

Product Rollouts: The Impact of Learning

May 2004 - Sanjay Dalal

Summer 2010. A global business is getting ready to roll out a much-anticipated product that will change the way the world communicates, connects and networks: a credit card-sized communicator with more computing power than a personal computer. It functions as global wireless phone, multimedia instant messenger, conferencing and Internet connector, digital camera, world-band radio, high-definition television, multimedia player, credit card, digital car key, garage and home security device, GPS, digital organizer for corporate and personal accounts, scheduler, corporate and personal e-mail and access to a live personal advisor 24x7x365. And yes, individuals can infinitely personalize this product to their lifestyle, for personal or office use or both.

The business anticipates that in the first year it will sell more than 400 million communicators all over the world. At an expected retail price of \$20 a head, this product will produce gross revenues of \$8 billion in only the first year, with over \$20 billion in gross revenues anticipated in the following three years. And the communicators will be sold over a global distribution channel of around 100,000 distributors in more than 100 countries.

The business will train the entire distribution channel in only one week as part of the product launch on how to use, personalize, market and sell communicators to its existing and its competitors' customer base. In one week, 100 trainers will train more than 1 million agents so they are ready to sell the communicators worldwide. After one week, these agents will start to showcase and sell the communicators to the buyers, and will sell 50 million communicators in the first month.

The impact of a timely, well-orchestrated training program was not only hugely effective to the business' top-line revenues, but also bottom-line savings from the efficiencies generated by the massive scale of operations. Just six years ago, in 2004, a similar product launch would have taken at least a year of planning and a minimum of six months of execution. How did this global business create a training program with only 100 trainers that allowed it to launch this new product in a week to more than 1 million agents? What was the business impact of this product launch? How well did the agents learn? How were they able to leverage this learning process in a record time that enabled them to sell over 400 million communicators within the first year?

All these questions take us back to 2004, a year that launched a new wave of training programs, when the learners and learning became critical to the success of the program, and not just the trainers, designers and creators. Business began measuring the strategic impact of global learning and creating programs that changed the way businesses rolled out new products. Training programs began the shift from traditional cost centers to strategic business centers. Not all the changes were predetermined and premeditated. Some changes were driven due to the nature of business growth and the pool of available resources. Some changes were truly visionary and sought to create efficiencies in the training program. And some were even brought about by competitive pressures.

Product Rollouts Today

How are companies rolling out products today? This depends on many factors, such as what is being rolled out (the product itself), the industry (manufacturing, financial services, high-tech, health care and more), established processes (what are accepted models), who is rolling out the product, the learners and their availability, the available time and required physical geography for the rollout, the available resources for trainers and learners including technology and infrastructure and ultimately, the business goals. A rule of thumb: Roll out the products within an established time and budget to have the maximum impact on the business. Miss the time or

budget window, and see an associated loss of revenues and market share. A product that is a quarter late and over the budget has a multiplying impact on lost revenues and market share.

What Is Being Rolled Out?

An established leader in manufacturing that creates automation control and security systems for homes and offices will have a different set of requirements for rolling out products to a complex, geographically dispersed distribution channel compared to a large consumer company rolling out enterprise resource management software to its hundreds of distributed offices all over the world. On the other hand, consider a financial services company needing to obtain HMDA compliance for thousands of remote employees and agents in hundreds of offices before the end of the year. Although not a physical product, this has all the challenges of a normal rollout. High-tech companies roll out new enterprise software or hardware products to thousands of customers worldwide every six months or less. Imagine the complexities surrounding training the trainers, the channels, the customers and more.

Who Is Rolling Out the Products?

Many departments within an organization can roll out products. This depends on whether it is an internal or external rollout, the company's structure and organization, as well as the industry. For example, an IT department for a Global 2000 business could be rolling out a new call-center application for the customer-service agents either directly using its own trainers and resources, through a contract with the vendor supplying the application or through a third party, such as a consulting company. Large companies also have dedicated corporate training departments rolling out new compliance regulations, new applications and associated training for internal employees in local and remote offices. At times a dedicated sales training organization may have the responsibility for rolling out new skills development programs, such as negotiations, communications and more. Some of these programs may even be rolled out with an outsourced training partner.

The department closest in contact externally or in charge of the associated revenues with the customer, partner or supplier conducts external product rollouts. For example, a client or customer services department for a product or services company will roll out training for the new products to the clients so that these clients can easily and quickly use the new products. By the same token, the channels or sales department is in charge of rolling out training on new products, business models, market and competition for the distribution channel to make the channel more productive and to generate more revenues. At times the company's product teams may be responsible for training the suppliers since the new products depend heavily on the supplied parts.

What Are the Business Drivers for the Rollout?

Revenues: The rule of thumb is that companies put more emphasis on product rollouts and training for those employees and departments that are in contact with the customers, distribution channel and suppliers. They are closer to the business. They are closer to the revenues. A better-trained employee on the front line has more impact on the company's top-line revenues. A more skilled sales representative who fully understands the company's products, creates detailed demonstrations, comprehensively establishes the products' and company's value to prospective customers and leverages negotiation and communications skills to the best of his ability will close more deals and bring more revenue to the company. The same premise holds for training the channel representatives of the company. Finally, the client service agents providing customer service and technical support are equally important to the company's top and bottom line—a highly satisfied customer stays loyal for a lifetime. And when companies help their clients when they require urgent support, they create satisfied and loyal customers that become repeat buyers and build industry references that allow the company to expand in similar markets.

Costs: Top-line revenues are not the only drivers. Costs, time, geography and learner productivity are also key drivers for the product rollout. Many times, reducing overall costs is a primary driver, even greater than increasing revenue. Companies will look at all possible ways in which products

can be rolled out within a limited budget. They will resort to a combination of face-to-face, live online, self-paced and even peer-to-peer learning models that will bring down the costs of the overall program. Live, online training tremendously reduces the costs of delivery for any training program looking to provide product rollouts on a budget.

Time: Time is a key driver in a product-rollout strategy. Even the best planning and strategy may not give the company enough time to roll out a new product or upgrade to thousands of employees or distributors. Suddenly, the company is faced with the daunting task of rolling out the product in a matter of days or weeks, as opposed to months. Normally, a face-to-face training program would take six months or more to roll out to an entire audience. How do you roll this out in a matter of days or weeks? Is it even possible to conduct such a massive rollout within such a short time? Change happens when time is no longer an ally. A traditional training program suddenly becomes revolutionized because there is no other choice. And companies begin product training online to deliver optimal training on a budget in a timely manner.

Geography: Closely associated with time is another key driver: geography. A rollout in the same physical location is daunting enough when you are faced with the costs and time constraints. But imagine a product rollout where you are not limited by geographical constraints. Associated with time and geography is another key driver: time zones. When companies are rolling out products in such distributed worldwide locations, ensuring that you roll out in normal business hours in respective locations also becomes important. Local languages and culture are also important factors to consider.

Learner Productivity: Learner productivity is another key driver for a successful product rollout. Product rollouts are meaningless if the end users, the learners, do not get engaged, do not enjoy the training and as a result, do not increase productivity. According to Bersin & Associates, a product rollout can be branched into four categories of learning: broadcast of new information, important knowledge transfers, developing new skills and creating certified competencies. As you move from broadcasting information toward certifying competencies, learners need to be more engaged, and more tools are needed to track their progress. It is imperative for a good product rollout strategy to understand the learners, their normal work routines, their available times, their likes and dislikes and their behavior. Marketing the rollouts to the learners becomes critical. For internal rollouts, perhaps the executives can create a mandate for the learners to undergo the rollout training—this is a controlled environment. But when it comes to external product rollouts, it needs a lot more coaxing, cajoling and creative marketing to get the learners to show up and complete the training.

Available Resources: Available resources always limit real-world rollouts. This is true of any business program, be it in marketing or sales, and even more so with product rollouts. Available resources include people such as trainers, instructional designers, creators, managers and at times, executive sponsors or evangelists—some internal, and some outsourced. Available resources also include available technology and infrastructure such as computers, software and productivity applications, conferencing systems, Web conferencing services, management systems, integration between disparate systems, access and bandwidth availability for intranet and Internet, security considerations, learners' available resources and more.

Finally, the available budget in combination with all of the above drivers determines the scope of the product rollout program. Other drivers influencing rollout strategies include tradition, industries, experience, etc.

How Are the Products Rolled Out?

The business drivers determine how products get rolled out today. As with corporate training programs, products get rolled out in one or a combination of the following ways:

Instructor-led classroom training: Although this mode of delivering training has the best appeal in terms of face-to-face interaction, it is also the least flexible due to associated resource, time, travel and scheduling costs. No wonder it is declining year over year from 74 percent to 69 percent of overall delivery according to various industry reviews. Certain industries that normally cater to shop floors or assembly lines are slow to change and would rather deliver face-to-face training owing to the available resources and cultural shift. However, most companies are slowly but surely adopting new ways of delivering training.

Instructor-led remote training: Increasingly, companies are finding that live, online training delivers the interactivity of face-to-face training without the costs of instructor-led classroom training. It provides flexibility, timeliness and reach, and it maximizes the available resources. The result is that this mode of delivering training appeals to both trainers and learners, and companies such as WebEx, Centra, Macromedia and others have benefited from this growing corporate trend. It does not get any better than a channel manager delivering live, online training on a new product to the channel sales manager. Industry reviews show this segment growing from less than 7 percent to 10 percent of overall delivery year over year, and it is poised to grow the fastest in the next few years. The benefits of this mode of training multiply when you consider the fact that you can record the training and repurpose and reuse it for on-demand self-paced learning.

Live hands-on labs: One of the challenges companies face is the ability to provide live hands-on training on new enterprise or proprietary applications and products that can normally be controlled by software applications. Typically, learners would need to travel to central labs in order to get hands-on training for such applications. Some vendors such as WebEx, Hatsize and others are providing a new way of delivering training directly on applications and products by connecting lab computers to remote learners online in real-time. Learners can also connect to the lab computers on demand. This is the truest form of hands-on learning, allowing remote access and practice on applications on the lab computers that would otherwise require travel to the physical labs. Learners are also able to interact with trainers while practicing on the lab computers. Many companies are delivering such hands-on learning experience to their remote employees, customers and channels.

Self-paced learning: Without the interactivity of a live instructor, but with the flexibility of learning at your own pace, anytime, anywhere, this mode of learning continues to have a strong appeal. Newer segments of this mode of learning called “rapid e-learning” or “just-in-time learning” are also seeing increasing adoption. Part of the appeal to companies is the ability to create content once and deliver it to thousands of learners. The ability to leverage the Internet or an intranet to deliver it online increases the reach and availability. From the learners’ perspective, as long as the learning is relatively short, well articulated and simulated with experiential multimedia, they are in good shape. However, the fact that there are no live instructors creates a lesser experience. Also, the inability to change the learning content in a timely manner has an impact on when to leverage this mode of delivering training. Hence companies resort to a combination of various modes of delivering product training.

The Return on Investment—the Impact on Learning

What is the return on investment for a successful product rollout? There are several ways to measure the top-line and bottom-line impact of different product rollout strategies. First, each product rollout should have a measurable set of objectives. The objectives could be rolling out the new product at a reduced budget (cost savings), rolling out the product to a set number of learners within a given time and deadline, increasing learner productivity, customer satisfaction and even revenue. The tangible returns are easy to measure, such as cost savings, training a set number of learners and meeting a deadline. The intangible returns need more discipline and good tracking metrics. For example, learner productivity is measured by assessing the learners’ skill sets before and after the product rollout and showing an overall increase in the business output. Increased customer satisfaction depends on several variables, such as product quality, product rollout at customer site within a given time and budget, return on investment for the customer and

quality of customer service and support. If the first three variables are relatively constant, it is possible to showcase a direct correlation between increased customer satisfaction and a successful rollout of a product to the customer service and support team. Showcasing increased revenues is even more difficult to measure. Revenue as a metric is dependent on many external variables, such as existing and future pipeline of prospective customers, competition, growth of the market, selling and negotiation skills to name a few. If you are able to hold these variables constant and showcase that by rolling out the product to a set number of learners within a given time and deadline, you actually improved their productivity resulting in increased revenues, then you can demonstrate a business case.

Back to 2010

How did the global business roll out the communicator to 100,000 distributors in a week? More than 1 million agents were trained by an online training program with only 100 trainers. Around 33 global trainers trained more than 180 agents every hour on the hour for seven days in live, online training sessions all over the world leveraging services to deliver hands-on training in real-time over the Web using a browser and computer. Agents had access to recorded training materials after their live sessions and rapid e-learning tutorials to refresh the live sessions. Trainers also provided agents daily live question-and-answer sessions outside normal hours of live training. Finally, the agents engaged in local online communities to get their questions answered by fellow agents and mentors. The combination of live, online training sessions, recorded training, rapid e-learning tutorials, live question-and-answer sessions and a thriving online community created the most optimal environment to help roll out the communicator within one week and on a very tight budget. And the rest was history.

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