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Logic

The Service-Dominant Mindset

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Service-Dominant Logic: What it is

- A logic that views service, rather than goods, as the focus of economic and social exchange
 - i.e., Service is exchanged for service

- Essential Concepts and Components
 - Service: the application of competences for the benefit of another entity
 - Service (singular) is a process—distinct from “services,” which implies “intangible goods”
 - Shifts focus to “operant resources” from “operand resources”
 - Value is always co-created
 - Views all economies as service economies
 - All businesses & organizations are service businesses



Difficult Conceptual Transitions

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Goods-Dominant Concepts

Goods →
Products →
Feature/attribute →
Value-added →
Profit maximization →
Price →
Equilibrium systems →
Supply Chain →
Promotion →
To Market →
Product orientation →

Transitional Concepts

Services →
Offerings →
Benefit →
Co-production →
Financial Engineering →
Value delivery →
Dynamic systems →
Value-Chain →
Integrated Marketing Communications →
Market to →
Market Orientation →

Service-Dominant Concepts

Service
Experiences
Solution
Co-creation of value
Financial feedback/learning
Value proposition
Complex adaptive systems
Value-creation network/constellation
Dialog
Market with
Service-Dominant Logic
(Consumer and relational)

A Service-Logic for Service Science



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Meta Questions?	G-D Logic	S-D Logic
<i>What do firms do?</i>	They produce output. Thus they need to know how to produce output efficiently.	They produce inputs. Thus they need to know how to co-produce inputs for a service system.
<i>How do firms do this?</i>	Through operand resources. Thus they must know how to control people and stuff (static).	Through operant resources. Thus they must know how to co-create operant (dynamic) resources.
<i>Why do firms do this?</i>	To maximize shareholder wealth. Thus they must know how to increase profit, cash flow and share price.	To build mutually beneficial exchange relationships to enhance well-being for the firm and stakeholders. They must know how to serve.
<i>What scientific concepts and tools are dominant?</i>	Optimization Models; Controlled Experiments; Static Equilibrium; Logic of Justification.	Evolutionary Computing; Ethnography; Complex Adaptive Systems; Logic of Discovery.



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Thank You!

For More Information on S-D Logic visit:

sdlogic.org

We encourage your comments and input. Will also post:

- Working papers
- Teaching material
- Related Links

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