

APPLICATION OF THE SERVICE PROCESS MATRIX IN LOGISTICS

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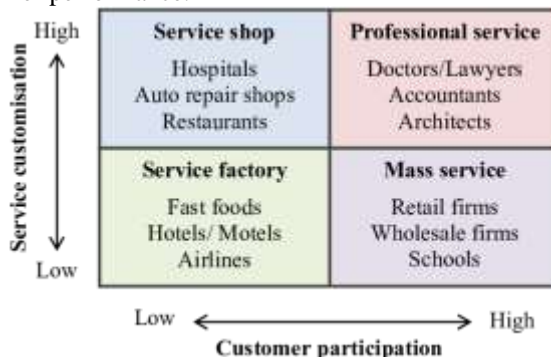
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The problem of continuous improvement of services is well-known for every company. The Service Process Matrix is a classification matrix of service industry firms based on the characteristics of degree of customization and the degree of labor in the individual firm's service processes. The Service Process Matrix can be useful when investigating the strategic changes in service operations. This managerial tool presents unique managerial challenges associated with each quadrant of the matrix. By paying close attention to the challenges associated with their related classification, service firms may improve their performance [1].

But we need to understand, how this matrix may help companies to achieve higher level of customer performance.



On Service-Process Matrix processes appear on a diagonal running from the lower left corner to the upper right corner. Firms that position themselves directly on the diagonal are seen to be the most efficient.

There are a number of challenges for management that are inherent in a firm's position within the Service Process Matrix. For firms with low equipment and labor intensity choices are extremely important, implying the need to closer monitor technological advances. Since capacity is some-what inflexible, scheduling service delivery is more important so demand must be managed. For firms with high labor intensity, workforce issues such as hiring, training, employee development and control, employee welfare and workforce scheduling are critical. Firms with low customer interaction and customization face more marketing challenges than other firms.

As the base for the creation of matrix four logistics companies was chosen. Now it is important to analyze what services are provided by the main international logistics companies: FedEx, DB SCHENKER, DHL and UPS. Data is shown in the table 2.

Table 1 – Provided services of logistics companies

Company	Provided services
FedEx	Deliver to another address Deliver to my address on a future date Deliver to my neighbor Deliver to a pick-up point Deliver as planned Deliver as planned to a safe place [3]
DB SCHENKER	Door-to-door shipping Reliable forwarding of groupage shipments across Europe Online tracking and reporting tools Transparent performance metrics, such as lead-time comparisons and electronic proof of delivery [4]
DHL	Mail delivery Freight transportation Warehousing and distribution Consultancy Value Added Services [5]
UPS	Propose three different levels of delivery: <ul style="list-style-type: none"> • UPS Express Plus • UPS Express • UPS Express Saver Value Added Services [6]

Next step should be the comparison of the speed performance and level of customer performance. According to the article “FedExvsUSPSvsUPSvsDHL - Which is the best shipping carrier” by R. Parkash, the following info can be shown in the table below [7]:

Table 2 – Reliability of shipping

	1) DHL	2) FedEx	3) UPS	4) DB SCHENKER
Reliability performance	90,66	90,83	88,02	87,93
After sales services	1	2	1	1

As a result, we may define some strategies that may help companies to improve their customer performance:

- To intensify customer focus

- To deliver consistent service excellence
- To extent capabilities
- To attract, develop and retain talent
- To relentlessly drive efficiency
- To be proactive in social

To sum up, the most logistics companies focus on customizing their service providers and try to bring this aspect to a high level. However, at the same time, companies do not interact well with customers and hardly any of them are touched in the delivery process. According to the obtained results after the analysis, it is possible to say that the logistics companies lead more to Mass Service and Service Shop in the Service Process Matrix. Mass Service in FedEx and DHL companies is the consequence of more low degree of customization of service and higher focus on the customers. As for UPS and DB SCHENKER, it is possible to say that they tend to Service Shop in the Matrix due to higher customization.

List of references:

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