



INNOVATING DIGITALLY

Digital Innovation

Problem Based Learning
Open Educational Resources



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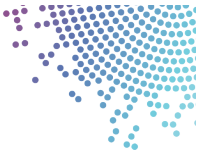
Welcome to DIGITAL INNOVATION

Helping you gain a better understanding of how small service companies currently undertake new product development so that you can improve how innovation in services is taught.

Partnership

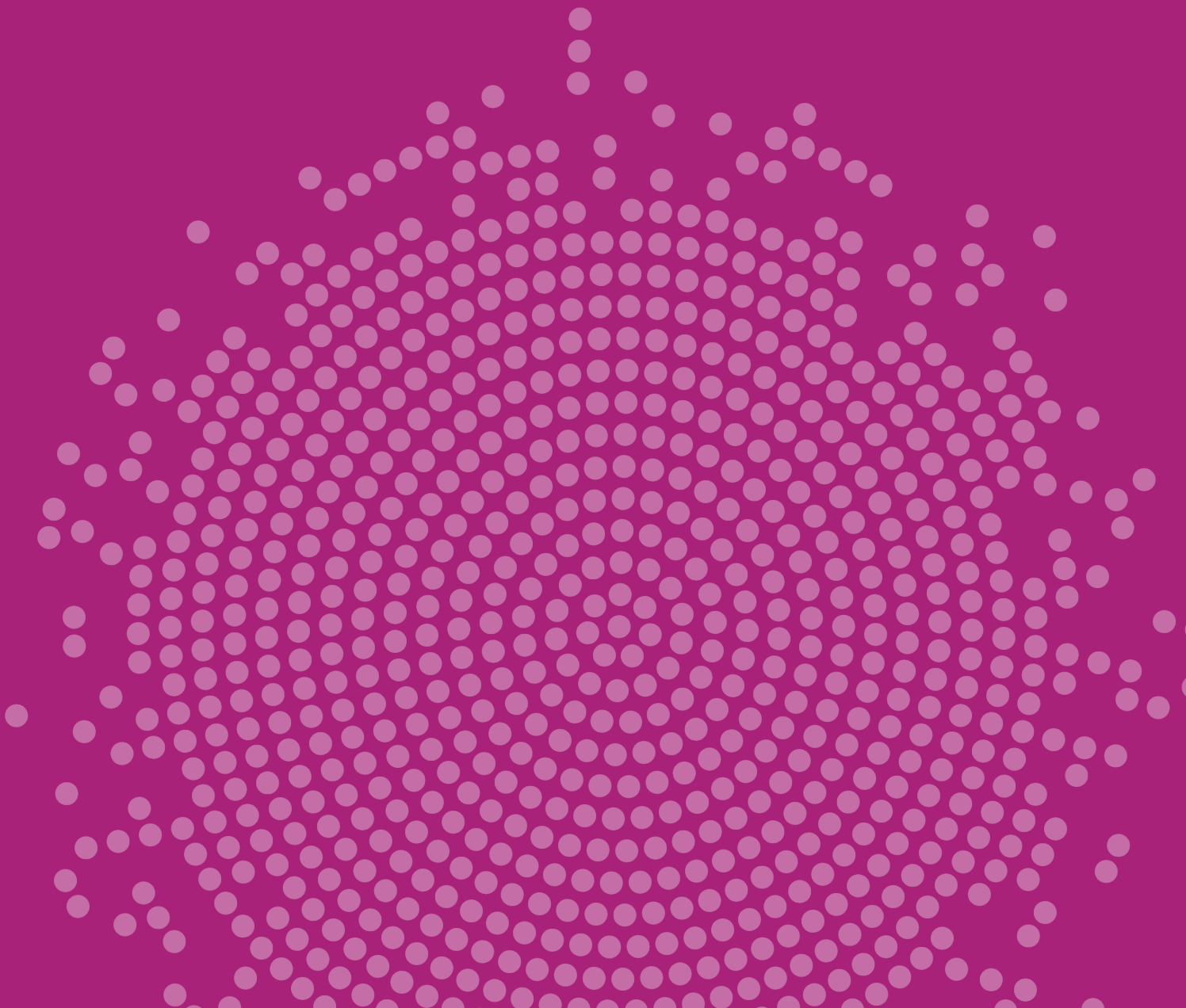


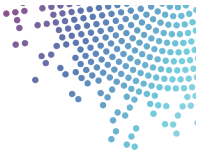
This Problem Based Learning Open Educational Resources as a part of the Erasmus+ Strategic Alliances Project “Digital Innovation for Service Sectors” was conceptualized and produced by Burcu Kör and Ingrid Wakkee, Amsterdam University of Applied Sciences, in collaboration with the Digital Innovation



Section 4

CONCEPT DEVELOPMENT





Stage 3: Concept Development

Once the potential innovative ideas have been evaluated, the concept of the product, service or process need to be defined. According to Dornberger and Suvelza (2012, p. 104), the definition of concept must specifically answer the below questions:

- What is the product or service?
- What need or desire must the product or service meet?
- Who is the target of the product or service?
- How is the product or service different from the competitors?
- How is the product or service generated?
- What is the product made of?
- What are the parts or components of product or service?

Task 1: Generating concept

Service Blueprinting tool helps generating concepts of potential innovative services. Service Blueprinting for new services has four basic components (Dornberger & Suvelza, 2012; Gibbons, 2017):

1. Customer actions: What customers do during the service experience.
2. Frontstage actions: What customers see and who they interact with.
3. Backstage actions: All other employee actions, preparations, or responsibilities customers don't see but that make the service possible.
4. Support Processes: Internal/additional activities that support the employees providing the service.

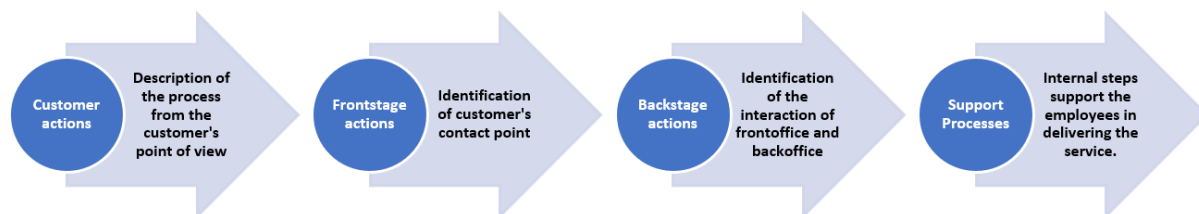


Figure: Service Blueprint basic elements

How to create a Service Blueprinting Diagram

You can select the relevant tools from [Digital Innovation Scanner Tool](#) to create How-Now-Wow matrix. You can also use [Service Blueprinting Template](#) or [an alternative template](#).

Step 1: Identify the process to be blueprinted

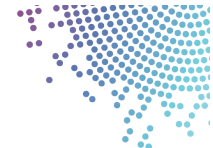
In this step, you need to determine the concept of service processes. First, you need to identify all the key activities involved in creating and delivering the service process. Meanwhile, don't forget to answer the below questions:

- What is the product or service?
- What need or desire must the product or service meet?

Step 2: Identify the customer or customer segment

Identifying customer segments refers to division of customers into different individual groups that share some similar traits (e.g. personality, interests, habits) and/or characteristics (e.g. demographics, industry, income).

Now you need to determine your customer (segment). You need to answer "Who is the target of the product or service?"



Step 3: Map the process from the customers' point of view

In this step, you need to determine steps, choices, activities, and/or interactions that customer performs while interacting with a service to reach a particular goal. Customer actions can be derived from the previous innovation process or a customer-journey map.

Step 4: Map the contact employee actions on frontstage and backstage

Frontstage actions are the actions of visible contact employee and this component appears on the diagram after customer actions. Frontstage actions cover the actions happen in front of the customer.

Backstage actions refer to invisible contact employee actions. The backstage actions taken by contact employees that are not visible to the customer. They include non-visible interactions with the customer such as telephone calls and other activities backstage contact employees carry out to support the onstage activities.

Now, in the selected digital tool, map the actions what frontline contact employees do when they encounter customers face-to-face. After this step, continue to map the behind the scene actions on backstage component in in the selected digital tool.

Step 5: Map support functions

This component supports employees in delivering a service to their customers. It includes all the actions, interactions, internal services carried out by individuals or units (not contact employees) within the company to support contact employees deliver the service. They are not visible to the customers. For example, Processes for the appliance company include credit-card verification, pricing, delivery of units to the store from the factory, writing quality tests, and so on (Gibbons, 2017).

In this step, map the support processes that include anything that must occur for all of the above to take place in in the selected digital tool.

Step 6: Link activities together for natural flow in order that they occur.

Now, you need to depict the direct interactions between the actions. You need to use arrows to indicate relationships, and more importantly, dependencies. A single arrow suggests a linear, one-way exchange, while a double arrow suggests the need for agreement and codependency.

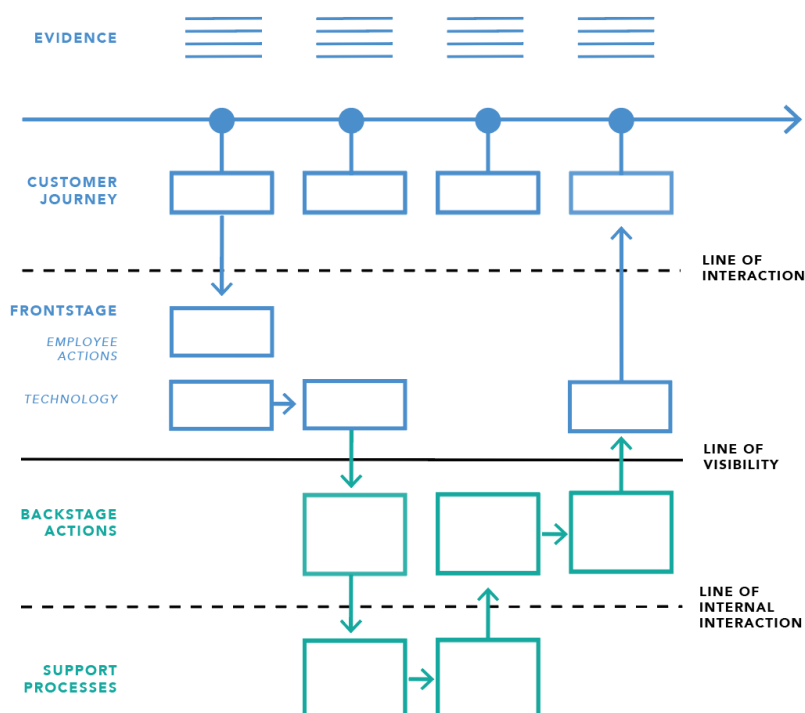
Step 7: Add evidence of service at each customer action step.

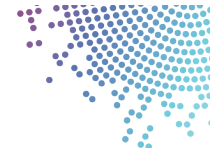
This is the proof that the interaction actually happened. Examples can include the product itself, receipts as proof of purchase, physical storefronts, or websites (Gilson, 2020).

Now, you need to add the physical evidence to the map in in the selected digital tool that highlights what the customer sees or receives as tangible evidence of the service during each step of their experience.

SERVICE BLUEPRINT 101

A diagram that visualizes the relationships between different service components (people, props, and processes) that are directly tied to the touchpoints throughout the customer's journey.





Task 2: Describing concepts - Value Proposition

The value proposition is defined as “a clear, simple statement of the benefits, both tangible and intangible, that the company will provide, along with the approximate price it will charge each customer segment for those benefits” (Lanning and Michaels, 1988).

You can use the templates of “**Geoff Moore’s Value Proposition Statement**”, “**Simon Sinek’s WHY**” or “**Clay Christensen’s Jobs-to-be-done**” to formulate your value proposition.

<p>Geoff Moore’s Value Positioning Statement</p> <p>For (target customer) who (statement of the need or opportunity) our (product/service name) is (product category) that (statement of benefit).</p> <p>For non-technical marketers who struggle to find return on investment in social media our product is a web-based analytics software that translates engagement metrics into actionable revenue metrics.</p>	<p>Simon Sinek’s WHY</p> <p>Why: _____ How: _____ What: _____</p> <p>Why: In everything we do, we believe in challenging the status quo. We believe in thinking differently. How: The way we challenge the status quo is by making our products beautifully designed, simple to use, and user friendly. What: We just happen to make computers.</p>
<p>Clay Christensen’s Jobs-to-be-done</p> <p>Action verb: _____ Object of action: _____ Contextual identifier: _____.</p> <p>“Manage personal finances at home”. (Mint.com) “Preserving fun memories.” (Kodak’s Funsaver) “Listen to music while jogging.” (iPod)</p>	

Figure: Value Proposition Templates, Sources: Gronsund (2011)

Task 3: Selecting Concepts - How Now Wow Matrix

You can use the How-Now-Wow matrix while selecting concepts process. The matrix will help you select concepts to develop further.

You can select the relevant tools from [Digital Innovation Scanner Tool](#) to create How-Now-Wow matrix. You can also use [How-Now-Wow matrix on Miro](#).

How do you use How Now Wow Matrix?

Step 1: List down the concepts

Step 2: Give each team member 3 sticky dots of each color – that is, 3 blue, 3 yellow, 3 green. 9 dots per person is typical, but go ahead and reduce/increase that number based on the time at hand and number of concepts generated.

Step 3: Ask each team member to step forward and vote for 3 best concepts in each category. They need to do this by sticking a colored dot in front of each concept they choose.

Step 4: In the end, count the number of dots under each concept to categorize it. The highest number of dots of a certain color categorizes the idea under that color.

In case of a tie:

If blue dots = green dots, the concept is blue

If yellow dots = green dots, the concept is green

Step 5: You now have a bucket of Now/Green concepts to work on further. Make sure you also collect the low-hanging blue ideas for immediate implementation and the yellow ideas to keep an eye on for the future.