Resource Management in Service-Dominant Business Engineering

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Eindhoven University of Technology
1. Service-Dominant Business
2. The BASE/X approach
3. Business strategy & services
4. Organization and platform
5. RM integrated (?)
6. The conclusion
Part One: Service-Dominant Business
Everywhere from one supplier. Everything from Jungheinrich.

- Planning and designing
- System implementation
- Maintenance and service

From initial discussions to service. A total concept for the whole warehouse.
SD Foundational Premises (1)

1. Service is the fundamental basis of exchange
2. Indirect exchange masks the fundamental basis of exchange
3. Goods are a distribution mechanism for service provision
4. Operant resources are the fundamental source of competitive advantage
5. All economics are service economics

6. The customer is always a co-creator of value
7. The entreprise cannot deliver value, but only offer value propositions
8. A service-centered view is inherently customer-oriented and relational
9. All social and economic actors are resource integrators
10. Value is always uniquely and phenomenologically determined by the beneficiary

So, modern economy is all about services.
Not about assets.
Resources are assets.
So should we care about resources?
SD Foundational Premises (2)

6. The customer is always a co-creator of value
7. The entreprise cannot deliver value, but only offer value propositions
8. A service-centered view is inherently customer-oriented and relational
9. **All social and economic actors are resource integrators**
10. Value is always uniquely and phenomenologically determined by the beneficiary

Part Two: The BASE/X Approach
• SD business strategy

• SD business models

• Service compositions

• Business services
The ‘what’ of business exists in two forms:

1. The stable part (identity):
   Business Strategy

2. The agile part (offerings):
   Business Models
The ‘how’ of business exists in two forms:

1. The stable part (capabilities): Business Services

2. The agile part (combinations): Service Compositions
Complexity is handled by strategic design. Resulting in modular business services.
Agility is handled by tactic design.
Resulting in fast, flexible business support.
Strategic Design Loop: Evolutionary alignment of identity and capabilities

Tactical Design Loop: Revolutionary conception of market offerings

Confrontation of Goals: Alignment of identity and market offerings

Confrontation Of Means: Alignment of required and available capabilities
two stable layers: top and bottom slices of bread

just for decoration

two agile layers: the fillings (in this case cheese/tomato + turkey/lettuce)
SD Market
Part Three: Business Strategy & Business Services
Business Strategy

- **SD business strategy**
- **SD business models**
- **Service compositions**
- **Business services**
<table>
<thead>
<tr>
<th><strong>Market Relationships</strong></th>
<th><strong>Business Competences</strong></th>
<th><strong>Business Resources</strong></th>
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</thead>
<tbody>
<tr>
<td><strong>Exogenous</strong></td>
<td><strong>Value</strong></td>
<td><strong>Actors</strong></td>
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<tr>
<td>Profile-based, corporate &amp; individual, state-of-the-art experience customization</td>
<td>Co-creation with 1&lt;sup&gt;st&lt;/sup&gt; SPs &amp; customers of multi-context, 1&lt;sup&gt;st&lt;/sup&gt; class, real-time travel experience</td>
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<td><strong>Infrastructures</strong></td>
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<td>Bidirectional P2P relations with 1&lt;sup&gt;st&lt;/sup&gt; SPs</td>
<td>Tightly Integrated Coproduction with 1&lt;sup&gt;st&lt;/sup&gt; SPs</td>
<td>Dual logical infrastructure for one-shot and process-based travel support</td>
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<td>Open collaboration network</td>
<td>Knowledge Sharing with 1&lt;sup&gt;st&lt;/sup&gt; SPs</td>
<td>Service, Web &amp; cloud-based infrastructure</td>
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<td>Mutual information benefit with between customers</td>
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Business Services

- SD business strategy
- SD business models
- Service compositions
- Business services
### Market Relationships

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<td>Emphasis on business developers and customer service</td>
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### Business Competences

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<tbody>
<tr>
<td>Generate Travel Guide</td>
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<tr>
<td>Generate Expense Claim</td>
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<tr>
<td>Generate Virtual Trip</td>
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### Business Resources

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<tr>
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Planning and designing
System implementation
Maintenance and service

From initial discussions to service. A total concept for the whole warehouse.
Part Four: Organization and Platform
- **SD business strategy**
- **SD business models**
- **Service compositions**
- **Business services**
Business Pyramid

Organization Pyramid

Platform Pyramid

DSS
DSS Management Dashboard
BPMS
Orchestration Platform
Service Platform
Platform Pyramid
Organization Pyramid
Business Pyramid
IT Resources
Part Five:
RM integrated (?)
Business Organization has 1 1 Business Strategy

Business Strategy relies on 1 n Resource

Resource is a SOA BPM OM SOC IT
Business Organization has 1 Business Strategy

Business Strategy relies on n Resource

Resource is a Business Resource

Resource is a Organization Resource

Resource is a IT Resource
Virtualizable ?
Dynamic Outsourcing
Uniqueness ?

Business Organization

Virtualizable !
Cloud Computing
Elasticity, SLAs

Business Strategy

Resource

Business Resource
Organization Resource
IT Resource
Business strategy based on resource index management

implemented on

Business Organization

Business Strategy

Resource

IT Resource

Organization Resource

Business Resource

Knowledge

Resource Index

indexes
Part Six:
The conclusion
• Resource management is a relevant issue in service-dominant business engineering
• There are several classes of resources that each have their own characteristics
• Some tend to be strategic issues, some tactic (or even operational)
• Having a proper business engineering framework helps in understanding issues
• Integrating resource management across these classes may be the key to business success