

Is your business wired for speed?

Quickly transferring knowledge to customer-facing staff is becoming critical to winning business and surviving the difficult market conditions, says **Ara Ohanian**

A major competitor has launched a new product on the market today that has significant features and functionality that yours lacks. Within 24 hours you need to educate 30,000 people in your sales and distribution chain about how to overcome that apparent advantage. You then need to evaluate how effective the initiative has been.

Only a handful of organisations are currently able to rise to this challenge. Those that cannot face a serious disadvantage, because in all areas of business, whether products or services, consumer demands are changing rapidly. As a result product lives are getting shorter and products and services are continually being improved.

Consumers are rightly getting more demanding when making their choices, requiring far more information and comparing far more products. Competition in business is becoming as intense as on the athletics field, with the winning margin becoming tiny.

Winning by a wafer

In the early days of the Olympic Games, the winning margin may have been a second or two but, now that athletes are much fitter

and better trained, it is usually only milliseconds. The same is happening in the business world, where organisations now have much better and more competitive products. No single product or company is now able to overshadow its competitors with a demonstrably superior product.

These days, when consumers look at buying a product or service, there are usually two or three products that are very close in terms of richness, capability, functions and features. The difference between winning and losing a sale has become very small, just like an athlete winning a race by milliseconds.

Knowledge is critical

Success is increasingly dependent upon the superior knowledge of customer-facing staff and their ability to have a more intelligent dialogue with the consumer. This can either be sales staff increasing sales by attracting new customers or support staff increasing the loyalty and satisfaction of existing customers. The ability to do this effectively gets even more difficult when it has to be managed through third party organisations.

The Internet has empowered consumers with knowledge as never before, through a tremen-

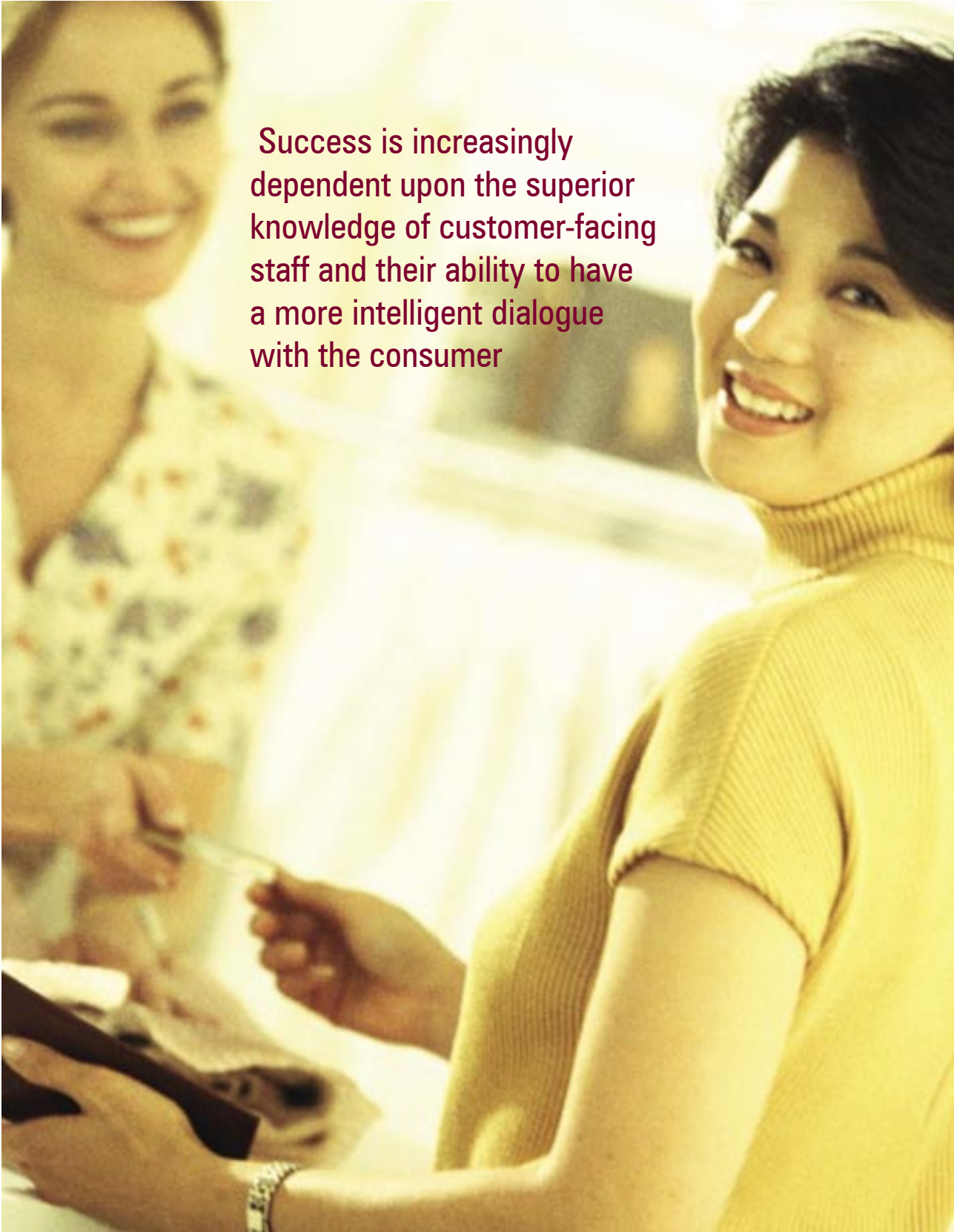
dously wide range of sources of knowledge. These include vendor sites, static research sites, comparison sites, collaborative sites, social networks, conferencing systems, Wikis and so on. They can harvest information and talk to existing customers. As a result, consumers are much better prepared when they visit a web site, approach a contact centre or visit a sales office or retail outlet.

This empowerment of potential customers puts a considerable strain upon the organisation if it is not to find itself at a disadvantage. The speed and frequency with which the knowledge of their customer-facing staff needs to be improved is becoming a much more business-critical factor in winning or losing deals.

Are you wired for speed?

In an age where the difference between winning and losing could be the ability to deliver updated or timely knowledge to those who touch potential customers, organisations must be 'wired for speed'. Indeed, such is the pace of change in use of technology, especially mobile, that it is now more appropriate to be 'wired for speed'.

Although most large organisations in the world today have introduced a lot of technology

A photograph of two women in a professional setting. The woman on the right is in the foreground, wearing a yellow turtleneck sweater, smiling and looking towards the camera. The woman on the left is slightly out of focus, wearing a patterned blouse, smiling and looking towards the first woman. They appear to be in a meeting or collaborative work environment. The text is overlaid on the image in a dark red color.

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into the training area of their human capital management function, they are definitely not WiFied, or even wired, for speed. The problem is frequently caused by the historical evolution of the training department.

Over years they have moved away from traditional classroom teaching, where a teacher taught, a student listened to what was said and was assessed on their ability to repeat it. Instead, a

range of different technologies have been introduced into the process, covering areas like competence management, learning management, content creation and assessment.

This has led to the emergence of individual experts in each technology, who researched it, selected the product that best met the organisation's historical needs, managed its implementation and are now responsible for operating

it. The result is multiple experts with multiple technologies.

As a result most organisations today have been wired over time for sophistication and complexity for the experts, not for speed and access by the layman or line manager.

The pace at which the consumer is demanding new knowledge on what they are about to buy is such that those environments are just not capable of meeting the

speed and need for the delivery of knowledge.

Multiple remote controls

This is a hopeless situation for line manager or executives responsible for revenue or customer satisfaction/loyalty, who need to rapidly update customer-facing staff. Sadly, we still see line managers bypass training and HR functions to get something important out to the field, because they don't understand the systems they have and the environment is too slow or complex for them to use it.

Most line managers I meet can relate to the analogy of staying at a friend's or relative's house at the weekend and wanting to catch the news or get a sports result. In the television room they are faced with four different remote controls covered with buttons that offer a fantastic range of entertainment features. Sadly, they are too complicated for simply finding the major channel they want. The hosts say that the teenager who understands it all won't be back for an hour. They come home and rapidly turn it on, but by then it is too late.

This is just how line managers feel, whether responsible for sales or customer service. Training departments have evolved like the television room at home. Unless you are the expert that bought the device and knows how to use each remote control, you are at the mercy of those experts.

Line managers want to rapidly distribute critical knowledge, but the tools they have available are too complex to use and the experts are elsewhere. The business of delivering knowledge around the sale of product and service and the retention of loyalty and customer is too important to delegate to multiple experts, each with their own system. That capability needs to be elevated into a simple accessible unit that the line manager can leverage.

In many cases, competence and skill set is one remote control, the creation of the content is a second, the delivery and management of content is another and the measurement is another. Some organisations have five and some have got three, but not enough have got it down to one.

A single remote control with just two buttons

The solution for frequent and rapid distribution of knowledge to large numbers of people spread across businesses and territories is to have a single remote control with just two buttons. One pushes out new knowledge and the other brings back data on how it has had an impact on people's behaviour and business results.

In technical terms, this is a learning management system that integrates competency management, authoring, content management, delivery and reporting. It must be designed from the outset to be easy to use for non-specialists and to give them everything they need to manage, monitor and measure learning and performance in a single software application. It must comply with the Shareable Content Object Reference Model (SCORM) and be multilingual.

This single-solution approach supports the full lifecycle of knowledge, including identifying the competence needed by customer-facing staff, the skills and knowledge they require and the ability to rapidly create and update content enabling them to act and then measure the results (see 'Measuring success' overleaf).

Line managers in charge of revenue or customer service now have an opportunity to challenge the experts in their learning organisations to eliminate the complexity of their multiple systems. This will both give managers control of the system and remove the delays caused by dependence upon experts.

Toyota case study

Toyota Motor Europe (TME) sells more than 1.1 million Toyota and Lexus vehicles a year. Together with its distribution network, it employs approximately 80,000 people in 28 national sales and marketing companies within 48 countries.

It has to provide information and training to ensure that its brands are consistently well-represented across Europe. Originally, training was classroom-based but, in 2004, the company invested in Toyota Connect, a centralised dealership training system based on CERTPOINT's VLS suite. With an increasing number of new vehicle models per year and pioneering environmentally-friendly technologies and manufacturing, the amount of information for sales, marketing and engineering is substantial and most documents have to be localised in more than 30 languages.

"At headquarters we only have four people in training and support," explains Sann René Glaza, TME's senior manager for the Learning Technologies Group. "We made this something that the training department and marketing and sales companies could manage on their own. It was important not to add cost and to be able to easily integrate with Toyota systems, so we can concentrate on refining the curriculum."

When the Toyota Auris was launched, the trainers were trained to use the VLS suite first and then the national market and sales companies. All were given access to the e-learning materials and received the same training to ensure the message given to retailers was consistent.

"It really does help to maintain our brand image," explains Glaza. "Even if they make some minor tweaks and changes to localise the material, we can still maintain control of the message. As the system has grown, the multiple language and localisation capabilities have proved a strong selling point to get the users to buy in to the system."

Integration

To be effective, these systems must integrate with back office operational systems, especially those used by the human resources function. These hold data on people working for the company and in its owned channels, and sometimes third party channels. They are constantly updated, which is particularly important in areas like retail and call centres

Measuring success

To be properly effective, an integrated system must provide managers with feedback on the results of distributing new or updated knowledge. This falls into three areas:

1. Was the knowledge received, understood and used? It is amazing how often organisations don't know what the knowledge level on a particular product or issue is inside their customer-facing channels.
2. Did it have an impact on behaviour? The system has the ability to initiate competence and skills assessment following delivery of new or updated content. This could be 360° assessments, peer assessments etc. Changes will reveal the extent of the impact that it has had on the behaviour of customer-facing staff. It could either be self-assessed, assessed by a superior or a peer or a combination of both.
3. Was there was a measurable impact on any key performance indicators? This is the Holy Grail of measurement. Generally, it is hard to use increases of revenue or customer satisfaction, as there are so many other variables that could have an impact on them. However, careful examination of the drivers of revenue or customer satisfaction will usually reveal contributory factors that are measurable. An example would be some of the factors that lead to customers walking away from a possible purchase. Every organisation has a key performance indicator that has an impact on their end result. This can then be linked to a dashboard, which will allow the manager to monitor whether they are moving up or down. It can also be done at multiple levels, such as overall, region, business, territory or individual groups.

where employee turnover can be high. They ensure that the system knows who is currently in customer-facing roles so that they can be assessed and served by the system.

It is also important that the system is integrated with the organisation's collaborative tools. These are not just the traditional internal systems, but also the new breed of 'Web 2.0' internet sites, such as social networks, blogs and wikis. Written by

consumers, these can provide more updated knowledge than the organisation's own experts can accumulate. They can provide the latest information on competitive products and opinions on the organisation, its products and its competitors. It can integrate employees, partners and consumers in a single environment.

This new area is still under-utilised, but the opportunity to take advantage of organically-derived, grass-roots knowledge is extremely valuable. The reliability of a typical search on Wikipedia against the Encyclopaedia Britannica is similar today, despite the fact that laymen create one and experts the other.

Ammunition

The biggest benefit of an integrated system that is accessible and user-friendly to the non-expert is speed, which is increasingly one of the more important factors in winning. In the war for consumers, customer-facing staff are the organisation's weapons and updated time-sensitive knowledge is their ammunition. As in any battle, the side that benefits from a faster flow of fresh ammunition is likely to be the victor.

The second benefit from integrating all the components is the ability to get effective feedback on the results. Reporting moves from a custom environment that depends on experts to allowing managers to configure their own reports and dashboards in order to understand what is happening (see 'Measuring success' left).

It is amazing how many organisations wire themselves for speed, yet don't explain to top management how they can use it to improve their performance and meet their strategic objectives. All too often, line managers and executives don't even realise they have the capability available to them. When they have done a good job in creating a single remote control, learning profes-

sionals must make a concerted effort to communicate how it can be used by managers in their day-to-day business.

Speed on the balance sheet?

A CEO once famously said that advertising is much too important a function to leave in the hands of the marketing department, feeling that he needed to be in charge. That idea seems to resonate with audiences I talk to, who feel that training is far too important to be left to trainers – business people should be firmly in charge.

I believe that, in five or ten years, businesses will recognise time-to-knowledge and time-to-competence as such an important ingredient of success that they will quantify it as a line or ratio on their balance sheet. There it will be used by investors as a major factor in the valuation of the business.

Speed is important in developed markets, because lower growth rates reward efficiency and the difference between winning and losing is small. Developing markets have much higher growth rates, but pose the challenge of having to rapidly develop the skills and knowledge of newly-hired workforces.

Speed is increasingly becoming the key to success. Those with multiple systems, or remote controls, will be at a disadvantage. The winners will be those that allow their managers to quickly and frequently supply their front line staff with the fresh ammunition of new or updated knowledge, giving them the millisecond edge they need to win each sale. ■

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