

15/July/2013

# Class 12 – Service Design and Service Mapping

*Summer 2013*

Accelerating Information Technology Innovation



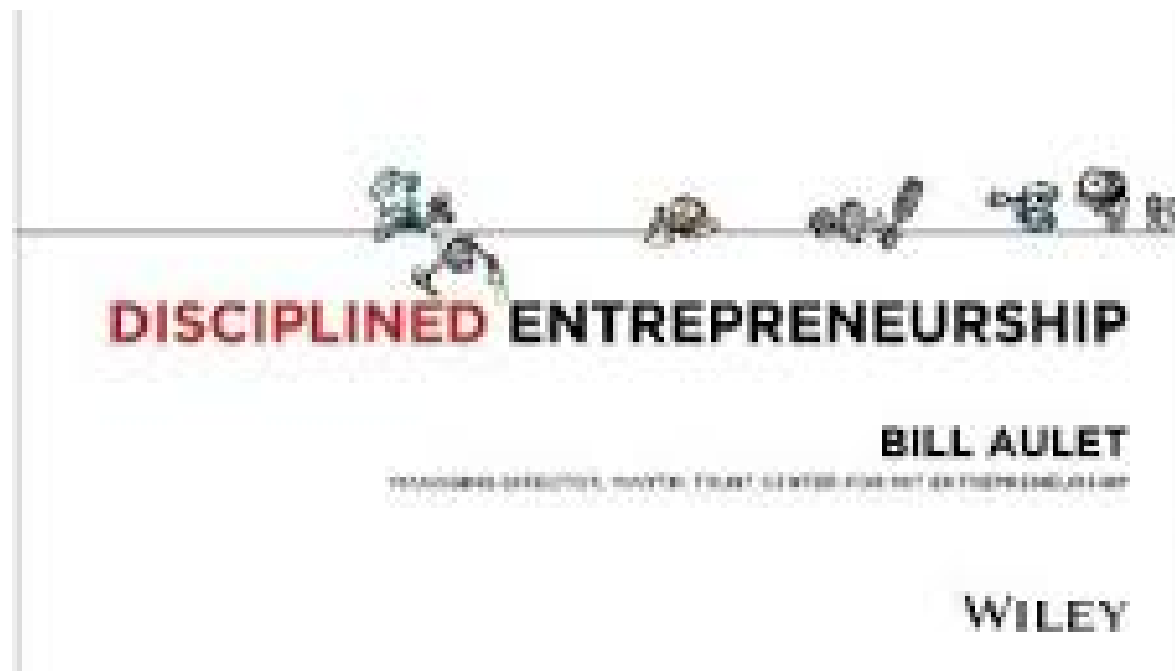
# Fufu Homework: How did you go?



- Estimate how many **kilograms of fufu** are eaten in **one year** by university students at the University of Ghana, Legon, University of Ashesi, and the Regional Maritime University
- Write down **every step** and what **logic** you used to arrive at your final number
- Write down all of your **assumptions**
- First, write on paper, then write in an email to **joshuap@mit.edu** by 9 am on Monday

# Six Whopping Lies Told About Entrepreneurs ... Sometimes By Entrepreneurs Themselves

- *Bill Aulet, the managing director of the Martin Trust Center for MIT Entrepreneurship and a senior lecturer at the MIT Sloan School of Management.*





# 1. They are the smartest and most high achieving people in the room:

- They certainly weren't growing up. It is highly unlikely they were the valedictorians of their classes in college. As one successful entrepreneur recently said to me, "If I had a 4.0 at graduation, it stood for the number of parties I went to the night before rather than my GPA." Entrepreneurs don't typically try to please other people; rather, they find something that deeply fascinates them and then hyper-focus on that particular opportunity. Hence, the high dropout rates. *Case study: Steve Jobs*



## 2. Entrepreneurs are individualists:

- The research on this one is clear from people like Professor Ed Roberts of the Martin Trust Center for MIT Entrepreneurship who found that the more people you have on the founding team, the better your odds of achieving success. When you peer behind the curtain of most success stories, you will find a diversified team of founders who made it happen, even if a subsequent public relations team creates a success story of a Horatio Alger type pulling him or herself up by the bootstraps. The reality is that entrepreneurship is a team sport rather than an individual sport.



## 3. Entrepreneurs are born, not made:

- Do people really believe there is an entrepreneurship gene? If there is, the biotech gurus at MIT and Harvard have been unable to identify it, despite the great fortune that awaits them if they did. I know a lot of countries that would pay a fortune for it. While you're at it, you might want to work on a perpetual motion machine to solve the energy crisis



## 4. Entrepreneurs love risk:

- As a serial entrepreneur myself, I don't enjoy gambling. Why would I? I don't have any control over the outcome. Great entrepreneurs prefer to remove as much risk from their endeavor as possible, only taking very calculated risks where they feel they have an advantage and they can influence the outcome. This is intelligent risk-taking where the odds are very much in their favor. Why go to a casino where you have no control? (Unless, perhaps, you were on the MIT Blackjack Team, many of whom, by the way, went on to become successful entrepreneurs.)  
undefined

## 5. Entrepreneurs are successful because they are charismatic:

- This is another fallacy of not just entrepreneurship but leadership in general. As research by Deborah Ancona and her team at the MIT Sloan Leadership Center has shown, charisma is not what makes for great leaders. Jim Collins reflects this fact as well in his book, *Good to Great*. Ancona and Collins have found instead that successful entrepreneurs exhibit characteristics such as vision, systems thinking, strong analytic skills, “humbition” (a blend of humility and ambition) and outstanding, disciplined execution skills. Trust me, having attended many parties with entrepreneurs, I find that I love their company and they’re a fun lot, but charisma is not a word that comes to mind. *Case studies: Mark Zuckerberg and Bill Gates*





## 6. Entrepreneurs are undisciplined:

- Successful entrepreneurs must have extreme self-discipline because they have few resources, no reputation, and a very finite amount of time in which to succeed. In fact, I named my new book **Disciplined Entrepreneurship** to knock people out of their homeostasis about this myth. Entrepreneurs are the attackers against what my MIT Sloan colleague Howard Anderson calls the “defenders” (established companies). As such, entrepreneurs must be more disciplined. Great entrepreneurs, I believe, must have the spirit of a pirate but the execution skills of Navy Seal Team Six.



# Today's Agenda

- Monetization Model
- Pricing Strategy
- Service Design



# Introduction to service design

## Goods

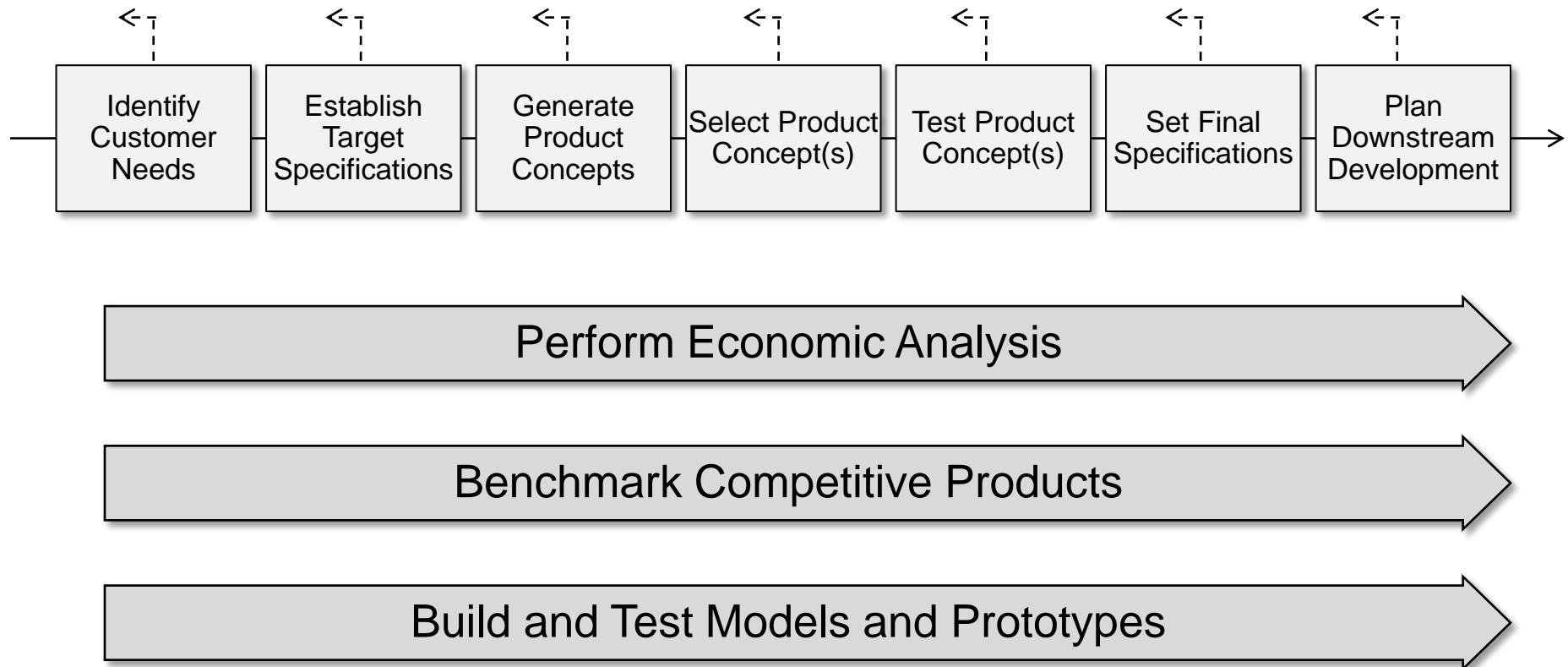
- Generally tangible products
- Production and consumption may occur at different times
- Producer is generally not involved with customer during usage

## Services

- Often intangible products
- Production and consumption may occur simultaneously
- Service provider may be involved throughout the service experience
- Examples of services include the transfer of goods, such as the postal service delivering mail, and the use of expertise or experience, such as a person visiting a doctor.

**Most websites and mobile apps perform some form of service**

# Remember our product development process ... does this still apply?



# Agenda

## ■ Service experience cycle

- Sequence of customer experience and service delivery
- Exercise

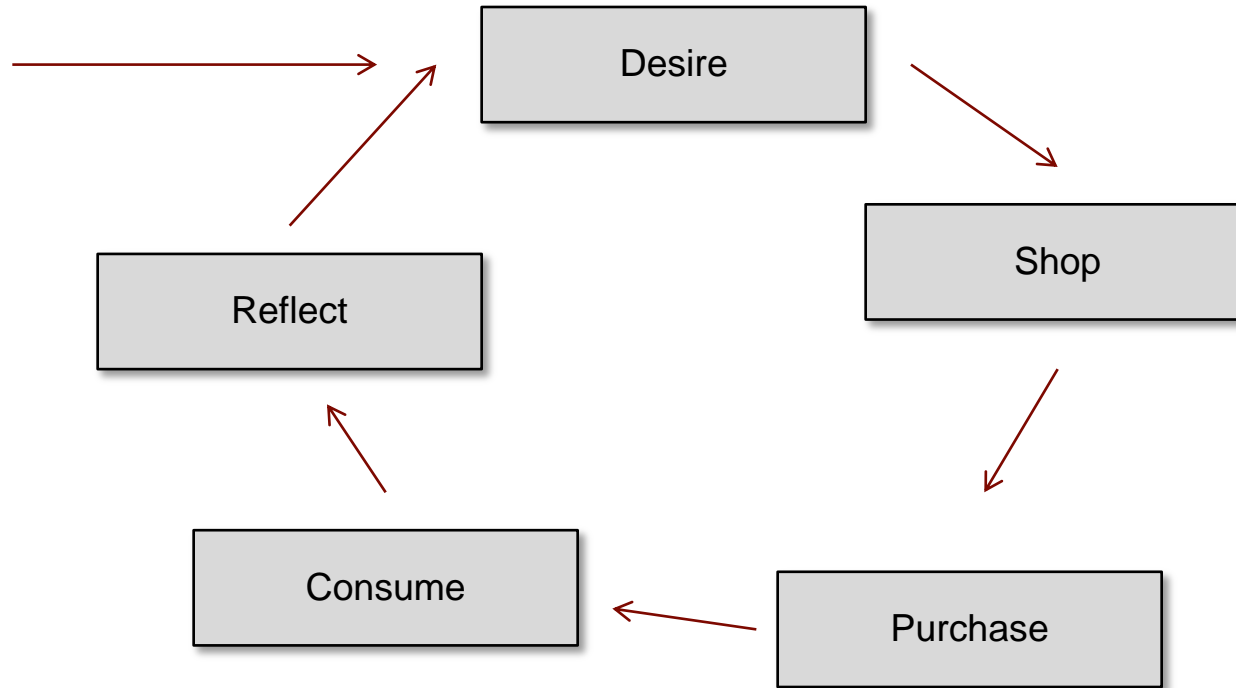
## ■ Zipcar example

## ■ Service development process

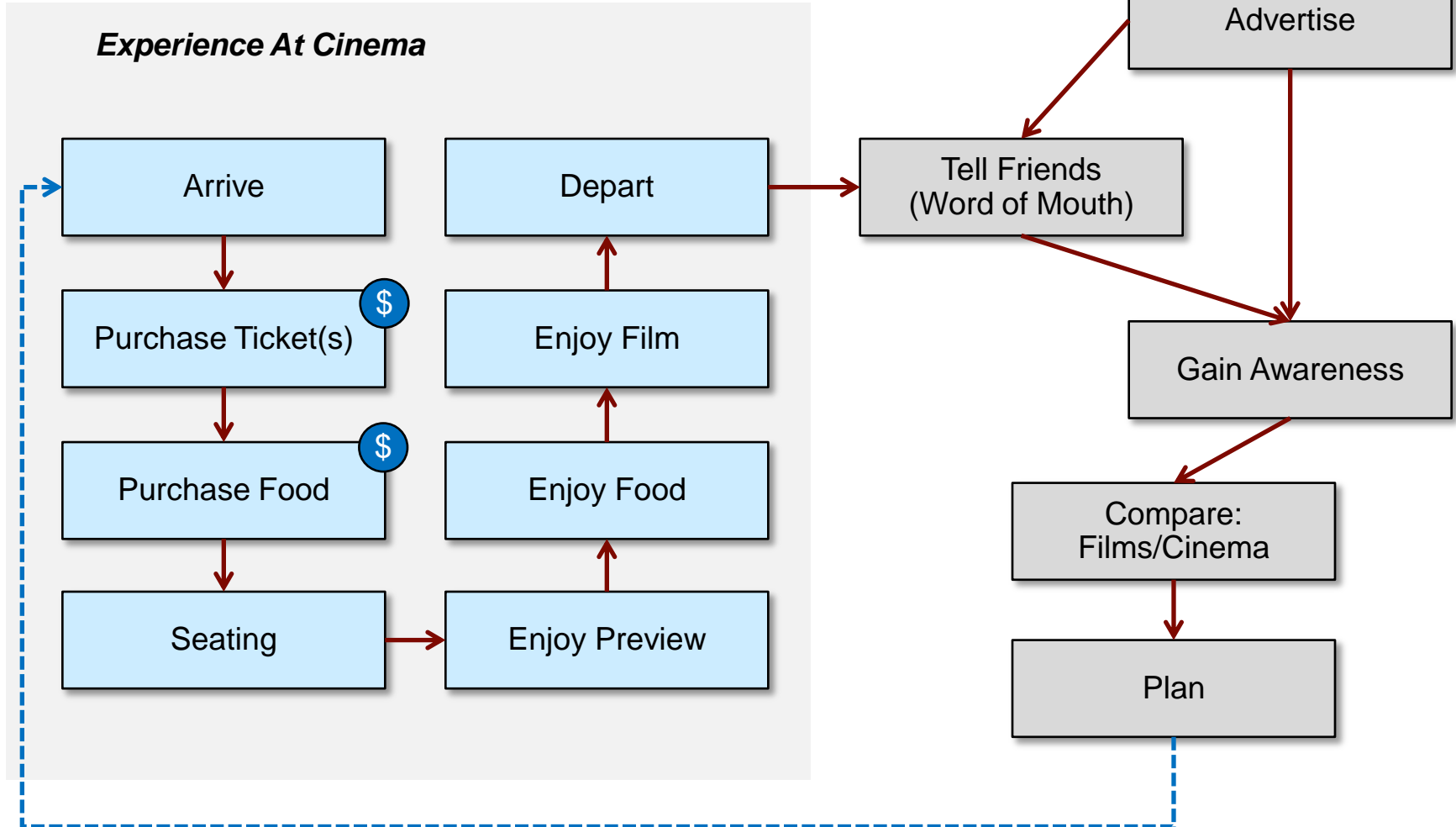
## ■ Product-Service systems



# Service Experience Cycle



# Service Experience Cycle: Movie Theatre Example

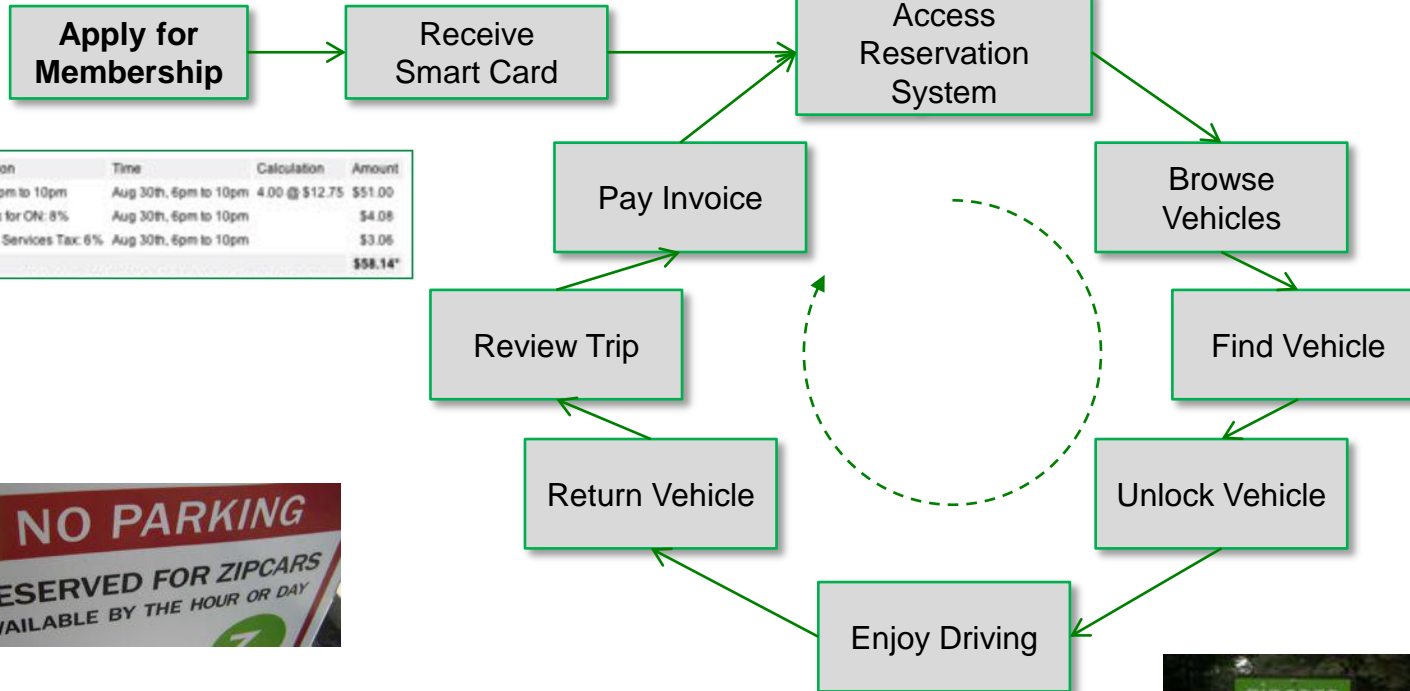


# Zipcar a complex service offering enabled by mobile applications





# Zipcar customer service experience map

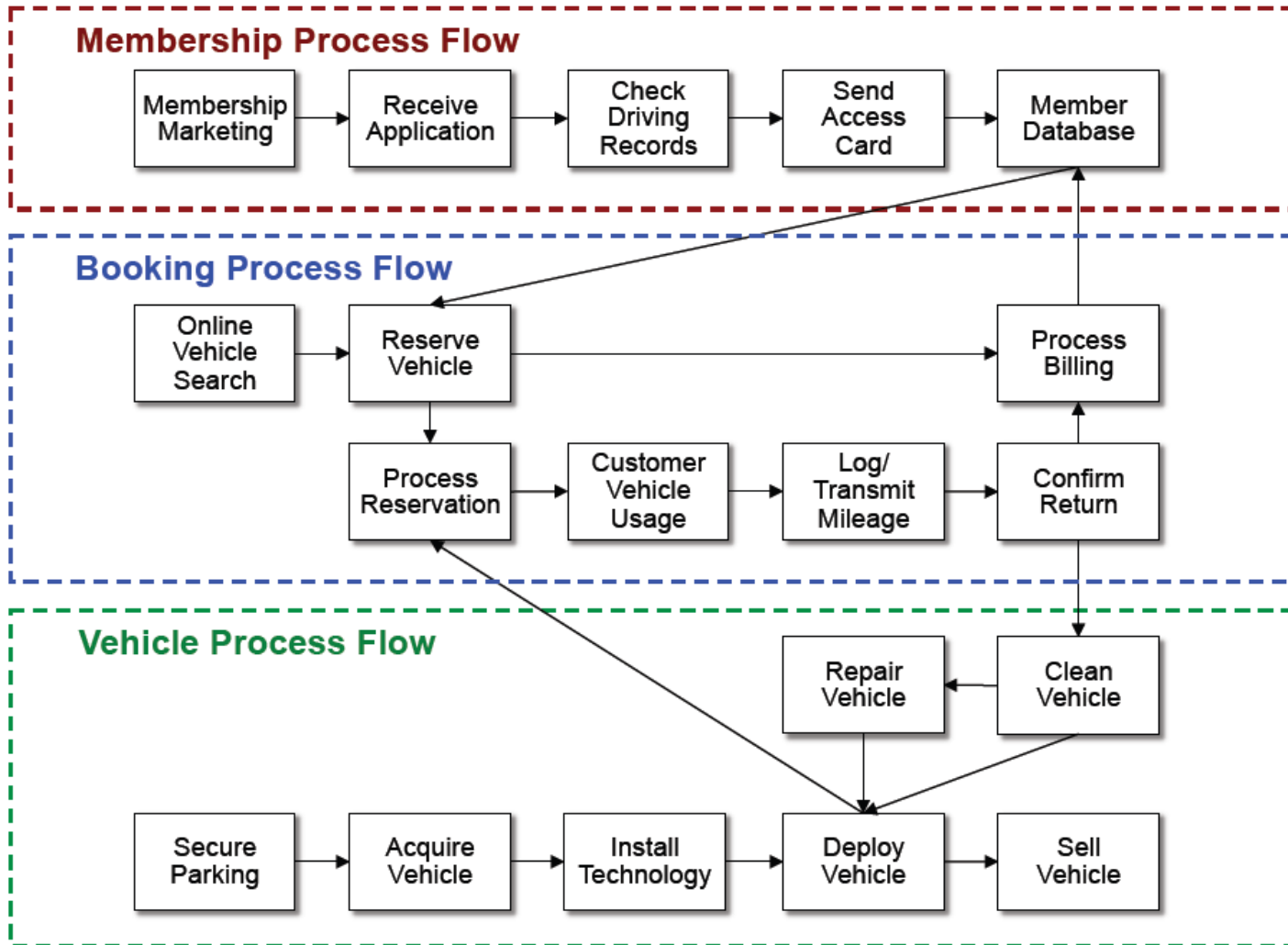


Description	Time	Calculation	Amount
Hours: 6pm to 10pm	Aug 30th, 6pm to 10pm	4.00 @ \$12.75	\$51.00
Sales tax for OH: 8%	Aug 30th, 6pm to 10pm		\$4.08
Goods & Services Tax: 6%	Aug 30th, 6pm to 10pm		\$3.06
<b>Total</b>			<b>\$58.14*</b>





# Zipcar process flow



# Group Exercise - Service Experience Cycle

- Work in groups of 3
- Map out the service experience cycle for one of the following services:
- Draw a diagram to share with the class.
- Identify opportunities for innovation.

Vacation travel

Automobile purchase

Grocery shopping

News media

Pet ownership

Coffee shop

College education

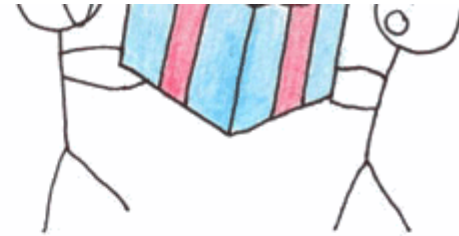
Pizza restaurant

Medical care

# Your service design can assist your go-to market strategy

## Invite your friends to Dropbox!

For every friend who joins and installs Dropbox, we'll give you both 250 MB of bonus space (up to a limit of 8 GB)!



### Invite by email

Invite your contacts (Gmail, AOL, Hotmail, Yahoo, etc.)

Email

Password

[Retrieve contacts](#)

or invite email addresses:

Type a list of invitee email addresses.

[Send invites](#)

### Invite friends from Facebook or Twitter

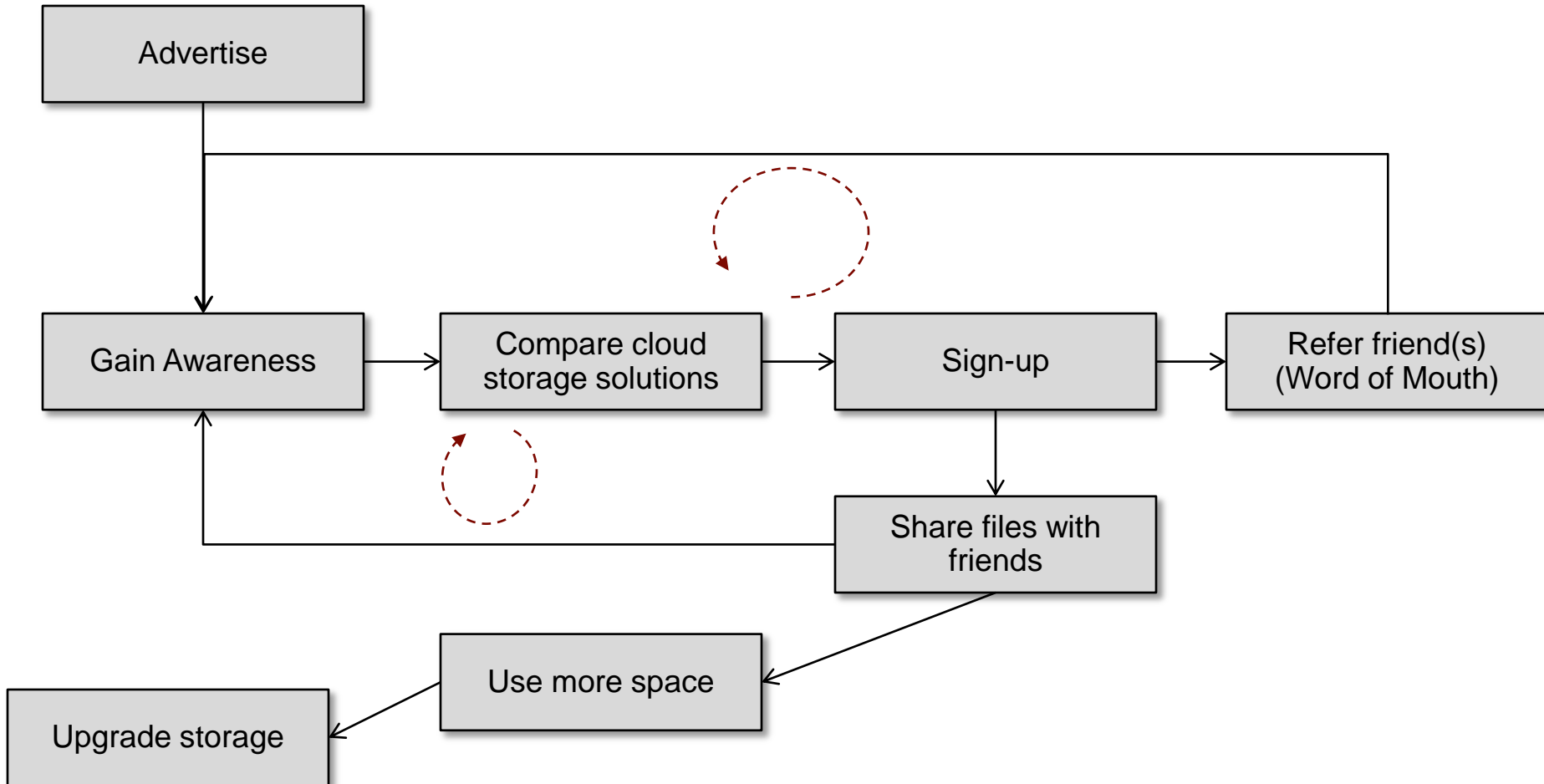
Always have your stuff when you need it with @Dropbox. 2GB account is free! <http://db.tt/fKIW8uH>

44 characters remaining

[Share on Facebook](#)

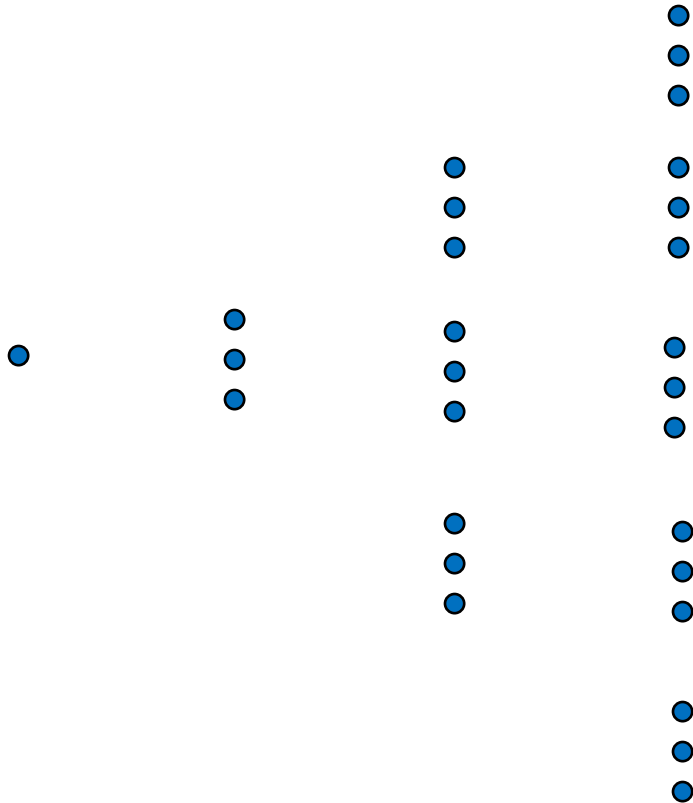
[Tweet on Twitter](#)

# Drop Box Sign Up Service Design



# Viral Marketing was first used by the inventor of hotmail

# Customers with time



# Please ask Josh for a simplified Viral marketing model

## Simplified viral marketing model

(with reduced conversion % as userbase saturates)

invite conversion rate %	10%
avg invites	8.00
initial user base	3,000
carrying capacity	100,000

time period	saturation %	conversion % (adj)	conversions / user	new users	cumulative users
1	0%	10.0%			3,000
2	3%	9.7%	0.78	2,328	5,328
3	5%	9.5%	0.76	4,035	9,363
4	9%	9.1%	0.73	6,789	16,153
5	16%	8.4%	0.67	10,835	26,987
6	27%	7.3%	0.58	15,763	42,751
7	43%	5.7%	0.46	19,580	62,330
8	62%	3.8%	0.30	18,784	81,114
9	81%	1.9%	0.15	12,255	93,369
10	93%	0.7%	0.05	4,952	98,321
11	98%				99,800
12	100%				100,000
13	100%				100,000
14	100%				100,000
15	100%				100,000
16	100%				100,000
17	100%				100,000
18	100%				100,000
19	100%				100,000
20	100%				100,000

