How to Overcome Organizational Inertia by Shaping Institutions and Value Propositions: an Analysis of the Impact of Service-Catalogs


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Agenda

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02 Problemizing Organizational Inertia

03 Impacts from IAD framework, Coleman’s Boat, Service-Dominant Logic and Service Science

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Purpose

“How can organizations overcome inertia as barriers to new value creation paths by shaping institutions?”

Methodology

We apply the **Design Science Research Methodology** (DSRM) for two reasons. First, it serves as a widely accepted framework to address the design product and the design process. Secondly, as a methodology that views design as an "act of creating an explicitly applicable solution to a problem" (Peffers, Tuunanen, Rothenberger, & Chatterjee, 2008).

**We complement the DSRM with an embedded single case study.** By analyzing different use cases within a single case study and using more than one perspective, we aim to gain a better understanding of the relevance of the solution created.

Problemizing Organizational Inertia

Organizational Inertia

One of the biggest obstacles to digital transformation, especially in terms of exploiting the opportunities offered by digital service platforms and ecosystems, is organizational inertia. Inertia prevents transformation where existing resources and capabilities act as barriers.

Organizational inertia, for example, is often a characteristic of incumbent companies that are deeply embedded in existing relationships with customers and suppliers. In particular when companies as actors experience successful times, organizational “lock-in” effects occur with regard to the technologies, processes and the social norms and rules in use (institutions).

(Arthur, 1989) and others have already outlined a phenomenon of organizational inertia by describing that increasing returns lead to a "lock-in" effect of incumbent technologies and rules and discourage the adoption of potentially better alternatives.

Adapted theories

Impacts from theories and concepts

Concepts of
IAD framework,
Coleman’s Boat,
Service-Dominant Logic and
Service Science


Architecture (SDA) as medium and output of actor engagement.*

Implemented on technological platforms for structuring actor engagement and the process of value co-creation.

Service Dominant Architecture is reflected as a construction plan for microservices in the technical stacks (bundles of microservices)
Solution Pattern

04

SDA Service Catalog
for actor coordination and resource integration:
- finding (partner, resources)
- adopting (tools)
- institutionalizing (standards)

E.g. Backstage service catalog as standard for code development across all phases: development, storage, quality, documentation, security.

Solution „use case Spotify Backstage Catalog as part of SDA Service Catalog“
Solution: 
use case stroke prevention

Actor engaged and coordinated: 
Charite based startup, insurance companies, customer

Rules (institutions) for service exchange implemented and institutionalized by SDA Service Catalog
On behalf of the single case study of Service Dominant Architecture with the embedded use cases of Spotify Backstage and ai4medicine, the relevance of service catalogs for actor engagement, shaping institutions as rules in use and service exchange is demonstrated.

Within service (eco) systems service catalogs have strong impact to overcome organizational inertia as "lock-in" effects of incumbent technologies and business practices. Service Catalogs empower organizations by finding, adopting and institutionalizing new standards for resource integration, better technologies, business capabilities and processes as socio-technological practices.


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