

Customer Relation Management (CRM)

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Abstract : The implementation of CRM systems has become very necessary for organizations in order to effectively manage their relationships with the customers. Unfortunately, it has faced various failures in different industries. Besides, the existence of implementation methodologies or frameworks that guide the successful implementation of CRM systems are still lacking. In response to that, this paper aims to critically review the methodologies of the existing implementation of CRM system and to comprehensively suggest a set of principles and guidelines for the successful implementation plan of CRM systems.

IndexTerms - Software service industry, CRM implementation, Key drivers, Case study investigation.

1. INTRODUCTION

Customer Relationship Management (CRM), aided by technology, integration of technology with business and the process has evolved and adopted faster due to the change in focus of marketing organisations. CRM can be defined as a revolving process during which companies interact with their customers, thereby generating, aggregating, and analysing customer data, and employing the results for service and marketing activities. CRM is a tactical business tool that helps marketing departments identify and target potential customers and help set marketing goals by assisting the team to generate increased sales. It can also enable better customer relationships, ensuring that the highest level of service is provided to them.

The CRM goal is to improve the customer's experience of how they interact with the organization. Successful companies in the future will use customer information wisely to build a relationship with their customers; on the level that customer prefers and will work towards developing a long term relationship through retaining customers by delivering delight customers.

2. OVERVIEW

The theoretical base of CRM is relationship marketing, customer retention, profitability, lifetime value, and satisfaction created through business process. The business objective of CRM is increased profit and revenue. Having an effective CRM system in place can add value to the brand while reducing general costs, since it helps organise resources more efficiently. In addition, with reduced costs of sales, productivity efficiency is increased while the better flow of relevant information also adds value to customer interactions, helping to shorten sales cycles. An efficient CRM system has a string database which will support and help establish closer customer relationships, again enabling closer customer loyalty. Effective CRM programme provides some significant benefits such as improved customer satisfaction, greater revenue growth, and increased competitive advantage, as a result of long-term customer retention. CRM often restructures a company's focus - changing investments in winning new customers to retaining existing ones. CRM helps in improving the processes related to customer management, placing customers at the centre of the organisation creating a "customer centric" structure.

Companies need to focus on uniform and customised customer interactions across all customer touch points, as well as the ability to forecast customer needs in order to cross-sell and up-sell products and services to specific customers. There is a skewed and incomplete understanding of CRM by the industry, the topic offers huge scope for investigation. Marketing academics have attempted to study CRM from different perspectives and found that there has been no deliberate attempt to consolidate the conceptualisation into a holistic understanding.

3. CRM IMPLEMENTATION

The first step for a good CRM implementation is the strategic decision to change or improve business processes in the organisation. Of course, there is the little matter of investing in an improved information system, so the critical first step is top management buy-in and the support of an efficient Project Manager (PM). The project manager needs to be extremely knowledgeable about the internal environment of the organisation as well as the external industry environment, to be able to gauge precisely what he and his organisation are up against. He or she has to be very clear on the customer scenario in their industry- the demands, anticipations, opportunities and threats on the market. Being the point of contact between the software solution supplier and the end users - employees, the PM needs to supervise the project, coordinate the education of the end users and keep the motivation levels high. He or she needs to have the overview of the entire project in order to be able to understand and communicate the development phase of the project, and the tasks in the next development phase of CRM project.

There are certain things that have to be borne in mind even before the implementation is started. Organisations need to be aware of where the implementation can go wrong and plan accordingly. Failures could be triggered by overestimating the functionalities of the implementation, inability to integrate the systems vertically so if customers need some data from the back-office, the system cannot help, thus cutting down communication channels. And of course, the biggest threat is the top level management that is not

tuned to the new implementation and does not provide the requisite leadership support. In order that the process is streamlined to meet the objective, the scope of the implementation needs to be defined early on. To keep the process simple, defining a reasonably manageable system that is fragmented into smaller bits of system scope is one good way to do it. Phasing in software functionality over a series of sequential implementations is a significant way of decreasing complexity. In order to lower the risk, it helps if specific customisation is reduced, or even done away with.

The first obvious step is securing the commitment of top management to the implementation of CRM as a business strategy. Then CRM can be translated into a strategy that is aligned with the organisation's business strategy. Then the organisation's technical, human, and organisational capabilities need to be analysed, as the rest of the components are being formulated. According to Coltman (2006), the strategy for CRM should be oriented towards:

- Customer management
- Integration and alignment of organisational processes
- Information capture and alignment of technology
- Creation of CRM strategy implementation plan

At the level of technology readiness, as the company becomes more technologically and organisationally advanced, the level of technological complexity that the CRM can bring to the table increases. There is a specific set of requirements that an organisation needs to have ready before a complex CRM is put in place. It requires the organisation to adopt definitive type of CRM systems (analytical, operational, and collaborative), back operations, front-office applications and software requirements, and systems that run an efficient knowledge management process.

While top management stakeholder buy-in is critical, it is equally important that the system and process restructuring is communicated to the employees of all levels, covering all functionalities, not only sales and technology. Thus, it is critical to change the business- attitude of the organisation, without which a CRM cannot operate efficiently. Unless the values and culture of the organisation changes, there would not be any shift in mindset towards greater culture centrality. The transformation of the organisation's orientation to customer-centric orientation is a key element. A number of factors can be changed to meet the need of CRM implementation. The organisation could initiate the redesign of communication systems between the custom facing and back-office operations. Emphasis could be placed on the culture of customer –centricity to become the objective of all official functions. Teamwork and collaboration would be essential for each project and any resistance to the new paradigm of the workplace needs to be dealt with.

Once in place, it makes business sense to integrate the CRM with other systems to produce even more efficient results. When a CRM system is integrated with other decision support systems such as the enterprise planning system, the executive information systems, the product life-cycle management systems, to name a few, each of these functionalities creates a better flow of data in order to take informed decisions on strategies. With this new clarity, organisations can plan for production, sales and other functions, much better than when working in silos. This would definitely translate into better customer understanding, more successful sales strategies, leading to better revenues and higher profits.

4. CRM Components

- I. **Information** : Raw material of CRM.
- II. **Process** : Customer centered process are the “product” of CRM.
- III. **Technology** : Machinery that enables CRM to work such as software products, networking, databases, and security features.
- IV. **People** : People are power supply of CRM. People are “reset” through various change management tools and support mechanisms such as training, new tools and measurement and rewards.

5. CONCLUSION

The foremost requirement of a successful CRM practice starts at the top. The top management of a user organization have to be the first evangelist for the concept. The mindset for adapting processes and people to implementation of a CRM has to flow down from the top, making it a company wide effort, with active support from senior management. Executives in decision- making positions need to be actively involved in changing processes to make them more customer-centric and cross- functional. This would help facilitate putting in place new processes that use technology better. It would also help in instilling disciplined cooperation and collaboration in carrying out the cross-functional processes. The system would need proper training of employees in order for them to become more customer-centric, thereby adding value to their customer interactions. This would also help enhance their market and customer related skills, and thus motivating them to achieving CRM goals.

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