
CHAPTER 13 The Service Delivery Management Process

Service delivery management includes all activities necessary to design a supply chain network that enables the company to meet customers' demand for services while maximizing profitability.

Overview

The eight supply chain management processes covered in previous chapters are part of the supply chain management framework that was developed jointly with executives from product-intensive companies. In the case of service-intensive supply chains, the service delivery management process replaces the manufacturing flow management, the order fulfillment, and the returns management processes. Service delivery management includes all activities necessary to design a supply chain network that enables the company to meet customers' demand for services while maximizing profitability. The service delivery management process team is responsible for ensuring that the product/service agreements with customers are designed, coordinated, and executed seamlessly, so that they provide value and profitability goals are met. It includes ensuring that resources and capabilities have sufficient flexibility to accommodate demand. In this chapter, we describe the service delivery management process and show how it can be implemented within a company and across the supply chain. We detail the activities of each strategic and operational sub-process, explain the interfaces with other processes, and examine its impact on supply chain performance.

After reading this chapter you should be able to:

- Recognize the unique characteristics of services that distinguish them from physical goods, and how these differences affect supply chain management.
- Understand why the manufacturing flow management, the order fulfillment, and the returns management processes are not suitable for service-intensive supply chains, and should be replaced by the service delivery management process.
- Describe the strategic service delivery management process.
- Describe what aspects of the customer interface need to be designed and how resource capacity should be managed.
- Explain how the service delivery management process affects Economic Value Added (EVA®).
- Describe the operational service delivery management process.
- Understand how to integrate customers and suppliers in the design and delivery of the service.
- Identify the activities that can be performed after the service is delivered.
- Articulate why the service delivery management process needs to be cross-functional and the role played by each function.
- Explain how the service delivery management team should interface with the other five supply chain management process teams.