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# Best Practices for Customer Resource Management (Crm)

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**Final Project/Thesis**

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REGIS UNIVERSITY

BEST PRACTICES FOR CUSTOMER RESOURCE  
MANAGEMENT (CRM)

A THESIS SUBMITTED TO  
THE FACULTY OF SCHOOL FOR PROFESSIONAL STUDIES  
IN CANDIDACY FOR THE DEGREE OF  
MSCIT

DEPARTMENT OF COMPUTER SCIENCE

BY

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AURORA, CO 80014

CONVOCATION AUGUST 2005

To My Parents

"The woods are lovely, dark, and deep  
but I have promises to keep,  
And miles to go before I sleep,  
And miles to go before I sleep."

-Robert Frost

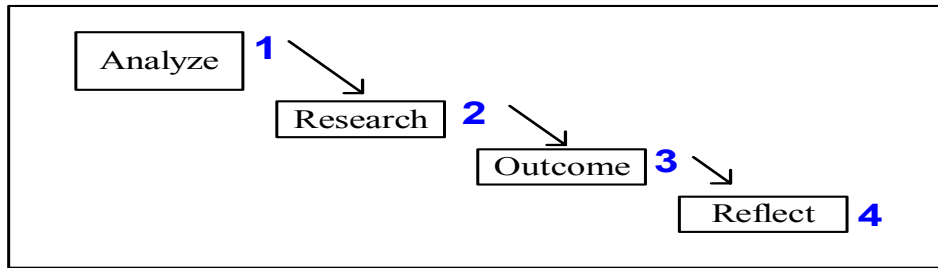
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ILLUSTRATIONS



Waterfall Methodology

Figure 1



# SARATOGA SYSTEMS®

## Microsoft CRM Solution® **MANAGE**

Figure 2

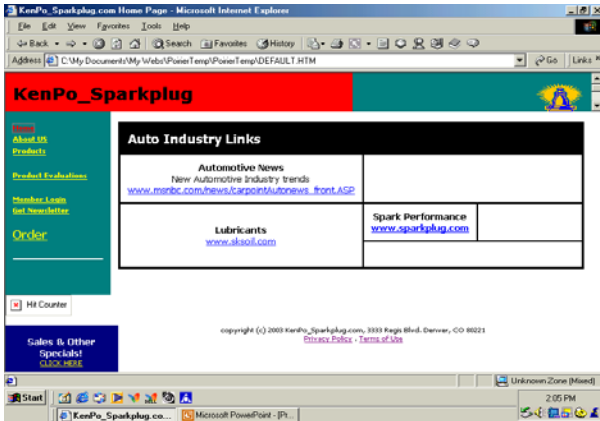


Figure 3




Figure 4

Figure 5

<b>Business Issues</b>
Build Customer-Centric Infrastructure
Increase Sales Force Effectiveness
Simplify the Buying Experience

TABLES

**Assigning Maturity Levels** 

Level	Description	Mantra/Rallying Cry
<b>1</b>	CRM processes are ad hoc and chaotic; overriding sense of "just do it"	"VALUE INDIVIDUAL HEROICS"
<b>2</b>	Lack of experience executing defined processes across a range of business conditions	"PLAN THE WORK"
<b>3</b>	CRM process is defined; metrics may be collected, but are typically related to outcome and not process	"WORK THE PLAN"
<b>4</b>	CRM process has metrics associated with every stage; metrics are based on empirical evidence	"MEASURE THE WORK"
<b>5</b>	CRM process is optimized via metrics driving process improvement; Level 5 is a technique that can be imbued into all previous levels	"OPTIMIZE PERFORMANCE"

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## PREFACE

The author recalls Paul Greenberg's CRM at the Speed of Light and its context that emphasizes how important it is for corporations today to understand the pace of customer interaction with commercial enterprise. No longer do customers just adhere to traditional shopping schemes. They are educated and Internet savvy to the extent that instant gratification becomes the norm. If a corporation is not making their product or service visible plus satisfying customer desire, the outcome is expected.

Reaching this juncture of customer satisfaction and loyalty requires a concerted effort within the corporate enterprise. This effort must follow a best practice mentality for properly approaching any deployment of a Customer Resource Management strategy.

## ACKNOWLEDGEMENTS

Immense gratitude goes out to all university facilitators that this author has had the privilege to associate with in the learning environment at Regis. Special thanks to Patricia [Tricia] Litz, Eric [Wolf] Thompson, and Dr. Doug Hart.

## ABBREVIATIONS

BPR	= Business Process Re-engineering
CIO	= Chief Information Officer
CRM	= Customer Resource Management
ERP	= Enterprise Resource Management
IT	= Information Technology
Ken_Po	= Ken_Po Sparkplug Company
KISS	= Keep-It-Simple-Stupid
ROI	= Return on Investment
SCM	= Supply Chain Management
SDLC	= Systems Development Life Cycle
SWOT	= Strengths, Weaknesses, Opportunities, Threats
TQM	= Total Quality Management
VE	= Value Exchange





## GLOSSARY

*Business Process Re-engineering (BPR)*: any radical change in the way an organization performs its business activities.

*Chief Information Officer (CIO)*: determines the overall strategic direction and contribution of the information systems function in a business.

*Customer Resource Management (CRM)*: to assist in building lasting customer relationships - to turn customer satisfaction into customer loyalty.

*Enterprise Resource Management (ERP)*: identifying and planning the enterprise-wide resources needed to take, make, distribute, and account for customer orders.

*Information Technology (IT)*: development, installation, and implementation of computer systems and applications.

*Keep-It-Simple-Stupid (KISS)*: in the context of IT, concise, elegant, and efficient application planning.

*Return on Investment (ROI)*: calculated by dividing net profits by total assets.

*Supply Chain Management (SCM)*: the way a company finds raw components to make a product or service, manufactures the product or service and delivers it to customers.

*Systems Development Life Cycle (SDLC)*: logical process used to develop an information system, including requirements, validation, training, and user ownership.

*Strengths, Weaknesses, Opportunities, Threats (SWOT)*: honest evaluation of a business enterprise taking into account the named components.

*Total Quality Management (TQM)*: enterprise-wide mindset that an organization understands what business expectations are and consistently meeting expectations.

*Value Exchange (VE)*: perceived worth of something in relation to the total cost that customers pay for it.

## ABSTRACT

This thesis will help to define the best practices for implementing a CRM (Customer Resource Management) system in corporate enterprises. The notion that CRM is just an Information Technology Software Application is shortsighted. CRM is a more global design incorporating vendors, supply chains, enterprises, and customers. In presenting this dissertation, I follow proven and respected processes in order to set a foundation that is necessary for a structured research framework to identify best practices in CRM systems.

## Chapter 1

### 1.0 INTRODUCTION

Historically, database marketing functions as a repository for customer information. Unfortunately, its original concept [circa 1980] focused on the individual customer. Management of so much acquired information was logistically challenging. Subsequently, relationship marketing [circa 1990] accounted for promotions to gain customer loyalties but meant expenditures to retain the newly acquired customers. Then around 2000 the concept of CRM exploded in the business world. Reality strikes soon after CRM launches. Corporations realize the cultural, economic, and lexiconic complexities of CRM are not easily handled. Concern for customers, financial resources, and the language of CRM magnifies in corporate cultures, corporate economics, and corporate lexicons, respectively. The success or failure of Customer Resource Management [CRM] deployment begins with planning. Avoiding the initial tendency to install a CRM model on top of existing business processes is best and a best practice for any CRM

implementation. Business processes must be re-engineered while roles of individuals in a business enterprise are re-shaped. Essentially, CRM plans for a particular business objective in mind. This objective must include the customer and not only satisfy an internal corporate need for prescribed solutions.

Since 1994, customer satisfaction has steadily declined in the United States. Declining profit margins, rapidly increasing churn rates, and privacy regulations are molding the business enterprise. As such, corporate entities must educate themselves regarding customer behavior. Customer Resource Management (CRM) empowers corporate enterprises to assemble, disseminate, and act on customer information in an appropriate manner.

### 1.1 Premise for Project

Personally, my reasons for selecting the topic of what constitutes best practices in CRM (Customer Resource Management) are from practical business experience. What is CRM? **C**ustomer **R**esource **M**anagement takes into account all components (internal & external) of a sales driven organization. CRM represents a paradigm that really

is the response to Value Exchange necessities for e-commerce.

CRM is complete management of the customer sales cycle, supply chains, corporate collaboration (in the field and in the office), market trends, deliverables such as collateral materials, tracking sales revenues, contact management and much more. The author recognizes that all facets of CRM are not included in this section but will elaborate further as the paper progresses.

The author picked three samples of CRM vendors (Illustrations figure 2) from the Internet (having used Pivotal and did not want to be biased). Their logos and brief product statements are interesting in terms of their affinity for the mid-enterprise; Saratoga Systems probably both mid and large enterprise. Of course, it is relative as to what defines intermediate or large business.

Adhering to the "KISS" concept (keep-it-simple-stupid), the author of this paper recommends Microsoft.

For example, the author's website, [www.Ken\\_PoSparkplug.com](http://www.Ken_PoSparkplug.com) (Poirier) is a resource for the discriminating auto enthusiast. Any customer can purchase

spark plugs and the site is open to all communities. Microsoft's technology presence makes it an ideal business partner. As an aside - specific mention about using Microsoft Word for print communications as well as targeted e-mail, quote creation, and order management provide tools for augmenting customer service. Microsoft is a ubiquitous Internet/Software provider that is accessible by everyone. The author thinks that Microsoft could provide a natural affiliation with the Ken\_Po website targeting (Illustrations figure 3) those customers wanting a benchmark resource for everything related to sparkplugs and their performance.

All the above notwithstanding, it is apparent to the author that a design-to-build mentality exists in most business environments wherein little consideration is given to a scope of planning to allow for all components necessary for accomplishing proper CRM deployment. Hence, my premise and foundation for this dissertation.

## 1.2 Best Practices

As in any consideration for planning a business structure, communication stands in front of accomplishing a successful system implementation. The so-called system

includes people, processes, and technology. Best practice uses a methodical plan of action, taking into account these three components, bringing all entities together to outline exactly what interaction will take place.

Since the definition of a customer has evolved into something far beyond a retail shopper, describing one in contemporary terms is not an exact science. Customers are external and internal to business enterprises. Therefore, best practices dictate planning with consideration for both types and including business process as well as technology in the customer jargon. Additionally, business goals are defined using objectives for short-term and long-term outcomes. In other words, in the short-term strive for planning that will move the enterprise forward toward longer-term goals.

Recognition of the fact that Customer Resource Management (CRM), by its very nature, is an overall strategy incorporating technology as an important component, but not the most important, is the result of utilizing best practices. The application of best practices is for the benefit of every facet of a business enterprise. Whether it involves personnel, marketing the enterprise, or state-of-the-art technology, all facets of business are measured.



Metrics achieved from such activity account for a best practice mentality.

A precursor to the positive impact of applying best practices is reform within the corporate enterprise. In sustaining the outcome of best practices, corporate disciplines are required that instill a discipline and regimen for building a stronger enterprise. Professional planning and control is necessary for supporting these strategies. Once higher standards are accepted, enforce the standards. It is a certainty that things are not going to be perfect the first time. After, get the staff together to review, in a roundtable session, what was done well and what could be done differently. Through benchmarking, goal setting, progress metrics, and capturing lessons learned moving forward, the enterprise can begin an upward trend of consistent improvement. Best practices become evident by constantly improving and changing business processes while involving the whole enterprise - staying flexible to customer dynamics and ahead of the competition.

Initially, the best practice for Customer Resource Management (CRM) is to establish a strategy for what needs to be done. Next, defining the strategy is necessary for the enterprise's specific circumstance to understand the

customer as an entity. Once this is determined, Information Technology (IT) becomes the vehicle to get there.

Obviously, best practice is followed in designing a business strategy for buy-in so each corporate function understands their part and ensuring the enterprise meets the primary objectives of Customer Resource Management (CRM).

C-level management usually is responsible for taking the reigns and driving a CRM mentality in an enterprise. There are no exceptions to this rule of thumb. Quoting Brendler and Associates (qtd. in "Best Principles to Practice for Effective CRM") "If they don't lead the charge, it won't happen." In consideration of a Customer Resource Management (CRM) architecture deploying properly, top management requires awareness of corporate vision across the enterprise and commitment to make it work through functional boundaries. Those boundaries take into account sales, marketing, and Information Technology (IT) constituents, each of whom believe their scope of view is the primary perspective on the enterprise. Inevitably, some CRM committee members will attempt to shape the final CRM implementation to mirror their functional or departmental demands. Best practice dictates that assertive executive

sponsors take the responsibility for sign-off on CRM implementation.

Within the confines of corporate enterprise, best practice becomes an iterative process. It involves the identification of capabilities that transform autonomous business entities into knowledge sharing participants. It means that enterprise-wide strategies become a common scope of activity as corporations strive for increased performance capabilities and consistency of business process. Since the most recognizable outcome of shared strategies is heightened performance, it would seem logical to seek a best practice solution internally. However, benchmarking drives corporate enterprises to acquire external guidance for purposes of determining what their internal best practices should be. There is no need to over-emphasize external strategies because most of what any enterprise needs is to measure their own business process. Analyzing such information results in establishing corporate infrastructure that is predicated on best practices.

### 1.3 Corporate enterprises

Landscapes that makeup any enterprise are extremely affected by corporate sponsors' decisions to go forward with a CRM (Customer Resource Management) strategy. Without question, making such plans becomes a traumatic experience for all involved. Traditionally, corporate enterprises are founded on basic principles that include such concepts as company, demand, or product based dynamics. Plans for implementing a CRM strategy require an immediate departure from these traditions while incorporating requisites for a new business model; much faster customer service; and longer-term enterprise stability. Seldom do corporate enterprises experience a smooth transition from traditional business models to an enterprise modeled after CRM strategies.

Technology, perceived as the ultimate enterprise solution, attracts corporations trying to resolve customer and sales issues. This perspective on a solution seemingly enables the business enterprise to achieve a Customer Resource Management (CRM) strategy. Although measurements derived from office technology are requisite in corporate enterprises, a more realistic outcome depends directly on a customer-centric approach. My thesis abstract statement

"The notion that CRM is just an Information Technology Software Application is shortsighted" echoes concerns for a contemporary mindset that off-the-shelf CRM application software packages resolve the issue.

It is extremely important to understand that Customer Resource Management (CRM) technology (includes software programs) must reflect valid profitability. The key to profitability and growth in corporate enterprise is building strong relationships with customers. Therefore, corporations must get closer to their customers. Technology notwithstanding, corporate enterprises must be compelled to evolve into more than suppliers of products or services. Ultimately, delivering products or services with a customer-centric approach will produce the most customer value. Essentially, Return on Investment (ROI) measurements must provide an accounting of CRM performance. Consistent monitoring of how the CRM application objectives resolve will be critical to success. Customer Resource Management (CRM) promotes cohesiveness that yields optimum value over the entire customer lifecycle; marketing, selling, and caring for customers predicated on specific needs and preferences. Corporate enterprises start CRM projects for many reasons - not the least of which is to increase

revenue through improved understanding of customer buying patterns or preferences. The insight gained from customers and market segments enables the development of customer-centric business processes to optimize business performance.

#### 1.4 Business Process Re-engineering

For the moment, let us consider the driving force behind business process reengineering. In lieu of requisite concepts for following best practices during the deployment of Customer Resource Management (CRM) architectures, corporate enterprises need to plan for changes in existing workflow processes. These changes or reengineered processes are necessary to upgrade to a business model that prioritizes the customer rather than internal technology for sake of efficiency. Achieving a substantive improvement in business performance entails a re-design of workflow plus related systems and organizational structure. The dynamics of business: erosion of markets, increasing opportunity, competition and financial performance justify reengineering corporate infrastructure. However, do not confuse this with the more visible aspect of corporate reorganization, automation technology or downsizing. They are not the same.

It is apparent that current business-to-customer relationships are affected by fundamental influences such as corporate competition, unstoppable technological advances, and well-informed, demanding customers. In order to control such influences and arrest the loss of market-share, corporate enterprises must change from a traditional internal focus on Total Quality Management (TQM) and apply best practices for improving customer value. Leveraging customer value is required for corporate enterprises to maintain their market position while delivering superior customer service.

Business process reengineering (BPR) and associated best practices require that important consideration be given to the corporate framework in planning for customer centricity and subsequent entry into a CRM mentality. This means re-examining business culture, organization, process, strategy, and technology.

Unlike the business practical understanding of the 1990s (Wang and Hing-po 26-34), today's business environment will not tolerate just internal business solutions on the basis of improving the overall condition of a corporate enterprise model. Obviously, dynamics such as downsizing, improving technology, and better corporate leadership have a meaningful outcome. However, best practices demand the

customer's satisfaction first then internalizing a viable plan for achievement.

A Customer Resource Management Solution (CRM) must support Marketing, Sales, and Service operations in the business enterprise - including cross-business processes. Historically, these operations have been presented as disparate functionalities but CRM integrates them into a single business model. In doing so, the opportunity arises to reengineer [re-think] existing service-led customer retention projects.

Benchmarking a best practice will inevitably produce a discourse among various commercial enterprises. The context of business process reengineering and applied best practices are subjective to a given enterprise. One cannot say that a best practice successfully applied to a specific corporation's Business Process Reengineering (BPR) project is universally acceptable. BPR projects, in lieu of Customer Resource Management (CRM) architecture design, are unique to each commercial enterprise. Obviously, positive outcomes in applied best practices [during BPR] are visible in some companies. Business Process Reengineering (BPR) must start with planning that emphasizes the customer as central to the BPR project. Since BPR is a requisite best



practice for CRM deployment, corporate-wide participation is necessary. All entities in the enterprise must take ownership of a best practice philosophy that is representative of both BPR and CRM architectural design.

What is the framework of best practices during Business Process Reengineering (BPR)? How can all the entities in the enterprise come together in support of a best practice philosophy for sake of accomplishing BPR successfully? The answer to these questions is a measurement of the enterprise's **s**trengths, **w**eaknesses, **o**pportunities, and **t**hreats. Better known as SWOT (acronym), it is an excellent way to flesh-out the strengths and weaknesses of a corporate enterprise in lieu of clearing the playing field to establish a Business Process Reengineering (BPR) strategy. Completing a SWOT analysis identifies ways to minimize the weaknesses in the enterprise and maximize strengths. Internally, SWOT analyzes **s**trengths and **w**eaknesses of the enterprise's business process - externally, **o**ppportunity and **t**hreat measurements for their impact on the enterprise's business environment. Not unlike the significance of internal and external CRM metrics, SWOT requires the same consideration to gain a "big picture" scope of view.

Brainstorming is an excellent way to congregate constituents of the business enterprise to start a SWOT initiative. Once this is accomplished, SWOT focuses on the measurements that makeup its analysis: What business advantage makes the corporate enterprise stand out from its competition (**s**trength)? What customer facing challenges does the enterprise encounter (**w**eakness)? What are the gaps in the marketplace the enterprise can fill that competition does not (**o**ppportunity)? What internal and external risk is a potential hazard that can damage the corporate enterprise (**t**hreat)? Understanding the metrics comprising a SWOT analysis is critical to a business enterprise's success. By correlating SWOT components and their associated metrics, Business Process Reengineering becomes more comprehensive in its scope and best practice philosophies substantiated.

An enterprise is ready to analyze its situation with respect to the business environment in which it operates after it can articulate beliefs, vision, mission, and values. The business enterprise must be able to understand customer needs and a scope of ideas for inspiration. The aforementioned pattern of activity defines SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis. The

application of SWOT analysis sustains strategic plans business plans, and process improvement plans [objectives]. SWOT analysis in combination with benchmarking reveals gaps in process performance. This performance measurement complies with best practices and is essential input for process improvement. Knowledge of strengths, weaknesses, opportunities, and threats forms the basis of understanding how a business enterprise can best respond (the best practice) to likely opportunities and threats in the business environment.

## Chapter 2

### 2.0 CUSTOMER RESOURCE MANAGEMENT (CRM)

#### 2.1 Origin of CRM

About one half century ago (circa 1955), consumers maintained an intimate rapport with their merchant counterparts. During the exchange of goods and services between merchant and consumer, both parties became very familiar with the other's daily activity. Friendships were struck, children of both sides played with each other, babies were born, people passed-on and their lives interacted dramatically. The merchant served the consumer as a unique individual.

During the second half [1955-1999] of the 20th century (Angel 6), large segments of the United States population migrated to growing urban environments. At the same time, consumer demand for goods and services grew exponentially. Corporate enterprises answered the call by implementing large transaction-based processing systems to handle the exponential demand. Corporate enterprises and their respective businesses flourished. Cost of sales dropped

since the enterprises were able to utilize fast transaction-based systems. However, the enterprise landscape was losing sight of consumers, as individuals, for sake of volumes of business transactions.

In the early 1990s, corporate enterprises focused on attempts to re-capture the individual aspect of customer relationships. Management tools (too numerous to name here) were implemented with the hope of retaining customer loyalties. Unfortunately, this concerted effort lost sight of necessary best practices. Namely, to serve the customer rather than automate internal workflow as a means of making enterprise business process easier. In fairness to overall dynamics of sales automation, contact management tools contributed to the allocation of customer resources while improving a corporation's ability to provide better service.

A best practice strategic goal is to always [be able to] treat consumers as unique individuals [that they are]. Customer-centric enterprise planning is the best planning or practice choice. By doing so, a value-exchange can be realized between corporation and customer. There is no other choice in a world moving toward commoditization of products.

## 2.2 Overview of Current Situation

My own experience with the operational aspects of corporate enterprises is somewhat limited. However, from a sales and marketing perspective, many years have elapsed. I can reflect on the systemic (symptomatic) areas in corporate enterprises that are spontaneously reacted to when corporate sponsors consider a Customer Resource Management (CRM) paradigm. The systemic or symptomatic areas [in discussion] include: deciding what customers are the most valuable; why customers are attracted to competitors; not taking partners seriously; haphazard pipelines without consistent updates; and opportunities to upgrade customers' products are not realized because information is not readily available.

Reacting to these four specific areas, corporate enterprises are avoiding a broader view and not adhering to a best practice mentality. Of course, fixing any one or all of these weak areas can produce a sense of accomplishment let alone satisfy some sort of ROI viewpoint.

What is the broader view then? In hindsight, corporate enterprises are usually aligned with functional and product dynamics in mindset. A best practice mentality dictates measuring customer activity to gain a business advantage by understanding what customers want. Once a business can produce meaningful measurements of customer activity, the

focus on internal workflow process becomes clearer with the knowledge gained. Subsequently, customer value increases with improved capabilities to serve them. Customers are attracted to businesses when they feel recognized as the first priority.

If Customer Resource Management (CRM) metrics are utilized to understand past and future customer behavior, the capability corporate enterprises have to convert that knowledge into business results can be a significant competitive advantage. However, deploying technology by itself is not sufficient for longer-term advantage although it does provide a transparent experience for customers. With that in mind, each corporate enterprise represents a unique set of circumstances in applying CRM measurements to products, services, and customers. Not only do today's customers include immense diversity but internally derived metrics are as varied too. Most enterprises today face tremendous challenges in understanding CRM on analytical terms. Consequently, most corporate environments leave gaps in their targeted marketplace for the competition to fill. A concerted effort is required in applying CRM measurements [metrics] as a best practice to gain a competitive business advantage.

Today, the majority of business executives are cognizant of the fact that keeping customer relationships strong and profitable requires the right combination of effective business processes, better data management, workforce initiatives, and information technology.

### 2.3 Practical Ramifications of CRM

Typically, small and medium size companies, largely affected by CRM strategies, have not been in business long enough to establish a comprehensive base of knowledge regarding best practices. Their management culture has been relaxed or casual, to say the least. No real accumulated data exists for retrieving information from to analyze business processes. Without clarification of business process or methods, any upgrade to a more sophisticated business strategy [CRM] requires expenditures not necessarily given foresight. Consequently, even though ROI (Return on Investment) and its associated optimism increases, the TCO (Total Cost of Operation) rises exponentially. Best practices, in the real business world, would dictate more premeditation of thought with better enterprise planning.



Today's business atmosphere dictates faster return on investment. As a rule, small and medium size companies (many large companies included) do not have unlimited revenue bases to afford immediate and total migration to a CRM design. As a result, they apply a CRM solution in a microscopic way. Instead of overall business planning, best practices aside, these small and medium companies find closure in applying CRM to a specific area of their enterprise and call the outcome successful for sake of recording a positive ROI.

Many companies purchase technology solutions before any appreciable indication of how those solutions will deliver business value. Currently, in a great majority of corporate enterprises, skill-sets are lacking in order to understand customer-facing measurements. A viable solution to a corporate enterprise's ability to appreciate the measurement of customer-facing activity will not happen with the installation of technology alone.

Using information technology to improve the way a business enterprise responds to customers is critical to the success of the corporation. It is no mystery that customers makeup a corporation's most important asset. Applying best practices in an effective Customer Resource Management (CRM) program cultivates corporate-customer

relationships that optimize revenue while improving customer satisfaction and keeping operational costs down.

## 2.4 Solution Overview

Anytime a Customer Resource Management (CRM) deployment takes place, there are essential or must-do steps attached to the data that comprises an enterprise's business model. Since data is the most important facet of CRM, best practices dictate cleansing, enhancing, and integrating the data into the business model's workflow processes. Heightened ROI (Return on investment), longer-term quality of information [insuring longer-term enterprise stability] and better utilization of enterprise technologies will be the outcome.

Any data that is enhanced before it is imported into the Customer Resource Management (CRM) model, allows for ease of automation (Wright) of business processes while considering data origination on the front-end [including external data]. I previously mentioned my sales and marketing background to be extensive. Considering the increased quality of information from the aforementioned steps for data enhancement, I can attest to its utmost importance. Enterprise sponsor's will undoubtedly have a better

understanding of the importance of doing so when they see more immediate results from marketing data that is retrieved.

In addition to integration and enhancement of data, CRM oversight that includes planning for the cleansing of data follows a best practices framework. We have all heard the expression "garbage in, garbage out." Need I say anymore about the significance of good information?

## 2.5 Larger Definition of CRM

The cruel reality of Customer Resource Management (CRM) deployment strategy in corporate enterprises is evident in the chronological order of deployment. By the very nature of today's business mindset, corporate society puts information technology at the head-of-the-line while workflow process follows with organizational change and then the strategic outcome interpreted as a successful CRM implementation. Proper corporate planning would reverse the order just mentioned. In other words, strategic business planning always comes first. The consequence of doing so is a desired, viable, and accepted result. Next, researching

the effective impact on the business enterprise as it pertains to newly discovered workflow processes. Finally, but not the least important, the CRM engine or information technology driving the Customer Resource Management architecture is considered. Customer Resource Management (CRM) is comprehensive in its approach to seamless integration for all areas of a commercial enterprise that interacts with the customer: customer service, marketing, sales, and support.

Customer-centricity is what defines the scope of activity in any successful Customer Resource Management (CRM) strategy. It is not enough to have the slickest technology or gadgetry in a corporate enterprise just for sake of efficiency. Automation of workflow processes is nifty and accomplishes tasks more easily. Business strategies, for sake of best practices in keeping customers happy, prove themselves in meeting successful business objectives.

Strategically, a broader definition of Customer Resource Management (CRM) includes keeping competitive advantage for longer periods-of-time while consistently utilizing best practices for business value. Better customer value is the result. CRM should encompass all activities that sway

casual customers to loyal customers by going beyond their expectations of satisfaction to the extent they become repetitive customers. Achieving such an outcome means that corporate enterprises must include a core offering and product with customer service extensions. For example, retailing would exemplify how merchandise displays in a store environment. Financial enterprises would ensure their customers a timely statement production. Manufacturing requires improving inventory oversight for faster product replenishment. Another example is basic yet requisite as airline baggage handlers become more prompt in service.

The metrics that form the measurement of success in any relationship between a business and a customer are proportionate to the business value gained from applying best practices. Enterprises that consistently improve, maintain, and gain in customer facing environments will keep their advantage.

Customer Resource Management (CRM) includes capabilities for measuring and understanding on-going customer activity. CRM can interpret historic and futuristic customer behavior. Obviously, the knowledge acquired through this interpretation and translated into business value, results in competitiveness. An aside: because of the skills challenge companies face, the vast majority of companies

fall behind in this area. Companies have to master the art of providing a seamless customer experience. The prerequisite for doing so is building business value through the application of best practices in workflow processes and understanding the enterprise's strategic goals.

Conceptually, Customer Resource Management (CRM) bases its strategy on aligning corporate resources with achievement of commercial objectives. This means that work processes and Information Technology (IT) must combine strategically to accomplish a customer-centric environment. The implications of incorporating this best practice strategy are visible in better understanding of customer and corporate enterprise needs. Over time, meaningful interactions dramatically improve between customer (internal and external) and the corporate enterprise. Subsequently, communication processes become more comprehensive. The corporate enterprise correlates knowledge gained from these activities with best practice planning to keep the best customers.

Customer Resource Management (CRM) is a corporate or enterprise-wide approach to sway the customer over to the corporation's side. Through improved communication, the enterprise's interaction with customers influences their

behavior with positive results. Customers become more loyal as their retention increases. Since the ROI (Return on Investment) realized from applying CRM best practices is directly proportional to business valued gained, CRM implementation must include all facets of the corporate enterprise. Customer centricity depends on the whole corporation striving to be best at providing service.

Realistically, most corporate enterprises claim that they place customer service first. These claims are in the context of transacting business more so than actual building of rapport. The truth of the matter [today] is that business interaction with customers is more inclined to fulfill a customer's need for products or services in the hope that they return to purchase more.

Customer Resource Management (CRM) becomes a strategic plan for anticipating, managing, and understanding the needs of an enterprise's customers - acquiring and deploying a customer knowledge base to enhance revenue while providing optimum customer satisfaction. CRM evolves business strategy, workflow process, corporate and technical infrastructure. Subsequently, the corporate enterprise gains a competitive edge by responding more intelligently to customer behavior.

Unlike other customer value metrics, customer behavior seems to evolve very slowly over time. Customer behavior is analogous to a fingerprint - highly stable. Once an accurate snapshot of customer behavior is established, the snapshot is not likely to change for quite a while. This gives the enterprise a definitive series of cost effective [unobtrusive] opportunities to promote services to customers.



## CHAPTER 3

### 3.0 APPROACH TO RESEARCH

#### 3.1 PROJECT SCOPE DETERMINES RESEARCH FOCUS

My thesis will be composed of four consecutive stages of activity. I have chosen to follow a Waterfall Methodology (Illustrations figure 1) since its benefit lies primarily in having to complete each phase before moving to the next logical phase. This methodology represents a more linear approach.

The first stage will incorporate discovery and analysis of the origins of best practices in CRM design. An obtainable scope of discovery and analysis will be stressed during initial investigation. Second stage weighs heavily on research and examination of the historical record of best practices used in CRM design. Third stage recites the contemporary outcome of best practices used in CRM implementations and the ramifications of migrating from an old (existing system) to a new system. Fourth stage is a reflection on my research of best practices for Customer Resource Management (CRM).

Since the author, researcher, and Project Manager for this CRM thesis are the same individual, timelines are going to be better-managed using appropriate tools (Microsoft Project and Microsoft Visio). A Gantt Chart and Work Breakdown Structure (WBS) will provide definitive timelines and milestones stressing objectives [goals] to complete the project on time. The compilation of these metrics and measurements will be furnished to an expert authority for determination of quality.

Best practices notwithstanding, my project scope focuses on the pitfalls that are endemic in corporate enterprises today. Perceptions of what Customer Resource Management (CRM) is are as varied as there are enterprises. Conceptual, managerial, and technical areas of enterprise planning are problematic. These areas involve many constituents including executives, customer representatives, sales, IT (Information Technology), and marketing personnel.

Because CRM (Customer Resource Management) deployment seems pragmatic, it results in a technology implementation as the remedial answer to raising corporate profitability while improving customer service. This trend overrides considerations for a planning effort that incorporates best practices. As a result, corporate enterprises suffer the consequences of misunderstanding Customer Resource

Management (CRM). The lack of perception for what CRM really is (process, people, and technology) and not considering these components of an enterprise both internally and externally, is the paradigm of best practices for CRM - today. Consequently, my research scope and the underlying principal of this thesis is bringing to the surface of discussion that all mechanisms of CRM must serve the customer in meeting their expectations (Shah).

Collaboration between all corporate enterprise constituents, processes, customers, and technology oversight are required. It is even more apparent when a corporate infrastructure encounters the challenging learning curve that Customer Resource Management (CRM) represents. more successful evaluation, preparation, and installation of CRM in corporate infrastructure.

Best practices and the scope of any CRM initiative or project include many aspects of the corporate enterprise. Business applications, functionality of business process, integration, corporate groups, and geography all play a part in determining the scope of activity for Customer Resource Management (CRM) research and planning. Another consideration is in what sequence these aspects are given priority during strategic planning. The impact of change to these areas of importance during CRM design must be

evaluated. It becomes apparent, even with best practices applied, that CRM best practices can be challenged by an enterprise that is already constrained. Try phasing in ideas as a best practice for deployment of CRM strategies. Carefully consider the integration of data, applications, and customer interactivity within the enterprise.

My scope of research focuses on the affinity customers have for corporate enterprises and why that is so. It is a direct reflection of what practices have been applied before any conversation of CRM begins.

At completion of this research paper, it can be used as a viable resource and reference providing a guidepost to the more successful evaluation, preparation, and installation of CRM in corporate infrastructure.

### 3.2 Research Methodology

Concerning the subject of my research methodology and the illustration (figure 1 on page vii) appearing in the front matter of this thesis, I have chosen the Waterfall Methodology as a guideline but not an absolute formula for

achieving comprehensive research results. The linear nature of the Waterfall Methodology is a more regimented or disciplined scope of process. Each step in the process feeds its successor. The integrity or correctness of each Waterfall component determines moving forward to the next: *analyze-research-outcome-reflect*. Applying these steps to each topical area of my dissertation provides structure. However, I find myself taking a practical approach to research through iteration of subject matter in topic areas. As I complete a topic section, I invariably find myself moving forward and backward through completed text to look for continuity of subject and progressiveness.

Given the aspects of methodology, my first inclination for this research project is to analyze what best practice really is and try to discover if it is an interpretation of a specific situation or if an actual benchmark for business process. No matter what the context of its application, best practice involves certain accepted foundations for investigation of any situation not only in a business context.

Expectations of e-business developers and the finicky nature of business environments in which they are involved do demand new approaches to development processes. Traditional methodology, including Boehm's (Kellen)

Waterfall model, was designed for a more historic business environment. This traditional approach to research does not necessarily fit contemporary e-commerce. Nevertheless, limited research has not revealed an appropriate development methodology for e-commerce.

Development methodology refers to the framework that is used to structure, plan, and control the process of developing a business enterprise. Such frameworks include the System Development Life Cycle (SDLC) and the Waterfall methodology. The SDLC framework is based on two principles - dividing projects into phases and using written documentation [for approvals] to maintain control. Phases in the cycle can vary from one enterprise to the next but usually follow this two-phase premise.

There is a more superficial explanation of my discovery using a research methodology as applied to this thesis project and to best practices in any business enterprise's objective. Considering Best Practices for Customer Resource Management (CRM), the steps that the author is taking in this project are not unlike what is necessary to follow best practices in business. First, the author's objective and scope require that he list the important things that attribute themselves to my project [enterprise]. Second, list the steps [processes] he must take in accomplishing my

thesis. Third, list the areas [business locations] to focus on for investigation. Forth, list the components [business units] comprising the project. Fifth, list the outcomes [business cycles] of discovery during research efforts. Sixth, list the goals [business strategies] comprising my thesis project. Now it becomes clearer that the aforementioned analogy is not only reflected in this dissertation but also is mirrored as a best practice requirement in the real world of CRM.

### 3.3 Summary of Research Results

Business executives are increasingly skeptical about CRM. They have become very suspicious that Customer Resource Management (CRM) will conclude its lifecycle and become only a business fad for which corporate enterprises spend small fortunes while failing in their objectives. Gartner Group (Accenture) conducted an executive survey reporting 55 percent of CRM projects did not produce significant benefits. Too often, CRM focus is on specific tools and one channel instead of increasing the value of the customer relationship. Many technology decisions are premature in advance of a comprehensive customer strategy; project

execution is handicapped lacking corporate sponsors; and inadequate skills for completing the project. Furthermore, complexity increases when financial planning suffers for lack of structure and reasonable investment.

In the last 10 years, innovative technologies have emerged causing frequent instability in business marketplaces. Well-informed and mobile customers are more demanding of the consumer landscape. Challenging corporate enterprises to provide the best consumer experience, the pace of technological change outstrips the corporation's ability to keep up with innovation. Competitive advantages become baseline capabilities.

Successful Customer Resource Management (CRM) usually depends on several business functions within a business enterprise. Usually, the greatest benefit realized is through cooperation between customer service, marketing, and sales groups. It is an exception to the rule when a specific corporate sponsor is able to push a CRM initiative to a successful conclusion by themselves. What is more the case in point is that Information Technology (IT) groups will lead [by default] a half-hearted corporate effort in attempts to resolve CRM strategies. No surprise in this finding as most corporate sponsors are preoccupied with their individual environments.



Most benefits gained from any CRM initiative consist of achieving significant changes in business process then reflected as improved customer behavior. What is apparent is that technology leads and enables these changes but does not deliver the changes themselves. The fundamental outcome of successful change, in the context of CRM, is a marked sales increase, expanding profit margins, and heightened ROI. Never expect CRM to change an enterprise's process at the completion of the CRM project as much as evolving improved process during the project itself. In other words, it is an iterative growth process rather than the net result of all effort at the completion of a CRM project.

Return-On-Investment (ROI) for Customer Resource Management (CRM) deployment relies on changing customer behavior. The customer expectation is visiting websites versus "brick and mortar" stores, providing personal information, changing preferences, and spending more money. Given the complexities of internal change, CRM project sponsors are so absorbed in handling this change that they typically base decisions on misguided assumptions about customer behavior.

Customer Resource Management (CRM) initiatives are usually successful when the CRM project becomes part of the enterprise's business process improvement plan and not just

an Information Technology (IT) investment. My research tells me that discovering the strategic importance of CRM solutions results in challenges from three common areas: finances, time availability, and resources. Consequently, business enterprises subsidize CRM deployment by using contact managers and spreadsheets. Otherwise, they forfeit the opportunity to apply best practices in attaining legitimate CRM status.

An observation (Gartner Group) of sample Customer Resource Management (CRM) projects shows their resemblance to Enterprise Resource Planning (ERP) projects. Time consumption, ballooning scale, work intensity, and heightened complexity absorb all participants - irrespective of sponsors or not. Subsequently, CRM projects falter early because of the perception that too laborious an effort will result such that it is impossible to acquire users (sponsoring managers) and CRM authorities to champion the CRM project.

Corporate enterprises need to consider one successful approach that blends time limitations of sponsors with requisite need for involvement and buy-in. Establishing a roundtable approach, the enterprise can easily apply best

practices by starting with initial orientation then follow with similar meetings to level the playing field. Next, confirm requirements and conclude with a review of findings to confirm what is next.

Best practices observed are the delegation of laborious work such as the collection of information from each business group [function], prioritization of user requirements, documenting information [document review], and compilation of the business plan [model]. The plan submission is to a CRM project management team consisting of knowledgeable staff with experience in project governance, methodology, and of course, best practices.

My own experience in CRM deployment is not unique in that the corporation I work for, historically speaking, implemented A CRM solution quite some time ago but never followed-up with an adequate assessment. There is not doubt in my mind that the expectation included [thinking] our particular CRM application would resolve corporate needs unto itself. What a blunder that was. We are paying the price with ongoing complexities and attempts at resolution. Let-it-be-said [again] that technology alone cannot address Customer Resource Management (CRM) requirements without a best practice attitude in advance. If for no other reason,

the value of a CRM initiative demonstrates good intent but suffers in terms of quantifiable results. CRM deployment is an iterative process - applied through continuous measurement of people, process and technology.

CIO Magazine ("Best Practices for CRM") surveyed 166 IT executives regarding their CRM deployments and associated budgets. Considering that approximately one-third (36%) reported being satisfied, a logical conclusion substantiating previous reports, the remaining constituents acknowledged increased budgets for CRM - though reluctantly. Those interviewed stating no increase (53%) or a decrease (56%) in their CRM budget demonstrated much greater satisfaction.

## CHAPTER 4

## 4.0 PROJECT OUTCOMES

## 4.1 Detailed Research Results - best practices identified

Traditionally, most business enterprises focus on one facet of their value proposition. Either the customer or the internal workflow process serving the customer are considered as the core issue around which all attributes that determine success revolve. Following a best practice mindset includes monitoring customer behavior and internal corporate functions supporting them (Illustrations figure 4). Adhering to this mindset might challenge some enterprises' ability to appreciate the fact that Customer Resource Management (CRM) includes all components making up the enterprise: personnel, business or workflow process, technology (CRM a part of), and the customer (internal or external to enterprise). Once a corporate enterprise meets and works through the conceptual challenge of managing all the components of their enterprise, it becomes clear that best practices of CRM provide an understanding of what internal processes benefit customers as well as understanding what drives the customer mindset.

Collaboration (Kellen) in enterprise planning [ERP notwithstanding], data replenishment, business forecasting, and an insightful understanding of customer behavior are part of the framework for applying best practices.

Best practices are valid business processes resulting in measured improvements of business effectiveness. These improvements are qualitative and quantitative in aspect. *Quality* of business process architecture is a measure of: design, strategy, technology, functionality, and alliances with customers. Measured *quantities* of business process consist of: cost, sales-cycle, and productivity. Metrics from these process measurements are then applied and adjusted with best practices in mind. Any changes resulting need to be translated into application adjustments then applied to enterprise-wide applications.

A significant study was accomplished by the Hackett Group (Steinberg) showing an impressive relationship between applied best practices and a corporation's ability to deliver greater business value at lower Information Technology (IT) cost. The 2000 corporations in this study are globally geographic and represent a positive outcome in applying a best practice philosophy. Considering the number of companies as a fraction of what exists, it still proves a

point about best practices and the successful outcome achieved.

#### 4.2 Definition of Best Practices

Avoiding any mention of information technology solutions attributed to Customer Resource Management (CRM) is almost impossible. With that said, best practices have played a fundamental role both historically and contemporarily. Information Technology (IT) exhibits characteristics of best practice models founded on the principles of TQM (Total Quality Management). Principles further defined by W. Edwards Demming [circa 1950] apply to the entire corporate enterprise model. Applying definitive best practices means improving processes in an effort to eliminate glitches in the deployed CRM solution. Good you say, but at what cost? In a commercial context, the definition of how good best practices are will be evident in the quality of product or service provided by the corporate enterprise. Using the well-known 80/20 rule ("best practice; Testing the limitations" 26), as example, best practice guidelines would reveal 80% advantage from deployment of a glitch-free CRM solution at 20% of the cost. Does this sound too

idealistic? Maybe so, but realize that I use the word "guidelines" as it relates to best practices overall. If best practices are not applied in deploying a Customer Resource Management (CRM) solution, the remaining effort is mute.

Do not assume that Information Technology (IT) integration is always the best practice. Obviously, the reality is that IT is not always the best choice. Some corporations experience compromises in applying best practices as they choose between implementations for supply - side integration versus demand-side integration. Two ubiquitous examples of this paradigm are Dell Computer Corporation and Wal-Mart Enterprises. Dell attributes its accomplishments to CRM; specifically *Customer Relationship Management* while Wal-Mart focuses entirely on Supply Chain Management (SCM). Compromises between supply and demand sides of any business enterprise are decisions that corporate sponsors must make. A corporation's business model founded on exploring a technology investment will live or die based on technology decisions made.

Best practice should involve executive business sponsorship that delegates strategic planning (including technology decisions) to a subcommittee. This will ensure technology investment (ROI) is based on long-term business



achievement. A technology subcommittee can investigate business requirements in more depth while discovering how Information Technology (IT) will affect the business enterprise.

#### 4.3 Supporting Each Best Practice Chosen as a Best Practice

Fundamental to the success of Customer Resource Management (CRM) deployment are the following requisite steps for adhering to best practices in a business enterprise: putting a business strategy in a plan; developing comprehensive customer insights; garnering greater value from customer contact dynamics and transforming marketing processes. The value gained from such essential metrics is part of a CRM framework for determining customer acquisition cost, customer retention, customer lifetime value, and customer satisfaction.

Value, in the context of supporting best practices for Customer Resource Management, derives from the customer's perception of benefits gained for a given price the customer agrees paying to receive benefits. CRM value implies many things not the least of which is building and retaining a customer base.

Customer Resource Management (CRM) metrics or measurements are not limited to customer behavior (customer retention, customer lifetime value, or customer satisfaction) which is external to the enterprise. Consequently, internal metrics (see Illustrations figure 4) are required for activities inside the corporation. Aside from CRM measurements that affect customer values directly (value delivery capability), metrics are required that reflect how products are produced (value production capability). Production and delivery values indicate the degree of alignment with a best practice mindset.

Whatever the goal under which a best practice project launches, the desired outcome is to improve delivery performance while maintaining consistency across departmental functions in a corporation. Not surprisingly, corporate enterprises too often counter a best practices model by seeking answers to improving performance by going outside the enterprise. This paradigm lasted for the previous two decades and presumably will continue. What happens is that corporations import benchmarked processes from other enterprises in the hope that it addresses their own unique requirements to improve performance metrics. Since importing externally benchmarked processes has no relevance to an enterprise's internal dynamics, the failure

rate for such planning is high. From the experience gained in attempting to import external benchmarks, an enterprise quickly learns that the best practice is to search from within - always a better investment in time and effort.

Further support of best practices includes a definition of each functional area of the enterprise. Subsequently, a determination of which areas of the enterprise are to be part of the project to improve business performance metrics and interdependencies between them - follows. This sets a baseline to analyze the outcome of best practices utilized across corporate functions and develops an understanding of departmental capabilities in applying best practices. It means that feedback from measurements of functional capability will propel the need to improve - through better comprehension of best practices utilized.

#### 4.4 Comparing Best Practices of CRM to Normal CRM Practices

Best practices in CRM deployment start with requisite steps to affect a structured approach to changing business processes within an enterprise. This means that every business enterprise attempting to implement CRM strategies must first assess the corporation's maturity (Shahnam) for

accepting Customer Resource Management (CRM). In other words, adapting to a CRM mindset is best achieved if assessments are taken on a consistent basis while progressing through steps to arrive at a complete CRM solution in a corporate environment. Any value gained from such planning is more apparent as activities are prioritized and sequenced. Working through the sequence of priorities during CRM implementation is an effective measurement of Customer Resource Management (CRM) best practice for determining a corporate enterprise's readiness to drive CRM. CRM executive sponsorship can use such measurements to understand corporate strengths and weaknesses in applying best practice strategies.

Best practice for Customer Resource Management also dictates that the perception of the customer is the focal point for CRM deployment. As progress in Customer Resource Management (CRM) deployment is accomplished, any challenges to a customer-centric strategy will be evident.

Normally, practices applied to Customer Resource Management (CRM) are pragmatic. This means that a cause-and-effect mentality permeates corporate enterprises today. Corporate enterprises will try to make existing business processes "fit" into a CRM strategy. Obviously, the reverse strategy is much closer to best practice considerations for

CRM planning. Remembering the tenants for customer-centric enterprises, a successful CRM deployment will replace traditional corporate environments entirely. Customer information or history is consolidated into a master repository [application] while attempting to link legacy processes to front-end portals.

Data necessary for analyzing dynamics of product, brand, channel, and customer behavior is usually not attainable because today's corporate sponsors are not following best practices in attempts at driving CRM strategies. Instead, they isolate internal business processes as Customer Resource Management (CRM) technology fills their mindset.

Normal or real-world practices for Customer Resource Management (CRM) deployment give little countenance to the data that is the foundation of CRM. It seemingly follows in priority to the physical nature of technology rather than the foundation for CRM architecture. If best practice for CRM deployment is to be realized, the data reflecting all relationships between vendors, supply chains, enterprises, and customers must be discovered. This discovery process is well in advance of any application technology consideration.

Discovery means extrapolated data from existing business processes is "cleaned" to make sure the data reflects attributes of category, type, relevance, association,

definition, and credibility. Continuing a best practice mindset, the next stage of data preparation requires its enhancement to make sure the information is consistent and current in relation to internal and external customers. Finally, a corporate enterprise must integrate the results of data cleansing and enhancement into a Customer Resource Management (CRM) plan.

Since a comparison of best practices in CRM deployment to normal [real-world] practices is the subject of this section of my thesis, it begs the question why business enterprises are not demonstrating increased success with CRM installations. The answer transcends a range of CRM installations from the most archaic to those that engulf every aspect of a corporate enterprise. With the exception of approximately one-third (Dickie) of corporations using CRM methodologies, the rest are experimenting with a concept not fully understood. This majority of challenged enterprises need to define their business processes before implementing a CRM strategy. Accomplishing such a task requires in-depth review of how the corporate enterprise serves its marketplace. Such a task begins with re-examination of how the corporate enterprise's business environment services the customer. Once this initial [best practice] step is accomplished, the enterprise begins an

evolution from a product-centric mentality to a customer-centric mentality. Better said, the corporation starts to differentiate itself from a traditional or internal scope of view. Consequently, perspectives align with the overall aspect of customer dynamics and resources.

Today, ROI (Return on Investment) is a significant challenge in corporations attempting to comprehend advantages attributed to Customer Resource Management (CRM) solutions. Typically, commercial enterprise focuses on selling products or services with sales volume the key metric and the cost of business kept at a minimum. Profitability overrides any concept of adding customer value to transactions. On the other hand, Customer Resource Management (CRM) and best practices emphasize customer value. Emphasizing customer value is a move away from product-centricity or the concept that a product alone retains the customer. Statistically, it requires a tenth of the cost of new customer acquisition to regain an existing customer's loyalty. Customer value translates to customer retention. Unfortunately, customer loyalty by itself is not the tenant for good business. Additionally, the customer must endorse the corporate enterprise and be an advocate for its product or service.

Customer Resource Management (CRM) best practices reveal the value of business processes. Customer transactions are valued based on customer satisfaction. The value attained from a legitimate CRM architecture is an assessment of ROI (Return on Investment) for the corporate enterprise. ROI is not usually attainable in the short-term. It is more apparent to find out what customers are leaving because of the way they are treated [valued] versus not knowing what customers are to be acquired because of how well they will be treated [valued].

In the real world of e-commerce (includes CRM), the illusion of best practices is visible in the acceptance of technology because it is ubiquitous to commercial enterprise. Unfortunately, the perceived best practice is more of an effort to address the need to start from a point of reference in order to attempt resolution of CRM requirements. As a result, workflow capabilities usually suffer because of misinterpreted solutions for CRM deployment. As cited in Chapter 2 (pg. 16), the measurements of business success derived from best practices applied to CRM (Customer Resource Management) are directly proportional. These measurements (assessments), mentioned in the previous section, require that corporate sponsors clearly understand their corporate culture (value



proposition), business strategies (business plan), and customer data (acquisition, enhancement, integration).

CRM practices currently lend themselves to multiplicity of applications in corporate enterprises. These applications are unable to share customer data because of the disparate structure of applications being used. Since this represents the brunt of the problem for both CRM and best practice intentions, it is imperative that any corrective action begins with the previously mentioned steps of *data acquisition, enhancement, and integration*. These steps are required far in advance of deploying any technology. Most corporate enterprises are in the minority when it comes to understanding this paradigm of customer data organization. For that reason, best practices notwithstanding, CRM planning fails at twice (Siperlan Corp.) the rate it would otherwise.

Customer centrality must be the main objective in planning for CRM. To reach this goal, the imperative is to make sure the enterprise has the maturity for thoroughly investigating what customer data is important and how to consolidate that data into a common repository [application]. If a data consolidation process follows a best practice philosophy (*acquisition, enhancement, and integration*), the outcome will be a full-circle perspective

on customer interaction. As a result, customer related activities and enterprise infrastructure become more comprehensive in their scope.

As a rule of thumb in today's e-commerce world, if you need to go outside the corporate enterprise for purposes of retaining a consultant, make sure the consultant has the same level of understanding and commitment to the enterprise as you do. Plan carefully and communicate every aspect of its architecture. Utilize thorough and aggressive questions when interviewing a prospective consultant. Require that they show proof of best practices applied in their expertise. The consultant must be engaged and enthusiastic as you are. Anything less is not worth the enterprise's objective.

Best practice dictates taking a phased approach at CRM deployment. Even if an outsourced consultant gets the contract, the slower approach to resolution of Customer Resource Management (CRM) prevails. Initially, implementing the technology packages that are most important, rather than all components, is a better choice. Such planning follows best practices as the corporate enterprise strives to reach completion of its CRM strategy. As mentioned previously, concerns for best ROI (Return on Investment) intertwine with this phased approach because it provides

measurements (metrics) for initial deployment before proceeding to the next stage. An aside to phasing in CRM deployment is the opportunity to test different vendor solutions in order to select "best of breed" for the specific corporate enterprise architecture. The last thing an enterprise wants to do is end up with a single vendor's solution at exorbitant investment while not matching the enterprise's CRM requirements. Of course, a business plan should be available well in advance of this stage anyway.

Beyond the one-third of corporations that are successful at utilizing CRM best practices, the remaining two-thirds usually requisition so-called complete solutions from vendors such as J. D. Edwards, IBM, Oracle, and SAP. These all-in-one solutions combine the components that makeup an entire business process; supply through customer. There is a definitive risk in this kind of approach. If a particular component does not support the business enterprise, the enterprise is at the mercy of the overall solution or vendor's product. I am thinking of the expression, "you can't throw out the baby with the bath water."

## CHAPTER 5

### 5.0 LESSONS LEARNED

#### 5.1 My Project Experiences

Procrastination being what it is, I have worked through the barriers of trying to commit myself to a concerted effort for accomplishing this research project. Originally, my scholastic schedule dictated having a first draft accomplished for submission months ago. Obviously, without ever having done a graduate level thesis before, my interpretation of timelines, resources, project management, and effort were misaligned. With that said, the momentum gained in the last 60 days has been substantial. My commitment each day to moving forward with this project pays off. It only requires consistency of effort to realize productive results.

My personal perspective aside, I would now like to reflect on the subject matter experience of my Customer Resource Management (CRM) thesis project. Actually, it is the best practices for incorporating a CRM solution in business enterprises that makes up the brunt of this

dissertation. A best practice mindset, realistically viewed, is not so prevalent in business enterprise today. Better said, it is so subjective to individual corporate scope, that best practice becomes whatever is perceived as such "in the eye of the beholder." I thought that to be the most concise way to describe my perspective on research so far.

It is not mysterious to understand the trends in corporate enterprises today. Even though the obvious acquisition of information technology for business is a natural process, the logic or reasoning behind doing so lends itself to questionable purpose. Do businesses across this nation of ours really believe that information technology itself is meeting challenges in raising customer satisfaction? Are information technology vendors causing corporate enterprises to gravitate toward technology for technology sake? My research tells me that both apply with minimal credence given to following best practices during the planning and deployment of Customer Resource Management (CRM).

"The notion that CRM is just an Information Technology Software Application is shortsighted. CRM is a more global design incorporating vendors, supply chains, enterprises, and customers." The aforementioned is a quote from the

abstract of this thesis. It is a thumbnail sketch of the premise for Customer Resource Management.

In retrospect, corporate enterprises do not apply best practices as a discipline when planning for CRM deployment. My research experience substantiates that best practices are very accepted as guidelines but rarely adhered to across CRM projects. Instead, the paradigm of CRM implementation is a cart-before-the-horse scenario involving the deployment of an application to manage contact information while segregating the migration of data into a CRM platform as the need arises.

My thesis project experience and findings are mirrored in real life. The company I work for is going through a dichotomy of CRM mindset with the implementation (circa 2003) of an application for managing customer resources while trying to figure out what went wrong not seeing the results perceived to be automatically associated with the installation of a CRM application.

## 5.2 Benefits Gained from Experience

As I ponder the experience of this research project, it surprises me that any expectation of accomplishing a

project would be less than substantial timeframe.

Admittedly, my previous attempt at writing a thesis was short-lived. I discovered that an initial draft is required with two months hence to finish. This time, I have allowed for as much time as required to produce a comprehensive dissertation. After great effort, submitting the final draft of my thesis will be successful. My confidence is high.

Benefits gained from my Customer Resource Management (CRM) project are two-fold. First, the concept of CRM has always been clear to me. CRM involves people, processes, and technology. Second, the notion that a vendor can provide an application to meet the overall demands of CRM is false. Actually, the second statement is the paradigm of today's business enterprise. One can only imagine the extraordinary number of corporate environments that have dedicated millions of dollars to CRM software applications. CRM application vendors have convinced corporations to purchase software as a requisite for meeting business goals. Realistically, process planning for CRM implementation does not get the corporate sponsorship it needs. Consequently, the CRM "800 pound gorilla" application becomes a burden to manage without any positive affect on the enterprise.

### 5.3 What I Would Have Done Differently

What would I have done differently to complete this research project? My immediate response is a reflection of what I actually did during the months spent accomplishing this research paper. After receiving approval of my thesis outline, I utilized the topical framework of the outline to complete each section and chapter accordingly. Doing so seemed a natural progression from start to finish. Each topic evolved into a successor topic while a predecessor topic introduced a concept that followed.

Since hindsight is 20/20, I am wondering if applying heuristics is a better method of preparing for a thesis project. Heuristics (Online Writing Lab) is nothing more than a series of questions to establish a framework for completing a research paper. Namely: *who, what, when, where, why, and how*. What am I writing about? Best practices for Customer Resource Management (CRM) implementation is the main topic. What am I trying to say? My controlling idea is how corporate enterprises neglect best practices in lieu of CRM deployment. What is the driving force behind my dissertation? It is paramount that best practices are endemic in business enterprises well in advance of planning for CRM implementation. Is my research paper worthy of becoming a reference document? Someone needs to document



what is actually happening in corporate enterprises for sake of poor planning in CRM design. At a minimum, this research paper is a guidepost to best practices and their application in business process reengineering.

If the reader is wondering why I should be considered an authority on best practices in CRM design, please give credence to the fact that my current employer is a fledgling company experiencing the complexities of CRM installation that are discussed in this paper. My premise for research is based on real-world scenarios while my frustrations encountered in actual experience incite my purpose.

#### 5.4 Summary

To summarize, my thesis introduces the concept of Customer Resource Management (CRM) and stresses the importance of best practices in designing CRM architectures within a corporate enterprise. I am compelled to present my research findings because of both realistic work experience and actual circumstance in the corporate business world. No doubt, many are familiar with the on-going challenge enterprises face in their attempts to harness their

customer's loyalty but unable to comprehend why the results are so discouraging.

The maturity of corporations facing a CRM challenge is directly proportional to the corporation's ability to understand what best practices are or how to apply them well in advance of designing their CRM architecture. The success of Customer Resource Management (CRM) in a corporate enterprise is determined by analyzing its maturity in the following areas: customer focus, people, process, and systems. Overall, maturity is a measure of corporate evolution from a traditional product business model to a customer business model. More mature corporate enterprises will identify their most profitable customers - quickly. Less mature enterprises can take months or even years to achieve higher levels of maturity. Having an increased sense of corporate maturity means less challenges in acquiring CRM.

Paramount to making best practices a spontaneous reaction for business growth is getting the whole concept to "plant" in the minds of corporate sponsors, users, and customers. Too many enterprises do not have the capability or skill-sets to acquire the advantages of best practices when deploying a Customer Resource Management architecture.

Political and cultural differences are endemic in most corporate planning but need recognition in a way not to offset what really counts about CRM best practices. The financial gain from successfully deploying CRM can be staggering for immediate and long-term corporate growth. One of the most important outcomes of successfully engaging best practice process when deploying CRM is that the enterprise transitions from product centrality to customer centrality by learning through experience of change from traditional to contemporary [CRM] mindset. Obviously, the bottom-line will reflect this success in terms of profitability and overall financial advantage.

Earlier in my thesis, I have cited the normality of corporate enterprises seeking resolution to CRM and its requisite best practices by going outside the enterprise to a vendor for purposes of finding the so-called ideal software to implement a strategic process such as CRM. Realistically, most of the discovery for deploying CRM and its best practice resides within the corporate enterprise itself. Granted, an enterprise needs to assess its capability and maturity for doing CRM planning with enabled technologies. These technologies reveal performance inefficiencies quickly while setting the stage for best

practices before implementing any Customer Resource Management (CRM) system.

Otherwise, it is almost a "knee-jerk" reaction to bring in an outside vendor for purposes of deciding what software application is best for an enterprise-wide implementation. How can a vendor even begin to comprehend any corporation's needs if the corporation itself cannot define its own best practices?

Chapter one's topic addressing business process reengineering is a wake-up call to corporations attempting to plan for migration from legacy processes to more contemporary business processes. In doing so, a corporation's old way of accomplishing business must give way to a complete revamping of their enterprise in order to conceptualize CRM as architecture.

As mentioned in chapter two's overview of the current situation in the corporate world, four areas of concern need mitigation using a best practice mentality. Initially, corporate enterprises must decide who their most important customers are. Next, analyze why customers are attracted to competition. Pipelines of customer opportunity require review for consistency of data including updates. As long as the aforementioned best practices are applied diligently, designing a CRM architecture will be more positive.

Chapter three is a reminder of the pragmatic perspective that most enterprises have on CRM. Instead of approaching a CRM plan with best practices in mind, most enterprises leap at the opportunity to implement technology as a remedial response to desired increases in corporate profitability with improved customer service. Corporations must first consider what constitutes process, people, and technology within its business environment before deploying any hardware or software.

CRM is problematic in corporate enterprises today. It involves misunderstanding the conceptual, managerial, and technical aspects of enterprise planning. Lacking a best practice approach to each of these aspects, constituents (executives, customer representatives, sales, IT, and marketing personnel) seemingly take a more pragmatic approach to finding a CRM solution. Hence, the more prevalent reaction is to seek out a vendor to provide an implementation in the form of an application; thinking the result to be the answer to CRM requirements. Of course, it is not the answer while convoluting the corporate enterprise's ability to address Customer Resource Management (CRM) properly.

As a best practice, all components of an enterprise must be considered when planning CRM strategies. Personnel,

business or workflow processes, technology, internal and external customers are all incorporated in CRM. One most important highlight of chapter four is the emphasis put on the non-realistic [real-world] approach to either internal workflow processes or the customers being served. Seldom, except in a minority of enterprises, are both given equal favor during CRM planning. Best practice dictates that internal and external aspects of CRM strategic planning are given equal emphasis. Comprehension of what internal processes benefit customers and what drives the customer mindset go hand in hand; best practice at its best.

Realistically, a valid best practice mindset is not so prevalent in business enterprises today. Whatever label an enterprise puts on best practice, it is so subjective to the specific corporate scope that the perception of best practice becomes whatever is "in the eye of the beholder." I feel that statement puts best practice in context as mentioned in Chapter five. Consequently, the trend in corporate business seems to move toward requisitioning information technology as a logical outcome or natural process for business enterprise. This trend seems to address the corporate enterprise's requirement to improve business and customer satisfaction - any comprehension of Customer Resource Management (CRM) notwithstanding.

In the final analysis, corporate enterprises must determine their level of maturity for accepting and affecting a CRM solution. The only way possible is to assess the progress made toward reaching a successful CRM architecture design. Best practices are best applied in progress assessment by prioritizing and sequencing the steps necessary as the enterprise gravitates toward a comprehensive CRM deployment. Please note that chapter four also stresses the absolute importance of making sure that CRM design supports a customer-centric mentality. Internal processes serving the customer are paramount but it is always a satisfied and loyal customer that signals success.

I hope that whoever references this research paper realizes that I have used the phrase "Customer Resource Management" generously and not to automatically assume my meaning to be "Customer Relationship Management." Though the two are not mutually exclusive, my preference for the word *Resource* versus *Relationship* is apparent. If you consider the two words for a moment, I believe you will understand why I choose the word *Resource* over *Relationship*. From my perspective, relationship lends itself to a portion of the scope of activity involved in corporate [commercial] enterprise today. On the other hand, customer resources include many aspects of a corporate enterprise. Customer

resources, both directly and indirectly, contribute to the success of doing business. By definition, the word *resource* (Webster's II New Riverside) means - an ability to handle a situation in an effective manner.



## APPENDIX A

## Tenants of best practice for CRM

- Commercial enterprises will strategically develop and market their product or service by incorporating **feedback** that shows what customers value.
- Commercial enterprises must separate high value and low value customers to engage **retention** strategies.
- Commercial enterprises need to acquire **identified** prospects with a strategy for winning them over.
- Commercial enterprises must allocate **resources** for customer service and marketing.
- Commercial enterprises must differentiate between customers that are just satisfied and those perceiving value such that they become **loyal** customers.
- Commercial enterprises need to comprehend the **drivers** of value for customers while understanding the customer decision-making process.

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