Service business development - strategies for value creation in manufacturing firms

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BOOK REVIEW


This book provides an interesting reference in the field of the service business extension within the manufacturing world. Authors present a structured summary of the results achieved over a 14-year period of research with the aim of providing both theoretical advances and managerial guidelines. The main purpose is to show how service strategy and operations can be organised and managed in order to get the maximum out of the investments. Empirical findings used to draw conclusion are mainly related to capital goods manufacturers, so this industry is the primary beneficiary of the book’s contribution. Nonetheless, the holistic consideration of all the relevant aspects is a quite unique approach in the related literature and some ideas could be transferred to other industries.

Contents of the book are accessible by both students of managerial courses and practitioners. Students can find a complete overview of the topic that provide them with a basic set of concepts, whilst managers can use it as a tool to compare their current situation against the proposed solutions and, hence, look for possible hints to increase the value creation through the service offer.

A complete and interesting overview of the topic linking the growing importance of the service business to the evolution of the competitive context is given in Chapter 1. Chapter 2 summarises the existing literature on the topic. This part is useful for readers approaching for the first time to the topic. Chapter 3 introduces the two main approaches that authors identify for a company to extend the service business, namely the exploitation approach and the exploration one. The next Chapters 4 and 5 contain a qualitative description of the implementation process two companies went through for the service business extension following the two different approaches. Chapters 6 and 7 go back to a more theoretical reasoning that investigates with greater depth the exploitation approach and, in particular, the different potential service strategies available to implement the approach and the corresponding configuration of operational capabilities.

Even though, the single proposed strategy to implement this approach is not new, this part can be considered as the main contribution of the book providing a set of guidelines to implement the single strategy. Exploration approach does not receive the same attention and its presentation remains at a general level. Chapters 8–11 add insights to the main topic by analysing specific issues, namely the network configuration, how to deal with the globalisation trend as far as the service organisation is concerned, the service development for suppliers and how to adapt the guidelines the small-medium enterprises. All the topics are complementary to what has been described beforehand and allow the refinement of the service business design according to the specific dimension. Finally, concluding remarks (Chapter 12) provide an overview of the book contents, as far as recommendations for future research and lessons to be learnt are concerned.

Worth of notice are the several examples taken from real cases that add value to the chapters’ content by describing best practices. In this way, readers less used to theoretical reasoning can better grasp the topic being investigated by immediate evidence of how concepts take shape in reality. The reading is also supported by a lot of tables summarising the provided guidelines explained in detail in the text. The above mentioned features along with a clean style of presentation make enjoyable the reading of this book.

The descriptive nature of the book and the provision of qualitative guidelines do not require any technical or specialised knowledge for its fruition. Practitioners interested in extending the service business may find a good support in identifying the right direction to follow. Even though, the service area is already organised, the reading can be helpful to all service managers in companies offering capital goods.

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