Product/Service-System Development: An Explorative Case Study In A Manufacturing Company

‘Product/service-systems’ (PSS) are innovation strategies where instead of focusing on the value of selling physical products, one focuses on the value of the utility of products and services throughout the product’s life period. This approach enables companies to provide customers with offerings that continuously deliver value and create a strong competitive advantage. PSS attempts to transcend the old industrial credo that value is embedded in products and the consideration of ‘cost-quality-time’ relates to the physical artefact. While there is increasing interest in PSS, limited research has been done in the design and development aspects of PSS. The objective of this paper is to explore how a global manufacturing company is developing an offering to their customers that is focused on the utility of their products throughout their life time. The paper describes the process of how a company is shifting from selling office furniture to selling the benefit of sustainable office workspace performance - measured in economic, social and environmental terms. By relating the customer’s business performance to the activities associated with the use of office workspace the company may enhance the value of their products. This process of re-defining the value of what the company is actually offering to its customers is seen as a key element in PSS development. PSS development is expected to expand conventional product development in new directions, such as new activities, roles and responsibilities, knowledge and competencies, and value network relationships. The implications of this are discussed in relation to the company’s development approach.

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