

JAIPURIA INSTITUTE OF MANAGEMENT, NODA
PGDM / PGDM (M) / PGDM (SM)
FOURTH TRIMESTER (Batch 2021-23)
END TERM EXAMINATIONS, NOVEMBER, 2022
SET-II

Course Name	Managing Service Operations	Course Code	20523
Max. Time	2 hours	Max. Marks	40 MM

INSTRUCTIONS:

- All Questions are compulsory.
- Please answer to the point with all relevant details.
- Use your own calculators for computational purposes.

Question 1

5 Marks

Distinguish customer expectations and customer needs with relevant examples from service industry.

Question 2

5 Marks

Examine two service organizations offering similar but different services (a fast-food and a high-class restaurant, for example). Identify the key elements of the service concept and compare their profiles

Question 3

5 Marks

Discuss the term, 'service guarantee'? Why do service firms hesitate to offer a service guarantee?

Question 4

(1.5 X 4) = 6 Marks

The Blue Roof Inn overbooks 2 rooms a night. Room rates run \$100 a night but costs \$30 to maintain. Bumped customers are sent to a nearby hotel for \$80 a night. Analyze the given data and answer the following.

<u>No-shows</u>	<u>Probability</u>
0	0.3
1	0.2
2	0.1
3	0.3
4	0.1

- Find out the cost of over-booking?
- Calculate cost of under-booking?
- Evaluate the optimum probability of no-shows for Blue Roof Inn?
- Given the following distribution of no-shows, should Blue Roof continue its current policy?

Question 5**(3 + 3) = 6 Marks**

Every fall, volunteers administer flu vaccine shots at a local supermarket. The process involves the following four steps:

<u>Activity</u>	<u>Average Time, Sec.</u>
1. Reception	30
2. Drug allergy consultation	60
3. Fill out form and sign waiver	45
4. Administer vaccination	90

- a) What are the bottleneck activity and maximum number of people who can be processed per hour?
- b) Using five volunteers, recommend a re-allocation of activities that would result in increased service capacity, and draw a product flow diagram. What is the capacity of the improved system?

Question 6**(2.5 + 2.5) = 5 Marks**

In relation to the concept of smart pricing, explain and illustrate with examples the strategies of regional pricing and time-based differentiation.

Question 7**(4 + 4) = 8 Marks**

Read the case given below and answer the following questions:

- a) Explain the problems being faced by the Empress Hotel Group to manage its chain of hotels?
- b) What would you suggest Davina should do to encourage the staff to exude warmth and spontaneity when their natural instinct is to seek security from procedures and routines?

Empress Hotel Group

Davina Rullani had just taken over as personnel director at the Empress Hotel Group, a major international five-star hotel chain with its headquarters in Hong Kong. Her task in the previous hotels in which she had worked involved setting up systems and procedures, updating the standard operating procedures, and running customer service training departments that provided and coached scripts, encouraged teamwork and allocated roles and duties. She had personally trained senior hotel managers in leadership and motivation. This hotel chain, she realized, was going to be rather different.

The Empress Hotel Group's chairman and chief executive was Bob Beaver, an evangelical American whose dream was to create 'the most perfect hotel chain in the world'. He felt that the standardized approach to five-star hotels was not appropriate for the discerning international traveler, who wanted a taste of local culture and traditions, not a 'McDonald's experience'. He wanted his hotels to be run by the local management teams, not by head office. He felt the hotels should use local furniture and furnishing and decorations, create local menus and use local produce. He thought the uniforms should be different from hotel to hotel and reflect the local culture and climate, and that the service should be warm and spontaneous. Davina, like most of the hotel's management, had come from other mainstream chains, which were extremely different.

The HR Department's role was to create manuals spelling out exactly what should be done, by whom and how. The role of the operations managers was to implement these procedures, and if they were not sure of anything they always knew they could find the answer in one of the manuals that covered one wall in their office. It surprised Bob, but did not surprise Davina, that the amount of discretion applied by managers in the hotels was, in practice, small. Indeed, her predecessor had worked with them to

provide systems and procedures, for which he was sacked. Bob was determined to bring about his vision and Davina was instrumental in this. All the staff were paid slightly above the industry average and Empress Hotels were seen as *the* place to work.

As Bob ruefully pointed out, 'It is not necessarily seen as *the* place to stay. We need to put my vision into practice.' Davina's job was to persuade both hotel managers and the staff, from front-of-house to pot washers, to use the discretion they really had to make Empress Hotels the best place in the world to stay. Davina had to deal with the hotel's facilities, food and service, and she decided to start with the service. On her way out to see her mother in Germany she stopped for a night at the group's highly rated hotel in Dubai, and stayed in the Seychelles on the way back. She realized she had her work cut out. At check-in both hotels 'processed' her very efficiently but there was no warmth or colour. She asked both receptionists, who were not busy, about local attractions and was told 'See the concierge' (Dubai) and 'There are some leaflets in your room' (Seychelles). Davina also asked the difference between the guestroom she had booked and an executive room and was told '350 Dirham' (Dubai) and 'They are on the fifth floor with breakfast included' (Seychelles). At dinner in the hotels' restaurants she was not offered a dessert, although in Dubai she was asked if she would like a coffee. Back in Hong Kong Davina set herself objectives in three areas:

- Reception – to try to make the service more spontaneous.
- Staff training – to encourage the staff to focus on the needs of the guests and not on the procedures.
- Hotel managers – to help them assess their staff in terms of good service rather than compliance and encourage their staff to do a good job rather than what they have always done.

Davina explained her approach:

It's about mixing discretion with professionalism. We need to get away from standardization and focus on the customer and let the local colour and culture come out. Training staff is going to be the key, but it's going to be hard when we can't define or specify what they have to do. They will need to have the right skills, be highly motivated and willing to go the extra mile. We just have to bring it about!