

MASS CUSTOMIZING THE TRAINING INDUSTRY

MASS CUSTOMIZATION MAY BE THE MOST EFFECTIVE AND EFFICIENT WAY TO ADDRESS THE NEEDS OF YOUR CUSTOMERS.

By Stephen L. Cohen and B. Joseph Pine II

WHETHER YOU LEAD AN INTERNAL EDUCATION FUNCTION OR AN EXTERNAL TRAINING SUPPLIER, YOU MUST ADDRESS THE LEARNING NEEDS OF YOUR CUSTOMERS IN A FOCUSED MANNER.

This typically requires choosing between two options: existing programs, which range from generic off-the-shelf offerings to public seminars and standardized university-led courses, and brand-new, custom-made learning experiences. But there is a third option that may be the most effective and efficient way to go to market: mass customizing training programs.

Mass customization surfaced more than a decade ago with the publication of several books and articles that extolled the virtues of treating all customers differently, and is now becoming endemic in industries as diverse as personal computers, shoes, apparel, eyewear, and information. Mass customization is not about market segmentation; it is about truly understanding the specific needs of each and every customer and then bringing together the right combination of training modules to provide the customers the solution that they really want and need.

Connecting on an individual customer level is no easy task in the world of training because the two customer sets—the buying organization and the learners—have different and sometimes conflicting needs. So how can we create learning programs that fit the individual needs of learners and simultaneously address the client organization's challenges? Is it possible to cost-effectively produce totally customized programs for one-to-one learning? Yes.

MASS CUSTOMIZATION PRINCIPLES

Mass production came about from Henry Ford's Model T production line. Ford's mantra was that a customer could have any color car he wanted—as long as it was black. Eventually, of course, options were added, but they were mere variety, not true customization, because they were not in response to individual needs. True customization was simply too costly.

Such levels of variety already exist in the training industry, but it remains a far cry from true customization. If the goal of the industry is to provide true one-to-one learning experiences at a reasonable cost, then we have to understand and embrace the principles of mass customization, and then apply them to all types of learning experiences.

First, it is important to understand that the underlying motivation behind mass customization is scalability. It facilitates high-volume, efficient production, and delivery of unique customer-driven solutions. This scalability can be achieved by applying the following primary principles of mass customization to the training industry.

Speed. Getting to market as quickly as possible is critical for the training supplier to remain both competitive and current. While fully customized programs have to be built almost from scratch, mass customization enables the supplier to produce programs quickly, which in turn increases the supplier's ability to alter the programs so that they match the clients' changing needs.

Information. Given that the rate of information expansion and distribution is increasing exponentially, we must find ways to quickly extract the most timely and relevant information for training topics. It is important for the supplier to gain information from purchasers and end learners about their knowledge needs so that the training can be further customized to meet those needs.

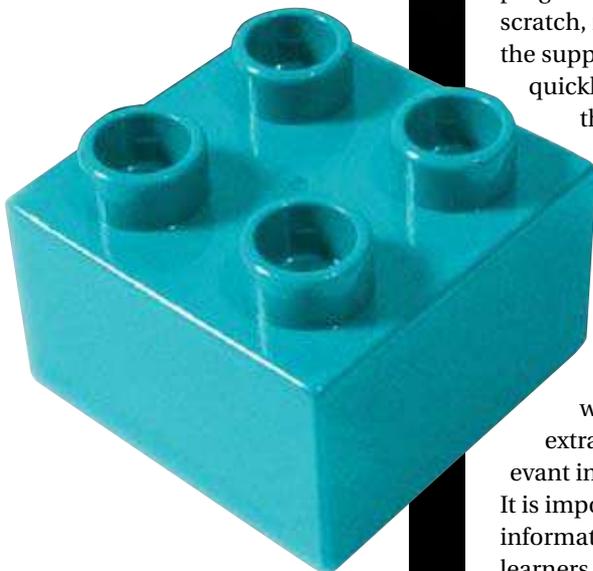
On-demand operations. Mass customizing requires the development of a repeatable platform that produces the product when needed. Given the wide range of both organizational and employee learning needs, the capacity to operate in an on-demand environment is crucial.

Dispatching. It is no longer enough to schedule ready-made classes and have learners organize their schedules according to the training. Rather, we must be ready on a moment's notice to provide training how, where, and when it is needed. The educational industry has been too much like a city bus, forcing customers to come to us for something that doesn't quite get them where they want to go. Instead, we need to become more like taxis—dispatched on demand to take customers exactly where they need to go.

No finished goods inventory. Eliminating the carrying costs of inventory—as well as the risk that no customer wants the finished product—can drastically lower costs in many industries. Even in training, printing all materials—handouts, cases, and forms—on demand lowers costs because it reduces the amount of material that will be unused and discarded.

Digitization. Anything you can digitize you can customize. We need to digitize both the management and operations of training programs. This requires a design tool that enables trainers to match learner needs with training capability, bring that capability online, and execute it.

Modularization. The most fundamental principle of low-cost, high-volume customization is modularity, which enables the supplier to do only and exactly what each customer needs. Modularity requires a linkage system that integrates training programs instantaneously and seamlessly—almost like how LEGO building blocks snap together. People in the training field



have praised the concept of chunking learning into easily digestible bites for many years. Now we must fully apply the principle of modularity across programs, sessions, templates, learning points, and examples. This means an even deeper level of customization where all “chunks” can be seamlessly altered and integrated beyond their original structure.

Putting all of these principles together readily enables training companies to meet the needs of both purchasers and learners, which will lower the cost of delivery and thus increase the training companies’ profit margins.

MASS CUSTOMIZATION TYPES

While the basic principles of mass customization apply to all offerings, there are many different ways in which they can be implemented. The types of customization can be classified into the following four categories.

Collaborative. In this type of customization, the provider customizes the training solution with a design tool that helps customers identify what their individual needs are. Dell provides one of the best known examples of collaborative customization. Customers work with Dell to identify what components they want configured into their personal computer, which the company then develops exclusively for them.

In the training field, this form of mass customization typically takes shape through the creation of company-specific role plays and case studies inside of an existing program—all of which require input from the organization’s representatives.

Adaptive. Online learning programs are good examples of adaptive customization because they are designed to adjust according to the alternative paths the individual learners take and the varying progress they make, without changing the programs’ infrastructure or platform. Think of the razor with a flexible system of springs that automatically adjusts to

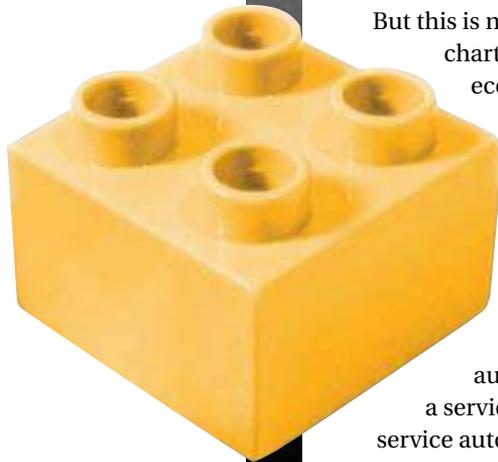
the contours of a person’s face or the bed that allows users to adjust the firmness of the mattress on each of two halves, from soft to very firm.

Cosmetic. In this approach, the functionality of the training solution changes in response to individual customers. For example, as a Hertz Gold member you bypass the standard counter and proceed directly to the bus where you tell the driver your name. The driver informs the operation teams that you have arrived so that when you reach the car lot you see your name in lights on an electronic billboard that directs you to the proper stall, where again your name verifies you have the right car, with the agreement attached to its mirror. It’s the same car everyone else in your product class gets, but the delivery of the car is customized for you. Cosmetic customization equates to personalization. In training, this is often done by changing binder covers, logos, or graphical user interfaces, while keeping the actual program content and materials the same.

Transparent. The program’s functionality is customized to the customer’s specific needs while the format remains seemingly standard. For example, the Ritz-Carlton hotel chain uses a sophisticated database management system to alter its guests’ experiences by documenting and then retrieving specific guest preferences when they return—without specifically asking the guests for their preferences. Hotel employees are taught to make note of individual preferences and to enter them into a guest preference system. In training, an example of transparent customization would involve an instructor independently adjusting the course based on what he knows about the client or the learners without calling attention to the customization. The client and end learners think they are getting a standard course, but in fact it’s customized for their needs.

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EVEN TRAINING EXPERIENCES CAN BE COMMODITIZED.



WHY DO ALL THIS?

Regardless of the method chosen, mass customization principles will help trainers scale programs to meet customers' needs more fully, in shorter timeframes, for less cost, and with higher quality. When the training matches the customer's needs, it becomes a truly magical, motivational, and memorable learning experience.

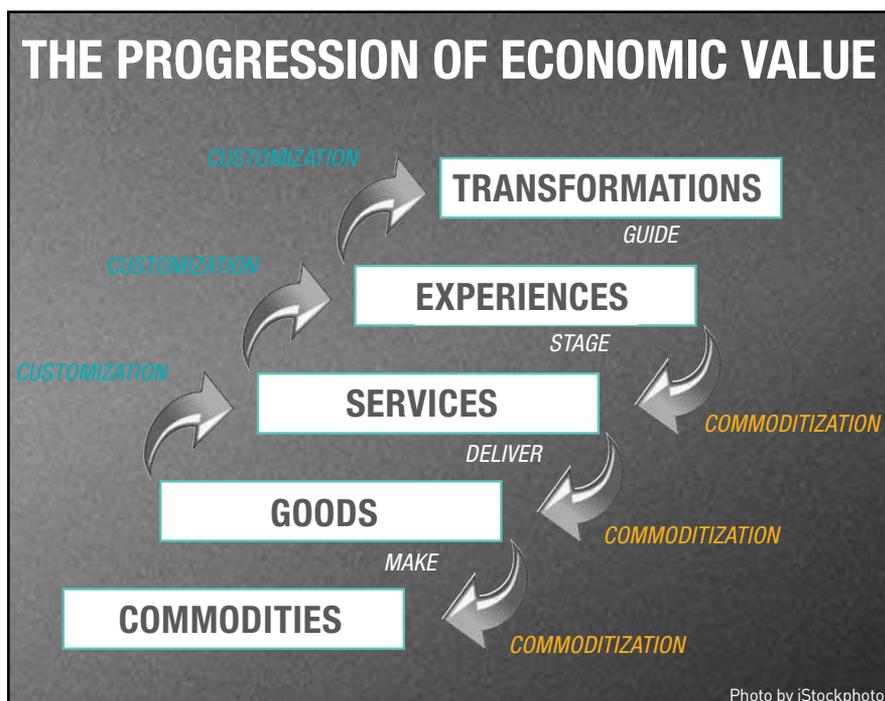
But this is not the end goal. The chart below shows how the economy has changed over the millennia with each successive economic shift, moving from commodities to goods to services and to experiences. Note how customizing a product automatically turns it into a service, and customizing a service automatically turns it into an experience, thereby forestalling the inevitable forces of commoditization that come to any offering, and any industry, over time. Mass customizing training services, therefore, creates the right learning experience within each

individual student. Even experiences can be commoditized, however.

In fact, in many learning environments, the entire point is to commoditize the experience. Think of highly stressful, intricate, and high-pressure environments such as the cockpit of a military jet, the emergency room of a hospital, or the control room of a nuclear power plant. In each case, employees are trained over and over again how to perform critical tasks until they become second nature—in other words, commoditized.

When training is executed properly, employees and the organization reach a transformation point where both parties benefit from the time and cost invested. In the end analysis, isn't that what all corporate educational experiences should be about? Ultimately, the ideas that trainers impart—the dime-a-dozen commodities of the educational business—are not important. Neither are books, articles, hand-outs, nor are preparation, delivery, or analysis activities. Even the experience doesn't really matter. The bottom line is, Were the individuals in this course, and the organization to which they belong, transformed? Did they improve their workplace performance through the acquisition of new knowledge, skills, and tools?

Mass customization is a way to bring more efficiency and effectiveness to training, thus adding value to every organization that embraces learning as a means to achieving improved business results. However, it is a continuous process that ultimately requires a transformation in the way training suppliers change their own operations to effect the transformations customers desire to see within each of their employees. **T+D**



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