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# Students as customers

Service process development for improved student's customer experience at BusinessLab of Laurea University of Applied Sciences, Finland

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## Abstract

The purpose of this chapter is to describe a student-driven way of working at the learning environment of University of Applied Sciences (UAS) and its Bachelor of Business Administration education. The chapter describes the service process and BusinessLab environment as drivers of students' customer experiences. The originality and value of this chapter comes from an approach of combining theoretical frameworks of customer experience and service process into UAS BusinessLab and its project based learning environment, where students are treated and viewed as customers.

Our case study is the initial attempt to encourage discussion on viewing Students as Customers in the higher education. This case study has been conducted at Startup BusinessLab (project based learning environment) of Lohja Campus at Laurea University of Applied Sciences in Finland. In the BusinessLab the students accomplish most of their studies in real-life business projects provided by external, mostly regional companies. The students' theory assignments are driven by their own interests within the curriculum. The BusinessLab practices are assessed as a service process on which the students are viewed as customers whose experience is crucial in developing their competences to match the requirements of their future employees. The results are based on four separate group interviews (N=21) which were conducted for BusinessLab students during the spring 2015. Also the BusinessLab students' self-reflection reports (2014-2015) were analyzed to understand students' experiences (N=44).

The findings of this case study emphasize the students' ability to select their way of studying and their personal responsibility of their own studies, as well as informality, and real-life cases. Also, there seems to be a pattern of students' experiencing their personal growth path from confusion to sense of control. Based on the students' customer experience, it can be said that BusinessLab way of working is creating perceived value for students. In order to apply the model for different students' learning needs, the situational flexibility, personal support and coaching is needed with the help of several other subject matter experts.

Key Words: Customer experience; Service process; Student-driven; Inquiry-based learning; Project-Based Learning; Higher education; University of Applied Sciences

## Table of Contents

### **1. Introduction of context**

1.1. The BusinessLab in brief

1.2. Pedagogical inspirations behind the BusinessLab

### **2. Theoretical discussions supporting “students as customers”**

2.1. Applying Service process principles to learning

2.2. Applying Customer Experience thinking to learning

### **3. Service design driven learning environment development**

3.1. The development journey

3.2. BusinessLab approach

3.2.1. Five element foundation of BusinessLab learning environment

3.2.2. Change in Curriculum management

3.2.3. Real-life projects combined with theory and reflection

### **4. Case study**

### **5. Findings**

5.1. Students customer experiences

5.2. Framework for developing student’s experiences

### **6. Conclusions**

### **References**

# 1. Introduction to BusinessLab context

In Finland, there's a dual system at higher education: Universities focusing on science and Universities of Applied Sciences ("university colleges") focusing on application and more towards working life. Laurea University of Applied Sciences (UAS) has been developing its bachelor of business management education towards student-centricity. The chapter describes the service process and BusinessLab learning environment as drivers of students' customer experiences.

After the continued hit by global recession of 2008 and budget cuts announced for higher education by Finnish Government in 2015, there's a growing need to be more innovative and efficient with the higher education. Harrington & Kearney (2011) noted earlier that it forces universities to create new forms of cooperation. In the near future, the business education of the Universities and Universities of Applied Sciences have increasing pressure to develop their activities closer in co-operation with working life. The learning environments are likely to look more like open offices rather than traditional class rooms. The teaching and learning activities will move out of the class rooms and students are provided with business contacts already during their studies.

For these challenges we have developed the learning environment at Lohja Campus of Laurea University of Applied Sciences. BusinessLab (Yrityslabra in Finnish) co-operates with local and regional organizations, in both private and public sectors. The business students at the BusinessLab conduct their studies in real-life development projects in which the students and professional co-develop solutions for partner organizations. Next we will shortly open up Laurea UAS and the BusinessLab.

## 1.1 The BusinessLab in brief

The BusinessLab living lab learning environment was founded in 2011. The students can apply to BusinessLab after the first year of basic studies, consisting mainly of lectures or virtual studies. In BusinessLab students conduct their studies in real-life projects, supported by the theoretical assignments. The project topics are based on the needs of the local companies, but the projects suitability and their learning goals for students are decided in cooperation with the teacher, students, and businesses. Students learn from peers, teachers, professionals at workplaces and other experts in the business networks by participating actively in meaningful interaction (Frank et al., 2003).

The frames for the learning environment are set by curriculum and the metrics set by Laurea's administration. The metrics include e.g. speed of graduation, drop-out rate, amount of credit points per year per student, employment rate after graduation, and cooperation between local & regional organizations.

BusinessLab was created partially to improve drop-out rates and to increase flexibility in studies fitting e.g. students who work during their studies. Besides student learning, BusinessLab makes it possible for the

university to develop cooperation with the local companies and public organizations (Kortelainen, Kytä & Laakkonen 2014).

The BusinessLab's foundation is supported by five separate elements which ensure the continuous operations of the learning environment. The five supporting elements of BusinessLab are informal physical environment, informal social environment, personal learning process, role of the teacher and project management system. (Kortelainen et al, 2014).

## 1.2 Pedagogical inspirations behind the BusinessLab

The learning environment and their ways of working are developed more and more by mimicking directly the working environment and their operating models. In this way, the students are prepared for "real-life" already during their studies. For decades, the claimed gap between theory and practice has caused the ideal of learning environments and practices to step towards working life. Learning theories emphasize the importance of the real-life experience and it's point of view.

The pedagogical theories which are blended behind the BusinessLab are inquiry-based learning, problem-based learning (PBL) and project based learning. Laurea has developed and is committed to applying Learning by Developing-model. All of these are founded in basic idea that the student's learning can be enriched with real-life problem or challenge, and some of them are encouraged to take the learning out of classroom to the field.

Learning by Developing (LbD) is an operating model developed in Laurea UAS. In the model, students connect with real-life development projects provided by external organizations. Finding projects are initiated by local companies, teachers or students themselves. Teachers confirm that the projects enable learning, e.g. customer satisfaction survey or service-design development project (Niinistö-Sivuranta, Ora-Hyytiäinen & Kortelainen, 2011). The seamless co-operation between students, teachers, and business partners is crucial in the LbD-model. LbD lays the foundation for students to build upon their skills and knowledge together with their peers, teachers, and business professionals (Raij, 2007).

The BusinessLab emphasizes the learning in real-life development projects which is an alternative approach to learning and teaching. The purpose is to provide students different practical problems which are related to the subjects of the business studies and provide students different stimulus. (Ahola, Kivelä & Nieminen 2005, 50; Boud & Grahame 2000, 31.) In the model the students are guided to learn more and research topics from which they can make conclusions. In this way, the students personal thinking, reflection and problem solving skills are supported, instead of teaching just the course content and methods. (Poikela & Poikela 2005, 14-15.) Project Based Learning and Problem Based Learning –theories were the design principles when the BusinessLab was founded, since often the projects are kicked off customer problem which student team starts to solve. (Hameri, A. P., & Heikkilä, J. (2002).

Problem based learning and model is built on inquiry-based learning and inquiry-based learning is based on the constructivist view of teaching. In our view, BusinessLab meets many elements of inquiry-based

learning, where students' interests are aroused and they are encouraged to find solutions, answers, explanations connected to the "research subject"/real-life development projects (Frank et al. 2003).

Problem-based learning emphasizes that the learning starts with student's own interests. Once the students themselves define what they need to know, they take more responsibility of their own learning (Barrows & Tamblyn, 1980). PBL encourages students to evaluate what they need to know and how facts acquired are related to problems at hand (Hmelo-Silver, 2004). Poikela (2003) defines PBL as a process where the learning starts with the real-life problems and situations. The students are guided to solve real-life problems with professionals instead of lectures which motivate and focus students with freedom and creativity (Hansen, 2006; Macdonald, 2004). Problem-based learning principles can be applied to business studies (Mauffette, Kandlbinder & Soucisse, 2004; Smith, 2005). Also Jollands, Jolly, and Molyneaux (2012) found that students are in need of ways of studying better suited for working life.

On basic academic proficiency, the students engaged in PBL outscore their traditionally educated peers (Geier et al, 2008). Boaler (1999) found that when studying math in two British secondary schools, the PBL students were equally capable of answering procedural questions (like formulas used) like in traditional schools but superior when answering applied and conceptual problems. Also, three times more PBL students passed the national exams compared to traditional school.

Licht (2014) in the article of "Controlled chaos: Project-Based Learning" comments that PBL is essential tool educators can use to teach critical thinking, communication, collaboration and creativity. According to Blumenfeld et al. (1991), the essence of project-based learning is that a question or problem serves to organize and drive activities; and these activities culminate in a final product that addresses the driving question (Blumenfeld et al. 1991). Larmer and Mergendoller (2010) define seven essentials for Project-Based Learning: (i) a need to know, (ii) a driving question, (iii) students voice and choice, (iv) 21st century skills, (v) inquiry and innovation, (vi) feedback and revision and (vii) a publicly presented product. Even if project based learning is harder to plan and messier to implement compared e.g. to textbooks, the authenticity in learning is important to increase student engagement and achievement (Behizadeh 2014). David (2008) suggests based on her project-based learning research overview "when fully realized, project-based learning can improve student learning". However the research underscores difficulty of implementation of it. The conditions must be in place, like strong school support, access to well-developed projects and collaborative culture for teachers and students.

Students carry the responsibility of the whole project where teacher's role is to facilitate the learning. (Abernathy & Obenchain, 2001; Barrows & Tamblyn, 1980). Students are not only memorizing the required information but they also need to apply it specific context, so deeper knowledge and skills can be acquired (Hallinger & Lu, 2011).

The foundation of the BusinessLab learning environment has been based on the principles of pragmatic educational philosophy, as described above. This continuous development is based on real action observations by teachers, sequential student interviews and the feedback from project partner organizations. Pragmatic approach emphasizes the importance of learners' experiences and interaction in the learning process (Dewey, 1984).

In learning, transferability of knowledge and skills is important. (Wang and Ellinger, 2011). Technological solutions and informal culture support knowledge sharing inside the organization. Since today the information is scattered, the model and service process has to enable different encounters and interaction with separate experts, them being teacher, peers, external partners and subject matter experts.

Student-centricity is one the key factors in Problem-Based Learning (Hansen, 2006). This means flexible and individualized learning processes where students have possibilities to develop their understanding by research and experiment (Poon, 2012). The freedom to choose goals and means in the projects shifts the responsibility to the student which enables them to reach the goals more easily (Cuthbert, 2001). Therefore, the model/service process has to enable the student's possibility affect the direction, speed and form of their studies.

If the learning environments are shifted partially to businesses, public organizations e.g. in hospitals, the creation of knowledge is no longer a job reserved just for the academics (Savin-Baden & Wilkie, 2004).

## 2. Theoretical discussions supporting “students as customers”

### 2.1 Applying service process principles to learning

Universities (of Applied Sciences) have to create service processes that better recognize the personalized learning needs and simultaneously combine the students and the working life. In the service process the organization

- university in this case - co-creates the services with their external partner organizations.

The service processes might be efficient but built only for internal purposes ignoring the customer experience of the students. In the business life, there are successful examples of developing both customer experience and efficient internal processes simultaneously. This does not always mean self-service. The student's customer experience has also other factors on top of physical environment, as described later.

When creating the service model, the organizations must define their aimed target state. Service model creation is built on the wanted service offering, wanted customers, financing and regulatory requirements and several other predefined decisions (Ala-Mutka & Talvela 2004; Tuulaniemi 2013).

Zomerdijk and Voss (2010) are building on Shiv and Plassmann (2008), and express the Customer Value Proposition as followed: the Customer Value Proposition is seen as the sum of the value arising from the experience, the service attributes, and the price. In the experience-centric services the experience value must be higher than service attributes plus price.

Zomerdijk and Voss (2010) also define five experiential design areas for customer experience based on drama metaphor. On “backstage” there's back-office support, on “frontstage” there's physical environment, service employees and service delivery process and in “auditorium” there are also fellow customers.

Morelli (2009) writes that service encounter has evolved from Solomon et al (1985) dyadic interaction between two actors to Sangiorgi's (2004) complex service encounter interaction framework including human, behavioral, mechanical and institutional factors. Sangiorgi's model includes subjects, objects (goals), artefacts (tools, competences and information), communities, rules (implicit and explicit) and division of labour between actors.

## **2.2 Applying Customer Experience thinking to learning**

Based on the post-2008 financial turmoil, it seems that in the near future and in a more competitive environment, the learning environment and application method based on numerous pedagogical theories might not be enough. The universities (of applied sciences) may have to build their operative models closer to current business way of working, where the core of the development work lies on customer-centricity, customer experience and service design thinking.

In this chapter we want to emphasize the importance of student's customer experience and customer-driven development as possibility to leverage student's learning.

Great customer experience can be defined e.g. reflecting customer's identity, setting and meeting expectations, being effortless and stress free, indulging the senses and considering emotions, being socially engaging and putting customer in control (Watkinson, 2013).

Building students' customer experiences during whole studies will be more important in the Universities (of applied sciences). Therefore, the universities must be aware of what kind of customer experiences their service processes produce and how they can be developed.

Löytänä & Korteso (2011) define how customer experience is a summarized perception of customer's expectations, emotions and interactions between customer and service provider. Therefore, it can be defined as customer experience, not absolute truth about the service provider. Customer experience will affect the customer's actions in the future and sharing of the emotions to others. Customer experience is affected by customer's state of mind, emotions, unconscious messages and many other factors. Due to these factors, service provider cannot fully control the customer's experiences, even if wanted (Löytänä & Korteso 2011; Pitkänen 2006; Selin & Selin 2013).

Leading customer experiences is essential part of service provider's attempt to create positive customer experiences. Often, the provided positive customer experiences correlate with the profits in the long term, Customers want to have positive, unique, memorable and valuable experiences which can be achieved by systematic leading of customer experiences (Löytänä & Korteso 2011; Tuulaniemi 2013).

Sandström et al (2008) concentrates on modeling how functional and emotional value proposition is linked to total service experience and service in use through the individual and situational filters.

Looking customer experience from information searching point of view, Kuhlthau (2004) is describing the model for information search process, and the related feelings, thoughts and actions. The model describes the phases of information search and the related changes in feelings. The feelings evolve from uncertainty

via confusion and frustration towards sense of direction, satisfaction and sense of accomplishments. Also the thoughts develop from vague to focused and interested. Many of these elements, phases and sequence can be found in the students' customer experiences as well.

## 3. Service design driven learning environment development

### 3.1 The development journey

In order to change the service process of teaching and learning, we must understand the student's customer experiences. Even if in Finland the education is free for students, the BusinessLab model recognizes the students as customers and university of applied sciences as an organization with purpose to produce high quality learning for students. We define high quality learning of business students as providing "the needed competence and skills by working life". The success can be measured e.g. by the employment rates.

We have applied the following service design principles. The development must be user-centered, co-creative, sequencing, evidencing and holistic. (Schneider, J. & Stickdorn, M., 2010)

From BusinessLab point of view, the student's customer experience is relevant for learning. Customer experience does not always mean satisfied customer but rather meaningful experiences which are explicit to customer. This means that service provider, in this case teacher, must acknowledge the purpose of experiences produced in customer's life. Part of BusinessLab's customer experiences might cause students even negative emotions which they retrospectively understand being necessary and increased learning significantly. Examples of these are 5-15 page theory reports with foreign scientific articles as sources, following the academic standards. First reports are typically considered very difficult and demanding but students acknowledge that studies proceed with every report, amount of effort needed for final thesis decreases. Also students learn the use of theoretical frameworks independently. This does not decrease negative customer experience but it is known to help graduation and reduce percentage of drop-outs.

### 3.2 BusinessLab approach

#### 3.2.1 Five elements as foundation of BusinessLab learning environment

Behind the service process change there has been the change of learning environment towards more customer-centric and supporting positive customer experiences. The BusinessLab learning environment is founded on the five elements (Figure 1). The five elements are informal physical environment, informal social environment, personal learning process, role of the teacher and project management system methods and tools (Kortelainen et al, 2014). These elements support learning and create foundation for creating customer experience for students.

Similarly like using any other services, the customer's own thoughts, attitude and presence affect the service experience, not only the customer service provider. In practice, the purpose is to find out customer's needs, search best possible matching solution, and guide customer based on one's needs. (Arantola & Simonen 2009, 2-3; Kalliomäki 2014, 165-166; Ojanen 2013, 81-83.)



Figure 1: Five elements as foundation of BusinessLab learning environment. Adapted from Kortelainen, Kyttä, Laakkonen, 2014)

The physical environment has a link to innovativeness (Senoo, Magnier-Watanabe & Salmador, 2007). Informal physical environment means that learning is took off the classroom to totally new environment. In BusinessLab's case it means modern, startup open office –type of environment with coffee lounge and casual colourful furniture. The purpose of the environment is to break the idea of school/classroom and provide creative space. Environment can support innovations (Oksanen & Ståhle, 2013).

Informal social environment is supported but not created only by the informal physical environment. Most important element is equality of actors: students, teachers and other experts working in the projects. Equality is visible on recognizing and embracing the competence and expertise, not hierarchical position or titles. Teachers in principle do not enjoy status but their appreciation is based on useful knowledge, methodologies and coaching. Sharing this competence is the key for creating informal social environment.

Personalized learning process (PLP) is started at the moment of entering the BusinessLab and ended in graduation. Personalization means taking into consideration speed, effort and the career aspirations of the students. PLP is based on curriculum but gives students relatively lot of freedom to build their wanted expertise in business domain. It is important to notice than when own area of focus and expertise is found, the students often want to build much deeper knowledge on the subject compared to teachers. This leads to requirement to use external business networks and professionals who can provide students possibilities to develop their expertise. The official, documented discussions are held once per semester, informally the process in ongoing.

Role of the teacher has been changed from teacher to coach. Teacher's task is to help students find their own paths to expertise and challenge them to go further than they might have gone alone. Teacher must be able to challenge students to find knowledge and expertise from wider circles than inside the school only. At the same time teacher often forces gently the students out of their comfort zones to develop further. Teacher is not only for support, but also like a sports coach, hungry for individual's performance improvement after each "drill", whether talking about real-life development projects or theory reports.

For success of the learning environment also the tools and methods play important role. They help in learning process and support the working in the projects. For students these tools and methods bring order to often chaotic world of development projects. The students are guided with several IT tools and development methods (e.g. waterfall, agile and service design) with some mandatory ways of working and routines.

### 3.2.2 Change in Curriculum Management

The BusinessLab approach has been described in earlier chapter as flexible and supporting the student's own choices. In this chapter we focus on curriculum point of view. The curriculum lays out the framework on which the student's skills and competence are built towards the expertise. The purpose of the curriculum in this context is to guide the direction forward while giving students possibility to find their own way to proceed towards the goal. The objective of the model is actually take students further than the curriculum requires. The students are continuously challenged and supported to go deeper in the knowledge acquisition than required in the curriculum. In practice this means that students won't need to be excellent in all themes of the curriculum but they can make choices where they focus on selected theme(s) and put less effort on other themes.

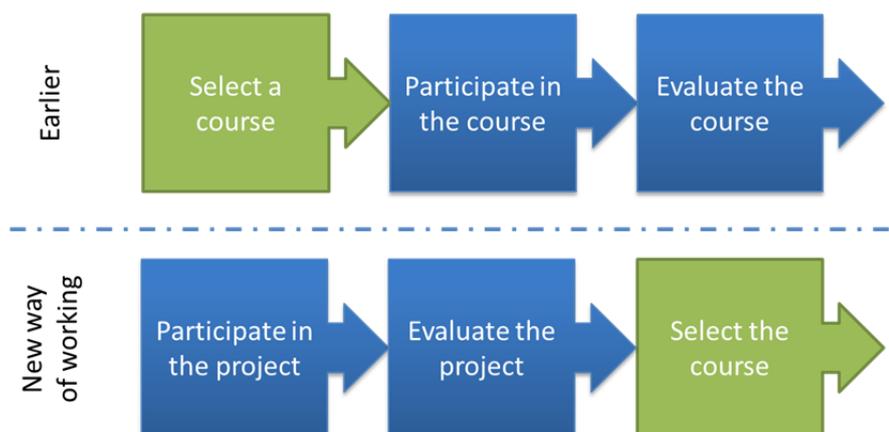


Figure 2: Change in curriculum management

The application of the curriculum to practice has been radically changed, basically reversed (Figure 2). Earlier the students selected courses from curriculum in order, participated and got evaluations based on the set objectives. The content, the knowledge acquired and the methodologies were defined by teacher's personal competence and interests.

In the BusinessLab's approach to curriculum the students set personal objectives, choose supporting projects and implement the real-life projects together with external customers, other students and coaching teacher. After the completion of the project each student evaluates what has been learned and how much effort was used for learning. After this, the students and the teacher hold a personal evaluation dialogue where the projects (and supporting theory reports and reflection reports) are placed in the modules of the curriculum. Students reflect their own learning, get feedback from peers, customer and teacher and therefore are gaining individual competences in varying depth and order along their studies.

Officially the progress and the next phases are checked in individual development discussions once per semester. The focus is in the learning and progress of previous semester and the competence development planning of the following semester and rest of the studies. Informally, the guidance is

continuous and e.g. new projects can be started almost every week by matching the projects in backlog and students with interest and time available.

### 3.2.3 Real-life projects combined with theory and reflection

We have 4 steps (i) Orientation, (ii) Theory report, (iii) Real-life development project with the external company and (iv) Reflection, as seen in Figure 3.

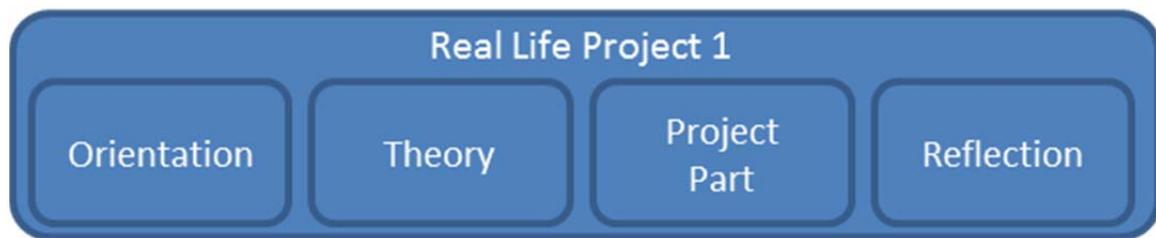


Figure 3: Structure of real-life projects

Real-life development projects are aiming to increase student's skills and knowledge. Competence development and study modules are based on more holistic view on competence. Students must understand also the theoretical background and context aside the practicalities of the business life.

From students point of view the courses are completed with the following approach. At the beginning of the project, there's an orientation assignment where student are evaluating their current knowledge levels and their learning objectives. After this the students prepare a theory report related to the topic, using academic sources and reporting standards. Occasionally, the theory report is written after the real-life development project. The purpose of the theory report is to familiarize the students with theoretical frameworks, information acquisition, analysis, synthesis and utilization of information in the projects. After the theory assignment, the students implement the real-life development project with external customers, either alone or in teams. Projects are evaluated based on the deliveries, effort and the learning acquired. Therefore, different students might get different evaluations and credit point for the same project. Student may act in various roles in the projects, so the project sizes and efforts may also vary significantly. At the end of the project, the evaluation is compiled from student, peers at the project team, external customer and the coaching teacher. At the end, student writes the reflection assignment, where personal skills, knowledge and competence development is explicated.

## 4. Case study

In this case study, the described students' customer experience created by service process has been part of the continuous development of the BusinessLab. The findings indicate that the students' customer experience is relevant topic which students anyhow evaluate during their studies more than Universities (of applied sciences) can utilize.

The BusinessLab at Lohja Campus of Laurea UAS has been radically changed the students learning paths towards the customer service process. This new service process gives more opportunities to affect personalized studies and also empower the students. Earlier, the students selected a course whose content, credit points and learning targets were set by teachers. In the BusinessLab this model has been inverted, so student chooses learning project (real-life development project) and implements it. After the project, students reflect their learning and efforts and give grades for themselves and the team members (before receiving feedback by customer and teacher). This new model emphasizes the personal learning of students, simultaneously evaluated how many credit points was the learning worth and how successful was the project for the external customer. After the evaluation, the students' deliveries are matched with curriculum requirements. In this approach, earlier teacher-centric model has been converted to student-centric learning process, where teacher's role is to be supporter and service provider. The BusinessLab has transformed its teacher-centric activities to service process in which the student is the customer.

The findings are based on four separate group interviews (N=21) which were conducted for BusinessLab students during the spring 2015. Thematic interviews were conducted in groups where the students interviewed were (i) currently studying Finnish students, (ii) European and Asian exchange students and (iii) graduated alumni of the BusinessLab. The groups consisted of four to ten students. Thematic interviews on the students' customer experience were evaluated by the following themes: perception of the activities before the studies, expectations before the studies, experiences on learning at BusinessLab learning environment and interaction with separate parties (external customers, students, peer students, exchange students).

Also the BusinessLab students' self-reflection reports (2014-2015) were analyzed to deeper understand students' experiences after different real-life development projects (N=44). These reports were supporting the findings from the interviews, descriptions of the learning experiences and general feeling that they can apply the knowledge acquired after their graduation to the working life. The material was analyzed and the findings were cross-checked with the results from the interviews. Reflection reports did not show directly the main points of the BusinessLab approach but they described the students' customer experience in more generic level. The students' customer experiences were similar for both Finnish and exchange students.

## 5. Findings

### 5.1 Students customer experience

The BusinessLab service process is built on the five elements. These elements create foundation for students' learning process. The learning is based on project-based learning complemented with the theory assignments. While examining the BusinessLab operations, the students' growth and the competence development seemed to follow similar paths creating similar experiences. Exchange students' customer experience was similar to Finnish students, even if they only study one semester compared to typical Finnish students with 1-2 years of studies at the BusinessLab.

At first exposure to BusinessLab, the students' experience often uncertainty. Feeling might be strong, since the physical environment is different from the familiar classrooms, teachers behave differently and students are immediately put in charge of their projects and own learning. Some students felt lost and had difficulties in asking support (which is not so much pushed, in order to ignite the need and urge to manage themselves). Relatively quickly students grew to the readiness to accept new challenges related to the real-life development projects and theory assignments. Readiness to accept new challenges was the consequence of the feeling that teachers trust students enhancing their self-confidence. In the next phase self-confidence has increased, the students were given ever more challenging assignments creating virtuous circle. Once the level of requirements increased, the sense of ownership of the projects, responsibility of own studies, and even willingness to help others grew significantly. The students felt that the responsibility of projects and deliverables was laying on them. The students also took responsibility of their own studies and developing their competence in a way that they voluntarily searched for new information and experts outside of the school. By taking on challenging projects and responsibilities they grew towards the sense of control. In the students customer experience the sense of control was visible on ability and willingness to support other students in expert role, sharing the knowledge acquired. The sense of control was also significant benefit in job hunting and pursuing the wanted careers after the graduation. The sense of control is great for graduates but naturally the feeling must be based on competence, not on unrealistic assumptions of own capabilities. The real-life development projects set the realistic requirements and measurement for evaluating own skills, competence and expertise.

Exchange students gave the following feedback on the BusinessLab:

*"It was totally different, more innovative with interesting classes. It felt home-like, great place to work with good physical and spiritual atmosphere. There were good equipment and materials, many possibilities to work with new ideas and companies, free expression of ideas and constructive, supportive feedback".*

On development side the exchange students commented:

*"Since our style is different at home universities, more guidance would be needed before starting the theory reports, like examples & expectations. Also the introduction to study management systems in use was suggested. Some customers' expectations were not clear, and*

*their English skills were not sufficient, so we need more international projects. Maybe less and bigger projects. At the beginning, it was very hectic Better introduction to customer projects needed (expectation of customer) and project way of working needed (hours needed, etc)".*

On the project way of working they commented:

*"It is the best way of learning, you learn more practical, real-life stuff. Some said, it was interesting, he was not used to this style. We are not doing this for teachers but directly for the customers, and it's useful for them as well. I would like to have something like this for my home university. Feedback on experts was great, want more like that"* (Writer's note: we had industrial designer for a day and financing expert via Skype giving feedback to students' projects).

On the learning outcomes the exchange students described:

*"It was more practical than earlier. We learned how to cooperate with colleagues and customers and more soft skills as well. Visiting companies was great. The studying was self-directed, rather than following the courses".*

On the pedagogical style from students' point of view they commented:

*"Great! You were not teaching, like traditionally in lectures. Always supported by someone when asked, however, sometimes more direct support needed. From staff (3 people) you could ask anything, get a quick reply".*

We asked also directly in the group interview: "Have you got enough support from the coaches at the BusinessLab?" One exchange student commented:

*"Yes. You're often here available and we also have your phone, email, Facebook messenger & WhatsApp to contact you – what else could you possibly offer more?"*

All exchange students were ready to recommend the BusinessLab studies for next students in their schools.

The interviews revealed that at the beginning the service process is unclear and causes uncertainty on how to proceed with the studies. Some even describe it as anxiety and unawareness makes it hard to get started. Once the students get started and familiarize with the way of working, they gain self-confidence and readiness to take on new, more demanding challenges. As students' customer experience, they feel they gain confidence and bravery to try the projects that earlier felt impossible. Along the studies, the students take more responsibility and start to feel the sense of control. Part of the students' customer experience is negative at start but the students seem to trust the operating model and related service process. The negative feelings are related especially to the situations where the briefs from teachers or external customers are ambiguous or students' have to work more than initially expected. Especially challenging for students' customer experience has been writing of the theory reports. After few completed theory reports and development feedback from teachers the students start to feel that they have learned

something useful. They have a feeling that they can utilize the experience in their thesis-work later and even in working life.

## **Framework for developing student's experiences**

The findings of the case study suggest that the students are most satisfied BusinessLab's informal atmosphere, freedom to build personal learning path and motivating way of working. The main development needs included the induction guide for new BusinessLab students, amount of coaching time and collaboration with other departments.

The findings suggest that the most important development point was quality and amount of coaching related to the students' needs. This could potentially effect on the potential applicants in the future. The motivation of students, personal learning path, project-CV (curriculum vitae), informal atmosphere and collaborative spirit could be seen as successes of the BusinessLab.

The core idea of the BusinessLab is that students can develop their selected area of expertise holistically by choosing projects. Students appreciate the freedom of choice and voluntary participation (up to certain level) because in that way they can steer the learning towards their own objectives. The teachers' multifaceted business background and their networks ensure that students can get coaching and support from several points of view.

The students have a possibility to create personal project-CV to be part of actual CV. The purpose of the project-CV is to demonstrate future employers the student's interests, competence level, and contents of the projects. These can be directly matching the requirements on employer's job descriptions and –ads. The students have experienced the project-CV as very valuable tool in their job application processes.

The relationship between students and coaching teachers is based on equality. No-one is raised above other based on status or title, or any other trait or quality. Everyone can be a valuable contributor and every opinion counts. Coaching teachers' appearance, outfit, personality and attitude are factors contributing to the open, relaxed, collaborative and development driven way of working. In some cases, the students are the best experts in their own projects, the teachers acknowledge that and if well-grounded, students can strongly steer their own project work. Teachers listen to students' opinions, interest areas and suggestions openly and seriously. In BusinessLab there's open expression of opinions and they should be not suppressed by anyone. Open and warm atmosphere is one of the key success factors of BusinessLab. This supports project teams and everyone's competence can be utilized. These elements and factors contribute the collaborative way of working for the common good where everyone has a possibility to grow and shine.

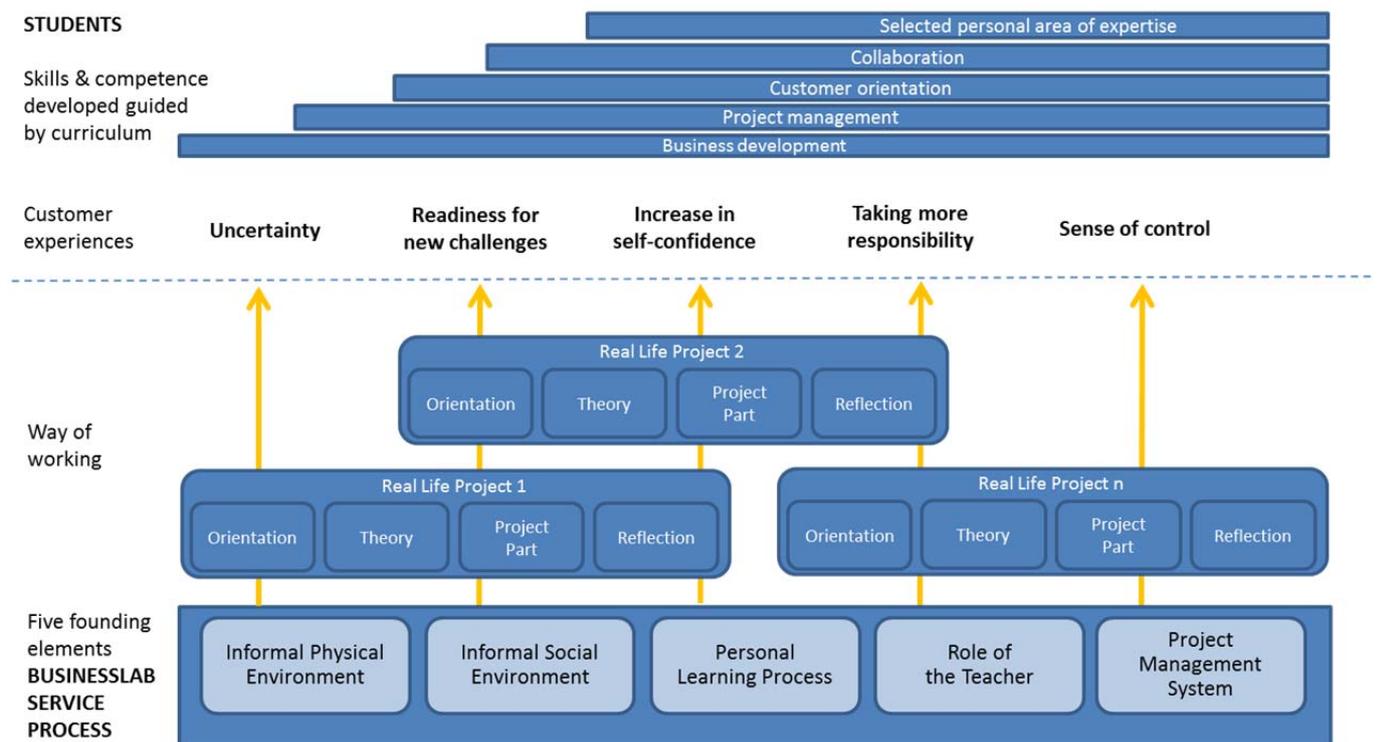


Figure 4. Illustration of the BusinessLab 5 elements and service process delivering students' customer experience

The BusinessLab service process, the 5 element foundation and the way of working, create students customer experiences and contribute to skills&competence development, as illustrated in figure 4).

## 6 Conclusions

Our case study is the initial attempt to encourage discussion on viewing Students as Customers in the higher education.

In this chapter we have described a student-driven, project based way of working at the BusinessLab learning environment of Lohja Campus at Laurea University of Applied Sciences (UAS) and it's bachelor of business management education. Students were treated and viewed as customers. We described the service process and BusinessLab environment element as drivers of students' customer experiences.

In the BusinessLab the students accomplish most of their studies in real-life business projects. The students' theory assignments are driven by their own interests within the curriculum. The BusinessLab practices are assessed as a service process on which the students are viewed as customers whose experience is crucial in developing their competences to match the requirements of their future employees. The results are based on four separate team interviews of BusinessLab students during the spring 2015.

The findings of this case study emphasize the students' ability to select the way of studying and their personal responsibility of their own studies as well as informality and real-life cases. In addition, there

seems to be a pattern how students' experience the personal growth path from confusion to sense of control. Based on the students' customer experience, it can be said that BusinessLab way of working is creating perceived value for students. In order to apply the model for different students' learning needs, situational flexibility, personal support and coaching is needed with help of several other subject matter experts.

By changing the approach and developing the service process the BusinessLab of Laurea UAS has managed to create more student-centered operating model. The new operating model is based on the five founding elements. In the new operating model the core idea is to concentrate first on learning and only then on placing the credit points on the curriculum framework. The improved student's customer experience can lead to increased reputation regionally and increased number of high quality candidates for the following years.

For further studies we suggest the comparison of current students at BusinessLab & Living labs and other types of learning environments, including traditional classroom and virtual studies. In addition, the comparative study of the alumni after few years of employment, their employment rates and conditions would be beneficial to make wider conclusion and recommendations at more general level.

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