

Say goodbye to just-in-time, lean and agile management models

Using Spain's National Institute of Performing Arts and Music as a case in point, IESE's Beatriz Muñoz-Seca presents an innovative model for service companies looking to optimize operations.

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The last century gave rise to three key management models for streamlining operations: just-in-time, lean and agile approaches. Combined, they had a monumental influence on manufacturing and industry, although they never fully gained traction in the service sector.

IESE's [Beatriz Muñoz-Seca](#) wants to take the management revolution a step further for service companies, introducing a new model that incorporates the development, use and exploitation of knowledge.

Her technical note, "A Model for Configuring Operations in Service Companies," presents her proposal for "Service Problem Driven Management," SPDM for short.

This new model puts knowledge — a service company's most powerful resource, which is lost if not used — at the forefront.

As the author notes, "Problems and their solution are the linchpin of the 'modern' approach to operations." And, "solving problems requires an understanding of what each agent knows, what that individual does not know, and what he or she must know." Knowledge is, to put it bluntly, the most valuable resource for managing operations here.

A song and a dance

Muñoz-Seca highlights a practical example of her model in motion with the case of Spain's

National Institute of Performing Arts and Music (INAEM for its initials in Spanish). This public institution has 14 centers that develop theater, dance and music programs — including the National Classical Theater Company and the Music and Dance Documentation Center. To help with its deficit, INAEM needed to redefine the efficiency of different units. In other words, INAEM had to completely rethink its operations, from start to finish.

Configuring the knowledge-based approach

To implement her model, Muñoz-Seca proposes three levels of action, moving from abstract to more concrete:

1. Operations Strategy and Making the Strategy Concrete. To establish the operations strategy, managers need to assess what people know and the value of that knowledge to the market now and in the future. It is also vital to identify the essence of the service, the differentiating factor between one company and another.

2. Designing the Operational Structure. This second level is about configuring the operational structure. This includes service design, which encompasses everything from the development of the concept to prototyping and engineering services; operational infrastructure, which includes defining performance indicators; and delivery and maintenance, which involves both the actual delivery of the service and the requirements for improving it.

3. Operations. This is the most technical level, which entails implementing the ideas previously outlined. As such, it is necessary to define capabilities, flows or time frames, processes, the human resources profile, the information system and operational rules. By diving into the details, it is possible to detect inconsistencies and pitfalls that had not come up until then.

In total, Muñoz-Seca proposes 22 steps to put her method into practice, with specific tools that go with each of the 22 steps. For managers daunted by such a detailed proposal, Muñoz-Seca stresses that not all steps are set in stone. Each organization can adapt them to its own circumstances — using the knowledge inherent within the company, of course.

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