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Abstract

Services sector is constantly growing its proportion in the world economies. Companies need to respond to the intensifying competition in the services sector. Today the competition is shifting towards being between different value chains from being between individual companies. Since productivity has mainly been studied in the manufacturing business, it is important to understand whether the lessons learned in the manufacturing sector can be brought to service supply chains. It is essential also to recognize factors that influence the efficiency of service value chains and the behavior of the parties involved in these chains.

This study explores factors influencing service value chain productivity and the connections between these factors. The findings are gathered into a framework which illustrates the connections between the influencing factors. In addition it offers a template for performance measurement system development in a service value chain environment.

Different theories are adopted to form the theoretical background for this research to describe the range of phenomena discussed in this study. The empirical evidence is approached by analyzing two value chains in the case company by adopting a perspective that spans the entire value chains. This is executed by combining the perspectives of the process owners from the case company with the perspectives of eight different service suppliers' representatives, all of which are involved in the two target value chains. The research methodology is action-based case research. Interviews were conducted as semi-structured interviews and also other material, e.g. contracts between the case company and its suppliers were used.

Based on the analysis, various factors influencing the value chain productivity were recognized. It was found that the most important factors influencing the efficiency of the service value chains were *non-generic modes of operations in the value chains, multiple ICT-systems, information flow between different interfaces, lack of delivery accuracy, nature of the cooperation relationship, lack of trust and incentive alignment*. All these factors were found to contribute to the *fragmentation of the value chains*. The fragmentation of the value chains is in part a cause of the influencing factors but on the other hand it is also a contributing factor in the existence of these other phenomena. The factors listed above were recognized as impeding the efficiency as well as productivity in the value chains. However these factors also form a template on which a service value chain wide performance measurement system can be formed. Thus, it illustrates the most important factors found in this case study that should be measured and managed in order to increase the productivity of the service value chains.

Key words	Value chain management, services, productivity, performance measurement systems, operations management techniques
Further information	

