

Customer Relationship Management – A SME Perspective

***Ashvin M Gutti**

****Dr.Dinesh Babu**

*Assistant Professor, Jyoti Nivas PG College Autonomous, Bangalore – 95.

**Assistant Professor, Department of Business Administration, Govt Arts College, Paramakudi, T.N.

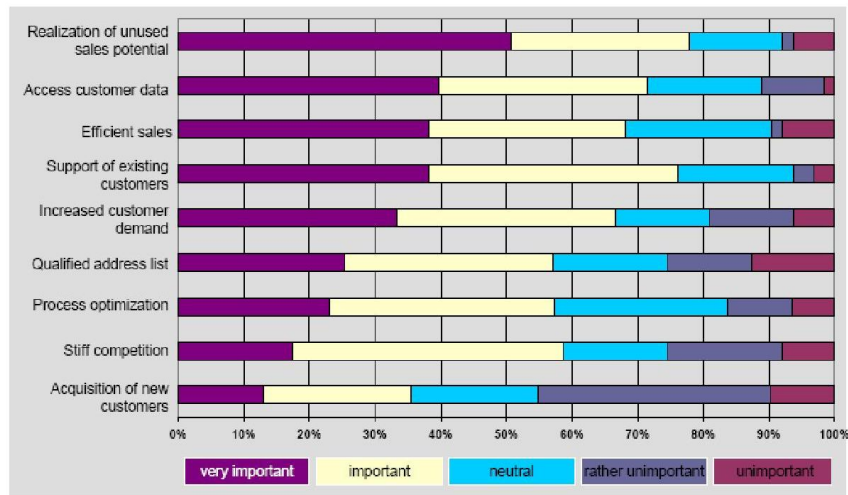
Introduction:

The last several years saw the rise of Customer Relationship Management (CRM) as an important business approach. Clearly with its popularity around the globe there exists wide variety of definitions. CRM is a highly fragmented or modular system and means different things to different people (McKie, 2000). One view of CRM is the utilisation of consumer oriented information to deliver relevant products or services to them (Levine, 2000). While such definitions are widespread, they mostly offer a narrow insight or superficial understanding into the goals or basic characteristics of CRM. Another view to CRM might just be a software which helps interacting with customers where as for some others it's more of a marketing tool and within the IT industry CRM is explained with help of technical jargons such as online analytical processing, customer interaction centre, data mining etc. Contrary to this Gartner research (2001) argues that focussing on “technology” is easier than defining scope of organizational behaviour and business process changes that will undoubtedly be needed as a result of the technology and becoming customer centric. Undoubtedly IT plays a vital role that but CRM is not about putting in systems to support current organizational behaviour and business process management (BPM).

Gartner research (2001) elaborates CRM, for most enterprises, is a new direction — a new strategy that will lead to greater profitability by creating customer loyalty and a customer base that is a company asset. In the Internet age, with economic power moving toward the consumer and competition increasing, such a strategy is a necessity but luxury. Yet, most businesses pursuing CRM implement the necessary capabilities via uncoordinated projects, with no strategy to provide direction. The outcome is that they fail to identify all that requirements, no attention is paid to building the right collaborative culture: Corporate politics and self-interest run haywire, few business wide capabilities are established to support the objective, and there is no overwhelming transformation to customer satisfaction or loyalty. The better way of hence looking at CRM is a business strategy as stated by Deck (2001) which incorporates several components such as marketing, sales, customer service, market trends etc. It precisely works as an interface between firm and the customer interaction.

The following chart shows various areas of importance within CRM identified by businesses on which research was conducted by Salomann et al (2005).

Figure 1: Areas of importance in CRM, Source: Salomann et al (2005)



CRM as a strategy:

A client minded scheme indicates that firms should apportion their resources to methodically accumulate and analyze client and rival data, to share this marketplace knowledge, and take it to steer scheme identity, understanding, building, choice, implementation and alteration (Lovallo and Kahneman, 2003). It should hence go as no surprise that CRM concepts are used by firms to back the character of client agreement and interdepartmental dependencies needed to expeditiously do the client strategies. Grabner-Kraeuter and Moedritscher (2002) point to the lack of an adequate CRM strategic framework from which to define success as being a reason for the disappointing results of many CRM initiatives. The Gartner Group defines CRM as a business process which results in optimised profitability, revenue and client gratification by evaluating on client segmentation, providing client cordial behaviours and implementing customer-centric processes.

Clearly the account helps to realize CRM as scheme fairly easily but yet rather conceptual in decree to realize what it takes to attain these. Deeper discussion of CRM components will assist hit at the heart of it. Firstly and interestingly, the modern investigation conducted in business processes has argued that resources and energetic capabilities are basic to sustained aggressive reward which is the buzz of CRM (Teece D. J.G. Pisano, and A. Shuen ,1997). Secondly, according to Light (2001), CRM evolved from business processes such as relationship merchandising (RM) and increased care on improved client retention through reactive and proactive approach to customer relationships.

Clearly, a systemic and well defined approach puts CRM at the epicentre of an

organization, with customer-orientated business processes and the integration of CRM systems (Bull. C, 2003). In fact, Mendoza Luis E et al (2006) elaborates CRM as combination of three key objects the processes, business, and technology. The reason for this is that each aspect is connected and routed within a complicated but obvious organizational system of interrelated and interdependent processes & resources (Coltman, 2006).

However, despite the conceptual appeal that questions this type of thinking, the resource based view of the firm (RBV) has been criticized for a lack of functionally or operationally firm requirement that differentiates significant capabilities from parity ones. Coltman (2006) explains although, no specific attempt is made to dispute this claim, signs of a general consensus are beginning to emerge. This leaves us with the other core concept of business processes which is supported by marketing scholars. They have drawn on the RBV to identify three antecedent CRM capabilities: (i) orientation to represent the firm's values and mindset, (ii) information to reflect the availability, quality, and depth of information about customer relationships and usage of CRM technology, and (iii) configuration as the supporting structures, incentives and controls (Day G.S and Van den Bulte 2002). To further strengthen the argument on importance of processes in CRM strategy Buttle (2001) identifies a series of 'supporting conditions' including: culture and leadership; procurement processes; human resource management processes; IT/data management processes; and organisation design. Sue and Morin (2001) develop a framework for CRM based on initiatives, expected results and contributions.

This framework is not process-based and, as the authors acknowledge, many initiatives are not explicitly identified in the framework. Winer (2001) outlines a model, which contains: a database of customer activity; analyses of the database; decisions about customers to target; tools for customer targeting; how to build relationships with the targeted customers; privacy issues; and metrics for measuring the success of the CRM program. All these frameworks provide some useful insight however none appear to adopt an explicit cross-functional process-based conceptualization. Payne and Frow (2005) used an expert panel of executives with extensive experience within the CRM and IT sectors to identify specific cross-functional processes. They identify five CRM processes including: strategy development; value creation; multi-channel integration; information management; and performance assessment.

Definitely there are few ambiguities and again differences in terms of conceptualizing the strategic core issues but the general trend that emerges from each of this research is that firms require a combination of human, technical and business capabilities if CRM programs are to be successful. Coltman (2006) suggested CRM concepts need technology to execute the business strategies of CRM processes that include cross selling, up-selling, marketing and fulfilment, customer service and support, field service operations and retention management. This technology is necessary to integrate customer content, customer contact information, and end-to-end business processes throughout the organization. In other words, the insights gained must inform the decision-making process and a "good" decision must emerge more often than not. In this respect, the skills and know-how possessed by staff in the organization are crucial to success. However there are different areas of challenges and problems. The following charts summarize these aspects with empirical evidences found by Salomann et al (2005) in a research conducted on large

pool of businesses.

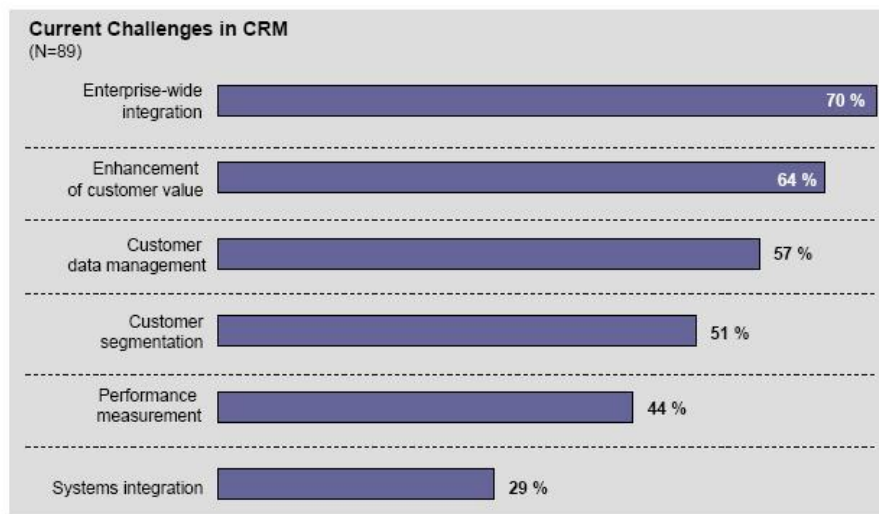


Figure 2: Current challenges in CRM

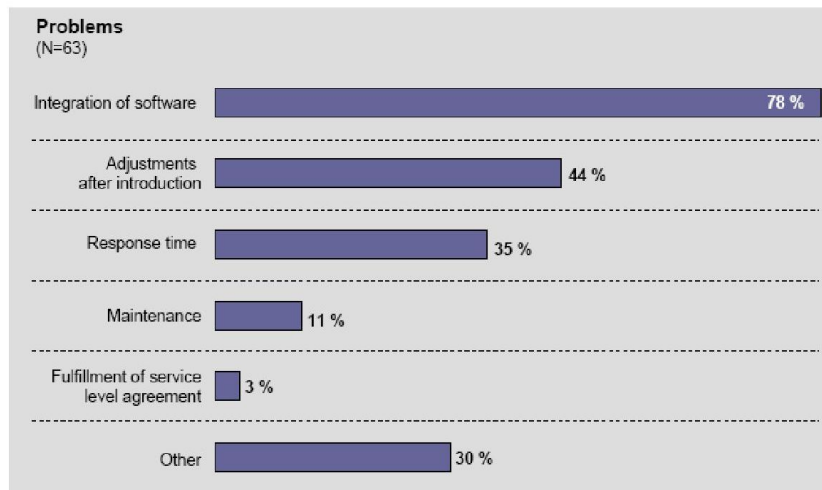


Figure 3: Current problems in CRM implementations

	Organizational change	Firms policies (inertia)	Little understanding of CRM	Poor CRM skills
Factors				
Percentage	29%	22%	20%	6%

Table 1: Reasons behind CRM failure, Source: Mendoza Luis E et al (2006), 'Critical success factors for CRM strategy'

CRM and project management:

Furthermore, merely gathering data to ensure better insight will get no influence on www.aeph.in

processes unless activity is taken. CRM programs need business processes and policies that back customer-relating activities if the outputs of these programs are to be acted upon in the wider organisation (Coltman, 2006). Gartner investigation (2001) revealed that for most enterprises, CRM is a significant disagreement that means working in a different style. Few enterprises, except new start-ups, have a strategy and home for managing relationships with customers. For a CRM strategy to gain, changes are required in personnel structures, organizational behaviour, customer and internal processes, bribe and acknowledgment systems, skills and competencies, information management, bill systems, as well as technology. However, CRM implementations today do not identify all that needs to be done because few leaders of CRM initiatives have been given the responsibility to have that. Unfortunately, many enterprises have failed to attain promised CRM benefits and client gratification is falling.

To surmount this, enterprises must seem at plan administration techniques to organize all the businesses involved in building client administration capabilities into one integrated CRM initiative. Many enterprises that spent moment trying to enforce CRM systems are now doing this. Program administration is designed to back important difference — to connect immensely distinct initiatives (e. g., personnel attitudinal difference and Web base) to attain joint benefits, and handle folk into original surroundings. Building a ship is a project, building a port is a program. Programs describe, prioritize and connection initiatives, many of which will be projects, but not all. The administration direction in this lawsuit is on expeditiously attaining joint benefits from the original scheme. A plan too provides the correct surroundings for the difference to occur, especially in terms of the personnel members' attitudes and behaviour (Gartner research, 2001).

The following table summarizes this concept with broken down factors.

Projects, Programs and Endeavors			
Feature	Project	Program	Endeavor
Management Focus	Delivery on Time	Strategic Change	Competitive Advantage
Breadth	Functional Boundary	Across Enterprise	Complete Environment
Manages	Cost/Risk	Corporate Cost/Benefit	Stakeholder Returns
Scope	Easily Identified	Evolving	Shifting
Justification	Return on Investment	Competitive Initiative	Survival
Time Frame	3-15 Months	18-36 Months	Many Years
Leadership	Motivate Team	Influence Enterprise	Lead Enterprise
Change Focus	Reduce Ambiguity	Thrive on Ambiguity	Create Ambiguities
Links	Departments	Projects	Programs

Source: Gartner Research

Table 2: Characteristic of CRM concept, Source: Gartner research (2003)

Gartner research (2001) also points out that CRM is certainly part of endeavour which coordinates a variety of programs and projects to create a new platform for developing business case. Often done for survival and to deliver stakeholder return, an endeavour can last for many years and requires creative leadership at the very top. Bligh (2004) very well summarized the concepts discussed so far after an extensive research on the reasons behind CRM success and failure. He established three core concepts of CRM:

CRM is not just an engineering initiative; it must be approached strategically. When

initiated with this view, CRM can develop measurable improvements in customer-facing operations in ways that strengthen aggressive reward.

Insight into customers and demand trends should drive CRM agendas. Initial CRM implementations or enhancements to existing CRM infrastructure should be based on adequate information and perspective about customers and the firm's demand environment.

Once implemented, CRM should allow organizations to see beyond the boundaries of the internal enterprise, and collect, analyze, and leverage such insight. The strategy must have cross functional mindset to embrace integrated business processes.

A survey by Gartner group (2002) highlights the understanding of the above concept by a large number of companies involved in CRM implementation.

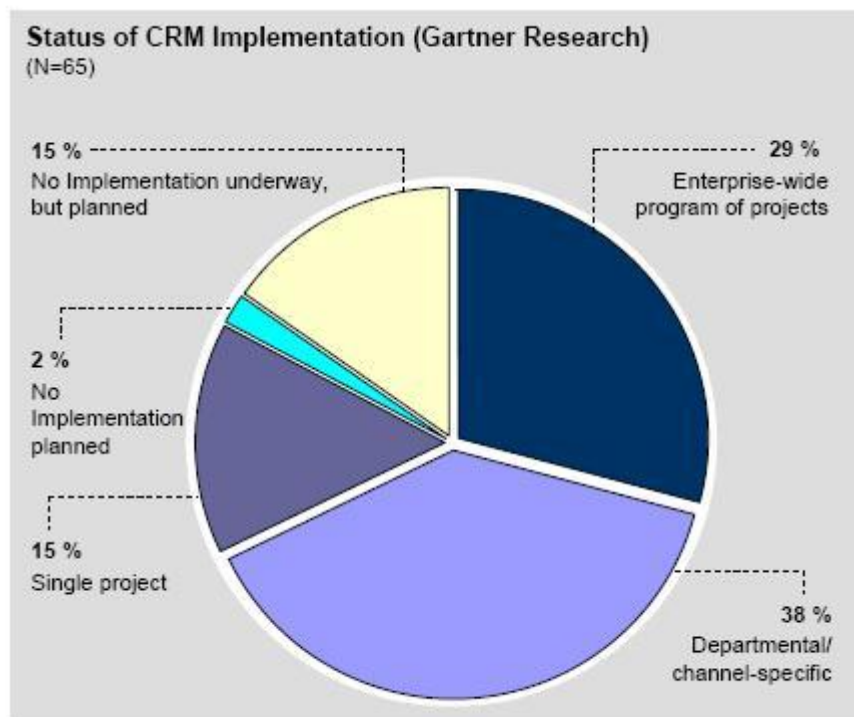


Figure: Business understanding of CRM concept, Source: Gartner survey (2002)

Naturally the questions arise as how CRM can be achieved strategically? How to set an agenda based upon customer requirements? How customer centric business processes are integrated to achieve the objective of implementing a successful CRM?

Link between business processes and CRM and role of business process management (BPM):

Business Processes (BP) are nowadays a vital factor in any organizational system of a technical enterprise. They are employed to realize, handle and organize the activities of the party as easily as to steer issues concerning the introduction of value. In terms of CRM, we can contend that this conception and Business Processes hold a good

relationship. According to Light (2001), CRM evolved from business processes such as relationship merchandising and the increased stress on improved client retention through the efficient administration of client relationships. He also mentions that CRM involves job procedure difference and IT consolidation in decree to make decently. Furthermore, the CRM implementation usually involves job procedure difference and the creation of original data engineering (Bull, 2003). Consequently, there is a substantial sum of business procedure difference that needs to happen to have the CRM scheme much efficient. BPM Systems are a lot of data systems engineering to better organizations' abilities to best handle the procedure of changing their domestic and foreign processes; usually the technologies that are used for this are called Business Process Management Systems (Smith and Finger, 2003) or BPMS.

BPMS are capable to back job procedure administration because their technological systems are joined to the business processes of the organisation's wider socio-technical structure, which they assist to handle. Coming to CRM, the implementation is a hard chore that in most cases has failed to play the goals of the companies payable to many factors related to scenarios and party's activities. Related to the subject of this newspaper, we can cite a cause for these unaccomplished goals: the bankruptcy of CRM systems to speak cross-functional business processes among respective roles, departments and functions within a business (Davis, 2002). Initially, the CRM systems had a database-centric application that limited the flexibility and the ability to incorporate business change, having consequences in what could be done and to what extent for company-specific business processes.

The following chart shows the importance of specific processes in a research conducted by Salomann et al (2005).

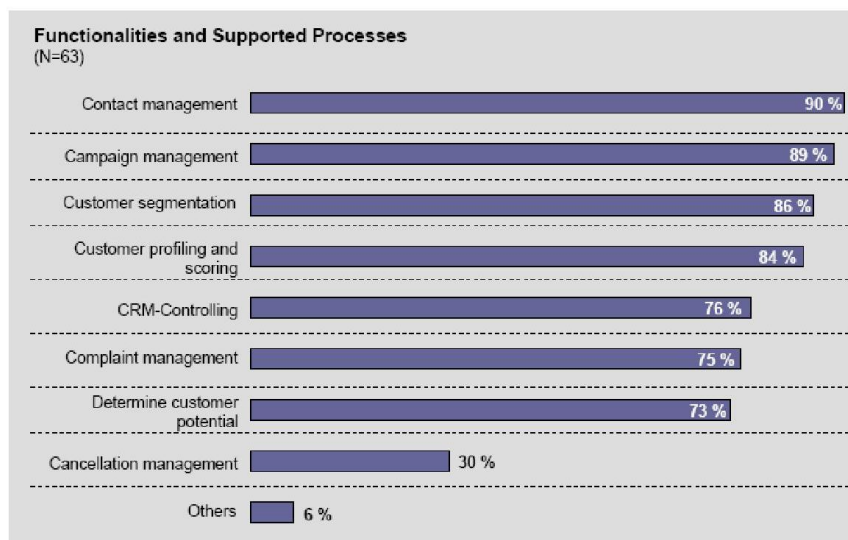


Figure: Priority of processes among businesses, Source: Salomann et al (2005)

It is not mentioned by Davis (2002) that CRM systems do not get the profile into the bulk of the procedure and sub-processes of the party related to customers, nor can it handle the interactions between them. This procedure spread is caused because the normal CRM structure is designed to manage simply a part of the many tasks required, since they are normally implemented at the group, departmental or divisional degree and job

with new systems of the party. In gist, many processes rest outside of the CRM structure's field of mechanization, since the structure loses view and command of the dealings procedure as shortly as it begins to operate through the organisation, producing the procedure spread.

Following this Davis (2002) proposes that, to resolve this called procedure spread, companies have two choices: to enforce a process-centric CRM structure or to enforce process-centric BPM software. By implementing a process-centric CRM structure, they will receive the consolidation of the utilitarian areas (sales, merchandising, and client service) at the relational database degree; with this it will be potential to curb the procedure flowing inside itself and new systems. This alternative is better suited for companies with no CRM structure previously implemented. The consolidation of BPM software, being the second scenario, allows the companies to incorporate workflow procedure mechanization with the CRM, ERP and legacy systems. With this activity, the BPM software supports the whole transactions of the CRM structure by helping it to automate, handle, monitor and evaluate its important business processes. Following this cable, we can build a correlation between the principal elements of a CRM structure and the types of job procedure usually accepted, as followed.

The Bibiano et al (2007) classified the CRM systems into three divisions according to various functionalities and they are operating, analytic and collaborative. Operational CRM is centred in supporting business processes which includes client link (sales, merchandising and service). According to Bibiano et al (2007) operating CRM supports sales personnel mechanization, client backing services and enterprise merchandising mechanization. Saloman et al (2005) further elaborates saying analytical CRM is in accusation of the analysis of the data previously collected by the CRM structure or from new sources in decree to build client segmentation and describe their potentiality to reinforce the relationships.

Data assemblage and analysis are viewed as a continual and iterative procedure. Successful projects inside this CRM region are supported with an information warehouse that is used to rescue and keep the data required. Collaborative CRM allows the interaction with customers by way of the communication items of the party (telephone, facsimile, e-mail) and supports the coordination among the users in different areas (Saloman et al, 2005). It puts together people, processes and data in order to let the company to provide a better service and retention of its customers.

The following table by Bibiano et al (2007) summarizes the relationship across processes and different CRM concepts. The Chart below this table shows division of investment in these areas by businesses in research conducted by Salomann et al (2005).

Business processes	CRM systems
Management processes	Analytical CRM
Operational processes	Operational effectiveness
Supporting processes	Collaborative CRM

Table 3: Link between business processes and CRM system, Source: Bibiano et al (2007)

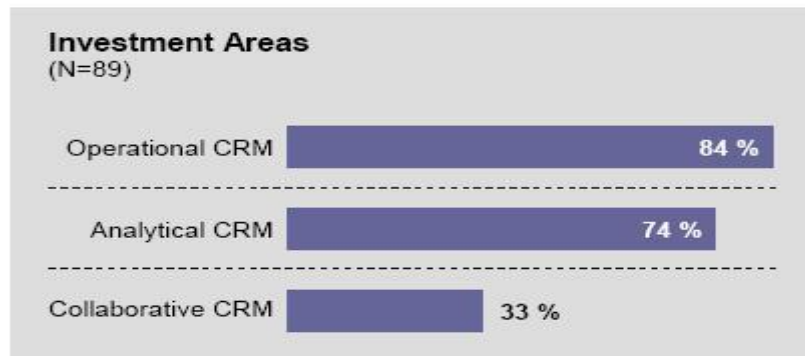


Figure: Areas of investment in CRM, Source: Salomann et al (2005)

From this point, some issues can be addressed :(Bibiano et al,2007)

- Analytical CRM is committed with the assemblage and analysis of information related to client and merchandising, providing value data for resolution taking backing and important directions in the sales region. Since the administration processes include operations such as the ones cited before, the relation between these elements is pointed away.
- The operating processes are the heart of the job, producing the actions that offer the party their principal goals. Operational CRM centres on all the activities related to sales, merchandising and client service, meaning the entire technical business processes.
- The supporting processes behave jointly with the administration processes, giving them sustainable actions in decree to transport away the principal business processes of the party. Similarly, Collaborative CRM supports the relations between users across the organizational system and assistance in the actions of operating CRM.

The following figure shows how businesses invested in different CRM systems in a research by Salomann et al (2005).

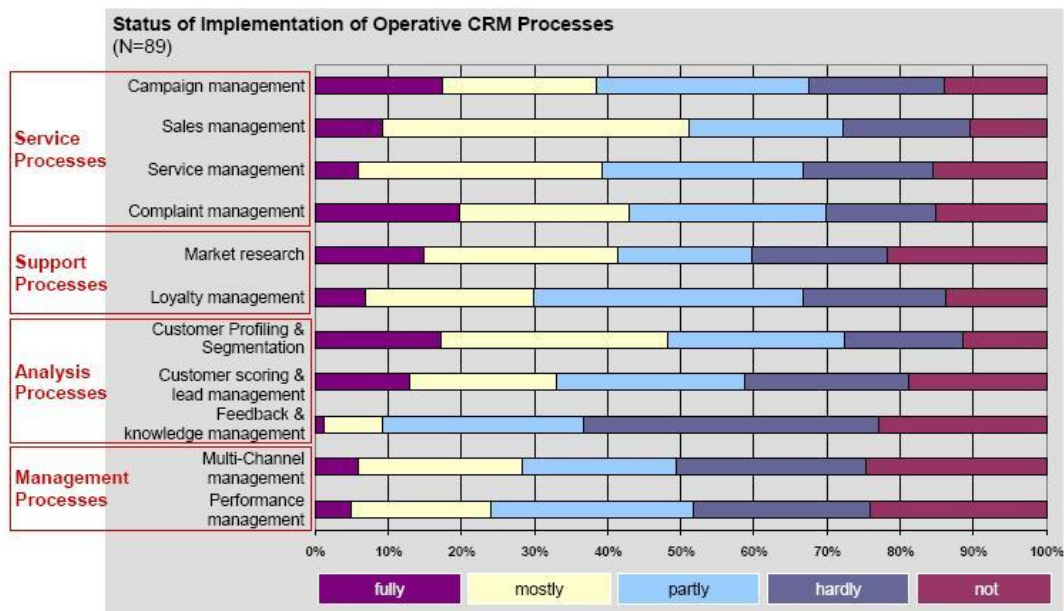


Figure: Status of implementation of CRM processes, Salomann et al (2005)

CRM systems and business processes share, as we can recognize, a good relationship inside the organizational system of a firm. Since the region of activity of these data systems is a heart origin for technical processes, there is a dedication for the productive consolidation of both elements, given that to attain genuine implementation of the CRM scheme it is significant to get the correct engineering for automating and improving the business processes, associated with managing the party's relations with its customers, mostly in the areas of sales, merchandising and after-sales service (Kotorov, 2003) Moreover, the implementation of CRM too involves redesigning the business processes of the customer- minded party (merchandising, sales and after-sales) to attain the objectives that have been previously defined and to better client gratification and allegiance (Bose, 2002).

From these results, it can be inferred that the character that business processes beat during the implementation procedure of a CRM, since they may be a clue factor for the success of the strategy. However from CRM system's implementation point of view maintaining the right flow across all the clearly defined customer centric processes within CRM system is a complicated task. As a result companies still have a failure rate in the implementation of CRM systems of about 65% (Davids, 2004) being the main reason that the CRM systems do not reach or fulfil the CEO expectative, together with the increase of the original project budget and the user reject of the new system. At the same time there is an enormous opportunity for research to find a deeper connection between business processes and CRM system and role of business process management (BPM) in the same context.

Meanwhile, despite of the above literary argument which strongly establishes a relationship between processes, BPM and CRM, recent empirical evidence in this same context adds some new dimensions to the same. A recent research by AIIM (2007) sponsored by Xerox global services among 1100 firms across small, medium and large enterprises spread across various industries such as manufacturing, service etc reveal an astonishing theory which shows a whopping 53% of the businesses find it important to implement BPM solutions in their CRM systems where as in practical only 27% have actually done it.



Figure: Businesses willing to adapt BPM (%) Figure9: Businesses actually adapted BPM (%), Source: AIIM (2007)

This leaves a huge opportunity for further integration. The research also reveals that there is big confusion in the industry in understanding the phenomenon which in most cases creates confusion between business process management (BPM), enterprise content management (ECM). ECM is combination of the technologies used to capture, manage, store, preserve, and deliver content and documents related to organizational processes. ECM tools and technologies provide solutions to help users with the four C's of business: Continuity, Collaboration, Compliance, and Costs. Some 30% respondents see BPM as subset of ECM where as 26% see it as just the opposite where as 38%. The confusion also lies with other similar terminologies such as business process re-engineering (BPR) or enterprise application integration etc. But whatever the confusion is, the research reveals that nearly half 47%, identified integrating a BPM system with other systems. Another 38% customized a BPM package for their needs.

Overall the top application candidates for BPM initiative were customer services and IT services. This supports the initial argument about importance of processes and BPM in CRM. Another area of concern about BPM with respect to CRM is the issue of ownership where most of the firms do not have any clear groups responsible for their BPM systems. In this research which is hopping 68%. This clearly creates obstacles at every stage of development, maintenance or modification. To summarize, business processes are not islands, nor are they a commodity. Clearly with the exception of routine non-core processes, processes are a reflection of what makes an organization unique. Therefore, it is not surprising that most BPM implementations require integration with other modules and hence customization as per individual requirement (AIIM, 2007).

Technology in CRM and integrations:

Mendoza Luis.E et al (2006) argues that CRM definitely stands on very sophisticated IT concepts but it is built to satisfy the complex business models hence should be seen as supportive software packages to help redefining today's business. From the literature review so far it is clearly evident that IT is definitely required as an important tool to implement an effective BPM and create a good work flow across customer centric processes (eg: management, operational, supporting) and also help in integration of customer database and many more. According to Mendoza Luis.E et al (2006) in recent past, there has been an increase of software packages that enable automation of customer oriented processes (i.e. sales, marketing, and services). These software packages are very useful in making those processes more complete. Nevertheless, many of these packages are conceived as software solutions and not as IS; However, Lee showed that CRM supportive software packages are unable to meet the basic customer's requirements (Lee.D, 2001). The ELMS case study cited Bull.C (2003) demonstrates that in reality CRM is a complex combination of business and technological factors, and hence strategies should be formulated accordingly else failure is inevitable.

Coming to back office, database is the integral part of a CRM system. Sandoe.K et al.(2001) cited Mendoza Luis.E et al (2006) argue that advancements in database technologies such as data warehousing and data mining, are key factors to the functionality and effectiveness of good CRM systems. These are the tools which actually support the organizational approach to CRM such as the marketing processes (e.g: customer retention, customer acquisition etc).

It could also anticipate desertion by evaluating past complaints and problems through

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collecting customer feedback from various channels of communications. Winer (2001) further elaborates on the technologies used in CRM applications to support the discussed above. Online analytical processing (OLAP) or ROLAP are some of the data mining tools to support the above mentioned processes. A research by Microstrategy (2004) gives a good insight into the technical part of CRM system dividing it into five engines based on functionality.

The customer centric information store provides a centralized server to store all the information about customer where the analysis and segmentation Engine is used to leverage this valuable information to establish a business campaign strategy and evaluate its performance. The personalization engine personalizes the entire customer experience, configuring unique sets of messages and offers to each customer. The broadcast engine is at place to proactively deliver information and offers to every customer via multiple channels. The transaction engine facilitates the interactions between customer and the business, either by exchanging information or driving transactions.

The following diagram shows the various components of CRM system in a broken down approach.

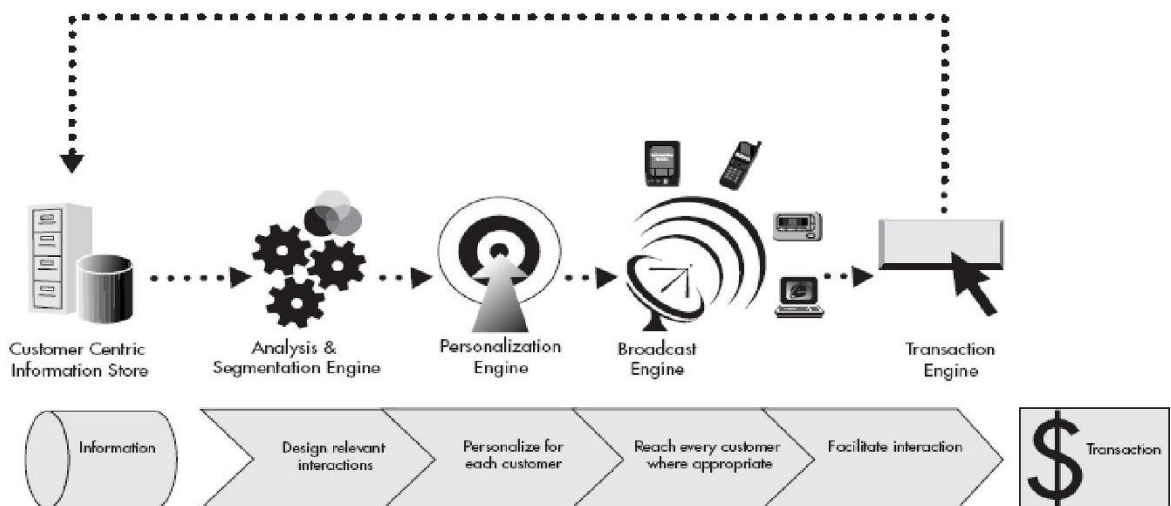


Figure: The broken down architecture of IT tools in CRM system, Source: Salomann et al (2005)

However Shankar and Winer (2006) argue that there is more to it apart from data mining and data warehousing and that customer churn management. This would facilitate the link between customer churn, failure recovery, payment equity etc. At the same time deploying data mining tools in multiple channels in fairly large organization could lead to critical problems, hence there is always a big difference between conceptualization and practical implementation scenario (Breur,2002).They also strongly recommend further research to better understand and apply data mining tools in various contexts such as business environment (e.g.: business to business, business to consumer), nature of industry, different methods in different scenarios to mention a few.

Going to another aspect initially, the CRM systems used to have major focus only on database management system that limited the flexibility and the ability to incorporate

business change, having consequences in what could be done and to what extent for company-specific business processes. Looking to overcome these limitations, the CRM vendors focused on producing business process-based software solutions that were highly flexible and configurable, enabling a closer view between the system and the operation of the company (Bibiano et al, 2007). This is another major area where IT has its say in CRM to see practical application of CRM strategy. Like AIIM (2007) mentioned that CRM system applications integrate the processes within and externally the entire system to other systems of the business.

The following chart shows the perspective of businesses on importance of various CRM concepts.

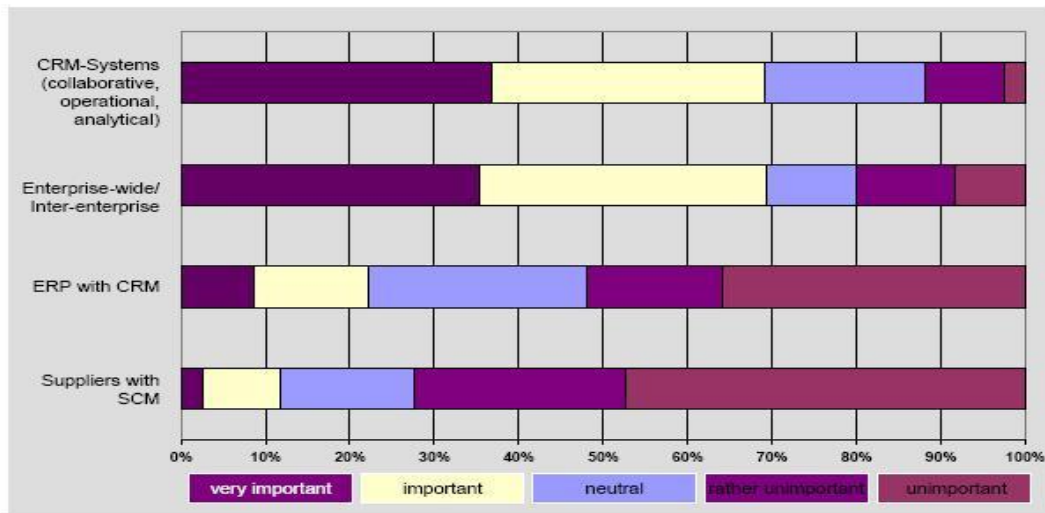


Fig: Importance of various CRM concepts

The following diagram shows how technology helps in creating co-ordination across various business processes. This also helps to understand the cross functional aspect and the dependency of processes on each other in a better way.

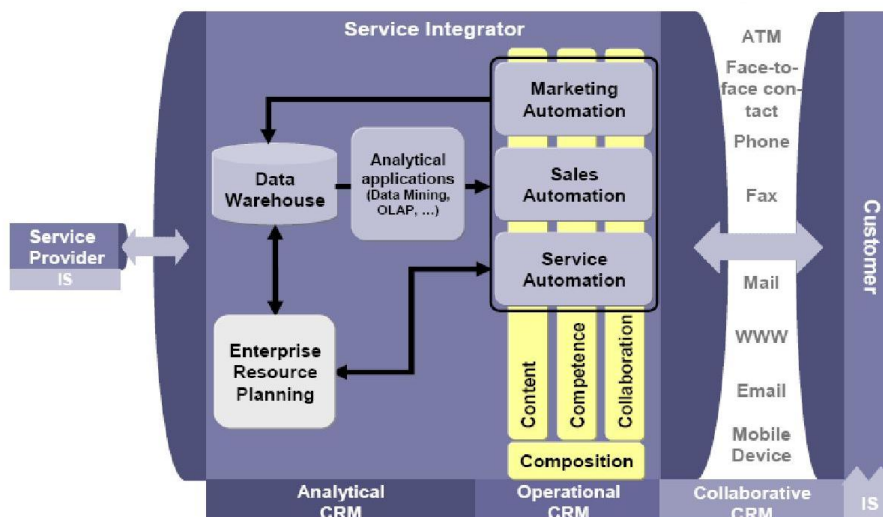


Figure: An insight into process based CRM, Source: Salomann et al (2005)

CRM and organizational factors:

Rather than offering products at the lowest cost by holding costs down, the merchandise innovator concentrates on having the newest, almost unusual, or almost sophisticated products accessible. For this sort of party, aggressive success depends on staying forward of marketplace trends, being adaptable in its access to output and sourcing, and perpetually driving downward rhythm moment for bringing original products through the growth procedure into output and rollout. Product design – and the power to take those products to commercialize rapidly and expeditiously – is the foundation of success (Peppers and Rogers, 2003).

Technological design plays a crucial character in helping companies get skilled across the three disciplines, meeting client need, and integrating SCM and CRM processes. Harnessing engineering, companies can redesign processes in ways that cut the deal offs between one scheme and another. However contrary to this, organizational readiness aspect has been recommended as a deciding factor for new technology adoption and impact of new technology such as IT (Iacovou et al., 1995; Kettinger & Hackbarth, 1997). It addresses the fact that the implementation of a technological innovation can be a costly and complex initiative that requires a significant level of financial support, IT sophistication, and technological skill. Organizational readiness refers to the level of financial and technological resources available to the organization (Iacovou et al., 1995). The other challenges can be quite complicated as stated by Pepper and Rogers (2003). They also point out that technology-related challenges include ambiguous software requirements, data-level integration, business rule integration, and scope creep, system maturity, and business process integration and workflow.

In gist, companies are learning how to win the effective frontier of excellence doable outside their traditionally predominant aggressive discipline. For example, it is now easier than always for an operationally superior firm to increase its client relationship. Technology can enable relationship-building activities that an operationally superior firm merely would not get taken on previously for concern of being diverted from its almost significant mission: price command. In these ways, engineering becomes the conduit through which companies can get more skilled across the three disciplines of operating excellence, client closeness, and merchandise design.

Industry specific CRM strategy:

Customer Relationship Management (CRM) is getting much and more an important scheme for companies large and tiny. Customer maintenance scheme and CRM application go hand in hand. In specific SME's need CRM instrument that well fits in their client maintenance demand and too cheap at the same moment. It is an easily known fact that client acquisition is often more costly than client retention (Payne, 2002). Hence, client retention is rather significant to SME's because of their modest resources. Another clear-cut debate is that knowing the client and his problems, could permit acquiring original customers in an easier manner and of class enforce cross-selling. One powerful conflicting debate by Baumiester (2002) could however refuse the importance of either hypothesis (e. g: client retention, client acquisition). Is it truly valuable still investing finance or new resources for a really tiny job, i.e. little than ten employees, it is potential to recognize the client personally and recognize the products/services he Is it really worth even investing finance or other resources for a very small business, i.e. less than ten employees, it is possible to know the customer

personally and know the products/services he bought, preferences and problems.

For larger companies, it is understandable that such investment is must to ensure an effective CRM which impacts its business heavily. However as discussed in past chapters, CRM software can be simply an instrument to enforce a client scheme whether SMEs or big businesses. Looking at some new aspects now, almost possible the business processes should adjust to the difference as easily; therefore the software should be well flexible to these subsequent changes formerly installed (Bausmiester, 2002). Despite of a big marketplace for CRM among SMEs, presently accessible CRM software is either targeted to big enterprises or offer rigid, and hard to enforce all-in-one solutions. This creates fiscal constraints for SMEs and does not do the aim as easily. In some cases Bausmiester (2002) argues that CRM software is targeted to SME's supporting simply region of the needed functionality. For instance, they may get Unified Messaging and Interactive Voice Response, but break to offer smart request and content routing.

Hence Bausmiester (2002) understandably states introducing CRM systems, in specific for SME's, requires solutions that adjust to the job example of the party which means varied customization/personalization. Another significant debate Bausmiester (2002) established through his investigation that it is not workable for SMEs to alter their existing IT base to enforce an original CRM structure, thus the CRM software should be well enforce capable. Also to cut costs, the software should be well configurable without more foreign assistance. Finally, business processes are not steady and require to be adapted when the job of the party changes. CRM software should be flexible to such changes. Baumiester (2002) too suggests that to fall costs and the danger of introducing CRM at a job, a CRM resolution should be established not in one large measure but in several tiny steps in a party which means implementation modular style.

Change management:

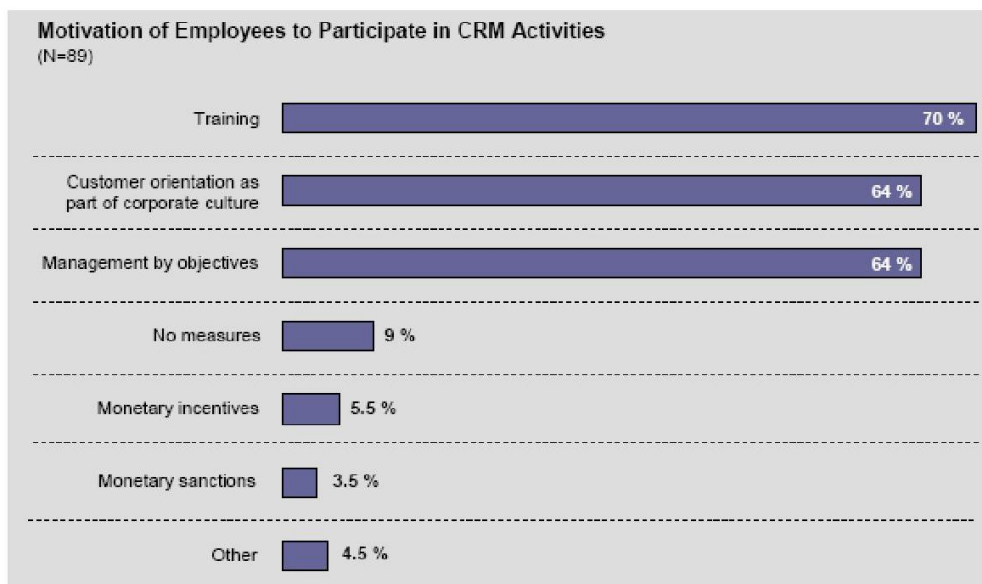
Change management, which involves all human- and social-related changes and cultural adjustment techniques needed by management to facilitate the insertion of newly-designed processes and structures into working practice and to deal effectively with resistance (Carr, 1993). Mento et al (2002) explains that there are three very effective models to implement change management and they are Kotter's (1995) cited Mento et al (2002) strategic eight-step model for transforming organisations, Jick's (1991) cited Mento et al (2002) tactical ten-step model for implementing change, and General Electric (GE)'s seven-step change acceleration process model. But each of these models lacks certain aspects and hence Mento Et al (2002) proposes a new model which encompasses all the important criteria's of these models and emerge as a hybrid one. At the first step it is important to define the business objective behind CRM and define it in specific context as the starting point of a change effort to highlight the idea for what needs to be changed or what new product should be introduced or what particular innovation might bring a significant lead over competitors.

At the second step it is useful at this point to define the roles of the key players in all change efforts: Strategists, implementers and recipients (Jick, 1991a cited Mento et al, 2002). Change strategists are responsible for the initial work: Identifying the need for change, creating a vision of the desired outcome, deciding what change is feasible, and choosing who should sponsor and defend it. The third step both change strategists and implementers must implicitly understand how the organisation functions in its environment, how it operates, and what its strengths and weaknesses are. Such

understanding will assist in developing alternative scenarios that could be created by the proposed changes. This will facilitate crafting an effective implementation plan. Developing plan which is the next step ensures a plan that does not solicit input with respect to both the content of the change as well as the process of the change will surely prove to be non-optimal.

A proper balance between specificity and flexibility is key; too much specificity can lead to a plan that does not mesh well with evolving organisational needs. The fifth step is about bringing in a powerful sponsor to create critical mass of support. Then comes preparing the audience for change and then finding a cultural fit to ensure change management as a continuous process and make it last. It is then vital to create a balanced stakeholder's team with members across a varied sector such as all the level of management within firm, vendor, external members such as consumers and critiques. This is a vital step as this team works through out. It's important to constantly motivate members facing change through awards and rewards. It's hence crucial to have a effective communications at all levels all the way through the change management process which is the third last step in Mento et al (2002) model.

The following empirical research by Salomann et al (2005) across a large number of businesses shows the priorities that the companies set as part of their change



management.

Figure: Level of motivation in change management, Source: Salomann et al (2005)

Moving on comes setting up metrics to track the change and progress. These are usual responsibilities of stakeholder's team. Finally comes taking lesson out of the entire experience and creating room of improvement for future. Arguably some of these steps surely overlap with the initially mentioned models to a certain extent referred by Kotter and Jick however extends on them to have a deeper and better understanding of the same.

The following research by Salomann et al (2005) shows how the companies prioritized the various aspects in successful CRM implementation.

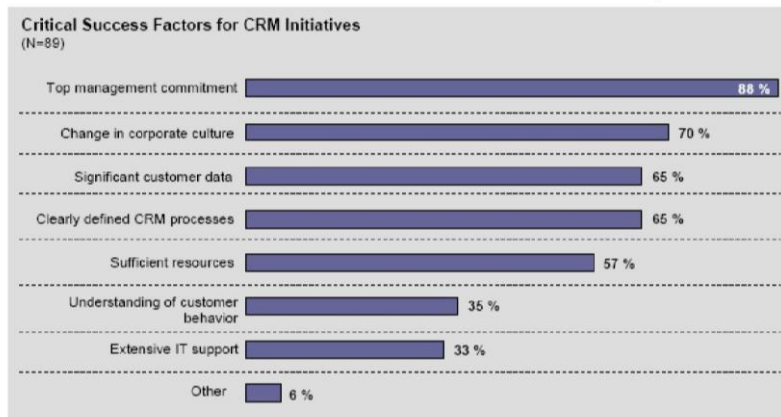


Figure: the areas of priority in change management, Source: Salomann et al (2005)

The following chart shows the perspective of companies on training with respect to total CRM investments.

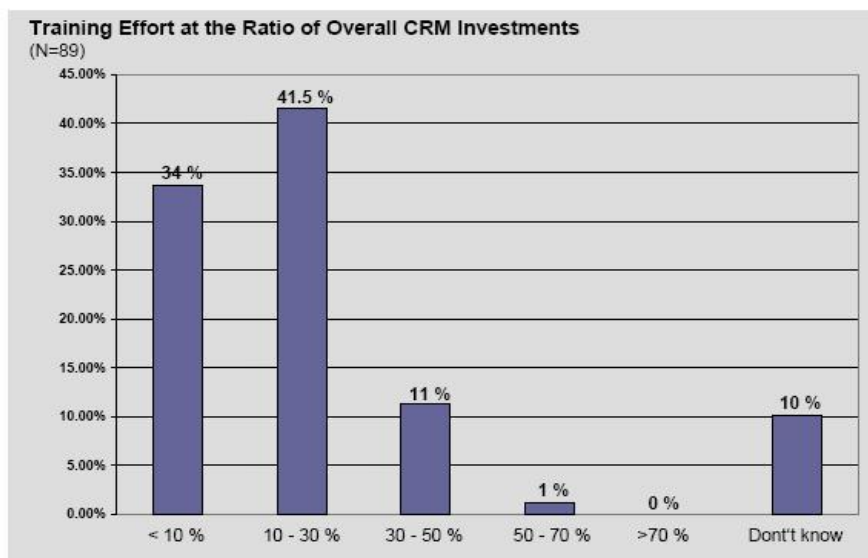


Figure: Training effort at the ratio of CRM investment, Source: Salomann et al (2005).

Conclusion:

It is important to find out how does these strategies work in both business to business (B2B) and business to customer (B2C) environment. Certain processes might require some changes in B2B environment. For instance, in a small firm it might be an obvious case that they know their clients personally and there is no need of segmentation in their service processes. However for a large firm the scenario might just be different. The details in this paper are from large and small enterprises which leave room for testing the arguments in medium industry as well.

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