



Aalto University
School of Business

23E10000 Service Business Strategy Exercises V_20190110

Spring Term 2019

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Department of Marketing

1. Foundations of Service Management

Exercise 1: Mobility Services

Exercise 1:

Please list potential reasons for BMW to introduce mobility services such as DriveNow or ReachNow. That is, what might be the motivation for initiating the strategic change from building the ultimate driving machine to becoming a mobility service provider?



- ...
- ...
- ...

- ...
- ...

1. Foundations of Service Management

Exercise 1: Mobility Services

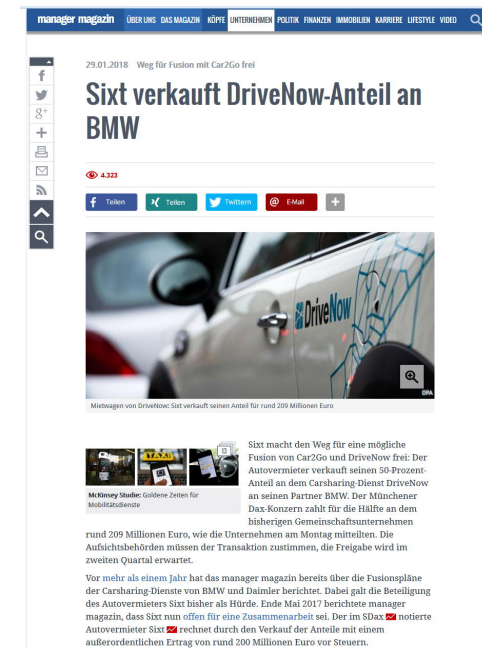
DriveNow – Income Statement 2017



Manager Magazin
(29.01.2018)

in € million	BMW Brilliance		THERE		DriveNow	
	2017	2016	2017	2016	2017	2016
DISCLOSURES RELATING TO THE INCOME STATEMENT						
Revenues	14,628	12,991	71*	1,240	71	58
Scheduled depreciation	637	486	-	52	-	-
Profit / loss before financial result	1,619	1,328	-1	-149	-17	-15
Interest income	46	30	-	1	-	-
Interest expenses	-	2	-	22	-	-
Income taxes	454	363	-	3	-	-
Profit / loss after tax	1,337	1,031	362	-167	-17	-15
thereof from continuing operations	-	-	-151	-1	-	-
thereof from discontinued operations	-	-	513	-166	-	-
Other comprehensive income	-121	30	2	-4	-	-
Total comprehensive income	1,216	1,061	364	-171	-17	-15
Dividends received by the Group	258	134	-	-	-	-

* Revenues relate only to the month of January up to the time of loss of control of HERE.



BMW Group (2018) Annual Report 2017, p. 150

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Characteristics	Product-centric approach	Service-centric approach
Access to the brand	Restricted, via dealerships	Open, via membership
Brand image	Risk of being outdated	Being trendy, sharing is “cool”
Basic philosophy	To sell to whoever will buy	To serve customers
Business model	Selling cars	Selling minutes of car usage
Business orientation	Transaction-oriented	Relationship-oriented
CO2-emissions (fleet average)	Intensifying discussion on car emissions (e.g., EU target: 95 grams of CO ₂ per km by 2021)	Promoting smaller cars with lower emissions, reducing fleet emissions
Competitors	Audi, Lexus, Mercedes, Tesla, ...	Google, Uber, ?
Customer insights	Surveys, interviews, complaints, ...	Gaining real-life behavioral data!

2. Foundations of Service Quality Management

Exercise 2: Service Quality Champions

Survey questions (individual tasks, open group discussion, 20 min):

1.

Please go to www.menti.com, type in the survey code, and write down one company or organization you consider to be a true service champion.

2.

Please go to www.menti.com, type in the survey code, and provide one concrete attribute that makes this company or organization a service champion.

2. Foundations of Service Quality Management

Exercise 2: Service Quality Champions

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Please go to www.menti.com, type in the survey code, and write down one company or organization you consider to be a true service champion.

Go to www.menti.com and use the code **48 79 28**

Open Ended

Service Champions

Nordea	Amazon	Stockmann
Finnair	Chick-fil-a	Disneyland
Google	Elisa	Stockmann
Booking.com, Aalto, Airbnb	Timma	Taobao
Spotify	Airbnb	EasyPark
Amazon		

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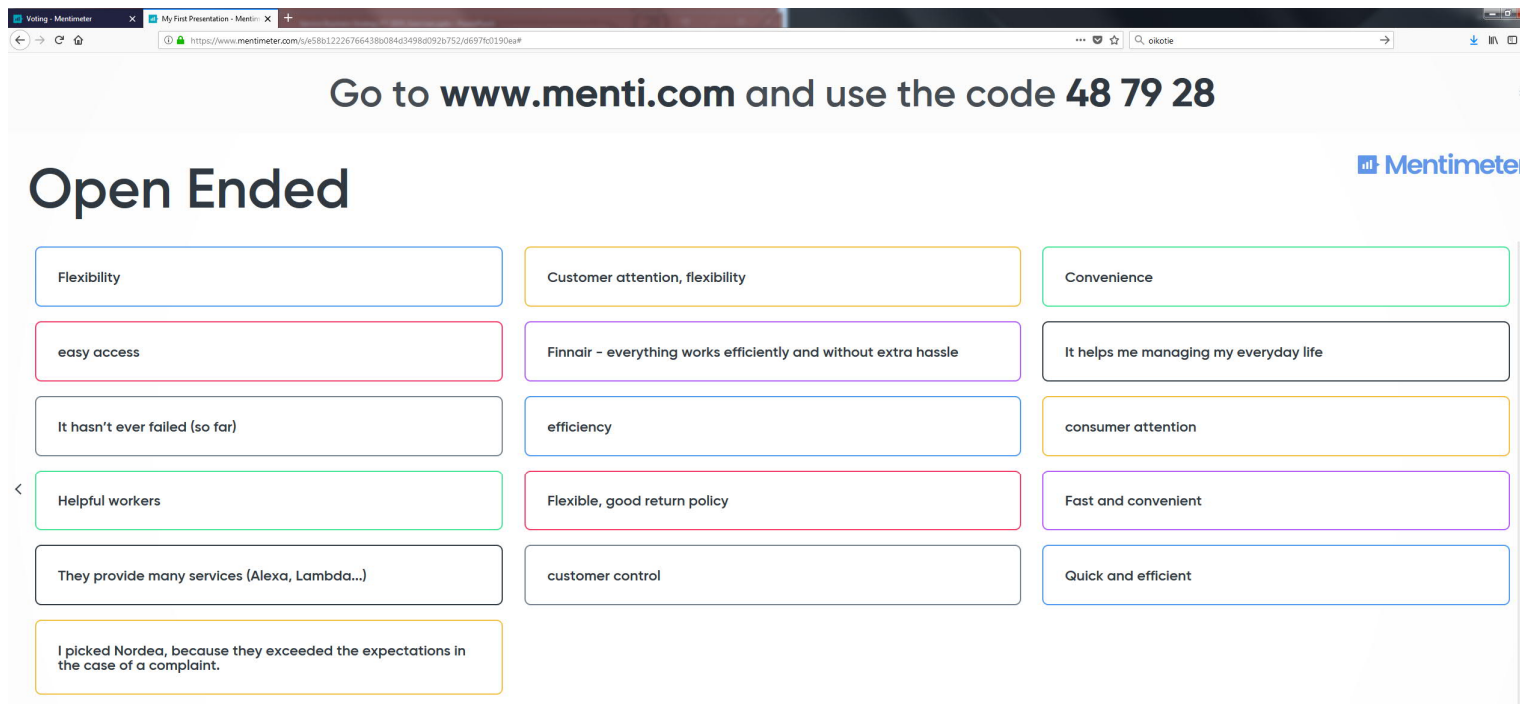
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Exercise 2: Service Quality Champions

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Open Ended

Mentimeter

Flexibility	Customer attention, flexibility	Convenience
easy access	Finnair - everything works efficiently and without extra hassle	It helps me managing my everyday life
It hasn't ever failed (so far)	efficiency	consumer attention
Helpful workers	Flexible, good return policy	Fast and convenient
They provide many services (Alexa, Lambda...)	customer control	Quick and efficient
I picked Nordea, because they exceeded the expectations in the case of a complaint.		

Lean Service Creation Group Task Idea

1. Please organize yourselves into groups of max. five members. The group allocation will be facilitated during the first lectures on Tuesday, Jan. 8 and finalized on Thursday, Jan. 10, 2019.
2. Select one Finnish subject company to focus on during the group work. Appropriate subject companies might include well-known brands such as Amer Sports, Finnair, Fiskars, Kone, Marimekko, Rovio, Viking Line to name a few. Please decide upon the target company by Thursday, Jan. 10, 2019 (name of the company to be indicated during the lecture).
3. Your task is to come up with a relevant business objective for your target company that can be solved by designing a new service for a particular segment of customers. You are encouraged to consider the following aspects when designing the service:
 - A. What is the business objective of your organization that the service will address?
 - B. Describe the customer group you are designing the service for. What is the need, want, problem, or desire you are addressing for your customer group with your service
 - C. Describe your service concept as a value proposition as well as the basic features of the service (i.e., what is the service?).
 - D. Depict your service based on a blueprint.
 - E. Develop a fake ad promoting your service offer.
 - F. How will you know that you have succeeded in reaching that business objective?

Lean Service Creation Group Task Format

1. Each group will present its suggestion for an innovative service offering on Tuesday, Feb. 12 or Thursday, Feb. 14, 2019. Presentations should not exceed 10 min in length in order to leave enough room for discussion. We will try to invite target company representatives to attend the group presentations.
2. Please submit your presentation in pdf-format latest by Monday, Feb. 11, 2019, at 12.00 (noon) Finnish time to sbstrategy2019@gmail.com.
3. Clearly indicate your group members on the submitted file.

Lean Service Creation Group Task

Day 1

Task: Design a new service for a Finnish company

Step 1: Deciding on a target customer company or segment.

Select one existing Finnish target company. For a more varied and interesting discussion, let there be different companies.

- The more familiar you are with the target company, its market(s), and its customers, the better
- Typically a consumer business is easier to work on
- Target company allocation is handled based on a first come, first serve approach
- Inform the teacher once you have decided on the target company