

K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH

Program: MMS/PG- Operations (Batch 2018-20)

Subject: Service Operations

(IVth Trimester end term examination)

Maximum Marks: - 50

Max. Duration: 3 hours

Date : 23/09/2019

Note: - Question 1 is compulsory and carries 20 marks, attempt any 3 questions from question numbers 2 to 5 (each carry 10 marks). Please make necessary assumptions, clearly stating them in your answers.

- 1. Based on the case “The Oberoi Hotels: Train Whistle in the Tiger Reserve” (attached) please analyse and attempt the following questions (any 5) (20)**
- i) Many of Oberoi’s properties have a very high Net promoter Scores (NPS), please see Exhibit 12. Do you think it is hard to achieve? Is it possible that the Oberoi earns promoters because it has “easy to please” customers?**
 - ii) What are the specific actions taken by the Oberoi’s to achieve this high level of service? (Hint- focus on people, processes, management and culture)**
 - iii) What role does the Oberoi’s process and standards play in its delivery of service excellence? How does the Oberoi ensure adherence to its standards?**
 - iv) How does the Oberoi improve its processes, such that it can continuously delight customers with rising expectations?**
 - v) The case describes how Oberoi Hotels is extremely selective in its hiring. Is the Oberoi hiring for attitude or for skill? Does the company pay a premium to get these attractive candidates? Why do talented prospects flock to the Oberoi’s?**
 - vi) Why do staff and managers appreciate the existence of procedures and routines? What are the disadvantages? What is the Oberoi group doing to encourage staff to become warmer and more spontaneous when dealing with customers...?**
 - vii) The Oberoi’s spend \$ 1.5 Million annually on training, yet are losing 26% of its front-line staff per year? Should they be concerned that they are subsidizing their competitors?**

2. a) What do you mean by service operations management? How would the operations management of services be different from that of managing factory operations? (5)

2 b) What examples can you give of capability and commodity service operations? What are the operations management challenges of each type? (5)

3. *Booking a cab with a renowned company, in order to avoid last minute issues is common these days. With the same thought in mind of avoiding last minute issues, Pradeep Chopra, Co-founder & CEO of Digital Vidya booked a cab for his wife and daughter who were going to a birthday party. He made a booking with Ola Cabs, which is a Mumbai based company and is considered to be one of the most popular Indian radio taxi service providers, by 11 AM for 5:15 PM departure.*

At 4:50 PM, his wife called her saying that she received a call from Ola Cabs personnel about the cancellation of the cab due to unavailability. At this point when he was about to enter a meeting, he found himself in a situation of searching for more options rather than concentrating on his meeting and work.

While he was trying to find out other options, he received a message from Ola Cabs about the details of the driver of the cab. However, he soon realized after having a word with the driver that since the cab was 40 Kms away from his home, so it would be of no use. After putting a lot of efforts finding for other options, he realized that his 6 year old daughter will be missing the much awaited birthday party of her friend.

When he reached home, he listened to the complete experience of his wife about Ola Cab's personnel and decided to leave a detailed review about his bad experience next day.

(Source: - <http://www.digitalvidya.com/blog/tag/ola-cabs/> accessed on 31/8/2019)

a) What are the reasons why customers complain? What are the reasons why customers do not complain? Do you think Pradeep Chopra will complain? (5)

b) How do Organisations handle service failure? How should Ola Cabs handle this service failure and attempt a successful service recovery? What would be the acid tests of a service recovery? (5)

4 a) How important is capacity utilization to the success of an organization, and what happens when there is underutilization or overutilization of resources? Also explain the meaning of coping zone and the impact of the coping zone on staff and customers? (5)

4 b) The computer lab at State University has a help desk to assist students working on computer spreadsheet assignments. The students patiently form a single line in front of the desk to wait for help. Students are served based on a first-come, first-served priority rule. On average, 15 students per hour arrive at the help desk. Student arrivals are best described using a Poisson distribution. The help desk server can help an average of 20 students per hour, with the service rate being described by an exponential distribution. Calculate the following operating characteristics of the service system.

(5)

- i) The average utilization of the help desk server**
- ii) The average number of students in the system**
- iii) The average number of students waiting in line**
- iv) The average time a student spends in the system**
- v) The average time a student spends waiting in line**
- vi) The probability of having 0 students in the system**
- vii) The probability of having more than 4 students in the system**

5. Write short notes on (any 4)

(10)

- a) Service Guarantees**
- b) Word of mouth vs. word of mouse**
- c) SPC, Process capability indices and Six sigma in services**
- d) The Key Decision Area matrix**
- e) Bow tie vs. diamond relationship**
- f) Competing on product or experience**