated service process but limited standardized offering – standard hotel services

# Education Services and Process





**Figure 5.7** Difference in Service Operations Approach in Restaurant Business



# Service Process Matrix

Based on degree of labour intensity and the degree of customisation there are 4 types of services:

- ❑ **Service Factory:** Capital intensive and standardized services- Airlines, Hotels, Resorts.
- ❑ **Service Shop:** Capital intensive and customised services- Hospitals, Repair shops.
- ❑ **Mass Services:** high labour intensive, and low degree of interaction and customisation – Retailing, Wholesaling and Schools
- ❑ **Professional Services-** labour intensive and highly customised services- physicians, lawyers, accountants.