This chapter discusses the process that the three organisations studied followed, to have a successful CRM practice in place. The companies studied had varying requirements, objectives and utility for CRM. The study discusses keeping the theoretical structure in mind, how they behaved, in a typical business environment.

6.1 KEY DRIVERS FOR CRM IMPLEMENTATION

CRM is fast becoming a priority due to the economic, technological and social forces that have driven customer relationship to become the centre of all business models. Today every company is looking at garnering loyalty from customers to create a differentiation. With a unique approach, marketing teams can provide a unique buying experience that caters straight to the specifics of customer preference, based on data gathered and analysed by an effective CRM strategy. This is a significant driver for having a CRM system in place.

Corp 1 and Corp 2 needed a system that would help meet the needs of geographical expansion plans and thus customer diversity, on one platform. Corp 1, being an established player in its vertical, was driven by the need for a global database access for customer details to help their sales teams offer services that were customised to customer specific needs. This would give them a clearer view of
customer preferences and enable better selling strategies. Another reason was that they needed a metric to establish performance measurement guideline for all the customer functions and use this framework to set appropriate goals as driven by the generic need for having a good CRM system in place – since the industry as a whole was taking to CRM, it would make them uncompetitive to not have it. Corp 2 would also need to use CRM for the same purpose - to enhance revenues, add to top lines and streamline resources for customer needs. They wanted to add to revenues by farming on existing accounts as well as building on the customer relationships that have existed over several years. The CRM implementation would help in enhancing the relationship with the current customers and acquiring new customers by providing better-customised services. Another important motivating factor was their geographical expansion, for which they needed a real time database and communication system with customers globally. The united front they will present to the customer activities and requirements will also enhance the company's market standing.

Corp 3 took up CRM as the result of an exercise – a project that was launched to create a customer focused strategy, which emerged after a market analysis conducted on software services market and its competition. This decision to focus its efforts on strengthening its connection with customers drove their CRM implementation. Here this decision was driven by Top Management since they had previous experience in CRM and had experienced its benefits in creating great relationships with customers. As a new entrant in the market, Corp 3 needed to add more functionality to their sales expertise to outdo competition. So, for them CRM was a tool that provided a better understanding of its customers and therefore aimed to fulfil their needs with customised strategy and solutions.

All three companies had one common motivator - the desire to stay ahead of competition, whether in local or global markets. Retaining and attracting newer customers is the major objective for most businesses today. Rosenberg and Czepiel (1984) maintains that the cost of acquiring a new customer is about five times the
cost of retaining an existing customer, if the relationship marketing system and principles are used effectively. Reichheld and Sasser (1990) also supported this theory when they claimed that a company can almost double profits if they are able to successfully retain just 5 per cent of their customers.

6.2 CHOICE OF A CRM SYSTEM

While choosing a CRM system, the biggest decision influencer is its fit to the company's business processes. Various issues crop up when companies implement CRM systems that do not fit their current business process. This very often, is not very easy since each company operates differently; there cannot be a 'one size fits all' CRM system choice. If the choice of CRM is not good, it very frequently encourages them to change their processes to fit the CRM system, resulting in low adoption and low success rates. Organisations therefore need to ensure that only a CRM system that can be tailored based on the business needs and processes should be selected. Increasingly, IT companies are looking at reducing the burden on their existing IT systems and this has encouraged the technologies of hosted CRM in recent years as a response to this need. Table 6.1 summarises the criterion the three companies had before they chose their CRM system.

Corp 1 did not have a pleasant experience with their earlier attempt at implementing a CRM system, so this time around they chose Hosted CRM over Installed CRM due to better monitoring capabilities and abilities of global access. The suggestion from Gitomer (2001) was taken into account by Corp 1, when he said that Hosted CRM was best suited for companies that had aggressive sales target and growth plans. Corp 2 and Corp 3 chose Installed CRM for different reasons. Corp 2, which was established in the year 2000 had a huge legacy system and the IT department assessed that Hosted CRM may not be able to support all of their in-house applications. So Installed CRM was the way forward for them. Being a new organisation, Corp 3 chose Installed CRM due to cost constraint and also the simplicity of their CRM requirement.
Advancements in networking in technology have added another offering to the CRM options - the service provided by ASP i.e. 'pay-as-you-go' model. This model is available for both hosted and installed CRM. Only Corp 1 preferred this model as they could not put a figure to the number of end-users it would have at one given point, due to high attrition rate and at the same time, wanted to be risk averse in using their budget. The above strategy is again in line with the suggestion made by Gitomer (2001), where he points out that they pay-as-you-go model makes...
financial sense for companies with limited financial and human resources. Corp 2's choice of an installed system was driven by the fact that they had a legacy IT system in place. To counter any incompatibility issues and with the liberty of having large budget, it was wiser for them not to choose 'pay-as-you-go' service, but to go with an Installed CRM system. Corp 3 did not need as much CRM capability since their team size was not too big, so it would not be a requirement, hence did not opt for the 'pay-as-you-go' model.

From the above table (6.1), it is evident that CRM capability and vendor's training support is crucial for the success of CRM. All the three companies agreed that when choosing their CRM Vendor, the vendor needed to have good CRM capabilities in terms of knowledge on technology, functionality and also user experience. In the literature review, we read a recommendation by Bose (2002), to select a vendor who is experienced in aiding project execution as well as provide technical support. The other requirement was to provide training support to the staff and that is considered as one of the success factors by Eid (2007) and Mankoff (2001) for a successful CRM implementation.

Corp 1 and Corp 2 also placed integration capabilities with ERP as one of the requirements for the right vendor. While Corp 1 did not have to choose a CRM vendor who provided them their ERP, Corp 2 chose to procure their CRM from their ERP vendor, to eliminate integration issues between the ERP and CRM, as they foresaw compatibility issues and complexity in the integration process if they identified a different vendor's CRM system. Choosing the same vendor for CRM as their ERP vendor is supported by Castro (2002), who opines that the concept of a single ERP- CRM vendor is attractive, since this integration can help enhance operational effectiveness.

Some of the common elements that the three companies were looking in a CRM system were - features such as contact management, sales tracking and reporting, contract management and ease of use. All the three companies had their Top
Management commitment in place and as for all IT expenditures, the budget allotment was decided based on their revenue size and financial plans, as also their business objectives. Hence Corp 1 and Corp 3 had lower budgets when compared to Corp 2. Both Corp 1 and Corp 3 selected an Integrated suite of CRM while Corp 2 preferred the best-of-breed CRM system. Corp 2 had a large legacy system which needed to be unified and then integrated with the rest of their Business Suite. One of their requirements was a CRM system that would support their in-house applications so they chose to go with a best-of-breed CRM. This is in line with Krause's (2002) guidelines for making a CRM decision, pointing out that companies should go with best-of-breed CRM software if their priority is to unify large ordering system and have specialised needs.

It is evident from the above discussion that a wide variety of flexible and customisable CRM suites are available in the market and organisations need to evaluate which one best fits into their business process as well as their budget. The best fit will, obviously be the one which is agreeable to their IT system and human resource capability and these are also things that have to be kept in mind before deciding on a CRM system and vendor.

6.3 CRM IMPLEMENTATION

Pre-Implementation Phase: The purpose of considering a pre-implementation phase for CRM is to avoid a situation that could give rise to irrational decisions by organisations about adopting approaches and systems that are not compatible to their capabilities. The lack of a preparatory pre-implementation stage has resulted in limiting the success of a significant number of CRM projects and in some cases it led to the failure of other projects. For any organisation, CRM implementation should start with an assessment step before involving in implementing the project (Payne and Frow, 2005). The pre-implementation phase consists of the following constructs or components:

- Top Management commitment
- Readiness assessment
Strategy development

These components have been investigated through the case studies of companies. The sequence, organising and feasibility of these components will be discussed below, based on the data collected in the previous chapter.

Top Management commitment and support to the CRM project is considered the most important component of the pre-implementation phase as well as a crucial success factor for CRM implementation. This is the first step in implementing CRM and should be considered as a priority in terms of readiness assessment. The data analysis of the three companies spoken to provided sufficient support for the importance of the commitment and support by Top Management and it also underlined its status in the implementation process sequence. Evidence from the three companies helped to kick-start the implementation process by championing support for CRM as a strategic decision. In the case of Corp 1, the CRM project was proposed by Top Management after the failure of the first CRM implementation. The idea of implementing CRM was presented by the Director of Sales of the company and thereafter the CRM committee was established and headed by the CEO of the company. In the case of Corp 2, Top Management commitment was the first step in the implementation process. The extent of Top Management involvement in this implementation was displayed by their support in terms of budget and resource allocation and overall involvement in each step of the process. Corp 3 had an advantage here – since they incorporated their intent for having a CRM into their start-up infrastructure, all the requirements of a pre-implementation phase were taken care of at this stage. Even the changes in organisational structure and training programs were included in the incubation business plan and there was no need for any kind of re-structuring.

The readiness assessment phase aims to evaluate the resources, organisational and technology capabilities of the company. Such an evaluation should be conducted based on the strength of the company's commitment to implementing CRM and the
specified requirements of the CRM project. All the three case companies provided sufficient support to conducting readiness assessment with variation of the scope of the assessment and its objectives. Corp 1 put a significant emphasis on assessing its readiness for implementing CRM since they believed that the lack of such assessment was the main cause for the failure of its previous CRM implementation. Hence, the company made the scope of assessment totally holistic and ensured it covered different aspects of the company. Based on the market situation and requirement, a strategy that focused on customers' needs by providing creative and proactive services, was developed. For Corp 2, the focus of all communication was to provide integrated services to clients, making Corp 2 a good choice for a preferred partner to their growth, across technology horizontals. For this company, a CRM application would be an important tool for operating in an increasingly competitive market. Corp 3 was established with very clear business objectives in mind and having CRM as a part of their strategy was already in the business plan. Their earliest preparation for doing this was embedded in the blueprint of the company. Since it was starting from ground zero, their IT infrastructure, organisational structure and training programs were all included in the incubation business plan and there was no need for any kind of re-structuring. Their business strategy, right from inception, included a customer centric approach. So their pre-implementation phase had strong foundations.

Developing CRM strategy and aligning it with the company's general business strategy was supported by the evidence provided by the three case companies. The only variations were in the strategy scope, its development and objectives. Corp 1 developed the CRM strategy as a part of the general strategy that aims to be customer-centric. In addition, the company aimed to cover two important components in the planning stage - structural and information technology. On the other hand, Corp 2 focused its CRM strategy to be a tool to face the competition in the market through enhancing customer relationships. The company's general strategy had already identified the guidelines for the CRM implementation. However, the development of the CRM strategy was emphasised as a pre-
implementation aspect of CRM project. Corp 3 has a very clear vision in targeting their customers. They focus on just one niche industry vertical where they specialise, with the objective of being able to provide high quality service in the selected market space. Though there is no blueprint of their CRM strategy, the intent and the plan is well communicated to the employees of the organisation.

**Implementation Phase:** As different types and sized companies may have different approaches to implement CRM projects, the investigation considered the variation among organisations and allowed flexibility for different approaches based on organisations' motivations, scale, type and resources. Therefore, as a contribution, this research discussed the types of CRM implementation as holistic (general or one chunk) versus smaller (partial or gradual). Evidence from two out of the three case study companies supported the plan of implementing their CRM projects in modules - smaller projects implementations in a planned time framework. Only Corp 3 opted for a one time implementation as it required a cost effective simple CRM system.

Corp 1 implemented its CRM project by putting in place smaller sub-projects that are executed by owner departments of the company, under the supervision of the CRM committee consisting of the Top Management. These smaller CRM projects are implemented and integrated with each other through the help of a shared service department to ensure that the general strategic objectives as well as the objectives of the CRM strategy are met. Another lesson learned by the company's implementation was that hosted CRM system worked best for access from any part of the globe, so branches of the company located at different geographies could target different markets of the world, by using the CRM system and easily access customer data.

On the other hand, Corp 2 focused its implementation process on achieving its CRM objectives to enhance the relationship with customers through strengthening marketing activities, especially customer segmentation. Therefore, the company
implemented its CRM project by dividing it into smaller projects that were applied to its services. They could, thus gain more knowledge about customers' segments and apply better customer centric strategies to those segments through its services and products. A lesson that was learned from Corp 2's implementation is that CRM needs to be focused on providing support to company's activities that are interacting with customers. This approach does not contradict the strategic nature of CRM but it gives priority to organisations' sales and customer centric activities and teams that have direct interaction with customers. Departmental integration was the most important issue during the redesigning of the organisational structure. The ERP project, which was fully implemented by then, played a major role in connecting the different departments and units of the company. It provided connection, collaboration and information to decision-makers all around the company and the design of the new company's structure also created channels of communication between the different parts of the company. However, since there were a number of new initiatives in infancy stages, close monitoring for efficacy of the changes in the organisational structure was required, even though promising results were expected. Corp 3, being a new entrant into the market, focused on implementing a CRM system with the objective to acquire new customers. At this time, the company was mainly in need of contact management as the main feature in its CRM system. They opted for a one time full scale implementation, since this would be a simple scale CRM system, but this decision was also driven by the cost factor.

The point to be noted is that, CRM system is a crucial factor for the success of any sized organisation. CRM systems can be customised to fit into any kind of requirements, be it in terms of features, cost or scale. In the pre- implementation stage, all the three companies' activities were focused on readiness assessment. To ensure the readiness of the organisation for the implementation, factors such as type of CRM systems (analytical, operational and collaborative), back-office and front-office requirements, software systems and knowledge management need to be discussed and planned in detail as described by Boon et al. (2002), Shang and
Ko (2006) and Ocker and Mudambi (2002). As suggested by Crocket and Reed (2003), for a successful CRM implementation to be able to provide competitive advantage, the company's management has to study industry's best practices, understand how CRM fits into the context of the general business strategy of the company, assess current CRM capabilities, find a good reason why to implement CRM and create and execute a plan.

From this research of the three companies, Corp 1, with its previous experience of a failed implementation, had all points in place and then went ahead with the planned implementation. Corp 2's implementation plans were driven by the market need so they followed the necessary stages while Corp 3 did not need an external reason for why they should implement CRM. So, they only needed to understand how CRM fits into the context of the general business strategy of the company and even created the strategy along CRM and then executed the plan. Following these observations, it is safe to conclude that the implementation phase is the most significant in the company's decision to go ahead with a CRM system; it encompasses the entire nine-yards of readiness assessment, matching capability to market demands and getting the people and process to change as per requirement. Most companies go at least three fourths of the way to ensure it is a success. It could be done in smaller modules as our case studies companies did, or as a whole if the implementation is on a smaller scale, but the readiness assessment is what makes the difference.

6.4 INTEGRATION OF ERP AND CRM

CRM and ERP applications are very powerful and necessary tools in today's business world. CRM and ERP integration adds significant capabilities that can lower operations cost while enabling increased data accuracy, employee productivity, customer satisfaction and revenue growth. Like all organisations, IT companies are supported by various diverse functions such as sales, marketing, human resources, finance, operations, quality and service delivery (software development department). There is a strong strategic need for all the functions to
be integrated on a single platform, so they can coordinate and collaborate to deliver quality service to customers. From the collected data, it is evident that the need for an integrated ERP and CRM is largely business driven.

While it made sense for Corp 1 and Corp 2 to integrate their CRM with ERP, Corp 3 did not prefer integration. Their reasons for not opting for integration at this stage were compelling enough. They had limited, unprepared infrastructure and assessed integration as not a priority for the current company operation conditions. For Corp 1, integration of ERP and CRM made business sense, since it helped streamline all business operations, ensuring accountability across all departments for customer retention and loyalty. Corp 2 also chose their ERP vendors’ CRM system offering. This helped not only in cost options but also leveraged the maintenance support and other benefits that come from an existing successful business relationship. Their advantage also confirms to Krause's (2002) idea that the same vendor for ERP and CRM can help tackle the companies' main driver of competition (efficiency), but also because ERP vendors are a 'safe' alternative at a potential lower cost. Obviously, ERP vendors claim to offer the best integration among their own front-office and back-office technologies and therefore, the highest efficiency through the value chain. The goal of the enterprise system is to integrate CRM and ERP to provide smooth and automated business operations. Before making any decisions on the purchase of ERP or CRM packages, Top Management needs to understand the issue of enterprise system integrations. Companies trying to achieve all the integrations benefits may have to rely on extensive IT system integration and may not be able to achieve certain important integration benefits like real-time availability of information. Integrating the existing ERP system with the CRM system answered the basic need of getting better organised to give better value to the customer. Meyer and Kolbe (2005) suggested that "successful CRM integration included inter-departmental and inter-organisational activities, spanning strategy, processes and systems within and outside the company." All three companies met this objective and as Corp 3 is relatively new, it did not need this integration till the bulk of the business grew sufficiently. Given the company's current situation
coupled with the fact that they needed to focus only at customer acquisitions at this point, only simple, plain vanilla sales efforts was required at this stage.

Evidently, business need drives integration of ERP and CRM and if properly integrated; these technologies can together provide an infrastructure that delivers high level of operational effectiveness. An integration of these would also help creating a free connection between customers to the company production process (Shoemaker, 2001), thus helping improve relationships between partners and customers (Saudners, 1999). However, the actual integration deployment is a task that cannot be trifled with, since the learning curve, time to deployment and ultimately the total project cost needs to be considered for the CRM implementation to add value to the sales process.

6.5 CRM SUCCESS FACTOR

The research developed a list of success factors that that have been quoted by many authors and researchers in their studies. The purpose of presenting these success factors is to add value to the CRM practice by focusing on these factors as a source of success as well as a way to avoid possible reasons for CRM failure. The success factors cover different aspects that influence the CRM program and indicate a clear vision for monitoring of the implementation process as well as its utilisation. It has been found from the evidence of the case study companies that the success factor approach is implicitly applied within the CRM projects, yet it is not formally documented and monitored. All success factors were identified by all the three companies in different measures as far as the significance factor was concerned, but they were definitely there in all three cases. Corp 1, for instance, though did not use all proposed success factors explicitly in the implementation process, though all of them were recognised as important with different levels of importance.

An interesting observation that was thrown up by the data on the three companies studied was that all three of them had similar, if not same, success factors, even if
in varying levels of significance. These can be summarised as Top Management commitment, Data Management and Process change, while IT systems were less important for all three, for varying reasons. Staff training and motivation, monitoring and feedback and inter-departmental integration were also considered reasonably important for all the three.

One of the few points where the factors varied individually was that Corp 1 did not explicitly spell out its CRM strategy while the others did. Corp 3 had a slight advantage in terms of an extremely committed Top Management which was one of their most important success factors. These factors, hence, were considered in all companies, implicitly or explicitly. Top Management buy-in is the biggest influence on the success since it has repercussions on all other activities and all three companies agreed with Payne and Frow’s (2006) opinion that, "CRM is not an appropriate approach for a company to adopt if it does not have the leadership of the firm engaged in supporting CRM and a board-level sponsor committed to its success.” Employees at every level also need to be in sync with the sales strategy thrown out by the CRM system, so it is finally about people.

These three companies and their on-ground implementations have identified the success factors very clearly in this research establishing that the relative success or failure of CRM initiatives is strongly influenced by the interplay between three key organisational elements: people, process and technology. This is in agreement with the results drawn by Chen and Popovich (2003), Plakoyiannaki and Tzokas (2002) and Sawhney and Zabin (2001).

**6.6 MEASURING THE EFFECTIVENESS OF CRM**

A large number of CRM failures are due to lack of suitable CRM measurement methods, misleading metrics and highlighting the wrong measures (Ryals and Payne, 2001; Rigby *et al.*, 2002; Zablah *et al.*, 2004; Kraeuter *et al.*, 2007). Hence, some kind of a measurement criterion is essential. The best criterion would be a part of the reason for implementation, which is revenue impact of using a CRM
system. However, there does not seem to be a direct link between CRM process and the company’s revenue scenario. The measurement of the performance in CRM can be done in two ways – either by focusing on determining the financial benefit that can be accrued to these CRM investments, or by measuring the success of CRM system and processes. This is because there are multiple points of relationship between functional areas such as sales & marketing, customer service and CRM processes and systems. Besides, most of the benefits that a good CRM established within the organisation are qualitative in nature and it is not always possible to connect their efficacy with financial results.

<table>
<thead>
<tr>
<th>Measures</th>
<th>Corp 1</th>
<th>Corp 2</th>
<th>Corp 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Investment</td>
<td>None, due to cost-value ratio</td>
<td>None, due to cost-value ratio</td>
<td>Detailed calculation</td>
</tr>
<tr>
<td>Customer Value</td>
<td>Customer profitability ignoring cost component</td>
<td>Customer profitability ignoring cost component</td>
<td>Customer profitability taking into account cost component</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>Customer satisfaction surveys</td>
<td>Customer satisfaction surveys</td>
<td>Customer satisfaction surveys</td>
</tr>
<tr>
<td>Customer Interaction</td>
<td>• Response rate • Conversion rate • SLA</td>
<td>• Campaign NPV • Response rate • Conversion rate • SLA</td>
<td>• Response rate • Conversion rate • SLA</td>
</tr>
<tr>
<td>Customer Knowledge</td>
<td>No Measurement. The use of customer knowledge is a key component of CRM</td>
<td>No measurement, but hard and soft facts about customers stored in CRM system</td>
<td>No measurement, but the use of customer knowledge is a key component of CRM</td>
</tr>
</tbody>
</table>

Table 6.2: Measurement parameters and the activity levels of each company
Our cross-case analysis also reveals several shortcomings and existing challenges in the CRM performance measurement. The monetary value of CRM is hardly measured, since the costs of the calculation are assessed higher than the value of knowing the exact figure. Corp 1 and Corp 2 did not do a ROI analysis in terms of revenue, since it is very difficult to determine the cause and effects of CRM activities. Instead, they classified customers according to their profitability and loyalty. This also allowed them to move customers to more profitable segments through up-selling and cross-selling activities. Both these companies also did frequent and systematic customer satisfaction surveys, collated mostly by the Delivery/ Project Management team. These results were compared with other Project teams within the company to get an idea of its performance achievements. Table 6.2 provides an overview of the results and the characteristic measurement parameters and the activity levels of each company.

Corp 3 took a different route by doing a detailed calculation to measure the monetary returns on CRM investment as it was necessary for them, given the narrow profit margin and cost saving strategy. They also considered measuring the returns on customer relationships and calculated costs to see if it justifies the cost of sales or customer retention. Again, this was performed due to the small revenue size and narrow profit margin and also the fact that, all cost expenditure were accountable.

Despite the number of processes, all the companies interviewed have no CRM-specific performance measurement framework nor do they measure all possible benefits of CRM. While the results of CRM processes and customer satisfaction are regularly monitored, the concepts of customer knowledge or customer value are almost never in the line of measurement. It was still a challenge for all the three companies studied to incorporate the costs of customer relationships into the measurement process. These companies did not focus on measuring customer knowledge, even though it plays a vital role in CRM.
The companies studied took cognizance of non-financial parameters as a measurement for the CRM implementation effectiveness. This is in line with Barnes's (2001) opinion and he strongly emphasised on the significance of considering a customer relationship value beyond the simple notion of present or future purchases, giving it added dimensions and characteristics, the parameters could also sit on closeness, emotional tonality and strength, strongly affecting the overall relationship equity. The companies studied considered customer behaviour as a big factor in CRM measurement, which is a strong indicator too. All the companies studied did regular customer interaction and customer satisfaction surveys, to see if their CRM is giving the required returns. As Wang et al. (2004), says, "Customer satisfaction has two dimensions - transaction specific and cumulative. CRM performance should ultimately be measured based on customers' behaviour as they are the cornerstone of a business organisation's operations and eventually the crucial determination of their success."

6.7 BENEFITS OF CRM

An efficient CRM implementation can enhance any organisations' ability to retain and acquire customers, maximise customers "lifetime and improve service at lower costs" Gray and Byun (2001). This theory has been proved very practical in the case of all three companies. The CRM implementation added years to the customer service levels, also adding value to the sales development processes.

The biggest benefit of the CRM implementation for both Corp 1 and Corp 2 has been the fact that the entire customer database and the analysis report was made available on a remote hosted server, accessible through a web interface by all stakeholders, irrespective of geography. Since this data was archived on their hosted servers, business was protected against any service or hardware breakdown. The new system helped to generate some predictive analysis report like the effectiveness of sales and marketing campaigns and future customer trends. In addition, the CRM ensured that a new culture of accountability emerged for the sales operations, adding hugely to efficiencies. The new system also allowed the
sales team to control, track and follow customers history and preferences, more effectively. It imparted some very tangible benefits to the sales processes such as, drastic reduction in cost per customer acquisition and shorter sales cycle time, while driving overall sales performance much higher. For these two companies, the fact that their ERP is integrated with the CRM system also added to the benefits. Now they had a true 360 degree view of customers across front-office and back-office functions. Integrating CRM with their ERP also helped in customer account management, responding to customer's requirements and delivering services more effectively and efficiently.

Since Corp 3 was a smaller and newer company, the CRM implementation added proportionately higher value to their business development process. The CRM system was online with the mail system, to enable the sales folks to achieve targeted customer communication. It would also be easier because under this system, the entire customer data was kept in one place and related contacts were grouped together. The company's CRM system was capable of accurate analysis that allowed for better sales forecast and management of sales pipeline. The interactive dashboard helped to track sales opportunities, generating sales orders and invoices easily and also tracked the performance of individual sales personnel. All these efficiencies got the company 6 new customer deals in a span of one year post the CRM implementation, in addition to other sales focused activities like setting up of a telesales team and regular proposal submissions to further business.

An analysis of these throws up some interesting facts. All the companies studied had CRM systems that provided the facility of creating or maintaining repositories of customer data at a much lesser cost than it was earlier, which is in line to the assertion of Chen and Popovich (2003). This would be the essential driver behind the efficient customer data analysis that supported all three companies in their sale strategies. For Corp 3, this also proved that CRM delivers customer value by integrating the marketing, sales and customer services, as opined by Parvatiyar and Sheth (2001). In addition, their benefits accrued also proved Rigby and Ledingham
(2004) right, when they said that CRM could help improve sales forecasting, lead management, bid and quote management and personalisation.

6.8 Issues and Challenges in CRM

The biggest challenge a CRM implementation faced started with the first step—lack of clarity on the very definition of CRM as Payne and Frow (2005) and Krauss (2002) established that the wide array of definitions of CRM can add to the failure of a CRM program. Failures also occur if CRM is viewed only as a technology or if the implementation is undertaken on a fragmented basis.

As the saying goes – "all happy families are happy in the same way but all sad families are sad in their own ways", benefits that accrue seem to be similar in most companies studied but the issues and challenges faced were not always similar, in fact they were sometimes even unique. Some common challenges that all three companies studied faced were about the basic assumptions in the pre-implementation stage. While lack of awareness of the basics was one of them, this was also differently focused for each company. The common ignorance level started for Corp 1 with the 'ignorance syndrome' at the leadership level. a) wrong planning while purchasing the system, b) identification of a vendor based on price and not on services like availability, support and staff training programs and c) inadequate assessment of the IT fluency of the sales team. Similar top level ignorance, at least to some extent, prevailed in Corp 3 where the strategy managers knew what they were doing but the IT team did not get any time to understand its functionalities. In the chaos that followed, there was no clear communication forthcoming from the project management so no clarity was achieved at any level. The teams continued to believe that the CRM system had been brought to replace their skill sets, fanning more dislike. The other end of the spectrum of ignorance was at Corp 2 where CRM was considered as just another software implementation. Its business functionality value was not recognised early on, so it was no-one's baby, IT teams did not want it since it was to do with sales and sales teams thought it was all about technology. The result was a fissure between the
back-office and sales teams (front-office) and inadequate utilisation of the CRM functionalities.

In addition to these, Corp 1 faced two very unique challenges, that of the CRM being a hosted system, making it dependent on the internet speeds, essentially crippling the speed of interaction at times. The second one was that they got two different vendors for their ERP and CRM, so the integration also became a challenge, restricting the CRM tool from being utilised completely. Since full utilisation did not take place, there was general resentment about using the system, which appeared only as a hurdle in the daily sales work routine.

The three companies studied suffered from lack of awareness. They assumed that merely implementing the system will be enough. It is agreed by Rigby et al. (2002), to succeed the organisation needs to streamline its processes - job descriptions, performance measures, compensation systems, training programs and so on in order to better meet customers’ needs. In the case of Corp 1 and Corp 2, there was planned and efficient implementation of ERP and its integration with the new CRM, but the presence of legacy applications posed some challenges, which were mitigated. This situation had been studied by Bull (2003), who has established that some CRM tools were not compatible with legacy back-office applications. He cited the lack of knowledge among the management as responsible for this situation.

All three companies faced user acceptance issues. This non-acceptance is also influenced by a number of factors such as perceived ease of use, attitude towards the system and usefulness (Davis et al., 1989). It is also normal for users of newer and innovative technologies, applications or processes, not to like a disruption in their regular routine, particularly if it does not have a noticeable and positive impact on their personal targets (Reinartz and Chugh, 2002). According to Speier and Venkatesh (2002), "poor user acceptance can undermine the successful adoption of CRM technologies." The three companies studied countered this
challenge by placing efficient training and programs and communication channels among the teams involved.

6.9 GUIDELINE FOR A CRM PROGRAM

Based on the empirical study and literature review, the researcher has outlined a guide for a CRM program as depicted in Figure 6.1.

Drivers for CRM implementation: Given the current economic and business scenario globally, any technology enabler that promises to add to business value, should be a strategic objective of any organisation. Customer retention, maintenance, loyalty and satisfaction are the business mantras. Competition is cutthroat and every sliver of the market makes a difference. Every company needs data, a unique approach and deep insight into the customer’s mind and preferences. CRM programs can be an effective sales strategy to achieve all these objectives. As soon as organisations can map a benefit in terms of revenue and market share from their sales strategy, they should opt for a CRM implementation to put the strategy out in the market.

The implementation can be divided into three phases, Pre-implementation, Implementation and Post-implementation.

Pre-implementation Phase: This phase starts by outlining a plan for CRM system. Under the tutelage or at least support of Top Management, a CRM committee should be formed to kick start the process. This team should consist of representatives from different teams, which include the IT team, the back-office operations team, the resource allocation team and the customer facing sales team.
Figure 6.1: A guideline for a CRM program (Compiled by Researcher)
The committee should be responsible for requirement gathering, identifying a core team that would be accountable for the deployment and operation of the CRM system, getting sufficient budget allocated for the CRM project. They would also be responsible for monitoring the progress of CRM implementation. Here are some steps that need to be enforced:

- Planning and top down communications to make sure employee buy-in is in place
- Changes to processes, including structural changes, strategy changes should be done and communicated to the employees
- Readiness assessment needs to be done
- End user training is mandatory

Various CRM systems and vendors need to be evaluated on various criteria apart from the cost factor:

- Vendor experience and capability in aiding project execution as well as provide technical support during implementation.
- Vendor maintenance support and service
- Training and software upgrade support
- Integration functionality and compatibility with the existing systems (legacy systems, ERP system)

The CRM committee has to evaluate and select the one that is most suited to their IT infrastructure and business processes. Then a choice needs to be made between Installed and Hosted and between Integrated suite and Best of Breed CRM systems. Each has its advantages and disadvantages and the final choice depends on a couple of factors:

- For global office scenario, a hosted system works out more financially viable, along with the benefit of global access
- In case the organisation has legacy IT infrastructure and applications, it should opt for Installed systems to avoid compatibility issues.
- For companies that don’t have a fixed number of users, a 'pay-as-you-go'
arrangement will work best to tackle attrition issues.

**Implementation Phase:** In this phase, the three most important factors are people, process and technology, which have to be in place. These three components are inter-linked and have to coordinate with each other for a successful CRM program. Getting employee and stakeholder buy-in is essential, as is getting the processes in place. The employees are to be informed well in advance about the CRM plans and process. The skill level of end users has to be developed so that they could use the new CRM system.

As far as technology is concerned, the implementation strategy should include plans to prepare the IT infrastructure to handle the CRM system. The strategy should include end-to-end project execution plan, keeping the business objectives as the main focus. All the customer information collated earlier will also need to be migrated to the new system while implementation happens and the process of cleaning and migrating needs to be done under vendor supervision, to avoid problems later. The data has to be sorted so that its analysis and reporting is aligned to the business strategy that the company has drawn up. The customer data stored in the CRM system needs to be managed efficiently. Data should be stored in a secure storage location.

While it makes business sense for most companies, the decision to integrate the ERP and CRM should depend ideally on the need of an organisation. Nevertheless, this integration always allows for best utilisation of the system for strategy purposes. Organisations with large back-office applications can streamline their operations with the integration of CRM and ERP. As a suggestion, it is better to choose the ERP vendor to procure the CRM, simply for the fact that they more often than not provide a seamless integration between these two systems. Top Management needs to consider their financial feasibility before they decide on integration of their ERP with CRM.
Post Implementation Phase: Top Management is required to monitor the usage and utilisation of the CRM by end-users, ensuring that operational guidelines and processes are being followed. A clear CRM process should be outlined and the end-users should be informed and trained about the process to be followed while using the CRM. All data gathered through market research and customer interactions should be recorded and managed appropriately for data analysis to draw meaningful reports.

Once CRM is put to use, measuring the success of its operations helps gain clear insight into the efficacy of the process. In addition, it can reveal the effectiveness of the CRM process that has been drawn up as a part of the business development strategy. From time-to-time, the performance of CRM has to be measured to evaluate its effectiveness and a suitable framework has to be adopted to measure the performance of CRM. Additional to calculating the ROI, CRM performance should be measured by developing a framework or by using the Balance Score Card. The recommended framework to measure CRM is by using the modified version of Balance Score Card developed by Kim et al. (2003), where the four perspectives of a customer is measured i.e. Customer knowledge, Customer interaction, Customer value and Customer satisfaction.

A good way to extract the best utilisation from the system is to plan reward programs to motivate employees to use CRM. Human Resource polices should include plans for motivating the employees to use CRM. Also, Training and Development (T&D) programs should be planned as an ongoing Human Resource Development (HRD) activity to train new hires and train existing resources on new features added to the CRM system or for better utilisation of the existing features. Training programs should include CRM vendor trainings as well as trainings developed internally about the organisation's processes and plans. Also, technical personnel/ engineers need to be trained on the technical aspects of the CRM system for trouble shooting any of the technical issues arising during usage and for future customisations (if required).
A significant factor here is that all the activities connected with the CRM need to be customer focused or customer centric, as the sales strategy. Also, right from the planning phase to the post implementation phase, all decisions made should be customer centric. It is also required that all the operational activities should be monitored by the Top Management. Only then the commitment and best usage will draw best results from the system, making the implementation a success. In the figure 6.1, all the elements listed are ultimately success factors for the CRM program. Each of them need to be treated as significant parameters/ factors for a successful CRM program and ignoring any one can cause a weak link in the CRM system and may results in inefficiencies of the program.

6.10 CONCLUSION

The findings of this research are mostly consistent with the literature reviewed. This study validates that CRM is a complicated subject that requires the right treatment, in the form of clearly laid down policy and processes. It also reports the need for effective leadership and management support for CRM to be successful. This is an archetypical study of CRM implementation that has succeeded, to a large extent, in delivering the fundamental objectives of CRM. All the three companies started operations a few years ago with business processes evolving iteratively, but it was only recently that they realised the need for a CRM system to target customers effectively and overcome the threat from customer centric competition. This research is a typical study of CRM practices with many practical lessons for other adopters. It will be a useful aid in dealing with the real issues that crop up during implementations and help organisations meet the need to resolve them in a manner that ensures the least possible negative effect for the business as well as the organisation.