Chapter XI

Combining Local and Global Expertise in Technical Services: Case Fujitsu Invia

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ABSTRACT

Information and communication technologies enable new means to provide services for customers. The establishment of eServices, call centers and service centers challenges the role of traditional regional offices. This chapter investigates factors that need to be considered when moving service production from regional offices to service centers. The empirical part of the study comprises a longitudinal analysis of the ways Fujitsu Invia, a European IS company within Fujitsu Group, has transformed its service organization. The company has moved a long way from local, site-specific service units to national service centers and ultimately to few global service centers that provide services to thousands of computer users worldwide. In retrospect it can be said that the decision to centralize service production turned out to be very successful. However, the reasons why Fujitsu Invia decided to return part of the end user support closer to customer sites illustrates the complexities associated with centralizing services that were previously produced locally. The chapter provides a simple framework for analyzing a company’s service
mix, in order to define the type of service organization needed. Such a framework assists managers in identifying services where production can be centralized and those that need to be produced locally. Perhaps most importantly, the framework and the experiences in the Fujitsu Invia case emphasize that some services require both local presence and global expertise.

INTRODUCTION

Up until the 1980s, service industries were considered inherently local. Unlike goods, services are intangible and so cannot be inventoried or transported. Hence, the production of services must take place close to customers. In information services, the telephone did offer some possibilities for serving customers from one centralized point. The use of call centers remained, however, limited. Without an infrastructure for information sharing between call centers and local offices, combining locally provided services with those offered by call centers was impossible. Therefore, the use of call centers was restricted to those rare cases when customer contact could rely solely on services delivered by phone.

Since the 1990s, services characterized by a considerable geographical distance between the service person and the customer have become increasingly commonplace. Banks and insurance companies are introducing call centers or service centers to complement, or even replace, the old regional service organization. In the information and communication technology (ICT) sector, companies such as Fujitsu and IBM provide part of the end user support for their clients from a few centralized call centers. Telecommunications operators have established call centers to serve their customers in conducting basic business transactions.

To a large extent, the change in the 1990s can be attributed to ICT development, most notably to the technologies enabling the integration of operative systems. As call centers and local offices have equal access to all the information, many of the services that previously had to be provided locally can now come from a call center. This decade will, however, bring new technologies that will further enhance capabilities to serve customers over long distances. They will, for instance, provide increasingly rich media for interaction between customers and remote service personnel.

The decision to centralize or decentralize service provision may seem like a simple one. The Fujitsu Invia case illustrates, however, that even with the latest technology, finding the right service organization is a challenging task. If the services have traditionally been produced locally, the forces that require a local presence are not fully understood. They become visible only after trying to cope without local offices. Thus, the process of searching for the right balance between local and global service organization easily becomes one of trial and error.
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