

Contents

Table of Figures	ix
Table of Symbols	xv
Preface	xxi
Chapter 1: Introduction	1
 PART I: FUNDAMENTALS OF PRODUCT CUSTOMIZATION	
Chapter 2: Product Customization: Theoretical Basics	9
1. Product Customization: Definition	10
2. Product Customization and Competitive Advantage	11
3. Product Customization Strategies	12
4. Necessary Conditions when Achieving Product Customization	23
5. The Challenging Approach of Product Customization: Mass Customization	40
6. Summary	43

Chapter 3: Mass Customization and Complexity	45
1. Complexity: A Literature Review	46
2. A System View for Mass Customizing Enterprises	49
3. Increasing Complexity Due to Mass Customization	51
4. Decreasing Complexity Due to Mass Customization	55
5. Interdependencies between Mass Customization and Complexity	59
6. Summary	61
Chapter 4: A Customers' Needs Model for Mass Customization	63
1. The Customers' Needs Model	63
2. Approaches to Optimize Variety Using the Customers' Needs Model	72
3. Summary	73
 PART II: AN IT INFRASTRUCTURE FOR EFFECTIVE AND EFFICIENT PRODUCT CUSTOMIZATION	
Chapter 5: Customer Oriented Interaction Systems	79
1. Configuration Systems: State of the Art	80
2. Advisory Systems as a Means of Customer Support	93
3. Extension of the Configuration System with an Advisory Component	102
4. Summary	113
Chapter 6: A Multi-Agent System for Coping with Variety Induced Complexity	115
1. Basics of Multi-Agent Systems	117

2. A Multi-Agent Based Approach for Variety Formation and Steering 127
3. Summary 146

Chapter 7: Implementation Scenarios of the Information Systems 149

1. Scenarios and Conditions for a Successful Implementation of the Information Systems 150
2. Summary 160

PART III: CONCEPTS FOR IMPLEMENTING AN EFFICIENT PRODUCT CUSTOMIZATION**Chapter 8: Product Modularity in Mass Customization 163**

1. Product Modularity 164
2. Benefits and Limits of Modularity 168
3. Managerial Implications of Modularity 170
4. Selected Tools for the Implementation of Product Modularity 174
5. Summary 179

Chapter 9: Key Metrics System Based Management Tool for Variety Steering and Complexity Evaluation 181

1. Insufficiencies of Current Decision-Supporting Methods in Coping with Complexity 182
2. Key Metrics Systems as a suitable Management Tool 184
3. A Sub-Process Model for the Determination of the Key Metrics 186
4. Complexity Key Metrics 193
5. Extension of the Variety-Sensitive Key Metrics System for Mass Customization 227
6. Summary 241

Chapter 10: Conclusions	243
References	249
Index	263
Authors	267

Table of Figures

<i>Figure 2-1.</i>	The four approaches to mass customization as a response to the customers' sacrifice by Pine/Gilmore	13
<i>Figure 2-2.</i>	Matrix grouping of mass customization configurations by Duray et al.	15
<i>Figure 2-3.</i>	Mass customization strategies by Piller	17
<i>Figure 2-4.</i>	Generic levels of mass customization	18
<i>Figure 2-5.</i>	Mass customization modes by MacCarthy et al.	20
<i>Figure 2-6.</i>	Comparison between the classification models for mass customization	21
<i>Figure 2-7.</i>	Market-turbulence factors by Pine	24
<i>Figure 2-8.</i>	External and internal conditions necessary for success by Kotha	25
<i>Figure 2-9.</i>	Success factors for achieving mass customization by Broekhuizen/Alsem	29
<i>Figure 2-10.</i>	Necessary conditions for achieving mass customization	31
<i>Figure 2-11.</i>	Dimensions of Customer Customization Sensitivity	32

<i>Figure 2-12.</i> Customizing positions on the value chain	34
<i>Figure 2-13.</i> The effect of reducing setup costs on economic order quantities	38
<i>Figure 2-14.</i> Matching supply chains with products	39
<i>Figure 3-1.</i> Complexity of systems	47
<i>Figure 3-2.</i> Approach of Bliss for the management of complexity	48
<i>Figure 3-3.</i> The system to be optimized in mass customization	51
<i>Figure 3-4.</i> Increasing complexity as a consequence of variant-rich production	52
<i>Figure 3-5.</i> Inverted learning curve with variety doubling	53
<i>Figure 3-6.</i> The enterprise system from a traditional view and a mass customization optimal view	55
<i>Figure 3-7.</i> Mass customization implies modularity	58
<i>Figure 3-8.</i> Framework presenting the interdependencies between mass customization and complexity	60
<i>Figure 4-1.</i> Information supply and need model	64
<i>Figure 4-2.</i> Required analogies to establish the customers' needs model	65
<i>Figure 4-3.</i> The objective and subjective customers' needs model	66
<i>Figure 4-4.</i> Reasons explaining the discrepancies between the objective needs, subjective needs and offered variety	68
<i>Figure 4-5.</i> Identified regions because of the discrepancies between the objective and the subjective customers' needs	70
<i>Figure 4-6.</i> Variety optimization with regard to the objective and subjective customers' needs	73
<i>Figure 4-7.</i> Implications on complexity according to the objective and subjective customers' needs model	75

<i>Figure 5-1.</i>	Morphological box: classification of configurators	91
<i>Figure 5-2.</i>	The Customer Buying Cycle	96
<i>Figure 5-3.</i>	Content based and collaborative filtering	100
<i>Figure 5-4.</i>	Advisory system architecture	103
<i>Figure 5-5.</i>	Conceptual model for advisory processes	105
<i>Figure 5-6.</i>	Knowledge acquisition component for the advisory process	106
<i>Figure 5-7.</i>	Levers and supporting technologies and tools for advisory system extension	108
<i>Figure 5-8.</i>	Extended advisory system structure for mass customization	112
<i>Figure 6-1.</i>	Categories of definitions of Artificial Intelligence	118
<i>Figure 6-2.</i>	Categorization of Distributed Artificial Intelligence	119
<i>Figure 6-3.</i>	An agent in its environment	120
<i>Figure 6-4.</i>	Utility-based agents	122
<i>Figure 6-5.</i>	A view of a multi-agent system	124
<i>Figure 6-6.</i>	Blackboard architecture	125
<i>Figure 6-7.</i>	The advisory process at a high level of abstraction	128
<i>Figure 6-8.</i>	Framework supporting the multi-agent approach for variety formation and steering	132
<i>Figure 6-9.</i>	Influence of product variants' successes and failures on the agent's account	138
<i>Figure 6-10.</i>	Module agent's long-term strategy	140
<i>Figure 6-11.</i>	Module agent's short-term strategy	141
<i>Figure 6-12.</i>	Overview of the variety formation and steering processes	145

<i>Figure 7-1.</i>	Appropriateness of the information system with respect to the levels of internal and external complexity	152
<i>Figure 7-2.</i>	Conceptual architecture of the interaction system coping with external complexity	154
<i>Figure 7-3.</i>	Technical architecture for an interaction system coping with high external complexity.	156
<i>Figure 7-4.</i>	Conceptual architecture of the interaction system coping with external and internal complexity.	157
<i>Figure 8-1.</i>	Modular architecture types	165
<i>Figure 8-2.</i>	A graphical representation of the component swapping modularity-combinatorial modularity spectrum	166
<i>Figure 8-3.</i>	Classification of the modules strategy with respect to cost savings, flexibility and complexity reduction in comparison to other strategies	167
<i>Figure 8-4.</i>	Modular function deployment procedure	174
<i>Figure 8-5.</i>	The Module drivers	176
<i>Figure 8-6.</i>	Portfolio architecting process	177
<i>Figure 9-1.</i>	Correspondence between internal abilities and sub-processes	187
<i>Figure 9-2.</i>	Relevant sub-processes in mass customization	189
<i>Figure 9-3.</i>	Example for the calculation of the degree of commonality index	197
<i>Figure 9-4.</i>	Early versus late differentiation point	207
<i>Figure 9-5.</i>	Retained key metrics and time pattern evaluation	217
<i>Figure 9-6.</i>	Meaning of correlation in the key metrics system	219
<i>Figure 9-7.</i>	Correlations between development key metrics and possible variety	220

<i>Figure 9-8.</i>	Correlations between interaction and perceived variety	221
<i>Figure 9-9.</i>	First part of the variety-sensitive key metrics system	221
<i>Figure 9-10.</i>	Correlations between component commonality and production and purchasing process commonalities	222
<i>Figure 9-11.</i>	Correlations between component commonality, work-in-process inventories, differentiation point and setups	223
<i>Figure 9-12.</i>	Correlations between setups, manufacturing lead times, differentiation position and delivery reliability	224
<i>Figure 9-13.</i>	Second part of the variety-sensitive key metrics system	225
<i>Figure 9-14.</i>	Variety-sensitive key metrics system for mass customization	226
<i>Figure 9-16.</i>	Conceptual illustration of customer differences	230
<i>Figure 9-17.</i>	The conceptual value difference curve	231
<i>Figure 9-18.</i>	The Kano's model	233
<i>Figure 9-19.</i>	Relationship between perceived variety and positiveness	234
<i>Figure 9-20.</i>	Key metrics system taking into account the customer's perspective	239
<i>Figure 9-21.</i>	Extended key metrics system for mass customization	241