



# Services Foundation

Msc in Management - Services Science

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# Admin Information

- Time and Place
  - Spring 2011
  - Batelle, 301/2
  - Tuesdays: 08h00 - 12h00
- Dokeos
  - <https://dokeos.unige.ch/home/courses/4304065CR/>
  - Lectures
  - Readings
  - Additional Reading Information



# Assessment

- Exam (100%)
  - 3 hours
  - Short Essays
  - Short Exercises



# Syllabus

- Introduction to Services and Services Science (1 week)
- Specific Services and Domains (1 week)
  - Web Services, Location-Based Services, Smart Systems, Mobile Services, ...
- Technology for Services (3 weeks)
  - Interaction Modes (Publish / Subscribe)
  - SOA / Mashups / Google Farms / Amazon Cloud
  - Services Composition and Orchestration
- Service Quality (1 week)
  - Characteristics, Classes of Services, QoS Management,
  - Service-Level Agreement (SLA)
- Usage of Services (1 week)
  - Interface for Services
  - Services Accountability
  - Legal Aspects
- Services Strategy, Innovation and Economy (1 week)
- Adaptive Services
  - Context-Aware Services (3 weeks)
  - Autonomous and Self-\* Services (3 weeks)



# Recommended Reading

- Links given during lectures
- *Location and Personalisation*. D. Ralph, S. Searby (Eds). BT Communications Technology Series 8. IEE London.
- *Integrating Service Level Agreements*. J.J. Lee, R. Ben-Natan, Wiley.
- Additional lectures provided



# Lecture 1

- Introduction to Services
  - Definitions
  - SaaS / PaaS / IaaS / Grid
  - Software vs Service
- Services Science



# What is a Service?

- Definition ?
- Examples ?
- Characteristics?



# Services (economics)

- Services are **economic activities** offered by **one party to another**, most commonly employing time-based performances to bring about desired results in recipients themselves or in objects or other assets for which purchasers have responsibility. In exchange for their money, time, and effort, service customers **expect to obtain value** from access to goods, labor, professional skills, facilities, networks, and systems; but they **do not normally take ownership** of any of the physical elements involved. LOVELOCK & WIRTZ, "Services Marketing: People, Technology, Strategy," 6/e; (Upper Saddle River NJ: Prentice Hall 2007).





# Services (economics)

- A service is a **time-perishable, intangible experience** performed for a **customer** acting in the role of a co-producer. FITZSIMMONS & FITZSIMMONS “Service management.” (New York, NY: McGraw-Hill 2003).
- Service [is] the **application of specialized competences** (knowledge and skills), through deeds, processes, and performances for the benefit of another entity or the entity itself. LUSCH & VARGO, “The Service-Dominant Logic of Marketing.” (Armonk, NY: ME Sharpe. 2006).



# Services (economics)

- In economics and marketing, a service is the **non-material equivalent of a good**. Service provision has been defined as an economic activity that **does not result in ownership**, and this is what differentiates it from providing physical goods. It is claimed to be a **process** that **creates benefits** by facilitating either a change in customers, a change in their physical possessions, or a change in their intangible assets.
- [http://en.wikipedia.org/wiki/Service\\_%28economics%29](http://en.wikipedia.org/wiki/Service_%28economics%29)



# Services (economics)

- A type of **economic activity** that is **intangible**, is **not stored** and **does not result in ownership**. A service is consumed at the point of sale. Services are one of the two key components of economics, the other being goods. Examples of services include the transfer of goods, such as the postal service delivering mail, and the use of expertise or experience, such as a person visiting a doctor.
- <http://www.investorwords.com/6664/service.html>



# Services (economics)

- **Intangible products** that are not goods (tangible products), such as accounting, banking, cleaning, consultancy, education, insurance, know how, medical treatment, transportation. Sometimes services are difficult to identify because they are closely associated with a good; such as the combination of a diagnosis with the administration of a medicine. No transfer of possession or ownership takes place when services are sold, and they (1) **cannot be stored or transported**, (2) are **instantly perishable**, and (3) come into existence at the time they are bought and consumed.
- <http://www.businessdictionary.com/definition/services.html>



# Services (economics)

- Our own definition
  - ...



# Services (economics)

- Our own definition
  - Activity, process
  - Expertise (talent, competencies)
  - Intangible
  - Time-perishable, ephemeral
  - Value
  - Consumer is co-producer
  - No ownership



# Services Characteristics

- **Intangibility** - cannot be seen, handled, smelled, etc, no need for storage.
- **Perishability** - Unsold service time is "lost", that is, it cannot be regained. It is a lost economic opportunity (e.g. Empty airplane seats)
- **Lack of transportability** - Services must be consumed at the point of "production".
- **Heterogeneity** - Services are typically modified for each client or each new situation (**customised**). Mass production of services is very difficult. This can be seen as a problem of inconsistent quality.



# Services Characteristics

- **Labour intensity** - Services usually involve considerable human activity, rather than precisely determined process. Human resource management is important.
- **Demand fluctuations** - Demand can vary by season, time of day, business cycle, etc.
- **Buyer involvement** - Most service provision requires a high degree of interaction between client and service provider.
- **Lack of possession or ownership** – consumer does not “own” the result of the service
- <http://www.wordiq.com/definition/Service>



# Service Delivery

- The **service providers** (e.g. the people)
- **Equipment** used to provide the service (e.g. vehicles, cash registers)
- The **physical facilities** (e.g. buildings, parking, waiting rooms)
- The **client**
- **Other customers** at the service delivery location





# Examples

- Hairdresser
- Doctor
- Car repair
- Insurance
- ...



# Software as a Service (SaaS)

- Software as a service (SaaS), sometimes referred to as "software on demand," is software that is deployed over the internet and/or is deployed to run behind a firewall on a local area network or personal computer. With SaaS, a provider licenses an application to customers as a service on demand, through a subscription, in a "pay-as-you-go" model, or increasingly at no charge.
- Computerized billing, invoicing, human resource management, financials, content management, collaboration, document management, and service desk management.
- [http://en.wikipedia.org/wiki/Software\\_as\\_a\\_service](http://en.wikipedia.org/wiki/Software_as_a_service)



# Characteristics

- **Network-based access** to, and management of, commercially available software
- Activities managed from **central locations** rather than at each customer's site, enabling customers to **access** applications remotely **via the Web**
- Application delivery typically closer to a **one-to-many model** (single instance, multi-tenant architecture) than to a one-to-one model, including architecture, pricing, partnering, and management characteristics
- **Centralized updating**, no need for end-users to download patches and upgrades.
- **Integration** into a larger network of communicating software—either as part of a mashup or a plugin to a platform as a service



# SaaS - Pricing

- Per-user basis and/or per business basis
- Free, revenue derived from alternate sources such as advertising, or upgrade fees (google, gmail)



# SaaS - Architecture

- **Ad-hoc/custom**: Each customer has a customized version of the hosted application that runs as its own instance on the host's servers.
- **Configurable**: This adds greater program flexibility through configurable metadata, so many customers use separate instances of the same application code.
- **Configurable, multi-tenant-efficient**: This adds multi-tenancy to the second level, so a single program instance serves all customers.
- **Scalable, configurable, multi-tenant-efficient**: Addition of scalability through a multi-tier architecture that supports a load-balanced farm of identical application instances that run on a variable number of servers.

# Traditional vs Host-Based Software



- <http://www.oprius.com/articles/whatIsHostedSoftware.html>



# Architectures

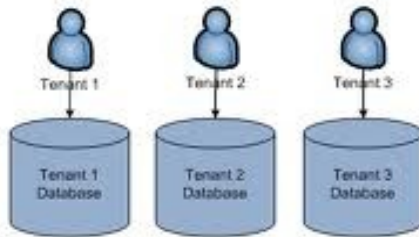
- Multi-tenant architectures

Multi-tenancy refers to a principle in software architecture where a **single instance** of the software runs on a server, **serving multiple client organizations** (tenants).

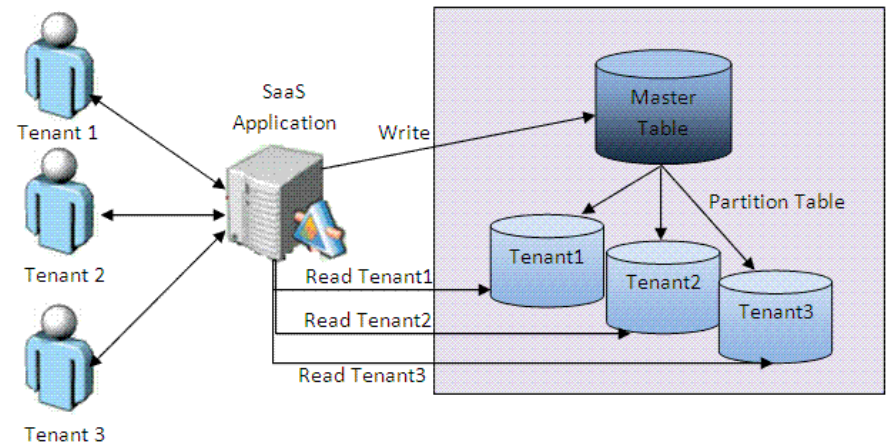
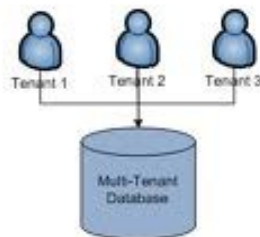


# Single-Tenant vs Multi-Tenant

Single-Tenant Schema (Not SaaS)



Multi-Tenant Schema (SaaS)



# Two-tier vs Three-tier

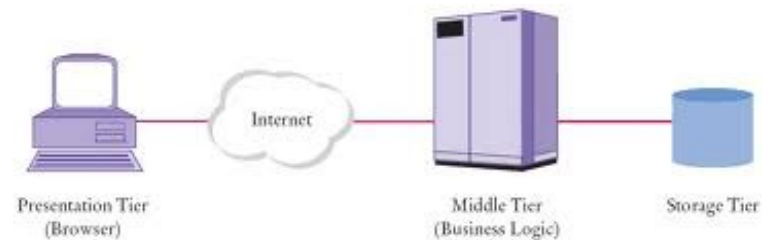
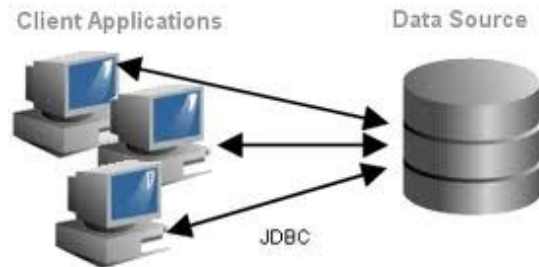
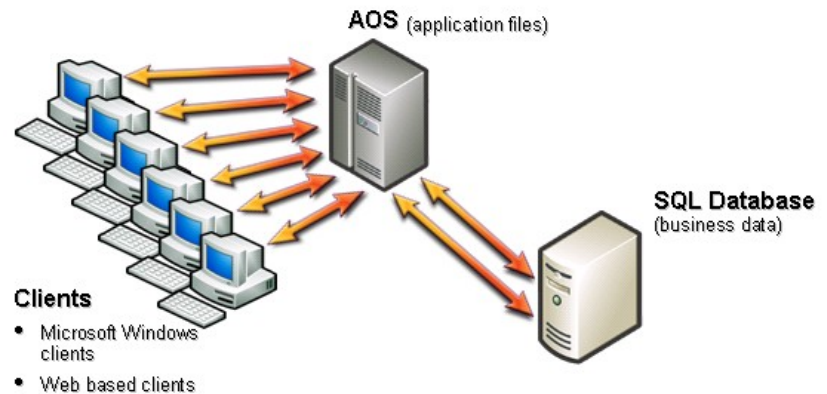
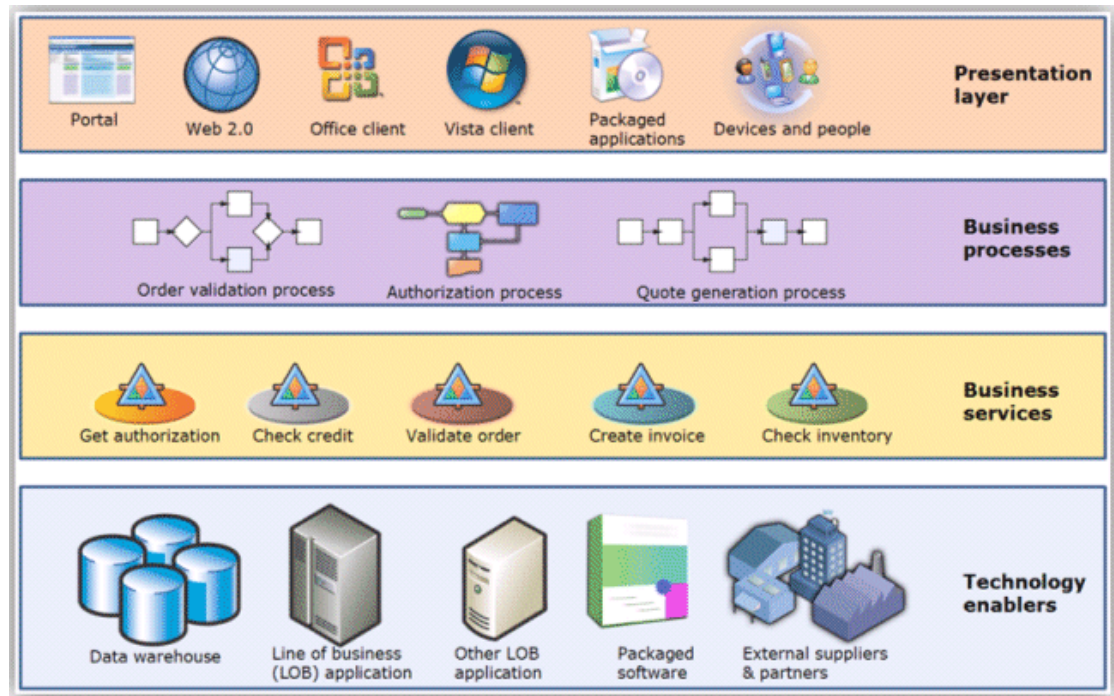
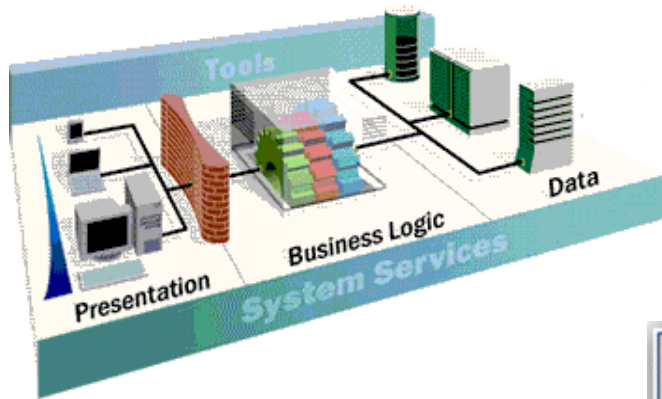


Figure 10 Three-Tier Architecture



# Multi-tier architecture

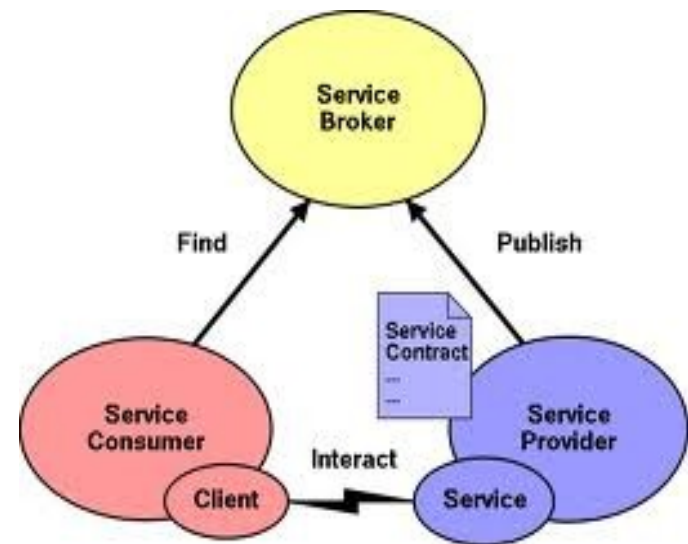
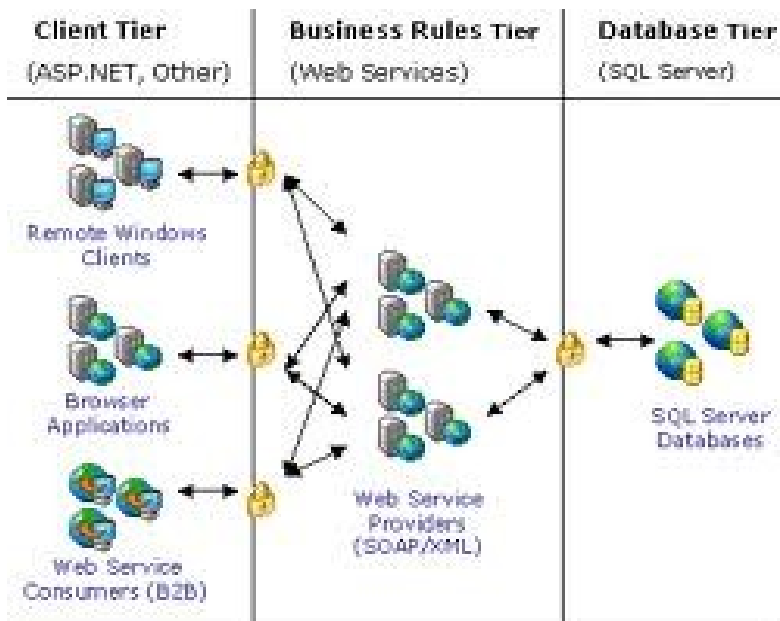




# SOA

- Service-Oriented Architecture
- Each **software service** can act as a **service provider**, exposing its functionality to other applications via public **brokers**, and can also act as a **service requester**, incorporating data and functionality from other services.

# SOA





# Services Providers

- An application service provider (ASP) is a **business that provides computer-based services to customers over a network**. Software offered using an SP model is also sometimes called On-demand software or software as a service (SaaS).
- Service Providers (SPs) make **software services** accessible to the Service Users **through Internet-based interfaces**.



# ASP Types

- A specialist or functional ASP delivers a single application, such as credit card payment processing or timesheet services;
- A vertical market ASP delivers a solution package for a specific customer type, such as a dental practice;
- An enterprise ASP delivers broad spectrum solutions;
- A local ASP delivers small business services within a limited area.
- A volume ASP is a specialist ASP that offers a low cost packaged solution via their own website (PayPal).



# ASP Model - Advantages

- Software **integration** issues are eliminated from the client site
- Software **costs** for the application are **spread** over a number of clients
- Key software systems are kept up to date, available, and managed for performance by experts
- Improved **reliability**, availability, scalability and security of internal IT systems
- A provider's **service level agreement** guarantees a certain level of service
- Access to product and technology experts dedicated to available products
- **Reduction** of **internal IT costs**





# ASP Model - Disadvantages

- The client must generally accept the **application as provided** since ASPs can only afford a customized solution for the largest clients
- The client may rely on the provider to provide a critical business function, thus **limiting their control** of that function and instead relying on the provider
- Changes in the ASP market may result in changes in the type or level of service available to clients
- Integration with the client's non-ASP systems may be problematic

# SaaS - Examples

- Web services
- Part of traditional service
  - Monitoring of parcels (post)
- Office applications
- Free
  - Google
  - Social software





# Platform as a Service (PaaS)

- Platform as a Service (PaaS) is a way to **rent** hardware, operating systems, storage and network capacity over the Internet. The service delivery model allows the customer to rent virtualized servers and associated services **for running existing applications or developing** and testing new ones.
- [http://searchcloudcomputing.techtarget.com/sDefinition/0,,sid201\\_gci1332892,00.html](http://searchcloudcomputing.techtarget.com/sDefinition/0,,sid201_gci1332892,00.html)

# PaaS - Example

- Google Apps Engine
  - Choice of environment (Java, Python, etc.)
  - <http://code.google.com/appengine/>



★ Google App Engine

Home



**Run your web apps on Google's infrastructure.**

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## Infrastructure as a Service (IaaS)

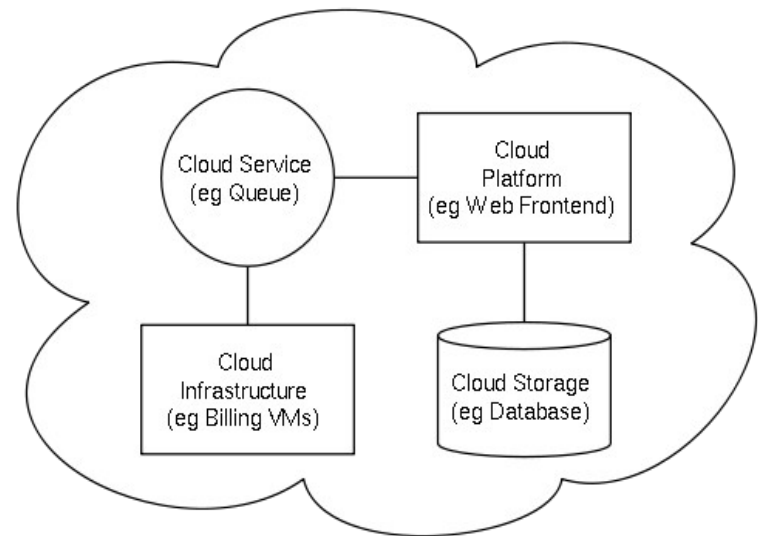
- Cloud computing is **Internet-based computing**, whereby shared resources, software, and information are provided to computers and other devices **on demand**, like the **electricity grid**.



# IaaS

- Clouds are a large pool of easily usable and accessible **virtualized resources** (such as hardware, development platforms and/or services). These resources can be **dynamically reconfigured** to adjust to a variable load (scale), allowing also for an **optimum resource utilization**. This pool of resources is typically exploited by a **pay-per-use model** in which guarantees are offered by the Infrastructure Provider by means of customized **SLAs**.
- A Break in the Clouds: Towards a Cloud Definition. Luis M. Vaquero et al.
- [ccr.sigcomm.org/drupal/files/p50-v39n1l-vaqueroA.pdf](http://ccr.sigcomm.org/drupal/files/p50-v39n1l-vaqueroA.pdf)

# Cloud computing



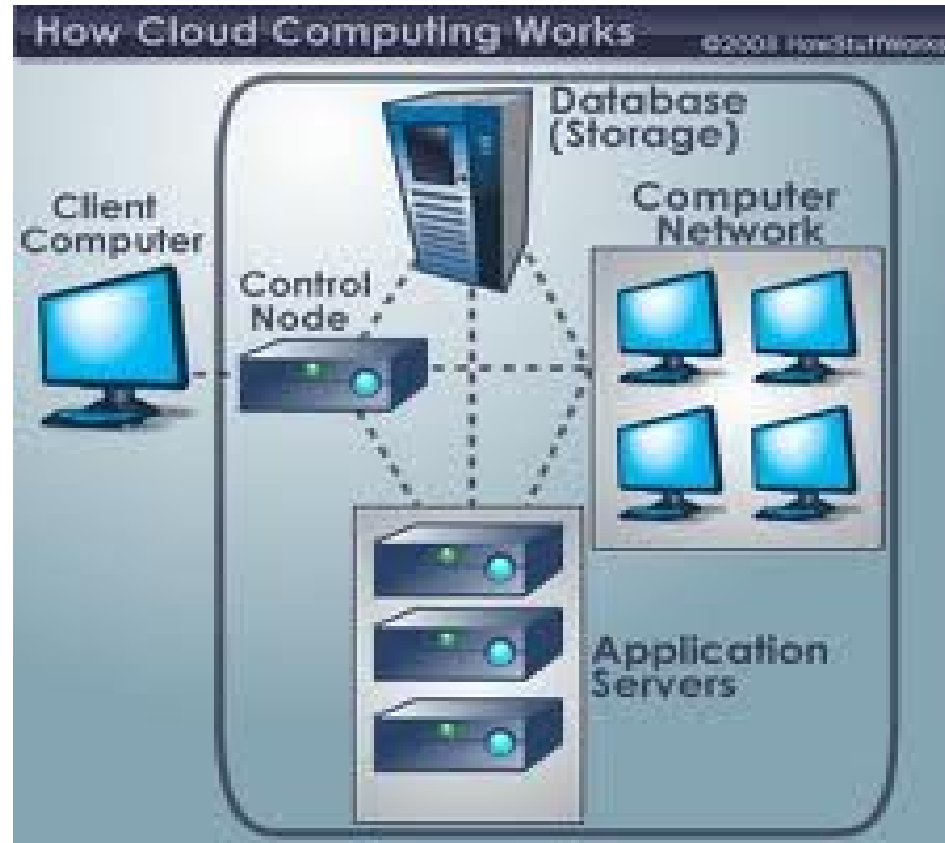


# Characteristics

- Agility
- Cost
- Dynamic Scalability
- Reliability
- Security (centralisation of data)
- Virtualisation

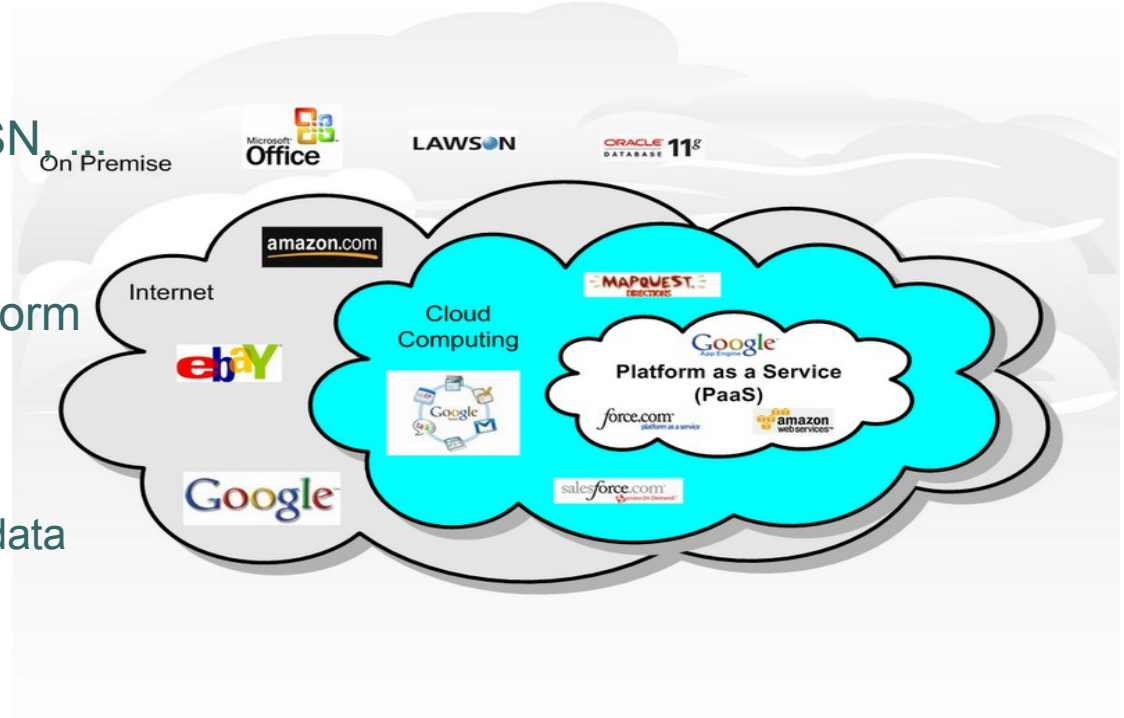


# Cloud architecture



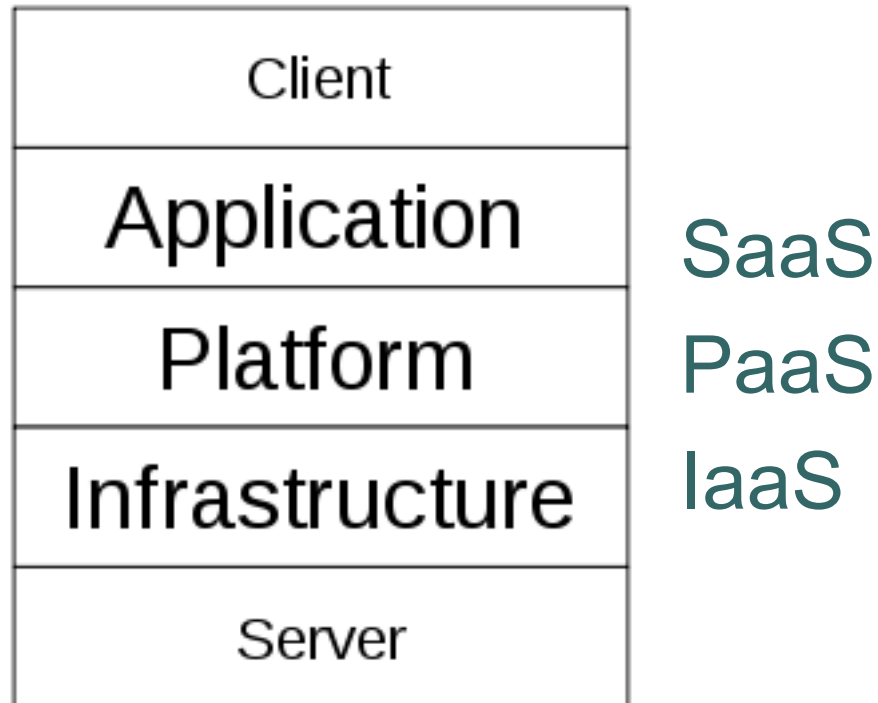
# “Cloud” Service Provider

- Microsoft
  - Live meetings, MSN
- Salesforce
  - Development platform
- Amazon
  - Provides enterprise software company (data centers, linux)
- Google
  - Data storage, emails, collaborative tools on the web, Apps engine





# From SaaS to IaaS





# Grid

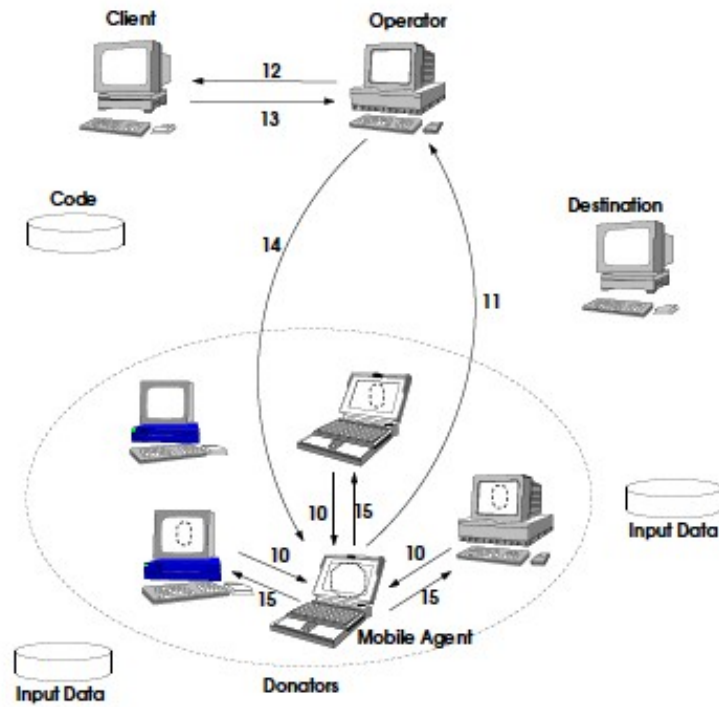
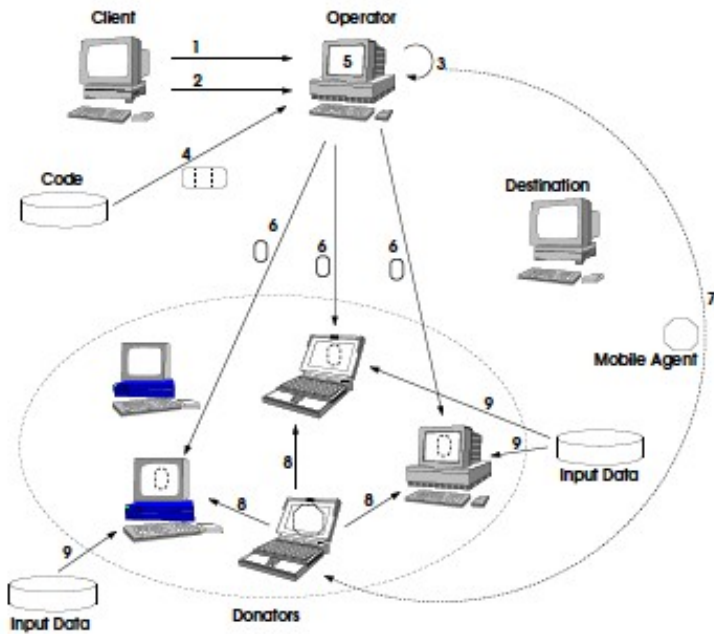
- A system that **coordinates resources** which are not subject to centralized control, using standard, open, general-purpose protocols and interfaces to deliver nontrivial qualities of service. (Ian Foster)



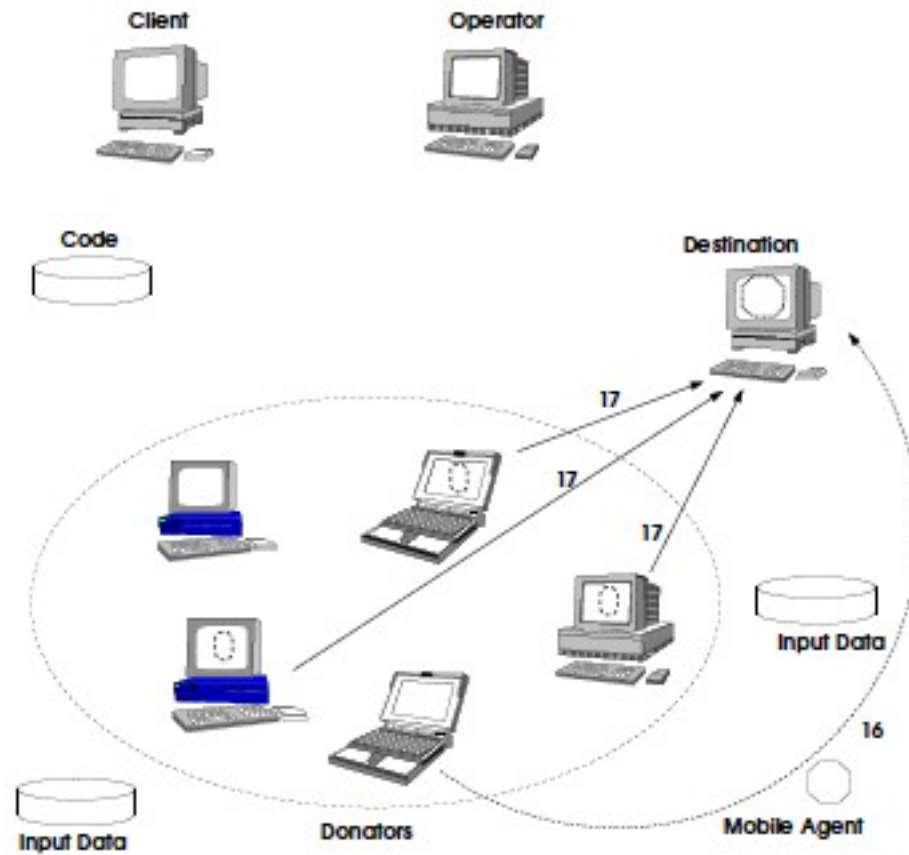
# Characteristics

- Collaboration
- Resource sharing
- Booking / attribution of resources

# Architecture

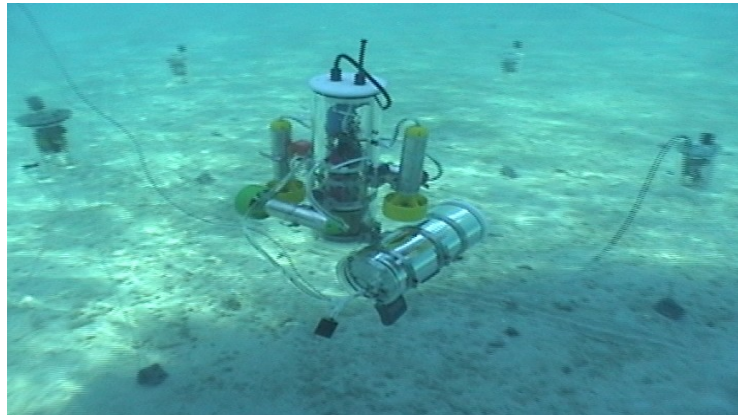


# Architecture



# Pervasive Services

- Smart houses
- Ambient intelligence
- Ubiquitous computing
- Sensor networks
- Mobile services



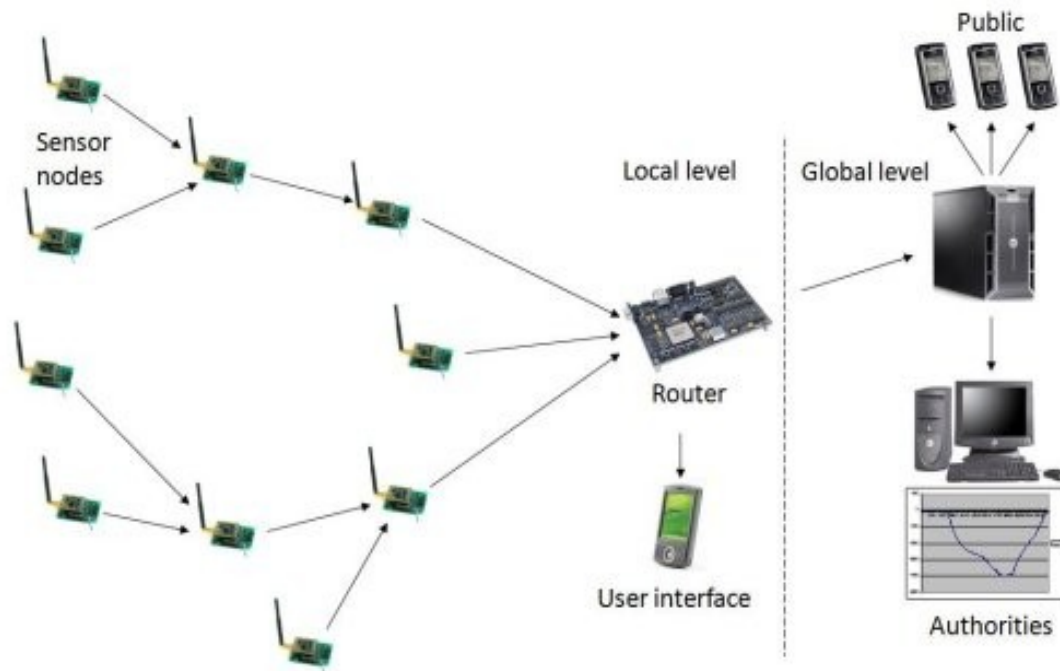




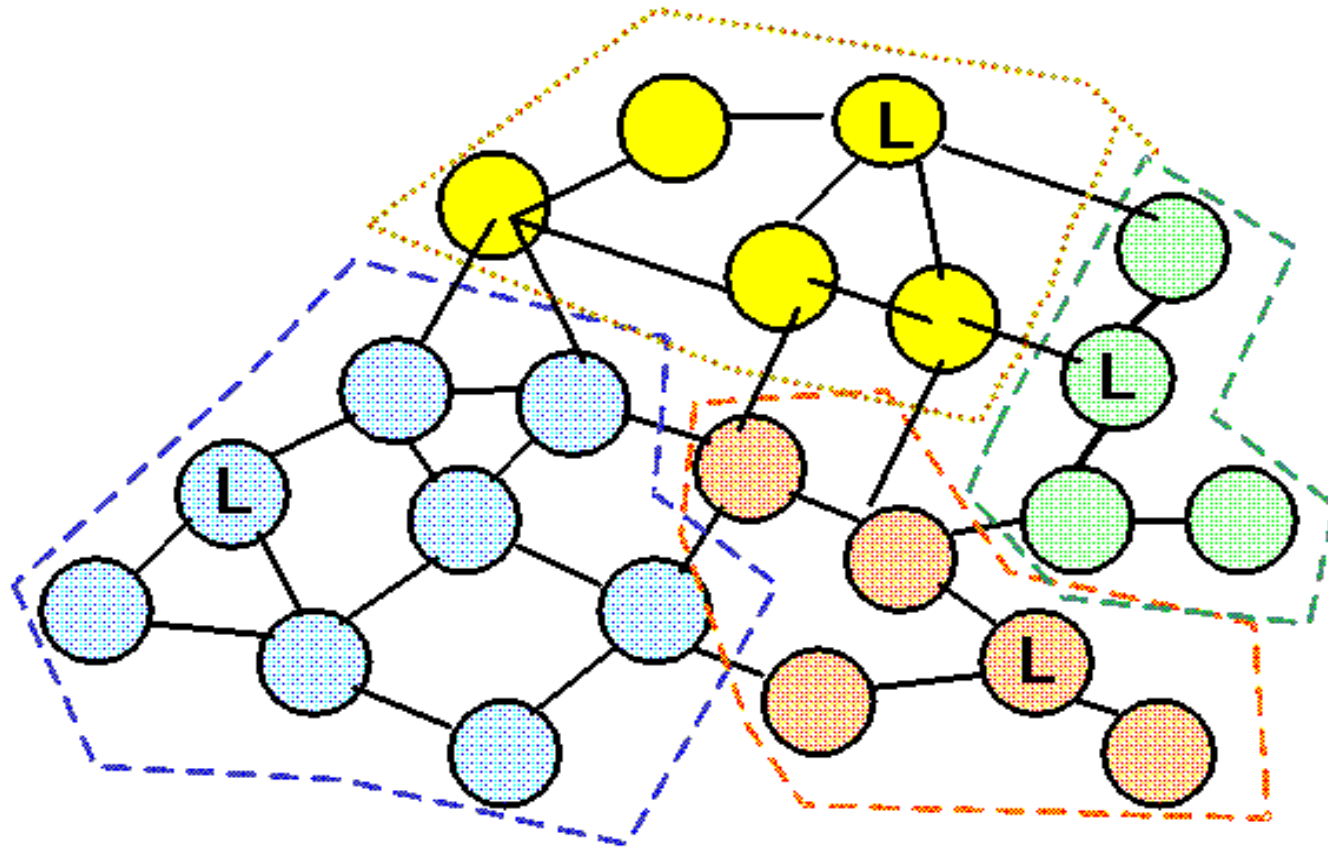
# Characteristics

- Dynamic environment
- Uncertainty
- Decentralised
- Local Information
- Autonomous

# Architectures - Sensor

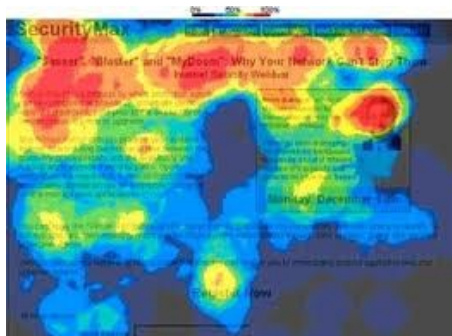


# Architectures - MANET



# Pervasive services providers

- Foxytag (<http://www.foxytag.com>)
- SenseWeb
- SenseMap, HeatMaps
- <http://research.microsoft.com/en-us/projects/senseweb/>



# Summary

