

# **Session B: Innovation and Service-Dominant Logic**

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- **P1. Modern economies are characterized by a rise of servitization, in a general context of SDL**
  - To stay competitive, manufacturing firms add services to their products
  - Servitization: from adding one service to providing PSS, CSS, Solutions
  - What about industrialization of services?

- **P2. Servitization is not a mechanical process, just consisting in adding services to goods,...**
  - Adding *intangibles* i.e. skills, information, interactions and knowledge.
  - Changing the *business-model, the organization, the management practices and the culture*.
  - Considering the *whole life cycle* of the product
  - Servitization is *not a homogeneous* process. Main sub-sectors addressed: capital goods industries, machine tool builders, wind power industry.

- **P3. The SDL is (also) a theory of innovation in services**
  - The question of the *nature* of innovation in services.
  - The innovative dimension of goods sometimes comes from services.
  - No need to address innovation in services in contrast to innovation in manufacturing (demarcation).
    - Demarcation is just a step towards integration.
    - SDL is coherent with Integration or Synthesis
    - Integration favoured because of convergence between goods and services.

- **P4. The SDL is a theory of the management of service innovation processes**
  - Innovation not anymore *linear, stage-gate, planned, intra-firm*.
  - « Open innovation »: *cooperative, interactive (networked) and non-necessarily formalized*:
    - a) The chain linked or interactive model
    - b) Several non-programmed or emergent models:
      - Rapid application - Practice-based- Bricolage- Ad hoc innovation*
    - c) Public Private Innovations Networks in services (PPINS)
    - d) Social media (SNS, ESN).
      - Crowdsourcing. Electronic Word of Mouth.*

- **P5. There's an innovation gap in public services**
  - The relationship between environmental scanning and innovation in hospitals.
  - External information driving innovation in public administration.
    - The syndrome of the “poorly shod shoemaker”.
  - Public procurement of innovation in services.
    - The nature of the service innovation that can be procured.
    - How to procure innovation that need to be co-produced with the customer?

- **P6. Social innovation and social entrepreneurship are not yet clear concepts**
  - Huge amount of literature on social innovation and social entrepreneurship, but definitions are vague.
  - Bibliometric analysis may help and serious conceptual efforts needed.
  - The interaction between the service literature and the social innovation literature may help.
    - Still very limited cross references between the two fields, while they have so much in common.

- **P7. Emergent and developing countries are also the locus of interesting service innovation dynamics**
  - Interesting contributions on innovation in retailing in Brazil and in restaurants in Senegal.
  - The dynamics of services and productivity in Palestine.

- **P8. The service encounter is a major locus of innovation**
  - The encounter is the locus of employee-driven innovations (ad hoc and bricolage)
  - The “Willingness to Change in Services” (WCS). How to measure it?
  - Other important issues related to the service encounter:
    - The factors affecting the innovativeness of the service encounter
    - The measurement of the intensity of the encounter
    - The measurement of the value co-created at the encounter. 1) monetary value, 2) cognitive/affective value, 3) network value.

## **P9. Services suffer not only from an innovation gap, but also from a performance gap**

- A problem of definition and measurement of performance: a « performance gap ».
- The « performance gap » = the difference between the reality of performance in an economy and the performance assessed by traditional economic tools (mainly productivity and growth).
- Hidden performance referring for ex. to social and environmental sustainability.
- Troubles with productivity.
- A multicriteria evaluation?