



Business School

**School of Information Systems, Technology
and Management**

Never Stand Still

Business School

INFS3632 SERVICE AND QUALITY MANAGEMENT

Course Outline Semester 1, 2016

Part A: Course-Specific Information

Please consult Part B for key information on Business School policies (including those on plagiarism and special consideration), student responsibilities and student support services.

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PART A: COURSE-SPECIFIC INFORMATION

1 STAFF CONTACT DETAILS

Lecturer-in-charge: A/Prof Chung-Li Tseng

Room 2087 QUAD

Phone No: 9385 9704

Email: c.tseng@unsw.edu.au

Consultation Times –Tuesday 2:30 – 3:30, Friday 14:00 – 15:00 (or by appointment)

The best way to contact your lecturer is via email or to see him during his consultation times. Please note that only your UNSW email account will be used for formal notices and correspondence regarding the course. If you need to contact the school urgently, ring 9385-5320 or email istm@unsw.edu.au.

2 COURSE DETAILS

2.1 Teaching Times and Locations

Lectures start in Week 1 (to Week 12): The Time and Location are:

Friday 9:00 – 12:00 Goldstein Hall G16

2.2 Units of Credit

The course is worth 6 units of credit.

This course is taught to both undergraduate and postgraduate students. The assessment tasks in the two courses are different.

2.3 Summary of Course

This course introduces the key concepts in managing service organisations and their operations. The focus is on creating value and customer satisfaction. This course covers in-depth discussions of services, value creations, service strategy, and the issues related to the development of a service system. This course also addresses topics crucial to effectively and efficiently operating a service system, such as managing capacity and demand, and service quality management.

2.4 Course Aims and Relationship to Other Courses

This course explores the dimensions of successful service firms, which represent the fastest-growing sector of the economy. It prepares students for enlightened management and suggests creative entrepreneurial opportunities. Outstanding service operations are managed differently than production operations that manufacture physical goods. Actions are based on totally different assumptions about the way success is achieved. The results show not only in terms of conventional measures of performance but also in the enthusiasm of the employees and quality of customer satisfaction. Beginning with the service encounter, service managers must blend marketing, technology, people, and information to achieve a distinctive competitive advantage.

This course will study service management from an integrated viewpoint with a focus on customer satisfaction. The material will integrate operations, marketing, strategy, information technology and organizational issues. Finally, because the service sector is the fastest-growing sector of the economy, this course is intended to help students discover entrepreneurial opportunities.

Overall the course aims to

1. To develop knowledge of the operations of successful service firms that can be benchmarks for future management practice.
2. To develop knowledge of the "state of the art" of process management of service firms and the opportunities that information technology can have for enhancing their competitiveness.
3. To develop knowledge of the organizational significance of managing the service encounter to achieve internal and external customer satisfaction.
4. To develop knowledge about how processes work in service firms and how to analyse processes in terms of process capacity, utilisation and bottleneck; and furthermore, how to manage process variability.
5. To appreciate the entrepreneurial opportunities in services.
6. To enhance communication, reflection and teamwork skills.

2.5 Student Learning Outcomes

By the end of this course, students should be able to

1. Describe key characteristics and management principles of different types of service operations systems
2. Analyse process flows of a service firm in terms of process capacity, utilisation and bottleneck
3. Explain the strategies for managing service capacity and demand, including customer waiting
4. Explain major philosophies behind the design and development of a quality improvement program
5. Design a Walk-through-Audit (WtA) to evaluate the service quality of a firm from the perspective of a customer
6. Interact with team members to achieve group objectives.

The Course Learning Outcomes are what you should be able to DO by the end of this course if you participate fully in learning activities and successfully complete the assessment items.

The Learning Outcomes in this course also help you to achieve some of the overall Program Learning Goals and Outcomes for all undergraduate coursework students in the Business School. Program Learning Goals are what we want you to BE or HAVE by the time you successfully complete your degree (e.g. 'be an effective team player'). You demonstrate this by achieving specific Program Learning Outcomes – what you are able to DO by the end of your degree (e.g. 'participate collaboratively and responsibly in teams').

For more information on the Undergraduate Coursework Program Learning Goals and Outcomes, see Part B of the course outline.

Business Undergraduate Program Learning Goals and Outcomes

1. Knowledge: Our graduates will have in-depth disciplinary knowledge applicable in local and global contexts.

You should be able to select and apply disciplinary knowledge to business situations in a local and global environment.

2. Critical thinking and problem solving: Our graduates will be critical thinkers and effective problem solvers.

You should be able to identify and research issues in business situations, analyse the issues, and propose appropriate and well-justified solutions.

3. Communication: Our graduates will be effective professional communicators.

You should be able to:

- a. Prepare written documents that are clear and concise, using appropriate style and presentation for the intended audience, purpose and context, and
- b. Prepare and deliver oral presentations that are clear, focused, well-structured, and delivered in a professional manner.

4. Teamwork: Our graduates will be effective team participants.

You should be able to participate collaboratively and responsibly in teams, and reflect on your own teamwork, and on the team's processes and ability to achieve outcomes.

5. Ethical, social and environmental responsibility: Our graduates will have a sound awareness of the ethical, social, cultural and environmental implications of business practice.

You should be able to:

- a. Identify and assess ethical, environmental and/or sustainability considerations in business decision-making and practice, and
- b. Identify social and cultural implications of business situations.

The following table shows how your Course Learning Outcomes relate to the overall Program Learning Goals and Outcomes, and indicates where these are assessed (they may also be developed in tutorials and other activities):

Program Learning Goals and Outcomes		Course Learning Outcomes	Course Assessment Item
<i>This course helps you to achieve the following learning goals for all Business undergraduate coursework students:</i>		<i>On successful completion of the course, you should be able to:</i>	<i>This learning outcome will be assessed in the following items:</i>
1	Knowledge	<ul style="list-style-type: none"> • Analyse key characteristics and management principles of different types of service operations systems. • Analyse process flows of a service firm in terms of process capacity, utilisation and bottleneck. • Explain the strategies for managing service capacity and demand, including customer waiting. • Explain major philosophies behind the design and development of a quality improvement program. 	<ul style="list-style-type: none"> • Assignment • Case Analysis • Project • Final Exam
2	Critical thinking and problem	<ul style="list-style-type: none"> • Analyse process flows of a service firm in terms of process capacity, utilisation 	<ul style="list-style-type: none"> • Assignment • Case Analysis

	solving	and bottleneck. <ul style="list-style-type: none"> Design a Walk-through-Audit (WtA) to evaluate the service quality of a firm from the perspective of a customer. 	<ul style="list-style-type: none"> Project Final Exam
3a	Written communication	<ul style="list-style-type: none"> Design a Walk-through-Audit (WtA) to evaluate the service quality of a firm from the perspective of a customer. 	<ul style="list-style-type: none"> Assignment Case Analysis Project Report Final Exam
3b	Oral communication	<ul style="list-style-type: none"> Interact with team members to achieve group objectives. 	<ul style="list-style-type: none"> Project Presentation
4	Teamwork	<ul style="list-style-type: none"> Interact with team members to achieve group objectives. 	<ul style="list-style-type: none"> Project Case Analysis Participation
5a	Ethical, environmental and sustainability responsibility	Not specifically addressed in this course.	Not specifically assessed.
5b	Social and cultural awareness	Not specifically addressed in this course.	Not specifically assessed.

3 LEARNING AND TEACHING ACTIVITIES

3.1 Approach to Learning and Teaching in the Course

Service firms have unique characteristics that challenge managers. For example, service firms are people-oriented because of the direct interaction with customers. Customers usually participate in the service process, often with direct and uncensored interactions with employees and facilities. The resulting variations in demand present a challenge to the operations manager to effectively use the perishable service capacity that results because production and consumption occur simultaneously. This simultaneity means that it is impossible to inventory services. Given these characteristics, the learning experience offered by this course will consist of lectures, discussion of cases, and in-class exercises. A variety of activities are expected: project, case discussion, homework problems, simulations, and participation in class exercises. Homework assignments familiarise you with the basic concepts and help you to develop critical thinking and analytical skills. Through the case studies, students will analyse operational strategies of some firms. Students will be engaged in classroom discussion about their thoughts and findings. Through simulations, students apply the concepts learned in the class to the real world settings and experience process variability. By working on the project (a walk-through-audit), students can learn how to implement a service business to meet customer satisfaction.

To maximise the effect of classroom learning, students are expected to read assigned course materials before attending each class. Students are strongly encouraged to engage in group learning through working together on the case studies.

3.2 Learning Activities and Teaching Strategies

The course involves three key components – the lecture, the tutorial, and your out-of-class study.

Lectures

Each lecture provides an overview of specific topics in the textbook. The instructor in each lecture goes over the concepts and issues that are deemed important or more difficult to understand. Lecture slides can be downloaded from the course website Moodle prior to each lecture.

Tutorials

By interacting with students, the instructor uses the time to discuss case studies, work on exercises, and/or discuss homework problems assigned earlier. If necessary, he illustrates additional insight implied by the problems, and/or cases. It is also a good opportunity to convey any of your questions to the instructor. **Note that the instructor may not hold a fixed-time tutorial session but may blend the tutorials with the lectures when appropriate.**

Out-of-Class Study

While each student may have preferred individual learning strategy, it is important to note that most learning will be achieved outside of class time. Lectures can only provide a structure to assist your study. An “ideal” strategy may include:

1. Reading of the relevant chapter(s) of the textbook and accessing the lecture slides from the course website Moodle before the lecture. This will give you a general idea of the topic areas.
2. If there is a case study assigned for a class, read the case and discuss with your group before the class.
3. Attendance at lectures. Here the context of the topic in the course and the important elements of the topics are identified. The relevance of the topic will be explained.
4. Do the homework problems. You may discuss problems or difficulties encountered with fellow students or the instructor. But you must write your assignment by yourself.
5. Attend and participate the tutorial session, where the instructor will discuss cases or help you to do exercises.

4 ASSESSMENT

4.1 Formal Requirements

To receive a pass grade in this course, you must meet ALL of the following criteria:

- Attain an overall mark of at least 50%.
- Attend at least 80% of all scheduled classes.
- Attain a satisfactory performance in each component of the course. A mark of 45% or higher is normally regarded as satisfactory.
- Attain a mark of at least 45% in the final exam.
- In case of peer assessed group work, the mark assigned to each member of the group may be scaled based on peer assessment of each member’s contribution to the task.

4.2 Assessment Details

The final composite marks for this course are summarized in the following table.

Assessment Task	Weighting	Length	Due Date
Homework 1 (individual)	8%	-	8/04/16
Homework 2 (individual)	8%	-	6/05/16
Homework 3 (individual)	8%	-	13/05/16
VMMC case analysis (group)	8%	5 pages	15/04/16
Ritz-Carlton case analysis (group)	8%	5 pages	22/04/16
Project report (group)	15%	10 pages	27/05/16
Final exam (individual)	40%	-	TBA
Class participation (individual)	5%	-	-
Total	100%	-	-

Individual Assignments

There are three homework assignments given in this course. The assignments are designed to help the students practice process analysis from the text. Each assignment is due one week or two weeks after it is assigned.

Group Assignments

Group assignments include two case analysis reports and a project (report and presentation). Each group consists of four to five students (to be formed by the students). All group members should contribute equally to the group assignments. A survey will be conducted to your group members at the end of the semester to measure your contribution to your group assignments and activities.

Participation

To encourage effective interaction, a mark will be awarded for your participation in terms of your attendance and the degree to which you engage in class discussions. Assessment will be based on your attendance, the frequency and quality of your contribution to class discussion, and your participation in team activities (based on the survey results from your team members).

Case Studies

There are 7 cases to study in this course. They are summarised in the following table.

Case	Source	Time of discussion
Xpresso Lub	Ch 1 (P. 26)	Week 1
Alamo Drafthouse	Ch 2 (P. 56)	Week 2
Commuter Clearing – A New Venture Proposal	Ch 3 (P. 84)	Week 2
Amy's Ice Cream	Ch 4 (P. 109)	Week 3
Central Market	Ch 5 (P. 141)	Week 3
Virginia Mason Medical Center	Downloadable from Harvard website	Week 6
The Ritz-Carlton Hotel Company		Week 7

Each case describes a real story of a company, followed by several questions. Read each case and answer the questions before coming to the class. The format of case discussion varies from case to case. Basically each person has a chance to be called upon to present his/her answer of a question to the class, which is assessed as part of your class participation (5% of your grade).

Each team will deliver two case reports (Virginia Mason Medical Center and Ritz-Carlton Hotel Company). Each report should be typed and be no more than 5 pages in length excluding attachments. Your report is due during the class in which the case is discussed. Your case report should not simply provide answers to the case questions, but rather use these questions to guide our analysis. The following is a guideline for a well-structured case report. The items will vary depending on the particulars of each case.

- Description of the main problems/major issues in the case
- Analysis of the problems to identify root causes
- Recommendation with supporting arguments

Each case report is worth 8% and will be graded based on the depth of the analysis on the case as well as the style and clarity of the writing.

Project

Each team will conduct a service project consisting of a Walk-through-Audit. A project proposal (one paragraph e-mail) is due for approval by Week 4. A presentation of the project will be made during Week 12. A project report of 10 pages or less plus exhibits will be due on the *last day* of classes (Week 12).

The Walk-through-Audit (WtA) Project involves the selection of a service in which you prepare an audit questionnaire used by management to evaluate the service from the perspective of a customer. A WtA of the Helsinki Museum of Art and Design can be found on pages 148-152 in the text (to be covered in Week 5). A copy of the audit questionnaire, statistical analysis of the responses, and analysis of the gaps between management's perceptions and customer responses is expected in the report.

Walk-Through-Audit Process Steps with suggested timeline

1. Select service firm and get permission of management (by Week 4).
2. Prepare a first draft of the audit questionnaire (by Week 7).
3. Conduct audit (survey customers and managers) (by Week 9).
4. Analysis of perception gaps between customers and managers (by Week 11).
5. Prepare recommendations and present to management (by Week 12).

Final Exam

The final exam will be held during the University examination period with the date and time determined by the University. It will cover materials covered in lectures during Weeks 1 – 12 (inclusive), including both qualitative (e.g., short essays) and quantitative questions. The exam will be open book and notes.

4.3 Assessment Format

The case reports and the project report must be typed and printed. The page limits are 5 pages and 10 pages of text and exhibits for each case report and the project report, respectively. Supporting materials (e.g., the questionnaire) can be put in the appendix,

which is not included in the page limit. The report should be concise and coherent. Submit a hard-copy of your report to the instructor on the report due date in the class.

4.4 Assignment Submission Procedure

Homework assignments should be submitted by handing to the instructor at the beginning of the lecture in the relevant week. While you are allowed to discuss the assignment questions with other students, you must write your answers all by yourself. Students should keep a copy of all work submitted for assessment and keep returned marked assignments. Electronic submission may be arranged. Please contact the instructor for details.

4.5 Late Submission

The late submission of assignments carries a penalty of 10% of the maximum marks for that assignment per day of lateness (including weekends and public holidays), unless an extension of time has been granted. An extension of time to complete an assignment may be granted by the course co-ordinator in case of misadventure or illness. Applications for an extension of time should be made to the course co-ordinator by email or in person. You will be required to substantiate your application with appropriate documentary evidence such as medical certificates, accident reports etc. Please note that work commitments and computer failures are usually considered insufficient grounds for an extension.

Quality Assurance

The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential.

The prescribed textbook for this subject (available at the UNSW Bookshop) is

J.A. Fitzsimmons, M.J. Fitzsimmons, and S.K. Bordolio, *Service Management: Operations, Strategy, Information Technology*, 8th ed. McGraw-Hill, 2014. ISBN 978-0-07-802407-8.

6 COURSE EVALUATION AND DEVELOPMENT

Based on the student feedback collected from the last year, some adjustments have been made in the course design, which include:

- A new case study is introduced.
- Rearrange class coverages to allow more time for discussions.

We will continue to seek feedback from the students about the offering of this course and use it as a basis for continual improvement. UNSW's Course and Teaching Evaluation and Improvement (CATEI) Process is one of the ways in which student

evaluative feedback is gathered. In this course, we shall use your course-level feedback, both quantitative and qualitative, to guide our continued review and redesigning of the course.

7 COURSE SCHEDULE

The following is a tentative schedule for lectures and tutorials.

Week	Topic	References	Other Activities/ Assessment
Week 1 4 March	– The Service Economy – Case 1.2: Xpresso Lube	Ch 1	
Week 2 11 March	– Service Strategy – Case 2.2: The Alamo Drafthouse – New Service Development – Case 3.2: Commuter Cleaning – A New Venture Proposal	Ch 2 Ch 3	
Week 3 18 March	– The Service Encounter – Case 4.1: Amy’s Ice Cream – Supporting Facility and Process Flows – Case 5.4: Central Market	Ch 4 Ch 5	
Week 4 25 March	– Process Analysis	Handout	Hw 1 handed out Project proposal due
Mid-semester break: Good Friday 25 March -Sunday 3 April			
Week 5 8 April	– Service Quality	Handout, Ch 6	Hw 1 due Bring your laptop
Week 6 15 April	– Process Improvement – Case: Virginia Mason Medical Center	Ch 7	VMMC case report due
Week 7 22 April	– Quality Analytics Simulation – Case: Ritz-Carlton		Bring your laptop Ritz-Carlton case report due
Week 8 29 April	– Managing Waiting Lines – Benihana Simulation	Ch 12, Handout	Bring your laptop Hw 2 handed out
Week 9 6 May	– Managing Service Projects	Ch 16	Hw 2 due Hw 3 handed out
Week 10 13 May	– Project Management Simulation		Hw 3 due; Bring your laptop
Week 11 20 May	– Special topic: Managing customer- Induced Variability in Service Operations – Play Yield Management Game	Ch 11	Bring your laptop
Week 12 27 May	– Project Presentation		Project report due

All handouts and articles listed below can be downloadable from the course website Moodle.

• **Week 1 (4 March, Friday)**

- Topics: - The Service Economy
 - Nature of Service Sector
 - Distinctive Characteristics of Service Operations
- Preparation: - Read Chapter 1 of the text
 - Read Case 1.2: Xpresso Lube

• **Week 2 (11 March, Friday)**

- Topics: - The Service Strategy
 - New Service Development
- Preparation: - Read Chapter 2 of the text
 - Read Case 2.2: The Alamo Draffhouse
 - Read Chapter 3 of the text
 - Read Case 3.2: Commuter Cleaning – A New Venture Proposal

• **Week 3 (18 March, Friday)**

- Topics: - Service Encounter
 - Supporting Facility and Process Flows
- Preparation: - Read Chapter 4 of the text
 - Read Case 4.1: Amy's Ice Cream
 - Read Chapter 5 of the text except the section of Process Analysis (pp. 123-127), **which will be replaced by the Handout used in Week 4.** (Note the handout is more extensive than Ch 5 in the topic of process analysis. You should focus on the handout).
 - Read Case 5.4: Central Market

• **Week 4 (25 March, Friday)**

- Topics: - Process Analysis
- Preparation: - Read Handout "Process Analysis"
 - Read Article: "Coffee on the double"
 - Project proposal due

• **Week 5 (8 April, Friday)**

- Topics: - Service Quality
- Preparation: - Read Chapter 6 of the text
 - Read Handout "Statistical Quality Control" (**Note the handout is more extensive than Ch 6 in the topic of control charts. You should focus on the handout.**)
 - Homework 1 due
 - Bring your laptop

• **Week 6 (15 April, Friday)**

- Topics: - Process Improvement
 - Case study: Virginia Mason Medical Center

- Preparation:
- Read Chapter 7 of the text
 - Read Case: Virginia Mason Medical Center
 - VMMC case report due

• **Week 7 (22 April, Friday)**

- Topics:
- Quality Analytics Simulation
 - Case study: The Ritz-Carlton Hotel Company
- Preparation:
- **Bring your laptop with Wi-Fi to access internet**
 - Log in a designated website (to be provided) to review summary information of the Prepare screens
 - Read Case: The Ritz-Carlton Hotel Company
 - Ritz-Carlton case report due

• **Week 8 (29 April, Friday)**

- Topics:
- Managing Waiting Lines
 - Benihana Simulation
- Preparation:
- Read Chapter 12 of the text (pp. 335-340 only)
 - Read Handout "Queues"
 - Read Article "Don't Manage Waits; Manage Experiences"
 - Read Article "The Psychology of Waiting Lines"
 - Read Article: "Disney Tackles Major Theme Park Problems: Lines"
 - Read Article: "A Long Line for a Shorter Wait at the Supermarket"
 - **Bring your laptop with Wi-Fi to access internet**
 - Log in a designated website (to be provided) to review summary information of the Prepare screens

• **Week 9 (6 May, Friday)**

- Topics:
- Managing Service Projects
- Preparation:
- Read Chapter 16 of the text
 - Homework 2 due

• **Week 10 (13 May, Friday)**

- Topics:
- Project Management Simulation
- Preparation:
- **Bring your laptop with Wi-Fi to access internet**
 - Log in a designated website (to be provided) to review summary information of the Prepare screens
 - Homework 3 due

• **Week 11 (20 May, Friday)**

- Topics:
- Managing Customer-Induced Variability in Service Operations
 - Play Yield Management Game
- Preparation:
- Read Article "Customer-Induced Variability in Service Operations"
 - Skim Case 11.3: The Yield Management Analyst
 - **Bring your laptop** loaded with Excel and the spreadsheet of Yield management game sheet w formula.xls, downloadable

from Moodle

- **Week 12 (27 May, Friday)**

Topics: - Project Presentation
Preparation: - Project report due