

Service Design & Engineering as a competitive advantage in logistics & SCM

Offering customized solutions by combining goods and services (→ product-service offerings) creates value, guarantees customer-oriented demand fulfillment and secures the competitive position of future-oriented companies. Providing bundle of industrial products and services (i.e. hybrid value creation) for distinctive problem solutions acts on two different levels: it equips companies with critical success factors in terms of future customer focus; and it allows better development of sales and employment figures with higher profit potential.

Project Description:

Today's businesses are increasingly confronted with a certain question: how to successfully develop existing or create new product and services with the use of new technologies and innovative ways of thinking?

What is still the case and the primary goal in business operations: to generate new customer value. There is a clear aspect to be mentioned which is related to **the change** from a provider of either products or services **to a provider of customized solutions and "hybrid products"**. This leads to new service provision, value creation, and organizational models. New business models are emerging.

In order to offer customer-oriented and to secure competitive position, future-oriented companies are developing themselves more and more into providers of customized solutions, where goods and services are combined.

The challenge lies in the combination of products with services and in the development on these two levels. It requires an integrated view on these two power levels through **the intelligent combination of "Service Design" and "Service Engineering"**.

Service Design & Engineering is the redesign of product / service solutions within the framework of strategic and creative processes (e.g. demand analysis, customer insights, value and benefit definition, idea generation, etc.) and for the practically-relevant implementation of existing and new service solutions (in terms of planning, integration, setting and developing of business and earnings models, etc.) in the context of logistics and supply chain management (→ with value chain focus).

Contracting partner: VNL Verein Netzwerk Logistik

Duration (01/2015 – 12/2016) – project has been completed

The objective of the project was to develop a concept on Service Design & Engineering for showing necessary fields of action for practice in the context of logistics and SCM and including a holistic view – from the initial development phase to the final customer demand fulfillment.

Further objectives:

1. Preparation of a practically-relevant "service engineering concept" – with value chain focus – displaying and offering solid development opportunities for companies.
2. Creation of a whitepaper presenting "state-of-the-art" concepts with practical/real company requirements.
3. Establishing a working group "Services + Logistics" by the Association for Network Logistics (VNL – Verein Netzwerk Logistik) in cooperation with the Universities of Applied Sciences JOANNEUM Kapfenberg and FH Steyr Logistikum.

The integration of companies lead to added value for corporate partners to promote their own SD&E developments and to benefit from the technical expertise of all the organizations involved.

Project partners:



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