

- It can be used to develop new service concepts and drive innovation and strategic advantage.
- It can be used operationally to help design and specify a service.
- It can be used to assess the implications of design changes using capability mapping.

3.5 Discussion questions

- 1 Construct the service concept as in Figures 3.1 and 3.2 for an organisation of your choice.
- 2 Select two service organisations offering similar but different services (a fast-food and a high-class restaurant, for example). Identify the key elements of the service concept and compare their profiles using the mapping tool illustrated in Figure 3.3.
- 3 The chief executive of Singapore Zoo is keen to continue developing the zoo. Can you develop a new service concept?

3.6 Questions for managers

- 1 How well is your organisation's service concept articulated and shared? You may like to ask some of your colleagues to describe what the organisation is providing to its customers, internal or external, and ask some customers what the organisation provides. Capture the details as set out in Figures 3.1 and 3.2.
- 2 Does your organisation provide a range of service concepts? Are some of these delivered more effectively than others and if so, why?
- 3 Profile your process and assess areas of weakness (non-alignment) and any opportunities to use it to drive strategic advantage.

Case Exercise The Sunningtree Golf Club

Joe Tidsdale was confused. As General Manager and head golf professional at the Sunningtree Golf Club he was no longer sure what kind of business he was running. He came into golf course management because he was passionate about the game but he feels like he has become an events organiser.

The golf course opened in 1990 and at that time there was a small group of members whose prime interest was in playing golf and improving their handicap. Apart from the course itself, there were few facilities apart from some basic changing rooms and a makeshift bar/clubroom in a temporary building. Over twenty years later, the business has grown in size and complexity. There are several hundred members, about 500 having an official golf handicap and who take part in competitions on a fairly regular basis. The majority of members are men but there is a strong Ladies section and a growing Juniors section. The club has a reputation for being a friendly place and positively encourages people to play with people they don't know rather than solely with a narrow group of friends.

The social side of the club is a significant revenue earner. The temporary clubhouse has been replaced with a building that not only provides a place for people to relax after a game but also has a function area which can be hired out for parties and wedding receptions. This area is on the first floor of the clubhouse, with balconies overlooking the course. It is an excellent space for parties, though having excited children running around the balconies can disturb golfers making that all important putt on the eighteenth green! The catering staff enjoy functions because they provide an opportunity to deliver a different style of food than the normal light snacks served up to golfers. They have also experimented with special 'gourmet' nights, using

the club membership to advertise these events and to bring their friends. These have been a mixed success. The food has been of a reasonable standard but the ambience and service probably does not justify the 'gourmet' prices that the club would like to charge.

Another source of revenue is what is termed society golf. In this case, perhaps twenty or thirty visitors will come to play the course, setting up an internal competition amongst themselves. Although this provides revenue for the club, it can be a source of irritation to members as they may take tee times (playing slots) at popular times and, because they are less familiar with the course, they may be rather slow, delaying people behind them. Society golfers contribute a substantial amount to the bar takings and often want a meal after they have finished playing – as part of the social activity.

There are over 700 full club members, paying £750 annual subscriptions. This allows them to play at any time, seven days a week. There are just under 300 seniors and others who pay just £400 per annum, but they are restricted to Monday to Friday playing times. This is the club's core income and supports the day-to-day running of the club, paying the salaries of the golf professional, shop staff, catering and bar staff, and the greenkeepers who maintain the course. The average member is worth another £300 per annum to the club in food and drink revenue. A 'golf society' booking with 20 people playing the course and meals after may be worth in excess of £1,000 per booking. There are about two of these per week from May to September though some of these are on Saturdays, restricting playing slots for members. The wedding business is growing with about one big event per month, again often on Saturdays during the summer period. Each event brings in around £2,000.

Joe explained the problem:

The challenge is to provide excellent golf facilities and appropriate service for my core membership while at the same time developing and maintaining other revenue streams that ensure that the club is viable. I am not sure how to strike the right balance between maintaining the core revenue from members with the undeniably profitable marginal revenue provided by golf societies and weddings. To make things more difficult many members really resent the society golfers and don't see the need for gourmet nights and other events. I have here a few quotes from some of our customers that give some insight into the problems I face.

I used to enjoy a drink in the bar with my friends after a long round of golf. Now there seem to be all kinds of people I don't recognise here and they get in the way!

(Member)

There's a good group of couples playing here now and we like the friendly atmosphere in the club and in the competitions provided for us. We sometimes annoy a handful of very good golfers because we may not play as quickly as they do.

(Husband and wife members)

The facilities here are very good, and there's a lovely view over the golf course from the main function room. Our only comment is that although the staff try hard, they don't really provide a very sophisticated service.

(Wedding customer)

We really enjoy coming here. The course is great and it's a convenient place to meet up though the food isn't up to much. Some of the other golfers seem to resent our being here and make it quite clear!

(Society golfer)

Questions

- 1 What are the service concepts for the members, the society golfer and the wedding function guests? What are the potential conflicts?
- 2 What advice can you give to Joe Tidsdale as to how to manage his business in the future?