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BPIR Management Brief : Vol. 2 Iss. 5 – Customer Relationship Management (CRM) Systems

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Customer relationship management (CRM) systems - definition

Customer Relationship Management (CRM) systems are systems that enable companies to easily collect data and information about their customers. This information assists in gaining a better understanding of customer needs, expectations, purchasing preferences, and buying history etc, and allows the company to more comprehensively plan and implement strategies that serve those customers more effectively. As a result CRM systems provide an opportunity to acquire, retain, and increase business.

The stage

Understanding customer relationships, satisfaction, and perceived value is paramount to business success and survival. Customers are constantly being marketed by new products and services that, potentially, will pull their buying decisions away from one brand and onto another. To know customers beyond what will satisfy them and into the real and often emotionally-based motivating factors behind re-purchasing (loyalty) is to hold the knowledge necessary to plan with confidence for new or further business growth. Nevertheless, many organisations often only have a limited understanding of their customers' needs, expectations, purchasing habits, and of their own interactions with them. Used appropriately, CRM systems facilitate collection and use of data about customers. This provides the foundation for a business to be run in a customer-centric manner, which is necessary in order to provide a basis for building long-lasting relationships with key customers. Successful implementation of CRM systems is not merely governed by correctly aligning and operating sophisticated technology, human interactions also play a critical part. Customer-centricity is a key building block of successful CRM system implementation, neither the CRM System nor a customer-centric culture can function efficiently without the other.

Expert Opinion

What is CRM?

According to CRMguru.com (Feb, 2005), "Customer Relationship Management (CRM) is a business strategy to select and manage customers to optimize long-term value. CRM requires a customer-centric business philosophy and culture to support effective marketing, sales, and service processes. CRM applications can enable effective Customer Relationship Management, provided that an enterprise has the right leadership strategy, and culture".

Kincaid (2002) presented a list of CRM misconceptions:

Misconception	Reality
CRM is the Internet	The Internet has greatly increased the opportunity and need for better information, tools, and the processes that can take advantage of them - But relationships are built on understanding and trust. People who understand the customer's perspective must be the ones who design the web experience.
CRM is just the latest name for Direct Marketing	Using information and automation to understand and improve customer relationships has been practiced by Direct Marketers for years. CRM is a shift in focus from marketing (communicating "to") to relationship management (communicating "with").
CRM means recognizing a customer wherever he interacts with our company, a 360' view of the customer."	This is a critical first step, but simple recognition isn't enough. We must learn to use the information we've collected in the past to interact effectively in each future interaction. Information about customers is critical - to increased understanding and improved service. You also need tools and training so people know what to do with it.
CRM means scoring and measuring Customer Value	A very important use of CRM information is to be able to identify who our best customers are. We must have ways to use this knowledge to increase the number of loyal customers and the value of each.
CRM is sales rep productivity tools."	Some companies still believe that the only way they can build relation ships is through the sales force so CRM must be about automating sales. The sales function is only one of those that directly touch customers and make up CRM.

Why CRM?

The primary source of a company's revenues is usually derived by meeting the needs of its customers, and accordingly, customer satisfaction tends to be the central driver of company success.   Jane Simms (2003), of Director magazine cites Frederick Reichheld, loyalty expert, and Director Emeritus of consultancy Bain & Co who demonstrated that it costs between five and nine times more to win a new customer than it does to keep an existing one. He noted that a small increase in customer retention of around five per cent could yield a profit increase of between 20 to 125 percent.   According to Technology Marketing Corporation CEO Nadji Tehrani some 75 percent of all buying decisions are based on emotion, hence if customers do not sense a close affinity with a firm they are unlikely to keep purchasing from it.

CRM systems are a way of obtaining information about customers in order to implement strategies to increase their loyalty - to retain them as future repeat-customers.

It is such reasoning that has led to significant investments being made in CRM solutions; and CRM implementations often drive the redesign of business functions along with the re-engineering of work processes. CRM implementations tend to focus on gathering information from the wide range of interactions that customers experience in their dealings with companies. These interactions may be via phone calls, the web, email, letters, or personal contact. Companies are able to make use of this information as part of their marketing, sales, services and support initiatives.

Benefits

The information and data collected through CRM systems enables firms to focus on target customer segments, and allows products or services to be tailored through including those features most valued by customers. In addition peripheral features that add unnecessary costs can be excluded. CRM systems can also provide data that can be used to better inform and train employees, and this can assist managers to align incentives to encourage desired behaviour. CRM systems can help to position companies strategically to meet changing market needs and enable managers to:

1. *Understand customers better;* by determine the value of product attributes and the cost of providing these throughout the customers' life cycle.
2. *Refine product and service offerings;* by determining customer profiles and to use these to better define/segment customers. Products and services may thus be designed to deliver perceived value, and build long-term relationships, particularly with the most profitable customer segments.
3. *Inform and reward employees more effectively*, through demonstrating the economics associated with certain business transactions and by encouraging employees to meet the needs of targeted customers. Employee incentives can be shaped to reinforce the behaviour needed to acquire and retain valuable customers.
4. *Maximise benefits derived from internal IT systems;* information technology may be used to capture, and to track, valuable customer data. Customer history, preferences, service contracts, and other market information may be collated.
5. *Improve business strategic planning* activities through better analysis of customer requirements, customer defections, lost sales, and market directions. CRM systems are valuable company assets that may be used to improve the effectiveness of serving customers and to improve the profitability of customer relationships.

Xin et al (2002) state that the customer-centric strategy associated with CRM systems is supported by an increasing list of software capabilities and technologies. Companies have been investing in CRM solutions with the objective of enhancing marketing efforts, sales, and customer profits. Gartner is cited as predicting that the worldwide market for CRM services will grow by an average of 16 percent a year to $47 billion by 2006. The Aberdeen Group was cited in The Controller's Report, (Anonymous, 2003), as stating that approximately 50 percent of small companies, i.e. those having revenues of less than US $10 million; spend US$100,000 to $250,000 on CRM implementations.

A comprehensive CRM system is not simply comprised of software implementations; rather such a system represents an integrated business process. The implementation of a CRM system may involve significant costs in terms of expenditures, time, and planning, and the reorganisation and re-engineering of current business operations is often required to capture the full potential benefit. Tehrani (2002), relates that CRM systems are more than just software systems or business processes; CRM systems represent the combination of business strategy, software, and processes that help to turn a company into a customer-centric organisation, i.e. one that really listens to what its customers are saying and then responds with what they want. There is a need to appreciate that relationships and customer satisfaction are not merely governed by sophisticated technology, but by human interactions. One to one relationship building is a key factor influencing successful CRM implementation.

The benefits of CRM systems are maximised as they are integrated with other company processes e.g. call centres, customer databases, marketing automation, and sales systems. Jane Simms (2003), writer at Director magazine quotes Frederick Reichheld, loyalty expert and a director emeritus at Bain & Co, as describing CRM systems as "[allowing] companies to gather customer data swiftly, identify the most valuable customers over time, and increase customer loyalty by providing customised products and services. It also reduces the costs of serving these customers and makes it easier to acquire similar customers down the road."

The term eCRM has evolved in reflection of the influence of the Internet and e-commerce upon CRM solutions. Customer Relationship Management systems increasingly form part of wider business systems, including Enterprise Resource Planning (ERP), Supply Chain Management, (SCM) and Data Warehouses. CRM represents the 'front-end' of business operations, SCM is at the 'back-end', and ERP represents the backbone of the company's interconnecting systems.

CRM can enable enhancement of the services provided to customers at many points, and thus enable better shaping of sales and marketing initiatives in meeting the needs of customers. Cross-selling, up-selling, and customer loyalty programmes form part of the integrated suite of services offered by CRM systems. CRM systems may be linked with:
- Marketing Automation;
- Sales Force Automation; and
- Customer Services Support applications

The following additional capabilities may also be included:
- Contact management;
- Account management;
- Time management;
- Contact centre enhancements e.g. customer self-service, automated email response, customer profile screen-pop;
- Customer service e.g. incident management, order management, service level agreement management, warranty management;
- Field service e.g. call handling/dispatching/scheduling/workforce management;
- Telemarketing/telesales;
- Partner relationship management;

- Knowledge management;
- Business analytics;
- Project management;
- Employee relationship management.

So much then for the potential benefits of CRM system implementations. The reality however is that it is often reported that CRM systems do not deliver. Many studies have indicated that a large proportion of implementers are not happy with the results of their CRM implementations. Simms refers to one of the least encouraging studies by Gartner who, in a survey, found that "over 70 per cent of CRM implementations fail to live up to expectations-and that's just the companies that are being honest". With this in mind it is fairly obvious then that the actual planning and implementation of a CRM System is critical to its subsequent performance.

CRM Implementation
Three broad levels of CRM system implementations are described by Rosenberg (2004) of Call Center Magazine:
1. Manual systems which simply use handbooks and no software or significant data analysis;
2. Telephone system with add-on CRM applications giving limited integration capabilities;
3. CRM systems with full back-end integration. These link with Enterprise Resource Planning systems and Supply Chain Management systems.

According to Rosenberg CRM systems are essentially the embodiment of how organisations wish to serve their customers; and as such should include the following features:
1. A front-end for direct customer business activities i.e. order entry/tracking, billing, and handling requests for service;
2. A means of recording sales and service interactions with customers;
3. An information base relating to previous customer interactions for use by all staff working with customers. This information can also be used to enhance customer self-service applications;
4. A tool for the analysis of customer data to facilitate the identification of new opportunities e.g. cross-selling and up selling prospects;
5. A performance appraisal tool for customer service agents and sales staff;
6. A marketing and sales campaign tool.

Xin et al identified the following phases associated with the implementation of CRM systems:
1. Researching problems and identifying objectives;
2. Establishing and communicating a customer-centric strategy;
3. Planning and making preparations;
4. Redesigning work processes and consolidating corporate resources;
5. Choosing the right software and CRM solution;
6. Finalising and continuously improving CRM implementations.

Tehrani (2002), Chairman of Technology Marketing Corporation which publishes "Customer Inter@ction Solutions" magazine, includes the following strategic steps for CRM systems implementation:
1. Reflect on company core competencies; what is provided to customers and what it is that customers want;

2. Consider what technology and processes are currently in place, how well they perform, what departments are affected by them, and how the platforms may be integrated to form a new solution;.
3. Document both short and long term objectives;
4. Seek consensus from all departments regarding what they might expect from the proposed CRM implementation;
5. Reinforce that CRM systems involve company-wide changes, and ensure that managers from all departments are committed to the implementation's success;
6. In the evaluation of software and services look for systems that allow flexibility in employing the desired business rules upon them, rather than being forced into adapting someone else's rules;
7. Examine how the new systems are likely to impact on partners, resellers and vendors.

Robert Silverman(2001), managing director of Plural Inc., an IT consulting firm, wrote that CRM systems can be highly effective, however they must be implemented in a strategic, focused, and holistic manner. Because CRM is an extremely broad solution with a multitude of subcategories that address a range of business issues, firms may be misled into selecting solutions associated with incompletely defined problems. Silverman states that "CRM is a way of doing business, not just a technology. Successful CRM solutions align strategy, organization, business practices, and incentives around the customer, and support these areas with technology."

Successful CRM solutions base strategies around a strong understanding of the company's customers. The following steps outline suggestions towards achieving a successful CRM implementation:
1. Assess customer strategy within the context of overall business strategy;
2. Assess organizational readiness, including capabilities, policies, incentives and practices;
3. Assess current customer experiences along all customer touch/interaction points;
4. Assess customer information architecture
5. Enable initial customer analysis and feedback as a key driver of other initiatives
6. Identify and prioritize CRM objectives and initiatives;
7. Select and implement CRM solutions in a deliberate, phased manner, with the objective of delivering early and continually increasing value;
8. Identify existing and target metrics to guide and evaluate initiatives
9. View CRM as an ongoing, iterative business strategy rather than a single program or group of technology projects.

CRM Data Integrity and Relationship Intelligence
Barry Solomon (2003), executive vice president of Interface Software, a developer of CRM software for management consulting firms, believes that CRM systems can capture the power of relationship intelligence i.e. the key knowledge concerning clients and that is stored in multiple databases and diverse places. By gaining efficient access to this information valuable new opportunities can be opened up. Solomon understood that some 90 percent of engagements were derived from the existing client base, yet only a fraction of the available contacts were being utilised for cross-selling and business development purposes.

While a centralised database for the sharing of information is a key component of the system, data quality is the cornerstone. Solomon reports that maintaining the integrity of data can be a large task, and accordingly CRM vendors are adding data change functionality into their systems. While data change-management features increase the reliability of the information, improved workflow processes are also required. Data stewards can be used to establish controls and to ensure that any changes made to critical data is accurate and appropriate. Submission rules may be established and automatic triggers set up within the CRM system e.g.:
• Accept the change automatically (Accept);
• Accept the change, but flag it for review (Review);
• Submit the change to a data steward to evaluate (Submit).

CRM Trends
Rosenberg provides four trends noted among CRM vendors. These are the provision of:
1. *Increasing flexibility;* this, typically, is part of a trade-off associated with specific requirements by a company and the cost of implementation. Most systems have a degree of adaptability to enable customisation (which comes at a price). However there is a growing trend towards the inclusion of user configurable features. The objective of increased flexibility is to enable proposed CRM implementations to better reflect the culture and processes of the company being served.
2. *Increasing ease of integration;* this serves to address the difficulties associated with the integration of CRM systems and legacy systems where costs may be in the order of up to five times the cost of the CRM software. Some larger vendors have developed "middleware" which acts as a translator among various data models.
3. *Continued vertical specialization;* which incorporates the best practices related to the functionality found amongst industries of a given type. Common software interfaces which are found in the vertically targeted industries may be incorporated to make integration more readily achievable.
4. *Improved sales analytics features;* are being built into CRM software to assist agents in identifying and closing sales, up selling, and cross-selling opportunities. In addition to improving agent productivity analytics can compliment the increasingly complex training and skill-sets required by customer service representatives.

Survey and Research Data

In a 2002 survey of 800 companies concerning CRM effectiveness by the New Zealand Direct Marketing Association (NZDMA), respondents reported the following key findings (Baker, 2002):

- 86 % had already implemented, or were currently implementing CRM systems;
- 82 % stated the desired goal for CRM was to retain customers, with 51 % indicating that this was being achieved;
- 75 % cited increasing sales to existing customers as their central goal, however only 35 % believed this was being achieved;
- There was a divergence of opinion between marketing and IT respondents concerning what parts of their CRM initiative were working. 55 % of marketers considered that CRM definitely improved customer retention, while only 35 percent of IT respondents agreed.

A number of companies were concerned that they lacked a champion to coordinate CRM efforts making it difficult to measure its success or failure.

By way of comparison to the above research a 2002 survey involving 432 respondents from US Community Banks reported the following concerning Customer Relationship Management systems (Barthel, 2002):

- 19 % of respondents had installed CRM software;
- 60 % said they planned to install CRM in the next 3 years;
- 41 % could not currently identify and track their best customers, and 71 % planned to acquire the capability by 2005;
- 15 % saw no need for a formalised CRM system;
- Almost 50 % said they did not have the staff to implement CRM;
- 44 % said the cost of the related software was prohibitive;
- 27 % said they were unsure concerning how to go about building a system.

In Canada 57 large companies were surveyed in 2003 to examine their CRM initiatives. Each company had implemented a CRM system and represented a wide range of industries with the top four being manufacturing (20%), services (17%), banks and financial services (12%), and retail (12%). These organisations had an average of more than 6,000 employees and revenues greater than CA$2.5 billion. More than half reported developing their CRM technological initiatives in-house while the remaining utilised packaged software from a variety of CRM vendors. The pharmaceutical industry had invested heavily in CRM technology (233 % of Information Services (IS) budget), followed by the services/consulting industry (170 % of IS budget), and the banking/financial services industry (44 % of IS budget).

According to Miner (2002) some 50 case studies from a variety of CRM system vendors were reviewed in 2001 and provided insights into company objectives for implementing CRM systems, and the benefits subsequently received. In the table below descriptions represent objectives or benefits. The most popular objectives are ranked according to the number of companies that identified with the descriptions. In contrast the most popular benefits achieved are plotted adjacently.

Description	Objective ranking	Benefit ranking	Focus of objective
Create a single view of the customer with improved management reporting and forecasting	1	4	Company
Improve productivity through standardised process, less paperwork, and better integrated IT systems	2	1	Company
Increase revenues by providing a wider range of products plus up-selling & cross-selling	3	5	Company
Increase customer satisfaction and loyalty by improving levels of service	4	2	Customer
Using a wider range of communications methods	5	7	Customer
Improve information sharing both inside and outside the organisation	6	6	Company
Improve the productivity of existing products by analysing marketing campaigns more effectively	7	3	Company

Gartner Group reported that in 2000 organisations world-wide paid US$23 billion for CRM services. Research indicates that expenditures on CRM are expected to rise to US$76 billion world-wide by 2005. The tools and technologies being used by organisations as part of their CRM implementations included (Pang & Norris, 2002):

1. Computer telephony integration - using computerised call centres to support activities such as voice recognition, matching calls against names in a data base, interaction with the company's website and initiating an intelligent agent application to help with requests;
2. Customer self-service websites - to allow the customers to do things themselves;
3. Business intelligence - using techniques such as data mining to get a better picture of the customer by identifying patterns and relationships;
4. Web portal - a website to provide access to a variety of content quickly and seamlessly;
5. Mass customisation and rapid fulfilment - a delivery process to individualise mass-market goods and services to satisfy specific customer needs.

A Forrester Research (cited in Tuck, 2003) survey revealed that 75% of executives registered satisfaction with the business results achieved from CRM but reported the following problems associated with CRM implementations (Tuck, 2003):

- 46 % cited the top issue as resistance to process change;
- 34 % cited back-end integration;
- 33 % complained about software costs;
- Only 13.5 % viewed technology selection/implementation as the most difficult;
- 23 % identified end-user adoption as the most challenging phase;
- 25 % complained about poor application usability, although few of the companies that were satisfied with their CRM efforts thought that application usability was an issue.

A Gartner survey indicated that 42 % of the CRM licenses purchased were not being deployed. The reason for this was thought to possibly relate to a misunderstanding regarding
  a. The assessment of CRM benefits; and
  b. The calculation of ROI.

A 2000 survey (cited in Totty, 2004) conducted by Andersen Consulting of 264 organisations that had implemented CRM concluded that a typical $1 billion company that enhanced its CRM capabilities by 10 percent could add $40 million to its pre-tax profits, or $120 million if it moved from average to high CRM performance. The study showed that CRM had on average (Garrett, 2000):
- Increased revenues by 42 %;
- Reduced cost of sales by 35 %;
- Reduced the length of sales cycles by 25 %;
- Improved margins by 2 %; and
- Improved customer satisfaction ratings by 20 %.

Example cases:

Learn valuable lessons from these organisations:

American First Credit Union

Development of a Personalised Outreach for each Customer using CRM

Strong competition led the Union to seek to increase its customer base by implementing CRM. The Union's primary aims for CRM were to engage members at all touch points, record their preferences, and to develop a personalised outreach for each customer. Strategic goals were to:
1. Differentiate the organisation from its competitors
2. Base interactions on the self-defined goals, and life stages, of members
3. Boost members' satisfaction to ensure that the Union was their most trusted financial adviser.

Over a 24 month period CRM contributed to increasing the:
- Members using 2 or more financial products/services by 10 percent
- Average no. of products per member by 0.44 products
- Percentage of profitable relationships 5.5 percent
- Cross-sell services ratio from 0.62 to 2.62
- Cross-sell accounts ratio from 0.96 to 3.4

Direct Line Insurance plc

An Easy Company to Deal With

Direct Line, a UK-based direct home and motor insurer, wanted to be an easy company to deal with. To achieve this a CRM system was set up to hold information on its 18 million customers and allow easy updating from 60,000 daily transactions. To price accurately, build customer relationships, provide high quality coverage and service, and retain customer loyalty, the company analysed customer behaviour and adjusted premiums based on levels of overall actuarial risk. Through rigorous analysis of the data the company was able to adopt a policy of non-negotiable quotations, to vet customers itself, and cut out brokers` commissions (typically 15-20 % of premiums written), in order to keep prices competitive. The company has since been able to expand into personal loans, mortgages, and individual savings accounts. As a result, by 2002 Direct Line was the leading UK direct insurer for both motor and household insurance, profits had grown 65 % every year between 1996 and 2000, and group profits before tax had grown nearly 350 % annually between 1998 and 2000. (Gillies et al, 2002)

3M United Kingdom

Occupational Health and Environmental Safety Division Implements "Off-the-shelf" CRM System

At global healthcare products manufacturer 3M (UK) the Occupational Health and Environmental Safety division implemented a 200-user "off the shelf" CRM system. The successful implementation capped the end of a four-year review of 3M's business systems. The CRM system enabled all personalised customer data to be accessible in one location. Mailing responses as high as 30 to 40 % have been achieved, costs have been significantly reduced, and all implementation work was carried out in-house. Measurements such as, "the average value per opportunity by market", were more readily available which enabled specialised marketing campaigns to be launched. The time to familiarise sales staff with new territories was reduced by a third. To help implement the system in its European sites, 3M used strategies such as a transformation map, a best practice road map, and finally an auditable/ quantifiable ROI model with which it was possible to achieve management buy-in and to maintain momentum. (Palmer, 2002)

Capital One Financial Corporation

CRM Programme Assists in Gaining Industry Leadership

Capital One Financial Corporation, a US credit card issuer, invested heavily in a CRM programme intended to nurture its customers and ensure delivery of the right product at the right time to the right customer. The programme was so successful that it even allowed the company to deliver products that customers were not aware they needed. As a result the company went from start-up in 1995 to industry leadership in just five years. (Ragins & Greco, 2003)

U.S. Internal Revenue Service

CRM Used to Streamline Corporate Tax Payments

The U.S. Internal Revenue Service used CRM techniques to streamline its corporate tax payments processes, which occurred 100,000 times a day. The service analysed its taxpayer call data and volumes and as a result of applying CRM techniques:
1. Instituted a rolling mail-out by ZIP code;
2. Reduced by over 40 % the time taken by taxpayers to phone in payments - average length of call was reduced to 2 minutes and 20 seconds;
3. Reduced by 90 percent the number of 'help' requests.
(Pang & Norris, 2002)

Measure and Evaluate CRM Systems

In order to fully evaluate the impact of CRM systems it is necessary to undertake, where possible, a quantitative assessment and to assign calculable values. Through measuring the positive impact on the business it will be possible to determine:
- whether the CRM implementation has been effective,
- what still needs to be improved,
- the savings that have been made as a result of implementation,
- the enhancements in work practices that have ensued, and
- the costs of implementation of the systems etc.

Because CRM is so broadly interconnected across organisations CRM performance measurement tend to be complex in nature. Vince Kellen (2002), president of consultancy CRM Strategy and Vice President, Information Services, DePaul University, lists a number of approaches that are taken, these include:

Hard ROI approach
Measures focus upon cost savings, productivity improvements, or proven revenue generation opportunities.

Intangible benefits/assets
Measures focus upon brand equity or knowledge capital correlate to future company performance.

Competitive assessments
Measures focus upon how competitors are interacting with customers and drive improvement decisions to meet or exceed a competitor's capabilities.

Value-driven
Measures focus upon economic value delivered to, and/or derived from, a customer. (This measure requires a model to be provided of the associated customer value exchange.)

The performance of CRM systems can be measured using similar methods to those used in other knowledge management and customer success related systems. Some ideas to bear in mind when designing a measurement framework for CRM systems include:

- Customer perceptions through customer survey or focus groups
  - Appropriate communications
  - Customer profile accuracy
  - Timely product promotions
  - Overall satisfaction
  - Brand awareness
- Brand performance measures
- Customer asset management
- Customer behaviour
- Marketing performance
- Sales force performance
- Service centre performance
- Field service performance
- Supply chain and logistic performance
- Web site performance
- Revenue increase
- Retention increase
- Repeat purchases
- Cost savings
- Sales (especially key customers), margins, cycle
- Marketing opportunities
- Data accuracy
- ROI actual against projected
- Usability - user survey
- Down-time

Summary

CRM systems can be a powerful mechanism for enhancing customer relationships through coordinating large amounts of data concerning a customer's preferences, behaviour, and needs. New business procedures can be designed to meet these customer needs more effectively, and this can lead to greater customer satisfaction and increased sales.

Although CRM systems are driven by technology and software, at a fundamental level CRM is not about these but rather CRM concerns the processes underlying the services that a company offers to its customers. These processes stretch from the supply side of the business, down through its operational and logistics systems, and out to the front-end services and support offered to customers.

A growing percentage of businesses worldwide are implementing CRM systems and they have been employed across a wide variety of businesses ranging in size from the very large (Above US$500 million revenue per annum) to small businesses (less that US $10 million revenue per annum.)

CRM systems are often modular in nature, allowing key business features to be implemented initially, and then other capabilities added at a future date. Modules supplied may range from front-end service tools through to marketing information systems and analytics. The Internet

offers new areas for doing business and CRM systems integrate well into this arena.

CRM systems involve fundamental business commitments which may modify cultural, operational, and product support models, and which can affect the whole range of company operations beginning with strategy, development, marketing, sales and support, through to meeting each customer's special needs.

Key points to consider when implementing a CRM system include:
- Plan it strategically as a company-wide initiative and consider all stakeholders.
- Accurately assess current customer information and choose the solution carefully.
- Phase the implementation for long-term benefit.
- Be prepared to develop an appropriate company culture.
- Develop a measurement system.
- Ensure the system *is* a system – include feedback loop to continuously improve.

Note:

Techniques and case studies mentioned or summarised in this article can be found in more detail via the BPIR.com along with the full text of most of the articles and reports in the reference list below.

References: The full txt of these articles and reports can be found at **www.BPIR.com**.

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2 - Ethical Business Practices
3 - Emotional Intelligence
4 - Succession Planning
5 - Managing Innovation
6 - On-The-Job-Training
7 - Motivating Staff
8 - Developing Leadership
9 - Recruitment and Selection
10 - Suggestion Schemes

Vol 2
1 - Customer Satisfaction Surveys
2 - Customer Complaint Resolution
3 - Customer Loyalty
4 - Call-Centre Representatives

Forthcoming issue of the Management Brief:
6 - Customer Segmentation

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