

A Dynamic Capabilities Perspective on Service-Oriented Demand-Supply Chains

by

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Outline

- Research question
- Research Background
- Research Approach
- Proposed dynamic capabilities
- Case study

Research Relevance

- Empowered customers and globally distributed suppliers
- Different theories have been developed to address this situation:
 - S-D logic of marketing;
 - PSS;
 - Dynamic virtual Enterprises;
 - these different notions of service-orientation are reflected by the **Service-Oriented Demand Supply Chains construct (SODSC)**

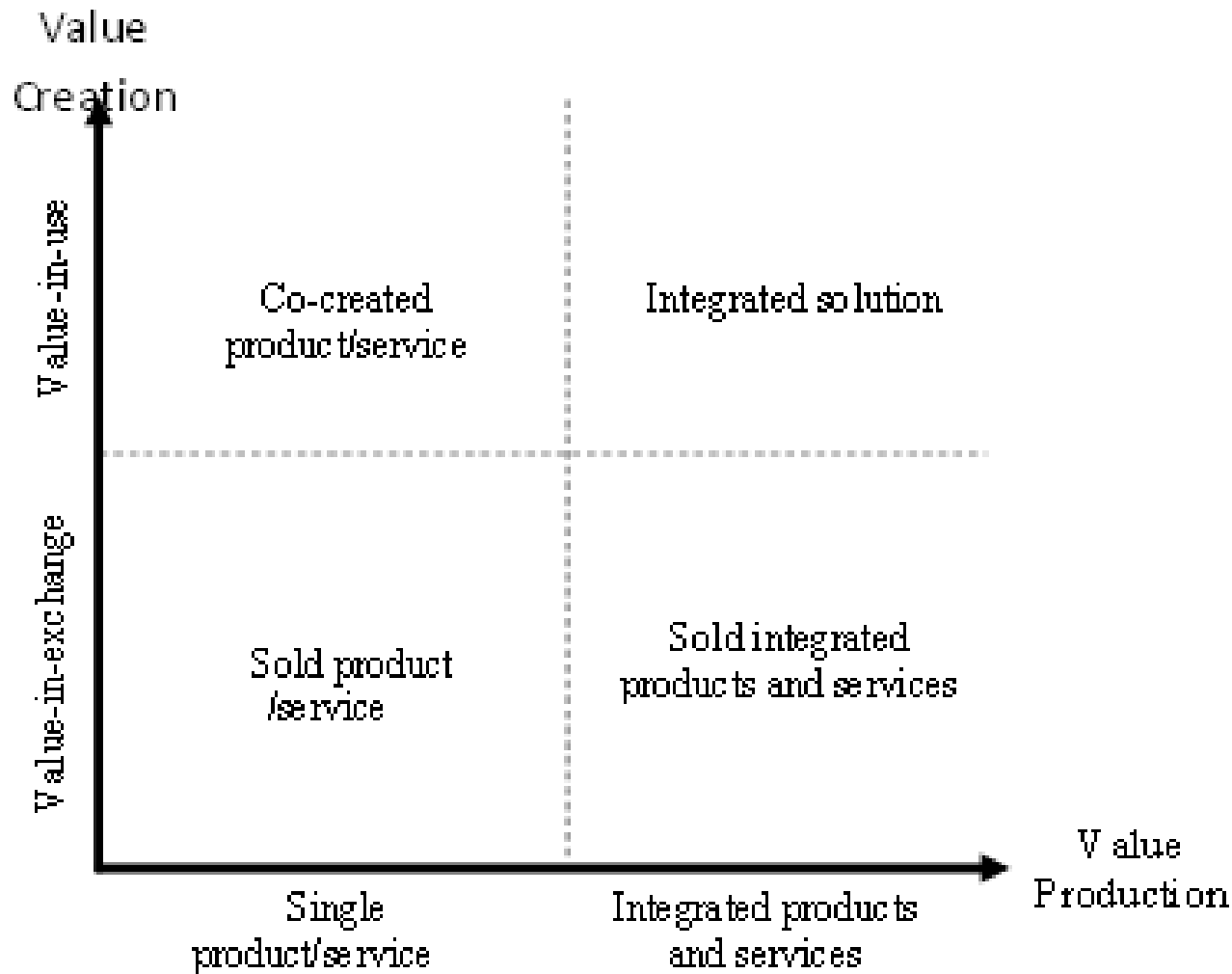
Research Relevance

- The operationalization of SODSC characteristics is in its infancy
- In this paper, we aim to step towards the operationalization of the SODSC characteristics based on **a Dynamic Capabilities (DC) perspective**
- Previous research based on DC does not clearly point out the service-orientation characteristics.

Research Question

- What are **concrete DCs** that can enable **service-orientation in demand-supply chains?**

Service- Oriented Demand –Supply Chains



Service- Oriented Demand –Supply Chains

Customer-Supplier

Interaction

Relational

Stable supply chain with active customers

Dynamic actor to actor interaction within a value network

Transactional

Stable supply chain with passive customers

Dynamic supply network with passive customers

Stable

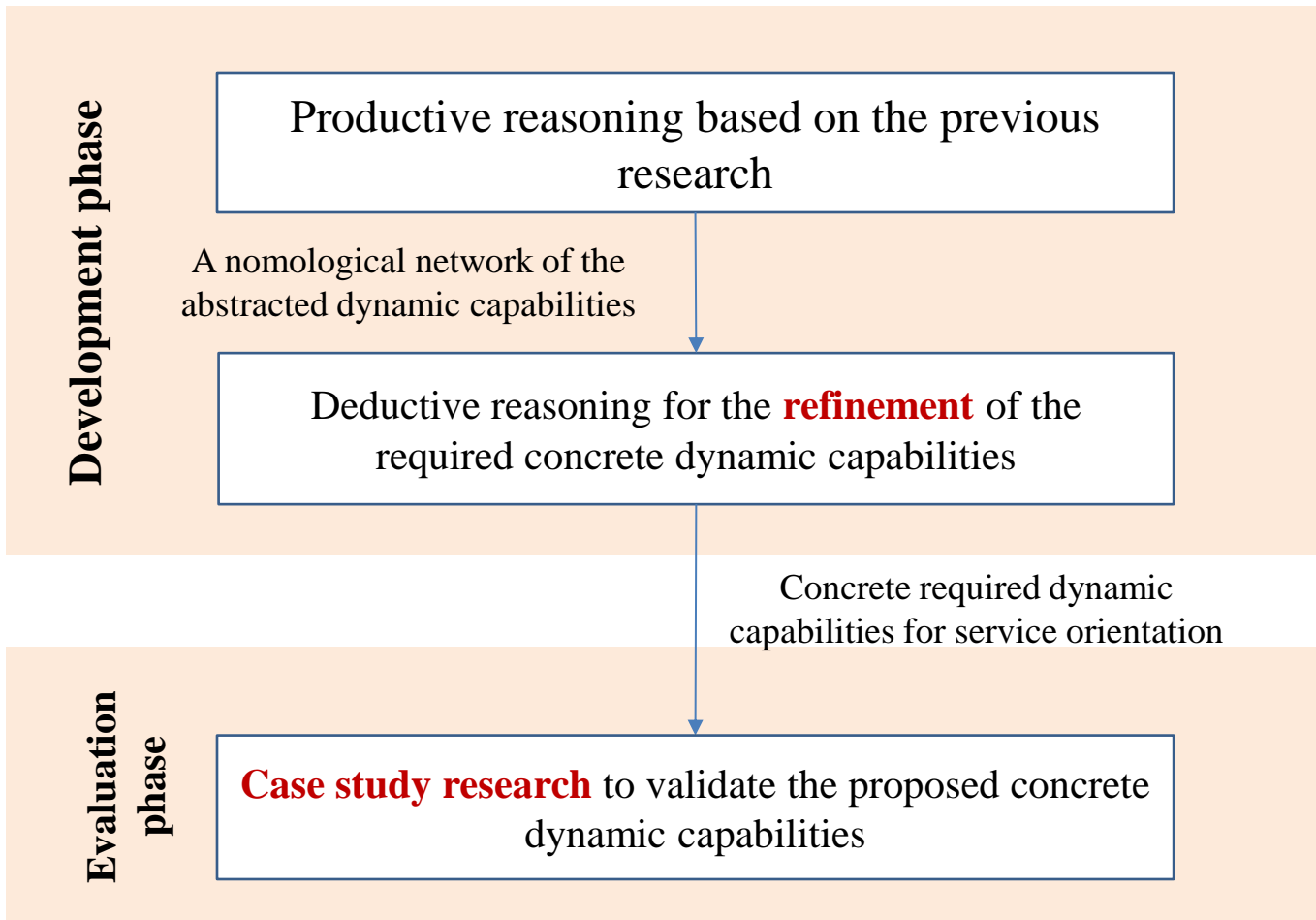
Dynamic

Supplier-Supplier Interaction

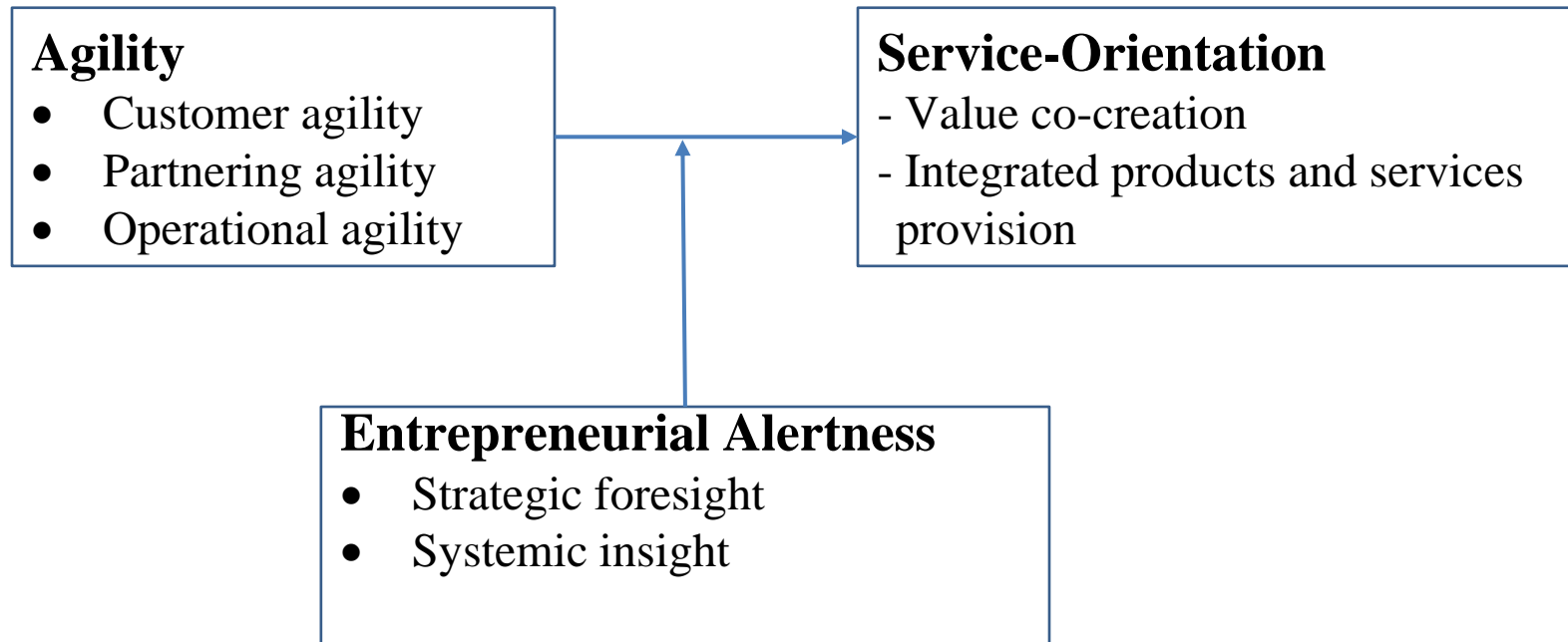
Dynamic Capabilities Perspective

- Capability perspective:
 - Resource-based view ;
 - Dynamic capabilities view ;
- **Dynamic capabilities:** the ability to integrate, build, and reconfigure internal and external competences to address rapidly-changing environments (Teece).

Research Approach



A nomological network of the abstracted dynamic capabilities



The Nomological Network of the Abstracted Dynamic Capabilities (Adopted based on Sambamurthy et al. (2003))

The refinement of the dynamic capabilities in the context of SODSC

Two main characteristics of the service-orientation (i.e. the value co-creation and integrated products and services provision)

Five abstracted dynamic capabilities determined by the productive reasoning

Ten concrete dynamic capabilities that enable the service-orientation in a networked business

Proposed Dynamic Capabilities

- ***Customer agility for value co-creation*** can be described as the ability of sensing and seizing the opportunities for the creation of better experience for a customer during the usage of a product or service.
- ***Customer agility for co-production*** demonstrates the engagement of the customer as a resource in the supply processes

Proposed Dynamic Capabilities

- ***Partnering agility for value co-creation***
reflects the ability of a networked business to form a dynamic coalition of resources in support of the value co-creation processes.
- ***Partnering agility for integrated products and services provision*** highlights the supplier-supplier interactions that enable a networked business to provide as complete as possible a package of the products and services that are required by customers.

Proposed Dynamic Capabilities

- ***Operating agility for value co-creation***
indicates the ability of a networked business for managing dynamic processes that support the value co-creation during the usage of a product or service.
- ***Operating agility for integrated products and services provision*** covers the provision of the integrated products and services by using the distributed resources within a networked business.

Proposed Dynamic Capabilities

- ***Strategic foresight for value co-creation***
reflects the ability of a networked business to anticipate the expected experience of a customer from a product or service.
- ***Strategic foresight for integrated products and services provision*** is described as the ability to anticipate potential actors of a networked business to develop a collaboration to provide integrated products and services.

Proposed Dynamic Capabilities

- ***Systematic insight for value co-creation***
demonstrates the ability for the investigation of possible benefits and risks related to value co-creation.
- ***Systematic insight for integrated products and services provision*** describes the ability for the investigation of different packages of products and services that are offered by a networked business.

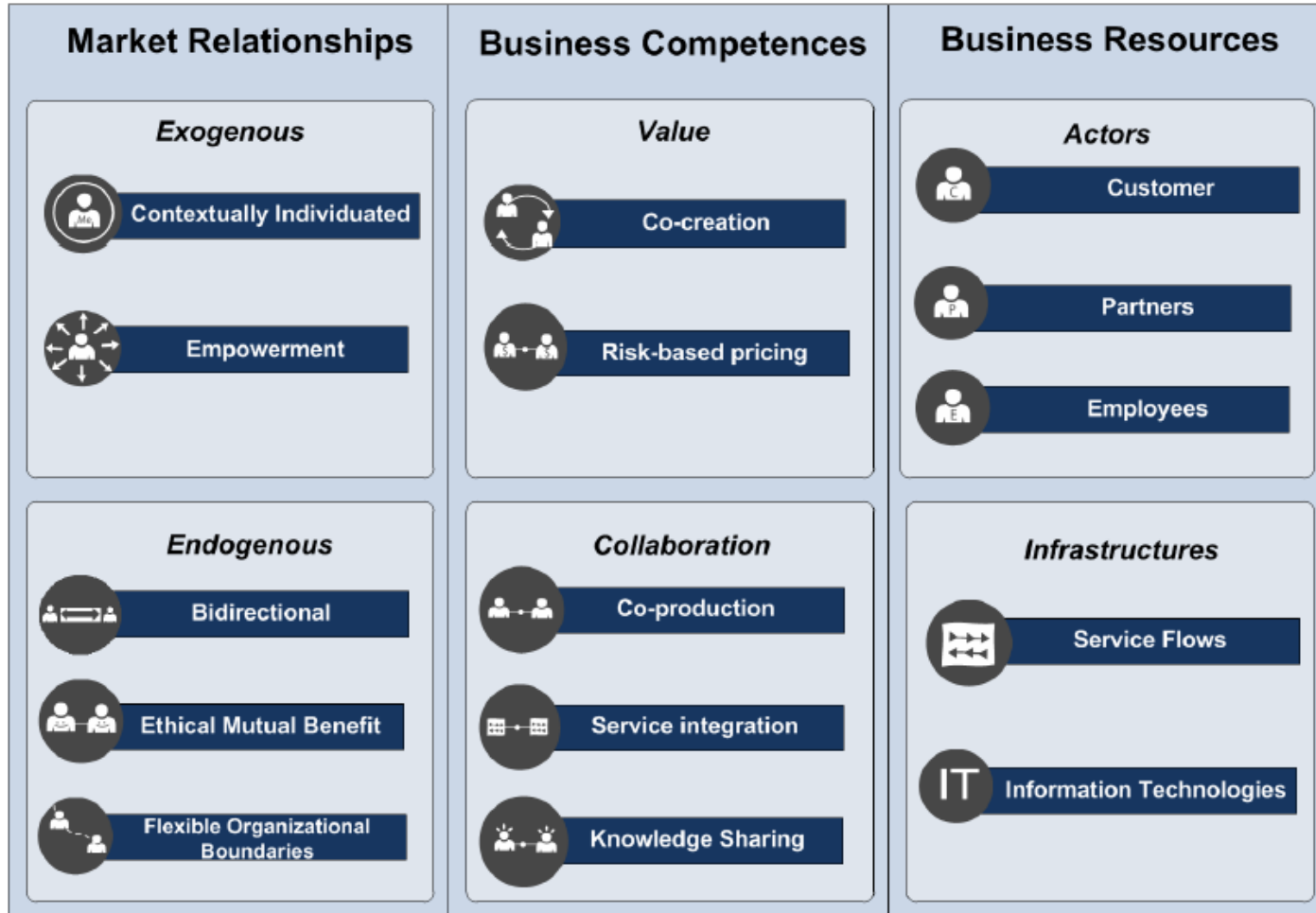
The Evaluation of the proposed dynamic capabilities

- We evaluate the practical significance of the proposed DCs in support of the service-orientation in a real-world situation.
- For this purpose we conduct a case study research in a car leasing organization (CLO)

Service-dominant business strategy

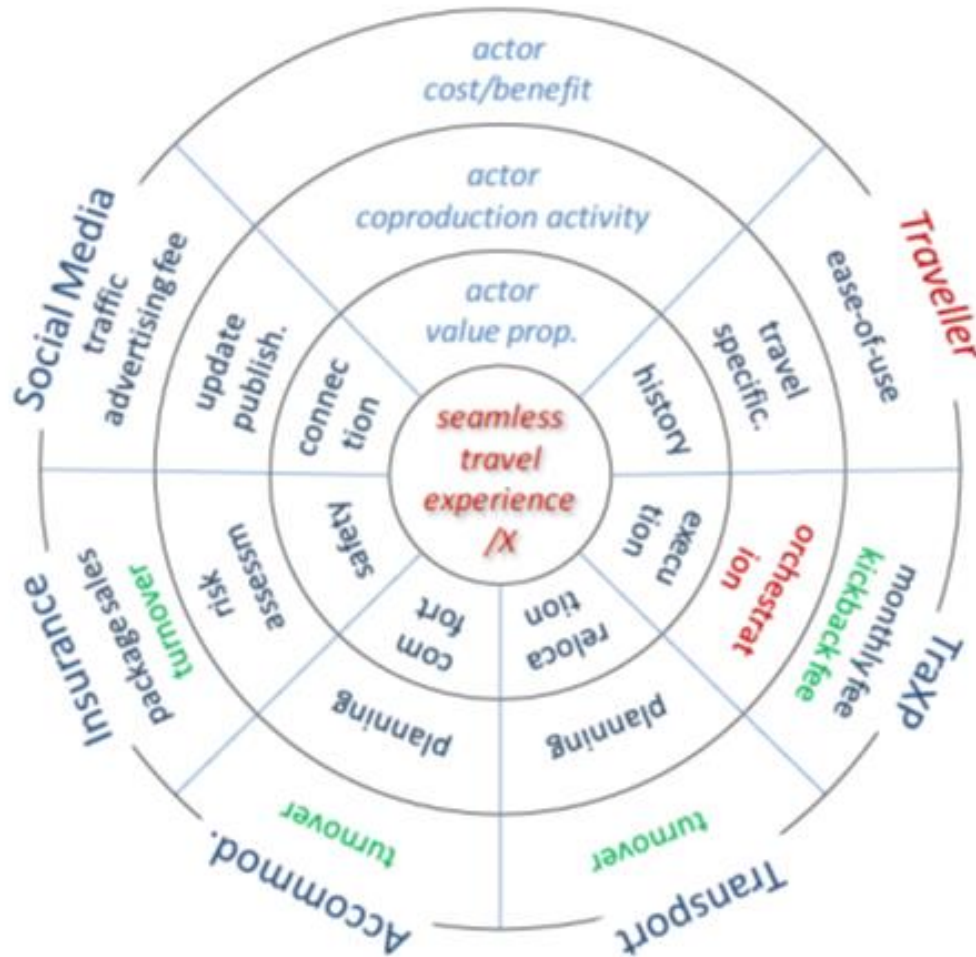
- The CLO already has developed three artefacts to shift towards a service-oriented business model:
 - A business strategy
 - A business model
 - A service composition model

Service dominant strategy

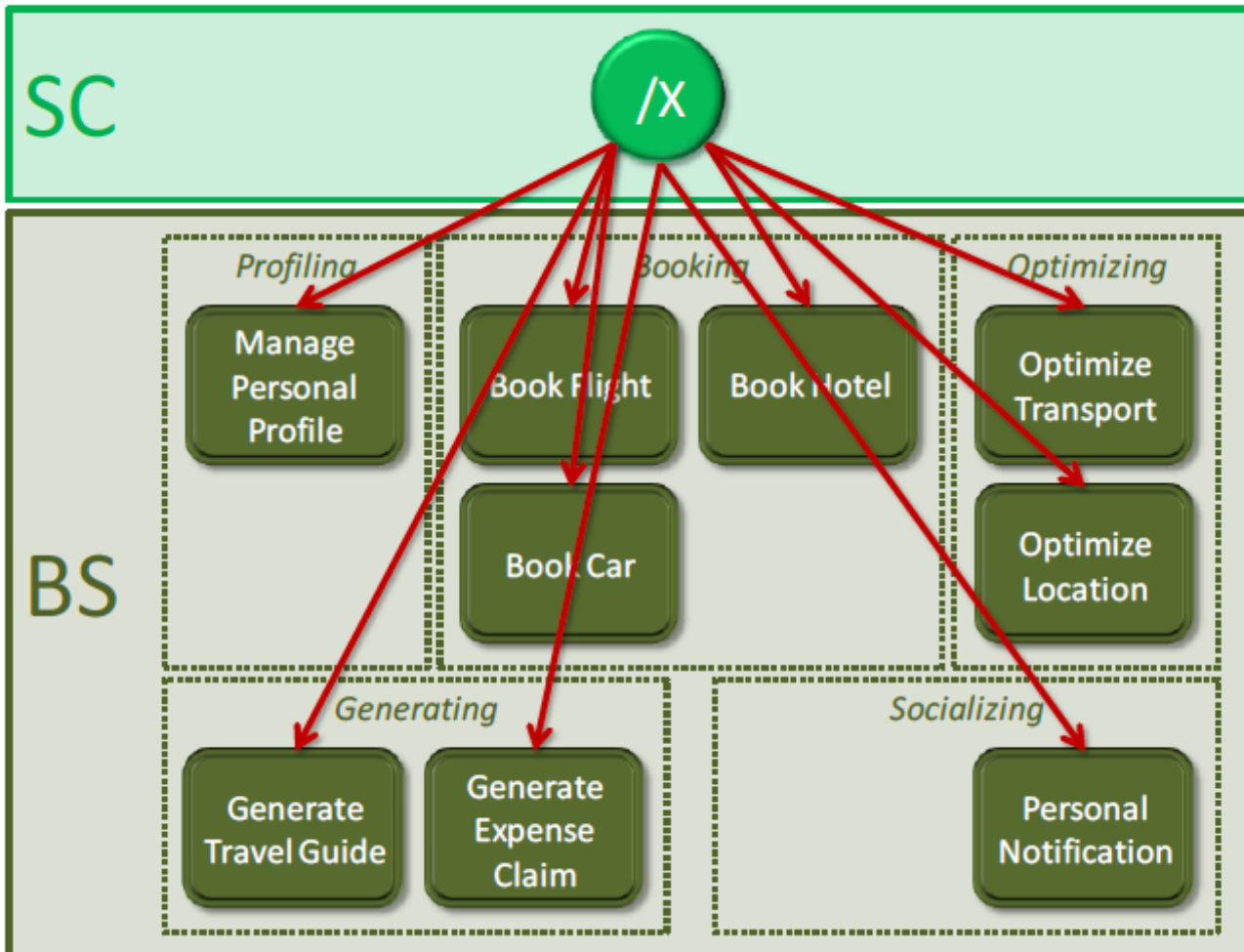


Service dominant strategy: a new paradigm for service business (Gallagher, 2014)

S-D business model



Service Composition model



Discussion

