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People, Process and Technology in CRM Implementation

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ABSTRACT

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Customer Relationship Management (CRM) has been a popular topic in the business world since the 1990's. The academics have conducted a considerable amount of research related to CRM, software suppliers have various CRM systems in the market and companies are willing to improve their performance to be more customer-centric. However, a common understanding of the term CRM is still lacking clarity. Additionally, a general model of how to implement CRM in an organization is missing from the literature.

When implementing CRM three crucial components in an organization should be taken into account: people, process and technology. The organization should find the right mix of the components, usually divided as 50% to people, 30% to processes and 20% to technology. People of the organization need to be won over for the change as well as trained for the new ways to work, processes need cross-process collaboration and restructuring to be customer-centric, technology should be approachable, and to give in-time and reliable information, the available data sources need cleansing and integrating.

This research was conducted as a qualitative, single-case study in a medium-sized manufacturing company that planned to take the CRM system in use. The aim of this research was to study the CRM phenomenon in general and the aspects that the company should take into consideration in order to successfully implement CRM in an organization. The need to find a technological solution to improve the global sales team's daily work was the starting point of the project and the needs for the tool were discussed in CRM team meetings in spring 2019. People, process and technology components were studied by interviewing the sales team and three employees related to the components, and the functions of the components were observed before the system implementation project started.

Key findings were that people should be informed, trained and supported during the change process which essentially relates to CRM implementation. The processes need cross-process collaboration to be improved and the existing IT infrastructure requires to be considered carefully as well. CRM implementation should always be seen as a holistic strategic approach, where people component has the biggest impact in terms of success in practice.

Key words: customer relationship management, CRM system, implementation

CONTENTS

ABBREVIATIONS AND TERMS

B2B	Business to Business
CEO	Chief Executive Officer
CLV	Customer Lifetime Value
CSF	Critical Success Factor
CRM	Customer Relationship Management
ERP	Enterprise Resource Planning
GDPR	General Data Protection Regulation, EU 2016/679
IT	Information Technology
KPI	Key Performance Indicator
PLM	Product Lifecycle Management
S/N	Serial Number
SME	Small and Medium-sized Enterprises

1 INTRODUCTION

The business world has faced a rapid change due to technology and the Internet economy over the past decades. Since the early 1990's the expression Customer Relationship Management (CRM) has been in use by both Information Technology (IT) vendors and academics (Buttle & Maklan, 3, 2015), but despite the great amount of published materials there is still lack of agreement what CRM actually is (Payne & Frow, 2005). A concise definition of CRM is challenging to provide due to its rapid and continuous evolution (Goldenberg, 3, 2010) but as the definition significantly affects the way an organization practices CRM the accurately defined term is important and needed (Payne & Frow, 2005).

Although the precise definition is intervening from CRM literature, the companies are increasingly putting effort and resources into CRM implementation. Mendoza et al (2006) underline that there is no common model that guides companies through the implementation of CRM. Each company should be considered as individuals in the manner of organizational culture, business processes and customers. Additionally, a CRM implementation project should always be considered as a project for change (Oksanen, 55, 2010). Therefore the need to study the benefits and impacts of the CRM implementation for a particular organization is important.

The aim of this study is to receive a holistic view of Customer Relationship Management and to research how to engage people to CRM, how the customer-related processes in the company should be integrated and to find ways to ensure that the selected technology achieves the standards agreed in the early stage of the project. Additionally, the most commonly known pitfalls related to CRM implementation will be studied. As a result, this thesis evaluates the people, process and technology components in the case company and finally proposes further development suggestions in respect of a continuous process in successfully implemented CRM.

1.1 Background

Objectives on implementing CRM depends strongly on a vision each organization has on it. The vital aspect is to define the strategy and vision before the actual implementation and to engage people in them.

The need for a CRM system that enables the sales team to improve their cooperation and to make the information of the sales process and of the customers more transparent has been a topic of development project in the case company for a good while. The company had done a couple of CRM system specification and comparison works earlier, but the results had not been the kind that would have led to the actual implementation of a system, which would have met both the needs and the budget frame. The compared CRM systems were the market leaders that usually are costly and heavily designed, and for a medium-sized company, they were complicated to implement. The starting point of this thesis was to find a CRM system that would fit into the budget and would meet the most critical standards to help the sales team in their daily work.

The vision for having a CRM system in use was mainly to increase information between the global sales team and to improve the daily work of the team with a tool including all relevant customer-related data. The benefits for the management from the CRM system were to be able to timely follow-up on business results and to report and forecast the sales. For the customers, the benefits from CRM implementation would be seen as increased efficiency both in deeper knowledge in customer's needs and shorter reaction times.

The first task was to find the most cost-effective solution for the CRM system and the software comparison work was done during spring in 2019. The CRM team, which involved four management-level employees of the company and the researcher, gathered seven times in order to discuss about the needs and standards for the system, as well as the starting point of how the people execute their daily work, what processes should be involved to the development task and how the available IT solutions could be helpful in order to reach the goals of the project.

The project team set up a budget roof and schedule for the upcoming implementation. The system comparison included eight different CRM solutions. During the comparison, there were demo environments in use from six of the candidates and they were compared with their functionality, approachability and security solutions. The final round was between two of the most suitable candidates and at the end of May 2019 the company decided to execute the CRM project with Zoho CRM.

As the aim of the comparison task was to find a CRM system that would be implemented, I as a researcher agreed with the company to focus my thesis especially on people and how to engage them in an upcoming new tool to use in their daily work. During the spring I had already read about high levels of failure in CRM implementations and was curious about how to avoid such to happen in this particular case.

In May 2019 I presented the upcoming CRM system implementation to the global sales team, which is the main end-user group of the CRM system. At the same event, I made a short group interview with open-ended questions to the sales team regarding their first impressions and possible resistance for the upcoming implementation.

Before the implementation, I interviewed three of the employees regarding people, process and technology in the case company. The interviews were conducted as one-to-one interviews with open-ended questions during July-August 2019.

The case company decided to start the CRM system implementation project at the end of September 2019. For the implementation project, the company decided to use an external CRM expert to help with the software build-up and customization. The construction work, customization and data gathering from different kinds of data sources were the main tasks during the project. Finally, the full use of the system started in November 2019 with the end-user training.

1.2 Research objectives and questions

This study aims for a deeper understanding of CRM implementation and the challenges a company may face during the process. To achieve a holistic view of implementing CRM in an organization and to have knowledge of the possible pitfalls there might be, the first research question is:

“What are the needed actions and decisions before implementing CRM in an organization?”

Because the CRM implementation should be considered holistically including the key components the implementation affects, the second research question is:

“How to integrate people, process and technology in CRM implementation?”

1.3 Methods

FIGURE 1. Method Map and the Selected Research Methods. University of Jyväskylä, 2010.

This research is an empirical, qualitative study that is a mix of case study and action research. The research methods are shown in the above figure 1. What

characterizes qualitative research is that it is a way to explore, describe or explain a social phenomenon, a way to examine what meanings people attribute from certain activities, situations or events (Leavy, 2, 2014). Qualitative researchers employ five main methods in their work: observation, interviewing, ethnographic fieldwork, discourse analysis and textual analysis (Travers, 2, 2001). Even though qualitative research prior structuring of a research design is not that common than in quantitative research, it is still preferable to make an early decision of the preferred methods in qualitative research as well (Silverman, 110, 2005).

Case study research is a way to describe and comprehend a certain situation or event with an in-depth view in a specific socio-political context. Case study research is not having specified methodologies or perspectives as it is singular and limited to a particular case. Case study research can conduct both quantitative and qualitative methods and even both of them as mixed methods. The use of the methods depends on which is the best way of providing evidence to inform the issues the particular case is exploring. (Leavy, 455, 457-458, 2014)

According to Farquhar (chapter 5, 2012) case studies can combine primary and secondary data sources. The primary data are fresh data collected specifically for the research project by the researcher. In qualitative research, the primary data can be e.g. interviews (face to face, e-mail, phone), participant observation or diaries. The secondary data can consist e.g. of minutes of meetings, internal reports or market research reports.

Action research belongs to the group of self-directed methodologies that focus on improving an existing activity (Routio, 2007). According to Routio active research is an effective way to handle complicated problems as the objective is to encourage, develop and carry out suggestions from the employees of the organization. It is good to remember that action research is not only a development project but a collective learning process as well. The repetitive cycle of action research after Routio is:

- The status quo of the researched group is the starting point as the action research cannot be based only on theoretical assumptions.

- Evaluation of the results. What is the original purpose of the action and are there any drawbacks?
- Reflection. Why the process now is what it is and is there any other ways to work?
- Abstraction. A theoretical model of original activity including its essential functions, strengths and weaknesses.
- Planning changes to the original mode of action to which the theoretical model provides the foundations.

According to the University of Jyväskylä (2010), action research is based on problems, problem solving and community. The researcher should actively participate in the practices of the community to research the phenomenon. The starting point is practical action and the data will be provided by recorded observations.

1.3.1 Data collection and analysis

The aim of the study is to gain a holistic view of CRM and to understand the possible pitfalls during the CRM implementation. The research started with analysing the starting point for the development work and with CRM system comparison, but after agreeing with the case company that the goal was to have the selected system in actual use, the aim of the study started to focus on CRM implementation. Soon after the focus changed I realized that the successful implementation of CRM is more or less a project for change, in other words about people rather than technology. The CRM literature also justified this understanding and after studying the theory I gained a holistic view of the three main components of CRM: people, process and technology, where people component usually takes 50% of the success, process 30% and technology 20%. Literature by Goldenberg (2010), Wagner & Zubey (2007), Raab et al (2008) and Chen & Popovich (2003) strengthened this view.

The primary data of this thesis consists of the minutes of CRM team meetings from spring 2019 that have been documented by me. In those meetings, the starting point was discussed together with the desirable outcomes. I also interviewed three employees of the case company regarding people of the organization, customer-related processes, and technology from the data gathering and selected

CRM software point of view. The purpose of the interviews was to study the case company in the means of culture and change, the current status of customer-interfaced processes and the different informational resources regarding data gathering. The interviews were kept in July-August 2019 and I have recorded the interviews as notes. The interview questions can be found from the appendices 2-4.

After the system selection, I also had a group interview with the global sales team who are the end-users of the CRM system. The purpose of the interview was to firstly introduce the upcoming system implementation and secondly gain the first impressions and possible challenges of the upcoming change from the end-users. The group interview has been recorded as notes as well and the questions are listed in appendix 1.

1.4 Structure of the study

This thesis consists of a first introduction chapter where the study background and purpose, objectives, methods and structure are presented. The second chapter is introducing the CRM theory and the theoretical framework of the study. In the third chapter, I will present the research results based on the gathered data. The fourth chapter presents a discussion based on the research results. The final chapter is proposing recommendations and conclusions for further development together with personal reflections and the limitations of the study.

2 CUSTOMER RELATIONSHIP MANAGEMENT

Customer Relationship Management (CRM) is a widely known term in the business world, but CRM can be understood differently in different parts of the organization. Definitions of CRM vary according to the emphasis of the point where it is examined. Information technology (IT) vendors usually use the term to describe different kinds of software solutions that help companies with marketing, selling and providing service (Buttle & Maklan, 3, 2015). Also, Peppers & Rogers (5, 2011) state that to some executives CRM is a technology that enables the company to better customer service with customer-related information.

The technology part of CRM is indeed empowering. While the history of salespeople have been that the efficient salesperson knows his customers and their needs by heart, and in case of leaving a company the whole information would be lost, CRM software enables companies to keep the customer history details in house. CRM software solutions are keeping the needed information easily and quickly available to marketers, sales and service personnel. However, according to Peppers & Rogers (17-18, 2011), the technology itself doesn't make a company customer-centric. The technology provides the customer's perspective, which the company should use as a competitive advantage.

Also, the management philosophy may be in the focus on how to understand CRM. According to Wagner & Zubey (4, 2007), many people consider CRM to be a direction with attention to the customer. The problem of understanding CRM completely is that the definitions vary and the phenomenon itself is very complexed. To succeed in CRM implementation in an organization, it is important to gain a holistic view of CRM which includes all relevant components that are included in the continuous process of managing customer relationships. In the following figure 2 can be seen the difference between the narrow and broad definition of CRM by Payne & Frow (2005).

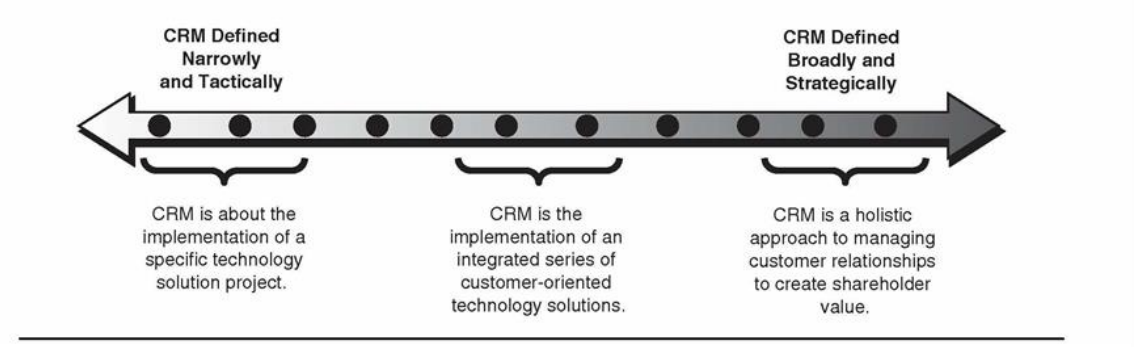

FIGURE 2. The CRM Continuum. (Payne & Frow, 2005)

According to Payne & Frow (2005), the meaning of CRM is not only trivial, instead, it may affect the whole success of CRM implementation in an organization. In their CRM continuum framework, they show the three perspectives by which CRM can be defined: narrowly as a technological solution, broader customer-oriented technology and holistic customer-centric strategy to create shareholder value. The organizations would benefit from adopting a strategic CRM definition including a vision for understanding customer value in a multichannel environment, using information management and CRM applications and having high-level operations and services.

CRM system market is a significantly growing business with a variety of options for sales, marketing, customer service, and overall managing customer-related information. At the same time when suppliers are offering their help and vision to customer-related challenges, the effects of CRM implementation failures have received considerable attention from the researchers. For example, Chen & Popovich (2003) underlines the lack of a thorough understanding of CRM that results in the CRM project failure. According to Kale (2004), the estimates of failed CRM projects vary from 60% to 80%. Raab et al. (118, 2008) have listed the most often mentioned reasons for such failure that are:

- ineffective change management
- lack of top-level executive support
- lack of customer vision
- lack of understanding of customer lifetime value
- lack of cross-functional terms in implementation/planning
- seeing CRM purely as technology

- long and over-budget implementation
- underestimating difficulties in data mining and data integration

According to Goldenberg (11-12, 2008) together with over empathized technology component there are several other challenges organizations face while implementing CRM. The challenges are lack of a sales, marketing and customer service strategy, lack of corporate commitment, internal politics, lack of proper training, lack of know-how and resistance by system users. Payne and Frow (2005) propose in their article that any organization implementing CRM should position CRM in the broad strategic context.

Buttle & Maklan (4, 2015) conceive CRM to have three main forms: strategic, operational and analytical. The three forms help to resolve the debate between IT and management schools as all of the forms include both the technological and strategic characteristics. Strategic CRM focuses on winning and keeping profitable customers, operational CRM puts the effort for the automation of customer-centric processes and analytical CRM uses the customer-related data for receiving an insight for strategic or tactical purposes.

According to Goldenberg (21, 2008), CRM is including three crucial components, which need to be seamlessly integrated in order to have CRM successfully implemented. Those three components are people, process and technology, and all of the three have their challenges to be taken into account. The organizations implementing CRM should find the right mix of the components, which usually is 50 percent for people, 30 percent for process and 20 percent for technology. The following figure 3 is inspired by the approach of Goldenberg.

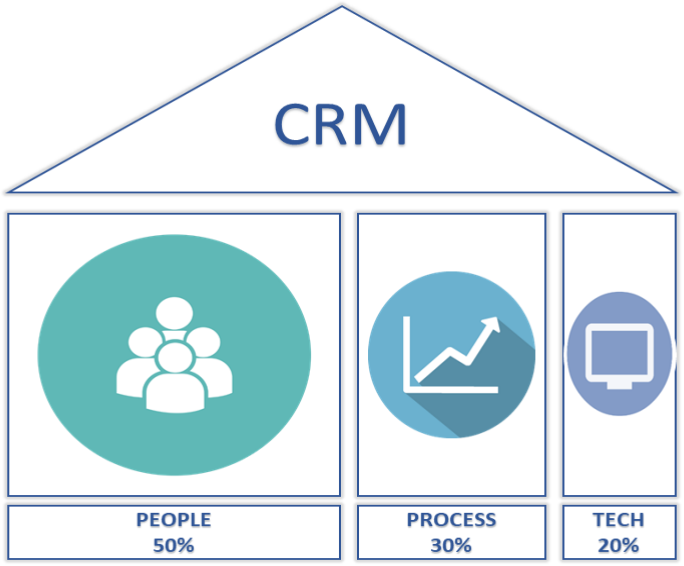

FIGURE 3. An effective mix of people, process and technology in CRM. Inspired by Goldenberg (2008).

Raab et al. (8, 2008) have similar, yet a little different approach to CRM. In the following figure 4 can be seen the three pillars and process of CRM, personnel, technology and organization, which all are part of an integrated, overall concept of CRM.

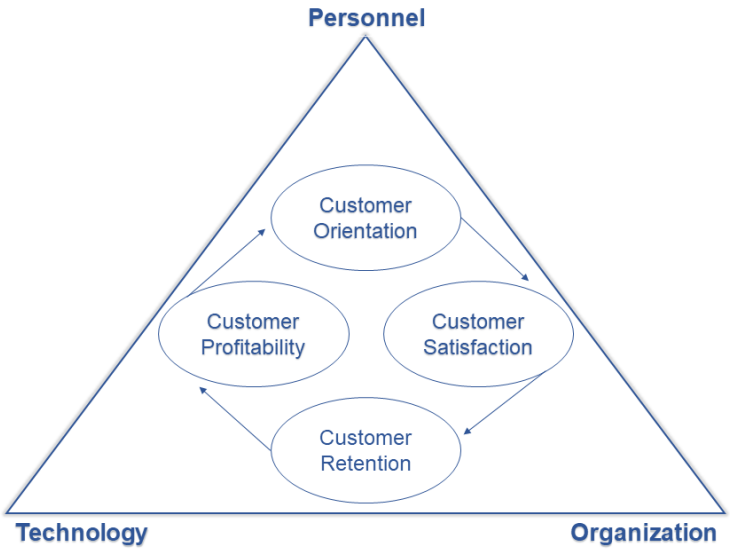

FIGURE 4. The pillars and process of Customer Relationship Management. (Raab et al, 8, 2008)

Raab et al. (7, 2008) states that an integral assessment combining the technical and human perspectives and including the essential appearance of the organizational structure is the only way to make the CRM implementation successful. Even the best technological solution would be useless without the people using it. Also, Mendoza et al. (2007) state that the CRM systems must be considered as a key component – not the only component – of the operation of a CRM strategy. In their study, they proposed a critical success factor (CSF) model for a CRM strategy which covered three key aspects: the processes, the human factor (people) and the technology. In order to achieve the CRM objective successfully there is the necessity of an integrated and balanced approach to these key aspects.

Following the approach of Goldenberg (2008), Raab et al. (2008) and Wagner & Zubey (2007) the research will now focus on how the people, process and technology factors should be taken into account in CRM implementation.

2.1 People

The people component accounts for 50% of the overall success of CRM implementation because of the natural habit to resist the change. For any organization mastering the people component is often the most difficult challenge in CRM implementation (Goldenberg, 29, 33, 187, 2008). Mendoza et al. (2007) state it is important to involve people with the CRM strategy and motivate them to reach the objectives. The CRM strategy has a strong impact on employees as it changes the way they have worked before the implementation. Selling and convincing the employees of the benefits and results of the CRM strategy is the role of the top management.

As stated earlier, according to Oksanen (55, 2010), the CRM implementation project is always a project for change. The change related to the CRM system implementation is only one part of a change in the business in question. The CRM implementation affects three components: the organization, the management and the end-users of the system.

According to Paton & McCalman (382, 2008), managing change is always about managing people. People want and need to grow, and with that personal growth, the organizational performance is also improved. When designing change in the organization, the key to success is to involve the people in the process in the beginning. By openness, communication, involvement, and empowerment can be gained commitment and ownership of the change process by all. Raab et al. (119, 2008) states that the change management strategy should be focused on both cultural and technological change, which should be seen as a primary implementation issue at the corporate level.

2.1.1 Organizational culture

According to Hofstede & Hofstede (2005, 35), organizational culture has been a hot topic in the management literature from the beginning of the 1980's, when authors started to make a claim of an "excellence" of an organization fashionable. That type of organization contains the common ways how its members have learned to act, think and feel. The way how an organizational culture differs from a national one is that its members did not grow up in it. They continue (284), that the national culture, containing the basic values, is acquired during the first ten years of people's lives, while organizational culture, containing the organization's practices, is acquired when entering a work organization as an adult and having the basic values firmly in place already.

CRM leaders need to be sensitive to the organizational culture in which they plan to implement CRM. Buttle & Maklan (369, 2015) state that organizational culture comprises widely shared and strongly held values. Those values reflect in individual and interpersonal behaviour and the organizational culture affects the business performance in its entirety. According to Raab et al. (119, 2008), one cultural factor is the level of resistance to something new or innovative by some employees.

According to Mendoza et al (2007), CRM strategy means a change in culture and switching from a product-oriented approach to a customer-oriented approach. The change is needed in attitude within the organization and the employees, as

the CRM strategy affects the way things have been done to the point of implementation. The customer-centric organizational system associates positively with CRM capabilities, sates Wang & Feng (2012). That is more likely to be achieved when the organization structures itself around customer groups and the employees are awarded for their high CRM-related performance.

Buttle & Maklan also refers to the Competing Values Model of organizational culture by Cameron & Quinn (2011). The cultural change may need adjusting, for example, the organization's structure, systems strategy and leadership style. As the culture of the organization determines the success of CRM implementation, it is relevant to mirror the organizational culture in question to the Competing Values Model, which can be seen in the following figure 5.

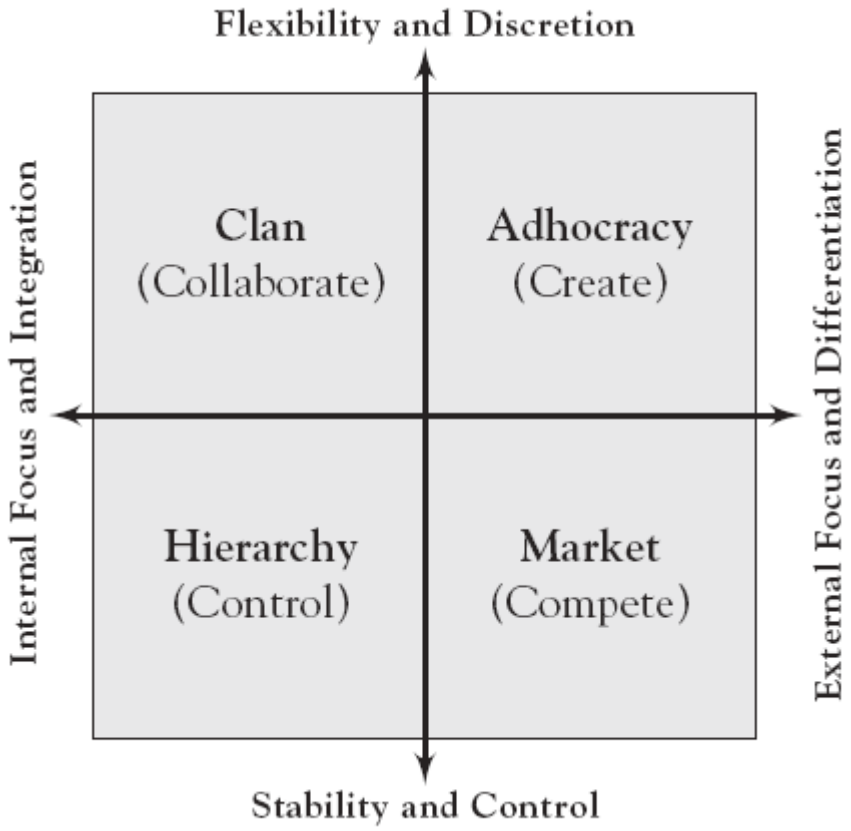

FIGURE 5. The Competing Values Model of organizational culture. (Cameron & Quinn, chapter 3, 2011)

The Competing Values Model includes two dimensions. The first dimension differentiates effectiveness criteria that emphasize flexibility from criteria that emphasize stability. The flexible organizations are viewed effectively if they are

changing, this means neither the products nor the organizational structure stays the same very long. Stable organizations, on the contrary, are characterized by longevity in both design and outputs. The second dimension differentiates effectiveness criteria that emphasize an internal orientation from criteria that emphasize an external orientation. Some organizations having harmonious internal characteristics are viewed effective, while the others are judged to be effective if they interact or compete with others outside their boundaries. (Cameron & Quinn, chapter 3, 2011)

The two dimensions form four quadrants representing organizational effectiveness indicators: clan (collaborate), adhocracy (create), hierarchy (control) and market (compete). Those indicators show what people value about an organization's performance and additionally they define the core values on which organization makes the judgements. (Cameron & Quinn, chapter 3, 2011) Buttle & Maklan (369, 2015) states that with CRM success adhocracy organizations show the strongest association. Adhocracy in an organization includes characteristics such as flexibility, entrepreneurship and external orientation.

Hofstede & Hofstede (292, 2005) produced six dimensions of organizational cultures from their IRIC cross-organizational study and the dimensions have both similarities as well as differences to the Competing Values Model. Those six dimensions are:

1. *Process oriented versus results oriented*
2. *Employee oriented versus job oriented*
3. *Parochial versus professional*
4. *Open system versus closed system*
5. *Loose control versus tight control*
6. *Normative versus pragmatic*

The dimensions of organizational cultures include labels that are not "good" or "bad" and the order of the dimensions is not in rank order. The way a dimension should be interpreted depends only on where the managing directors want the organization to go. (Hofstede & Hofstede, 292, 2005)

The way organizations react to the change reflects from the organizational culture. Changing the tradition from separate goals and objectives in different departments to the focus on customer needs the commitment from management. Cultural change and the participation of all employees within the organization are needed when re-engineering a customer-centric business model. CRM implementation might require some significant changes in jobs. The employees need to understand the purpose and changes that CRM will bring and therefore CRM initiatives need vision and effective communication by the executives reaching all levels of employees. (Chen & Popovich, 2003)

According to Cameron & Green (307, 2009), a change in information-sharing habits should be addressed as a cultural change. This is because the introduction of new IT systems alone will not achieve change in behaviour, which strongly relates to the way people share information. The organizational strategy is hard to align with IT strategy but leaving it undone the two strategies may drift apart and cause major problems. This is where business managers and IT managers should improve communication and understanding between each other in order to avoid decoupling strategy and IT decision making.

2.1.2 Top-level executive support

Goldenberg (33, 2008) states that executive support is the single most important success factor in CRM implementation. The weak or mediocre executive support eventually leads the CRM initiative to failure. The lack of support may arise from over empathizing the technology component or minor commitment to the initiative. In addition, executives should carefully consider the change included in the CRM implementation (Oksanen, 61, 2010). Assuming the implementation to be done quick, easy and by a command is not the way to reach for the CRM objectives.

Also, Chen & Popovich (2003) names the top management support and commitment to CRM to be the most important factor throughout the CRM implementation. Setting the stage in CRM initiatives for leadership, strategic direction, and business goals is the task for top management to do. If the senior management is lacking in believing in re-engineering a customer-centric business model there

is no reason for starting a CRM project in the first place. CRM implementation usually results in changes in corporate culture.

The key factors in executive support in change is genuine and participative communication with the employees. The changes required in order to achieve the goals during the implementation process are merely understandable when the atmosphere in the organization is cooperative. However, the commitment of the executives needs to be visible and assertive. The goals of the project should be clear and requirements the same for everyone. (Oksanen, 62, 2010)

The issues related to managing people in CRM implementation are for example increased workload caused by the implementation. Even though the impact of the implementation can be felt throughout the organization, it is particularly sales that CRM affects the most (Johnston & Marshall, 101, 2016). The management should also be sensitive to the need for thorough training and clear communication stating the benefits and pitfalls of the system (Johnston & Marshall, 104, 2016).

Cameron & Green (116, 2009) underline that the change process should be seen as a continuous cycle rather than as a linear development. They refer to John Kotter's (1995) eight-step model that derived from analysing 100 different organizations going through change. Also, Oksanen (67, 2010), cites Kotter's eight-step model in terms of to be successful in the CRM project, as the change development and empowerment should be consciously driven by the top management. The repeatedly referred Kotter's eight-step model includes the following steps:

1. *Establish a sense of urgency*
2. *Form a powerful guiding coalition*
3. *Create a vision*
4. *Communicate the vision*
5. *Empower others to act on the vision*
6. *Plan for and create short-term wins*
7. *Consolidate improvements and produce still more change*
8. *Institutionalize new approaches*

Cameron & Green (116, 2009) have their own model that emphasizes the management's attention to be the most important aspect through all phases of the change process. The following figure 6 presents the cycle of change that is based on their experience of change but has similarities with Kotter's eight-step model.

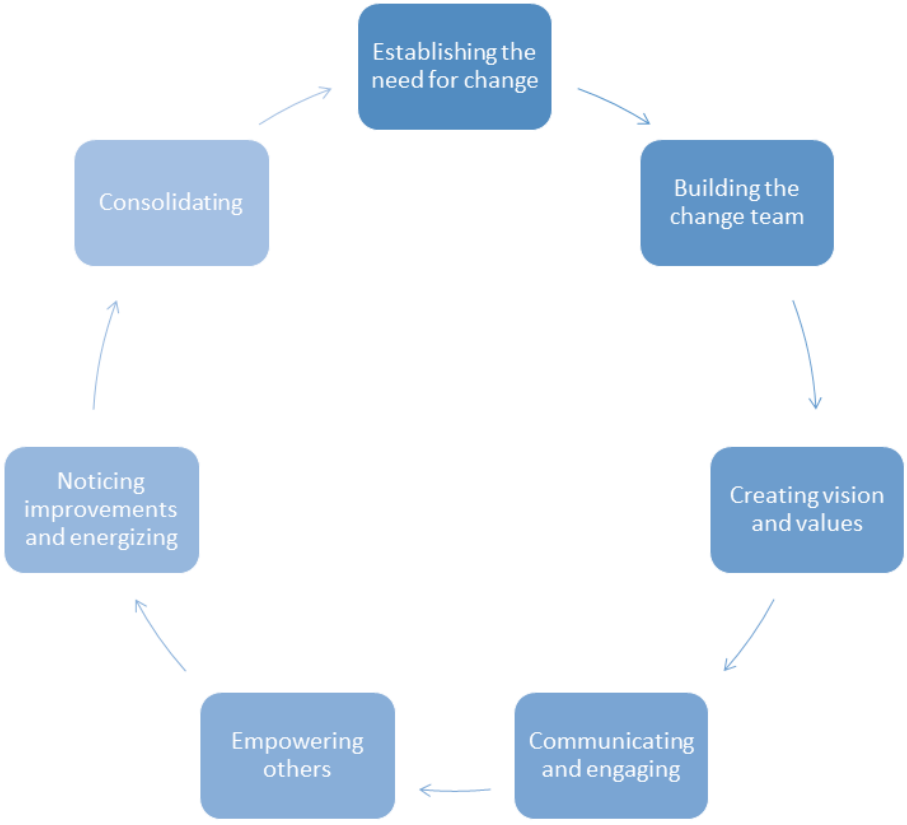

FIGURE 6. Cycle of change. (Cameron & Green, 116, 2009)

Overall, the success of CRM requires management to influence the organizational culture, say Iriana et al (2013). In addition to IT project CRM investments should be seen as change management projects as well, and this may involve changes in organizational leadership towards emphasizing creativity and innovation and valuing risk-taking. Those organizations usually deliver good outcomes from CRM technology investments.

2.1.3 Aligning people

Buttle & Maklan (366, 2015) emphasize the importance of governance structure in CRM projects. As the projects are designed and implemented by people, the project roles and responsibilities need to be properly defined and allocated. Buttle & Maklan have named the roles to be the programme director (PD), who's in charge of ensuring that the project deliverables are achieved. PD usually has a duplex role as he or she is part of both steering committee and programme teams. The steering committee makes policy decisions and the programme team is composed of representatives from the major stakeholders. Additionally there most often is external resources such as CRM consultant working with the steering committee and a systems implementer to ensure that the system is properly implemented.

Oksanen (97-99, 2010) claims that failed resourcing in the implementation project eventually leads to CRM failure as well. Underestimating the resources results in a lack of professionality in the project team, on the contrary too big of a team might end up only to argue in detail instead of getting things done. The problem of resourcing is that usually, the most talented and visionary people are busy with other important issues, on the other hand, there are usually just a few of them. In the following table 1, are the central roles and responsibilities after Oksanen.

Role	Responsibilities
CRM owner	CRM vision developer. Responsible for the system and the development as a whole.
Project manager	Responsible for implementing the project on a daily basis. The leader of the project.
Master user	Day-to-day responsibility for the system and support after the project. Puts the CRM vision into practice.
Project team	Design, definition and testing work together with the project manager. Usually the key user group.
Steering team	Monitoring and follow-up. The management team of the project.
Key user	Gives local support and works as a right hand for master user.

TABLE 1. CRM project roles and responsibilities. After Oksanen (99, 2010)

In their study Chen & Popovich (2003) state that the CRM projects require full-time attention. The project team should include representatives from sales, marketing, manufacturing, IT and customer service. The team will need support from both top management and from the project manager as well, whose responsibility is to persuade top management for continuous change efforts.

User acceptance in its entity is one of the key factors to a successful CRM implementation (Wagner & Zubey, 141, 2007). Also, Buttle & Maklan (370, 2015) states the buy-in for the CRM project's goals and vision is needed. The buy-in can appear in two ways: intellectually or emotionally. Intellectual buy-in means that the people know the justification for the change and they know what has to be changed as well. Emotional buy-in, on the other hand, includes genuine enthusiasm about the change. The weak links in the manner of change are the most problematic individuals in CRM implementation, as they are neither emotionally nor intellectually committed to the project.

The main issue related to end-users in CRM system implementation is the increased workload. The usage of such systems is rarely fun or interesting and the impact of not using it is not the end of anything on a bigger scale. If the system usage is not clearly followed and required by the management, it is rather easy to postpone the bookings completely. The root cause for the non-usage is almost always resistance to change. (Oksanen, 70, 2010)

The end-users will also need proper training in the system use. According to Goldenberg (65-67, 2008), the importance of training should never be underestimated. Goldenberg has named training to include four common formats: initial user training, training the trainer, system administrator training and remedial training. Initial user training should include hands-on training where the instructor explains a function and the participants perform the same on their PC's. Training the trainer is a way for internal trainers to learn how to use the system and teach others simultaneously. System administrator training is as well hands-on training but in a deeper sense as the assigned system administrator will be performing system maintenance on a daily basis. Remedial training will be needed within six

months after the system implementation due to for example new systems releases including new functions and features.

Additionally, it is important to take into account that when implementing CRM strategy companies need to understand that switching to a customer-oriented approach has a strong impact on employees, Mendoza et al (2007) underlines. The technology should only be used as a complementary tool to achieve the proposed goals. The most important thing is to communicate and follow-up on the desired objectives with the employees. Even with the best definitions of processes and IT solutions, in any business strategy, the people component has a determining effect.

Even though it is important to understand how technology is used and accepted by the personnel, B2B companies benefit more from understanding how technological solutions improve productivity, state Rodriguez & Honeycutt (2011). Collaboration with customers and colleagues through CRM utilization leads to higher performance with buyers.

2.2 Process

One of the misunderstandings related to CRM is that it is considered to be a marketing process only (Buttle & Maklan, 14, 2015). CRM is an enterprise-wide customer-centric business model that needs redesigning core business processes continuously (Chen & Popovich, 2003). After Buttle & Maklan (16, 2015), CRM attributes can be integrated into the following definition:

> *"CRM is the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit. It is grounded on high-quality customer-related data and enabled by information technology."*

The definition by Buttle & Maklan denotes that CRM is not only about IT and that the CRM strategy allows departments within businesses to integrate and learn from each other. According to Tayob (2013), the companies are more apt to

succeed in business performance when they are able to provide an optimal customer experience through a collaboration of marketing, sales, service and support. In order to achieve optimal results in agile selling, the companies should increasingly focus on e.g. integrating sales, marketing and service and improving the customer experience at each touchpoint.

Kale (2004) states that any company adopting CRM needs to create or re-engineer processes for creating customer insight and to taking advantage of it during customer interactions. According to Peppers & Rogers (417, 2011), an enterprise-wide cross-selling is not possible if the CRM project is limited to one division and database only. They continue that especially in B2B companies that make improvements for being more customer-oriented there in many cases is restructuring the sales force in order to ensure sales of different products to the same customer. After the restructuring, these activities also appear more rational to the customers themselves.

2.2.1 Collaboration of the processes

Raab et al. (35, 2008) make a broad view of customer-related processes. They suggest that every customer-oriented organizational structure requires the integration of all units involved. They continue (118, 2008) that the organizations that have successfully implemented CRM are the ones that have in an early stage of the process included a broad, cross-functional collaboration in their businesses. In the following figure 7 after Simon & Homburg (21, 1998) represented by Raab et al. (35, 2008) can be seen that customer-oriented behaviour is possible in every link in the chain. Chen & Popovich (2003) states that the CRM applications link the front office and back-office functions with the customer interfaces, and after Raab et al (35, 2008) every time necessary for the responsible employee the information about customers, prices and products should be obtainable.

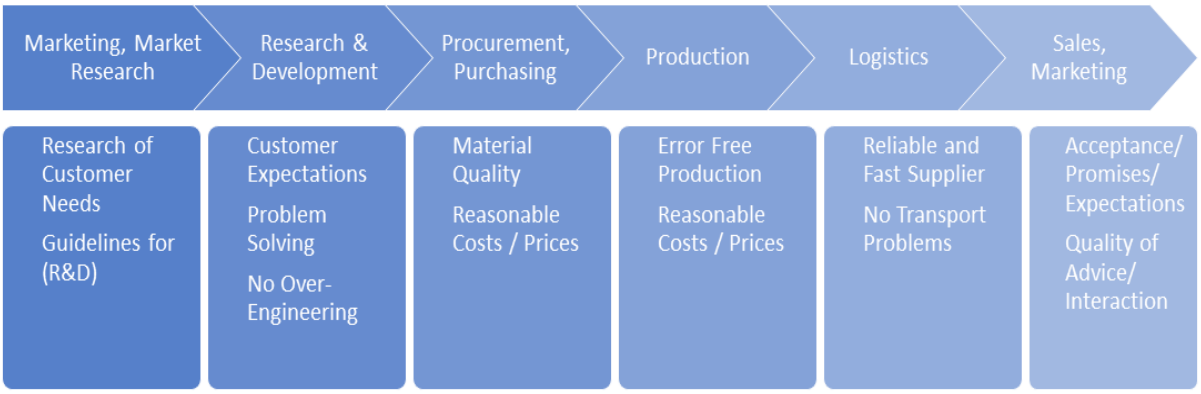

FIGURE 7. Possible contributions of value creation to customer satisfaction (Simon & Homburg, 21, 1998) (Raab et al. 35, 2008)

The importance of visible and available cross-functional information of customer activity is widely stated within the CRM research. Peppers & Rogers (362, 2011) cite Jim Goodnight, founder of SAS institute, who states that customer-centric strategies need the customer activity to be made visible across multiple channels and business units. The importance of efficient collaboration with internal stakeholders is a challenge faced by sales professionals (Rodriguez & Honeycutt, 2011). They continue that developing a customer-focused organization critically needs coordination between functional departments. In their article Rodriguez & Honeycutt present three hypotheses regarding the relationship between CRM and internal collaboration as follows:

- *Utilization of CRM increases the ability to collaborate internally with peers and management*
- *Collaboration positively mediates increased performance with customers*
- *Collaboration positively mediates increased sales process effectiveness*

According to Chen & Popovich (2003), the CRM business strategy maximize the profitability of customer interactions in marketing, sales, R&D, operations, finance, customer service, human resources, IT as well as the Internet. CRM encompasses the whole organization with front-office functions, such as sales marketing and customer service, together with back-office, e.g. operations and financial. The customer touchpoints relate with both front- and back-office functions which is demonstrated in the following figure 8.

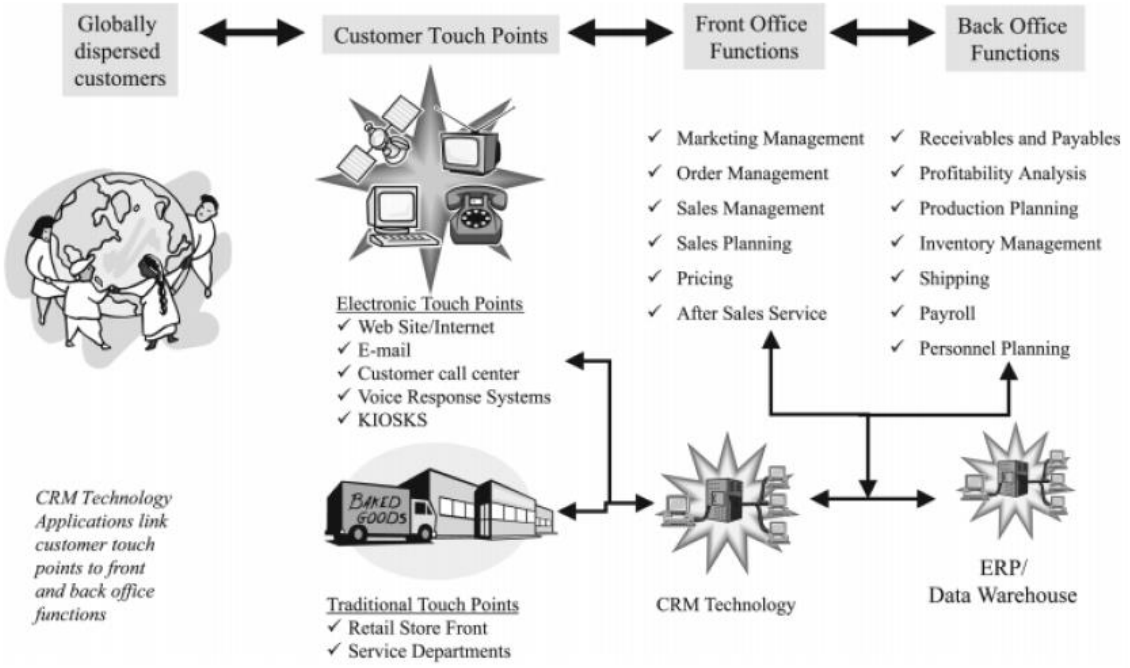

FIGURE 8. CRM applications, supported by ERP/data warehouse, link front- and back-office functions. (Chen & Popovich, 2003)

The CRM benefits according to Chen & Popovich (2003) can be seen in customer data sharing throughout the organization, which results in e.g. an integrated and complete view of the customer, superior levels of customer service, improved targeting to segments and opportunities for cross-selling and up-selling. Besides the CRM technology is beneficial for example in constructing metrics, attracting existing and new customers through personalized communication and targeting, and integrating customer and supplier relationships.

According to Kale (2004), not all the processes matter equally to the customer. However, all of the processes should support the customer value proposition. When starting a CRM project the companies should review and highlight the processes that could be performed better with the use of particular software. This will eventually lead to change management and training for the people performing the restructured processes.

2.2.2 Restructuring the processes

Tayob (2013) states that in today's business environment is important to provide a differentiated and consistent experience for the customers. That requires an

agile selling approach that uses all channels and enterprise assets to the customer. This is especially needed because of the customers' habits to constantly move and be more informed and connected than ever. According to Rodriguez & Honeycutt (2011) sales cycles can be decreased and customer expectations can be more effectively met by understanding the customer and their needs across all responsible areas of the company.

Restructuring the processes to be more customer-centric needs the change in culture within company staff and needs effective change management, communication and follow-up, feedback and leadership (Mendoza et al, 2007). In order to provide the customers consistent, knowledgeable and high-quality service the companies must consider CRM implementation from every touchpoint they have with the customers (King, 2003).

Wang & Feng (2012) state in their study that CRM projects require firms to be customer-oriented in order to be successfully implemented. Customer orientation needs companies to prioritize customers' interests as the customer orientation may strengthen their CRM capabilities and improve overall performance. The effectiveness of CRM activities also require CRM to be effectively integrated with the company's existing processes and structures. When the customer-oriented organizational system is effectively executed it enables companies to initiate sharing of customer information, overcoming the functional barriers and dedicating to customer relationship retention and upgrading.

2.3 Technology

Seeing CRM purely as technology is the most common pitfall of CRM implementation (Raab et al, 122, 2008). According to Buttle & Maklan (14, 2015), a successful CRM implementation includes people to develop and implement the processes that are enabled by technology. IT is definitely a part of many CRM strategies, but it is good to keep in mind that not all of the CRM projects involve IT investments. The high failure level in CRM implementation can result from the confusion about what constitutes CRM and the definition significantly affects the way an organization practices CRM (Payne & Frow, 2005).

Goldenberg (149, 2008) states that in any CRM implementation the technology component can be overwhelming due to two primary issues: the companies need to deal with both software vendors and the in-time technology trends. This is because even though the CRM technologies usually address all the requirements companies have, the vendors are not able to keep the promises of the solutions in practice in every business case. Additionally increased CRM software solutions in the marketplace challenge companies to stay on top of technology trends. Despite the availability of new technology, the companies should consider the most suitable solution to impact both the CRM industry's future and the company's own CRM efforts.

The implementation of a CRM system often means that customer-related data are shared throughout the organization, not the marketing department alone. CRM relates to three specific processes particularly: marketing, sales and customer service (Wagner & Zubey, 11, 2007), but after Kale (2004) CRM is involving all the processes that take place between the company and its customers. The utilization of the CRM system is in an important role in gathering buyer information across functional areas of the firm and in spreading the customer knowledge throughout the organization (Rodriguez & Honeycutt, 2011).

Wang & Feng (2012) describe the CRM solution to be deployed for better managing customer relationships and eventually having a positive association with CRM capabilities. The systems usually include front-office applications that support sales, marketing and service, and back-office applications that integrate and analyse customer-related data. Rodriguez & Honeycutt (2011) found in their study that usage of a CRM system both increased the internal collaboration and job function performance related to sales.

2.3.1 Basis for the selection

Selecting the right CRM software that meets the needs of the organization is a task that should be considered carefully. Raab et al (122, 2008) underline that executives should remember that CRM technology is not a panacea for inefficient

business activities. Therefore the needs of the entire organization should be understood and the cross-functional representation should be achieved as early as possible before choosing the CRM software.

Oksanen (76, 2010) points out that as many of the CRM technologies are off-the-shelf solutions, too broad of a requirement definition by the customer may be a waste of time. The architecture of the software is usually a take it or leave it –type of solution and most often cannot be changed by a single customer. The more important task before CRM software decision is to specify the objectives and requirements for the CRM project itself. The following figure 9 inspired by Oksanen (77, 2010) illustrates the process of specifying those objectives and requirements.

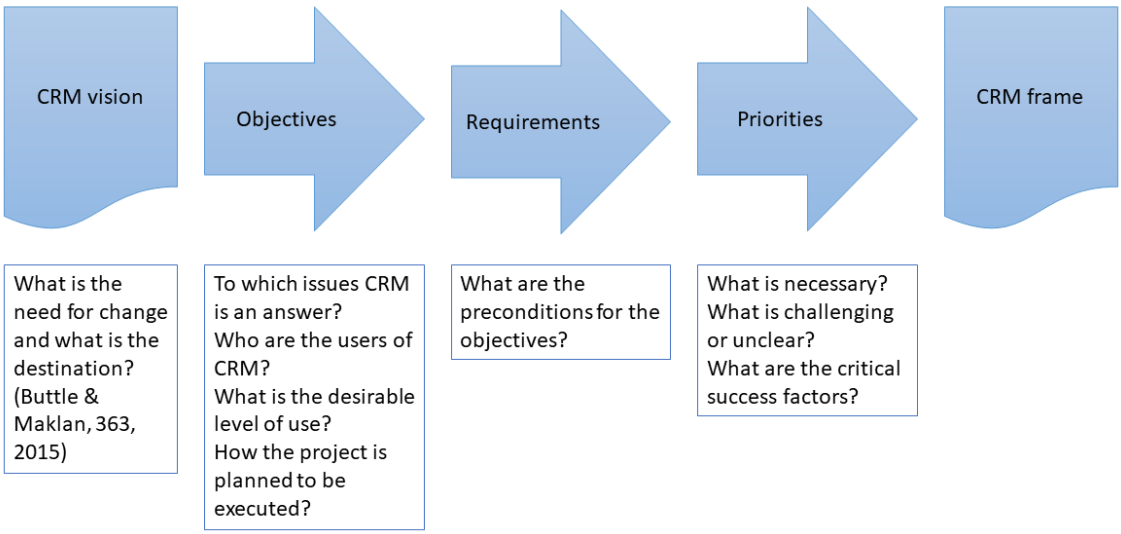

FIGURE 9. The Process for Specifying CRM Objectives and Requirements. Inspired by Oksanen (77, 2010) and Buttle & Maklan (363, 2015).

For the CRM technology itself, there should be stated some requirements (Raab et al, 122, 2008), even though the software architecture is ready-made by the vendor (Oksanen, 76, 2010). Raab et al continue that the requirements should include functional aspects, integration requirements with the existing company technologies and budgetary requirements. According to Payne & Frow (2005) CRM vendors have created many new products for comprehensive and scalable

options, but even though the vendors claim to be “complete CRM solution providers”, only a few of them can provide full functionality that CRM business strategy requires.

Having the business requirements for the software is not enough information for starting evaluating CRM technologies but there should be functional requirements listed as well. The business requirements describe the customer-oriented issues CRM must solve and the functional requirements describe how to solve them. The technology choices will become much clearer after the functional requirements have been defined. (Dyché, chapter 8, 2001)

Buttle & Maklan (376, 2015) state that there are a huge amount of software applications that can be placed under the topic of CRM. The next step of the decision making is to create a list of vendors that match the requirements determined by the organization in the earlier phase (Raab et al, 123, 2008). In this phase, it is good to notice there is a need for making a decision regarding both software application and supplier or consultant (Oksanen, 183-186, 2010). However, the companies should be aware that the businesses vary sometimes significantly and the CRM system should not be based on other businesses’ success (King, 2003). The tools should always be evaluated against the particular business requirements in question.

2.3.2 Customer-related data

Buttle & Maklan (289, 2015) underline that for the execution of CRM strategy the customer-related databases are the foundation. Companies may have several customer-related databases that serve different operational purposes. According to Wagner & Zubey (57, 2007), the companies should realize that as data in CRM may be viewed by many different workers, the customer should ideally be at the centre of any CRM system. At the operational level, the employees interact with the customers repeatedly and they need to have access to different kinds of historical details. The managerial level requires access to certain key performance indicators (KPI) in order to monitor their progress in achieving specific goals. Finally, at the strategic level that includes senior managers, access to both of the

previously mentioned data in order to examine purchasing trends, long-terms relationships and patterns is required.

Buttle & Maklan (290-291), 2015) continue that the databases may be in a structured or unstructured form. Most of the data companies have in their databases are structured, which means the data structure is provided by a pre-defined model that specifies how the data should be stored in each field, how that data should be recorded and how the fields relate to each other. By comparison, unstructured data can be textual or non-textual files that do not fit a pre-defined data model. The unstructured data companies may have for example in e-mails, Word- or PDF-documents, instant messages or recorded telephone calls.

Data integrity is a core component of every successful CRM project and it consists of two processes: data cleansing and data management (Goldenberg, 101, 2008). Goldenberg continues, that it is vital for data integrity to include how the data inventory, development and cleansing is currently done and also to develop processes to maintain, change and enhance the quality of data. Buttle & Maklan (303, 2015) states that the data integration requires that the customer's identity should be traceable in all interactions regardless of the database and any anomalies between the records should be identified and resolved.

According to Mendoza et al (2007), companies need to consider all the isolated systems that have information about the customers already. One of the greatest challenges is to understand the need to integrate the applications in order to gather all the information related to the customer. Wagner & Zubey (72, 2007) continue that the data may be duplicate depending on the record and the slight differences in the data.

The problem with customer-related data is that the more there is information available, the less qualified the data is (Oksanen, 162, 2010). Oksanen continues that the lack of data quality usually is due to unstructured ways to use the data as well as the rush in the business environment which increases the challenges in instructing the use too. According to Wagner & Zubey (53, 2007), there are eight possible characteristics of good information and they include:

- Timeliness
- Economic value
- Relevance
- Accuracy
- Minimal redundancy
- Consistency
- Completeness
- Privacy

Goldenberg (101, 2008) gives a broad justification for data integrity. First of all the quality data should be seen as a strategic asset and the accuracy of data will affect a consistent and error-free way to enhance the customer experience. With data inventory, the company will understand which data may be used for the CRM system. By cleansing and integrating data it is possible to decrease the costs caused by storing the same data in several databases as well as by maintaining a data storage infrastructure. Quality data helps to provide more accurate reports to the personnel within customer interactions too.

Wagner & Zubey (73, 2007) state that as the importance of customer data continues to grow, simultaneously the need to clean up the data will continue to grow. The companies may be reluctant for data cleansing and integration due to the need for resources – going through the records is both time consuming and expensive. However, the impact on the customers should be seen more important than using the resources, as dirty customer-related data may lead to bad information towards the customers and eventually the bad customer experience.

According to Alshawi et al (2011), the CRM system is built upon the foundation of a complete view of a customer and CRM's lifeblood is the ability to harness the knowledge at the right time, in the right format to the right person. Poor data quality in e.g. key business entities identifiers such as customers, products and sales attributes can cause major problems and have a severe impact on the performance of an organization overall.

3 RESULTS

This chapter is introducing the results of the action research case study of people, process and technology in CRM implementation in the case company. The case study started in spring 2019 and ended in fall when the selected CRM system was implemented. The case study concerns the following parties:

Case company, which needed a CRM system in use for the global sales team. The case company is an anonymous manufacturing B2B SME. This study does not concern the industry, instead, it focuses on how to manage change related to CRM implementation. Therefore more specific details of the case company's name or industry are not relevant in this context.

CRM team, which included four management-level employees of the case company together with the researcher. The CRM team set the objectives and requirements for the needed CRM system and during the team meetings, the starting point for the development work was specified. The CRM team meetings are documented as minutes of meetings by the researcher.

Global sales team, which includes eight sales professionals in Europe, Asia and the USA. The team is managed by the CEO. The group interview questions are presented in Appendix 1.

Interviewees, three employees of the case company working in different business units of the organization, interviewed with open-ended questions in terms of people, process and technology in the case company. The people, process and technology component interview questions are presented in Appendices 2-4.

3.1 Results of the CRM team meetings

The CRM team gathered seven times during spring 2019 and the aim of the meetings was to set a framework for the CRM system selection, define the current situation of the way the team executes their work and to which processes the

implementation should affect and finally to define the objectives and requirements for the system to be selected.

The comparison work for the suitable CRM system started with the situation analysis with the CRM team. The team set up a budget that was the most critical aspect to be taken into account when selecting the systems for comparison. The main features for the system were:

- Tool for sales team's work on a daily basis globally
- Outlook integration
- Customer data – history details & sales document attachment options
- Reporting and activity follow-up tools for management
- Convertible and expandable for field service needs

For IT and data security there were requirements set as well:

- Security objectives
- Cloud / server / mobile access
- GDPR
- Support & updates
- Training
- Integration with other systems
- Substitution – less is more
- The Great Firewall of China

Before the actual implementation project, the needed information together with the available data sources needed to be listed. As CRM system's foundation is based on customer-related data, the listing for the needed information was:

- Customer (company) name
- Contact name
- Address details
- Contact e-mail
- Contact phone number

- Industry & type of company
- Sales for current fiscal year

There were eight different systems selected for the comparison according to the mutually agreed requirements. The compared systems were examined in terms of four aspects: functions in sales and service and the focus on prospects or existing customers. The eight candidates were grouped by the size and type of the company and they were located to a map in accordance with the aspects. The following figure 10 the candidates map, shows the candidates and their placing in respect to the dimensions of sales-service and prospects-customers.

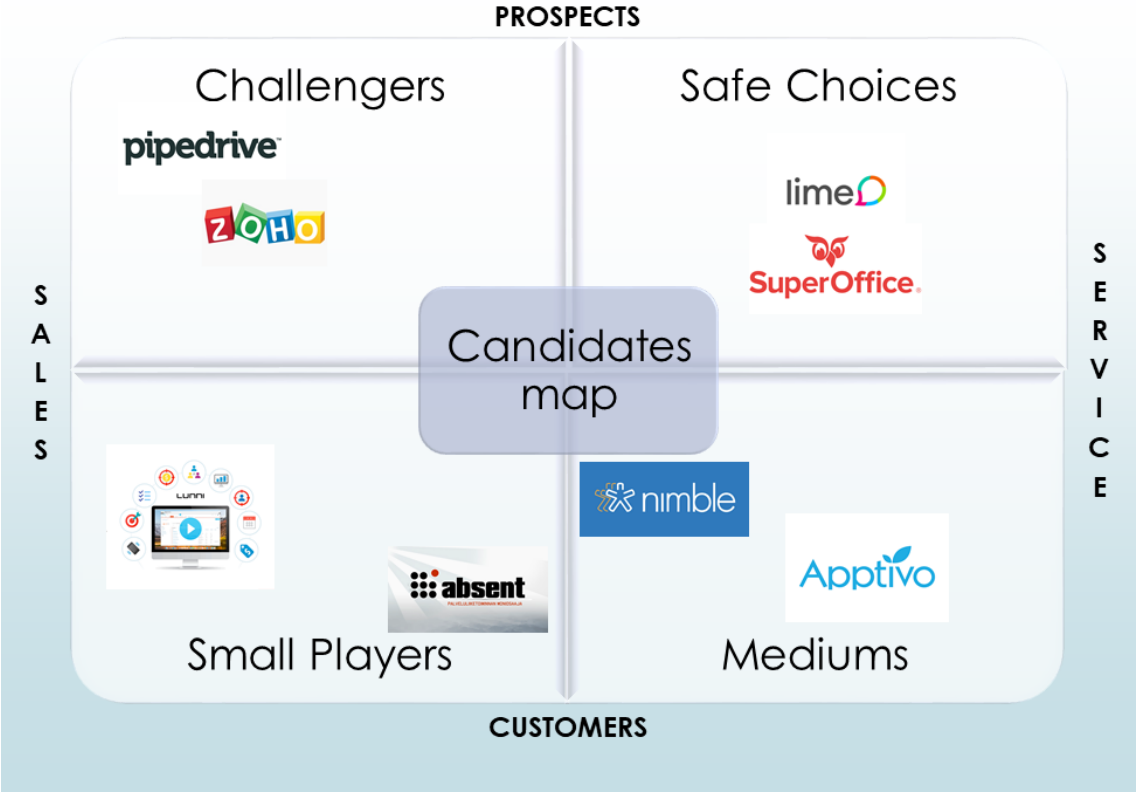

FIGURE 10. Compared CRM System Candidates Map.

During the comparison work, the functionalities were compared after the requirements and the findings were listed to the following table 2.

	Absent	Lunni	Apptivo	Nimble	Pipedrive	Zoho	Lime	SuperOffice
Outlook integration		●		●	●	●	●	●
ERP integration	●	●				?	●	●
Cloud / On-premise	Cloud	Cloud	Cloud	Cloud	Cloud	Cloud	Both	Both
Web / Installation	Web	Web	Web	Web	Web	Web	Both	Both
GDPR					(●)	●	●	●
Ease of use 1-5	1	1	2	2	5	3	3	4
Dashboard						●	(●)	●
Reports						●	●	●
User Activity						(●)	●	(●)
Segmentation					●	●	●	●
Trainings	In prs	In prs	Webinars	Webinars	Webinars	Webinars	In prs	In prs
Support	In prs	In prs	Online	Online	Online	Online	In prs	In prs
Field Service option	●		(●)				Intgr.	
Shared calendar	●							●
Cost / user / m		39-48 €	20 $	19 $	24,20 €	12-50 €	40-69 €	29,25-42,90 €
Investment cost			-	-	-	-	10-16K €	750 € / day

TABLE 2. CRM System Candidates Comparison Table.

After comparing all of the eight systems and having demo environments for six of them the final comparison was done between two of the most suitable candidates. The CRM team gathered for demo meetings with the system supplier and consultant and during the meetings, the requirements were discussed in detail. Finally, the case company selected Zoho CRM to be the best choice for their needs.

3.2 Results of the sales team interview

The global sales team group interview included questions related to the first impressions of the upcoming CRM system implementation together with previous experience of using such tools.

Most of the members of the global sales team had had no previous experience of using a CRM tool. The group's opinion was that the system would be beneficial in improving the information-sharing regarding the activities done with the customers. Also, the benefits were seen in decreasing locations where customer-related information was currently kept. The challenges of the system were said to be in the level of training and the time given to adopting new ways of work. The group also mentioned EU GDPR to one be of their worries related to system usage. For overcoming the challenges the team wished for clear instructions, sufficient training, and support for the usage.

3.3 Results of the one-to-one interviews

The interviews regarding the people, process and technology components started with an introduction to the subject and each of the interviews included the same first question regarding the organizational culture of the case company. The followed questions were different in terms of the component which the interview was about to examine.

The organizational culture was placed on the market section in the Competing Values Model (Cameron & Quinn, chapter 3, 2011) by two out of three interviewees. The organizational culture was defined as flexible and improved with openness in recent years. The ability to change was seen to be on a good level, on the other hand, the culture was stated to be stuck to the ways things have been always done. The challenges within the organization was said to be different groups that an international company has, which affect cooperation and communication. The lack of control was mentioned by each of the interviewees.

People of the company were seen as the main asset and the company has several long-term employments. The know-how of especially those employees is irreplaceable, however, the long-term experience might affect the ability to change. The interviewee of the people component underlined the reasoning behind the change that would help to overcome the change resistance. Open communication and positive feedback would also be beneficial. The motivation to the work was said to be a critical aspect of the change resistance as well – the readily motivated people are usually the ones with an easier approach towards change. The personalities should not be too much emphasized in the context of organizational change. The different locations globally should be considered carefully because of the cultural differences and distance factors. Especially in global change management, top-level executive support was seen important. Communication and informational flow should be at a very good level in order to succeed in implementing change internationally. For the continuous change, the new ways should be documented as processes, the communication should be improved and the executive support to be solid.

The customer-related processes of the case company are sales, projects and customer care. According to the interviewee of the process component each of the processes has clear ownerships, the processes are documented and the practices are clear throughout the organization. The processes have their own KPI-metrics that are frequently followed by the management group. The processes need improvement in terms of communication, resourcing and scheduling. The interviewee mentioned the shared informational channel for the processes that could be beneficial in improving the collaboration. Also, the lessons learned practices should be actively in use in order to improve both continuous development and customer experience.

The case company has two systems including customer-related information in use: ERP and service tool. Additionally, the company uses lead feeder and mass mailing tools. The systems in question are not related to each other. According to the interviewee of the technology component, the data for the CRM system would be approximately 1/3 from structured sources and 2/3 from unstructured sources. The information needed for different types of CRM would be received through analytics and strategically the information that CRM system produces was seen to be beneficial. The challenges with data gathering were mentioned to be the “dirty” data and data cleansing, wrong information and the several different places where the data should be collected. The limited resources in terms of time and personnel availability was seen as an issue. The continuous tasks should include data cleansing, monitoring the data quality and the security questions related to personal data. Regarding the selected system the interviewee considered it to be beneficial for the sales team use but for the service use, the system didn’t appear to include the needed functions. The software was mentioned to be up-to-date and it overall appears to be easy to approach. The user resistance might be a challenge and for overcoming the resistance the importance of the executive support was mentioned by the interviewee.

4 DISCUSSION

4.1 Getting people on board

The need for the CRM project was originated with the management of the case company and especially with the CEO. Therefore the executive support for the project has been in present from the beginning of the process. At the beginning of the development work, the CRM system agreed to be firstly a tool to help the global sales team in their work. The status quo was that the team gathered their customer-related information and their sales deals into several Excel-files and personal notes. The informational search was time-consuming and a holistic 360 view of a customer was nowhere to be found at first sight. Also, forecasting the sales and the needs of resources for manufacturing the machines was inaccurate both in terms of time and money.

The global sales team consists of eight sales professionals located in Asia, Europe and the USA. The challenge with the people component is the different routines and ways to communicate. The most time-consuming task before the CRM system could be in full use considered to be gathering all the customer-related data from each of the sales team member's personal files and this was thought to be challenging.

The sales team group interview resulted in mutual findings as discussed during the CRM team meetings. The interviewees told that the customer-related information was in several different files and this had been seen as an issue related to the daily work of the team members. The company is also having globally operating customers and the big challenge is that there is no transparency of the actions done in different locations. Lack of information is an issue that may lead to conflicting agreements and the interviewees agreed the CRM system would be a beneficial solution to the status quo.

The challenges regarding the system itself were stated to be a lack of support and training. The interviewees wished there to be enough time for adopting new ways to work. The worries also concerned the European General Data Protection

Regulation (EU GDPR 2016/679) that has been applicable since May 2018 (Intersoft Consulting, 2018). The team wished for clear instructions for how to process the customer-related personal data in the new CRM system.

Most of the interviewees had had no previous experience in using a CRM system – only one out of 13 interviewees had used such a system before. However, the general opinion of the upcoming new system was positive and the team agreed that if the training and time for adopting were sufficient the use of the system would turn out to be beneficial eventually.

According to the interviewee of the technology component, the resistance by the end users and on the other hand adopting the new ways to work will be a possible challenge in the future and the top-executive support is essential in succeeding in the change projects such as system implementations. Additionally to the interviewee of the people component stated that the key to success in implementing change is to highlight the reasoning behind the need for a change. Different personalities may react to the change differently but that shouldn't be taken too much into account. The motivated ones with an understanding of a general view of the change are the ones who are easiest to get on board to the change. Overall rush and lack of motivation are the reasons why people usually resist change, but participative and informative communication usually helps to overcome the resistance.

4.1.1 The cultural aspect

The organizational culture affects how the change is accepted as a whole in an organization. The interviews regarding the people, process and technology components in the case company started with the same question of how the interviewees experienced the organizational culture in question.

The interviewees quite consistently placed the case company to the market section after The Competing Values Model of organizational culture (Cameron & Quinn, chapter 3, 2011). There was a slight dispersion in how the interviewees experienced the level of hierarchy in the company. Two out of three considered

the lack of control to affect the total performance of the company but simultaneously thought the organization to be flexible and able to change. The openness between the people and processes had been a challenge in the past but it was considered to have improvements in recent years. The people were however stated to be an asset for the company. There are many employees with a long career in the company and the know-how of those people were seen irreplaceable. However the organizational structure was stated to be traditional and complex, and the long tradition of doing things one particular way would affect how the change would be accepted as a whole.

Understanding the environment where the change is planned to be executed is vital in terms of the success of the project. The sales team of the case company is divided into different corners of the globe and due that the distance factor is one part of the implementation process to be considered. According to the interviewee of the people component, the top-level executive support is especially important when implementing change across the borders. The general view of the change should be put into practice by the management and the change should be organized from the top as well. The informational flow and good communication should be kept on the top of the priority list when conducting change.

4.2 Establishing the Processes

The case company have specifically three key processes with customer interface: Sales, Projects and Customer Care. The following figure 11 shows the processes and their ownerships and metrics to manage the process performance.

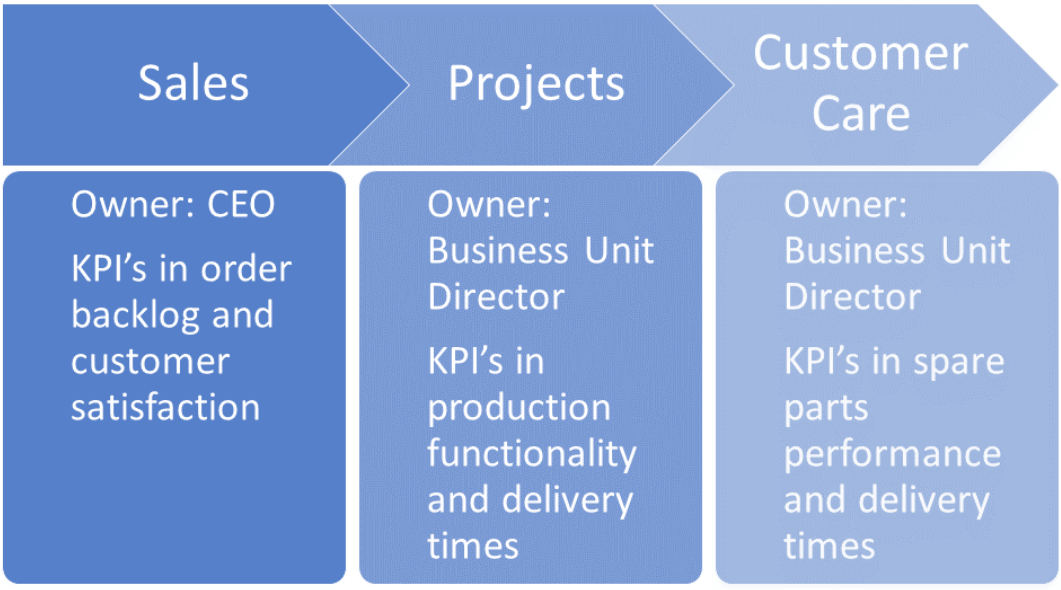

FIGURE 11. Key customer interface processes and their ownership and metrics in the case company.

According to the interviewee of the process component, the processes have several different KPI's to measure the performance, and the most commonly used is customer satisfaction. The KPI's are studied in the management group that makes reflections and bookings to the minutes.

The processes currently have needs for improvement in terms of resourcing and scheduling. The processes are mutually executed and the routines are clear irrespective of the location, but the cross-process collaboration is lacking a shared feedback channel, where the information sharing would be made approachable. The interviewee also stated the need for a lessons learned –practice, which would be an insightful source of information for process improvement and customer interfaced personnel.

With the CRM team, the CRM implementation was agreed to be started with the sales process. As one of the possible pitfalls of the CRM projects is starting the project with too big of a target (King, 2003), narrowing and starting small is beneficial. However, the team agreed that in future the CRM implementation should be focused on customer care as well to gain a full 360 view of the customers. The lifecycle of the manufactured machines can be more than 20 years which directly

affects the customer lifecycle and customer experience. Therefore the service and after sales functions are essential in collecting the data for the CRM system.

4.2.1 Sales

The sales process in the case company has been recorded and is managed by the CEO. The sales cycle varies significantly depending on the customer type and segment, as well as the product in question. In the sales process, the customer's needs and expectations are carefully considered. The case company manufactures machines for customer's production which in practice means that the end product is always one of a kind and needs thorough specification. The salesperson is the key contact towards the customer during the sales cycle.

The challenge within the sales process is the limited ways to communicate across the processes, which challenges the forecasting of needed time and resources in production and the accuracy of the sales budgeting. The status quo of the tools in use is that in addition to the personal files each salesperson has for documenting sales activities, the ways to communicate customer-related matters are the phone, e-mail and shared server files.

4.2.2 Projects

The process manager of the projects is Business Unit Director. The project starts when the project number is opened in the ERP system. By that time the contract between the company and the customer is written. The salesperson provides the sales specific details to the assigned project manager who is in charge until the project is closed, that is to say, the machine has been installed and accepted.

During the projects, the project manager is the key contact towards the customer, but depending on the customer the salesperson might be actively involved in the communication as well. The project manager is in response to reporting project status every week to the customer as well as to the salesperson. Despite the fact, shared information and collaboration between sales and projects are sometimes time-consuming and according to the interviewee of the process component, a

feedback tool for sales and project personnel use could be a beneficial solution for the matter.

4.2.3 Customer Care

Customer Care in the case company contains a warranty period and after sales services, such as spare part sales and maintenance and repair service. Each part of the process has been recorded and is managed by the Business Unit Director. Customer Care is the longest process in the company in respect of the customer lifecycle. The customer may contact several different Customer Care persons depending on the service need in question. The communication between the case company and the customer is mainly done by phone and e-mail, and the transactions are recorded on ERP.

The case company is also having a service tool in use that combines serial number information to customer details. The tool is mainly used for service functions and field service resourcing as the tool collects data regarding the service done for the machines in serial number level as well as produces work orders and service reports.

The service tool mainly handles the same information as the upcoming CRM tool and with the CRM team, the further development project in combining the two tools was seen important. Also, the sales team would benefit from a complete 360 view of a customer, in addition to sales activities the after sales touchpoints would be recorded and visible for all in one place.

4.3 Focus on Technology

The CRM objectives and requirements in the case company were defined in the CRM team meetings and after the minutes of the meetings, the results have been gathered to the following figure 12, inspired by Oksanen (77, 2010).

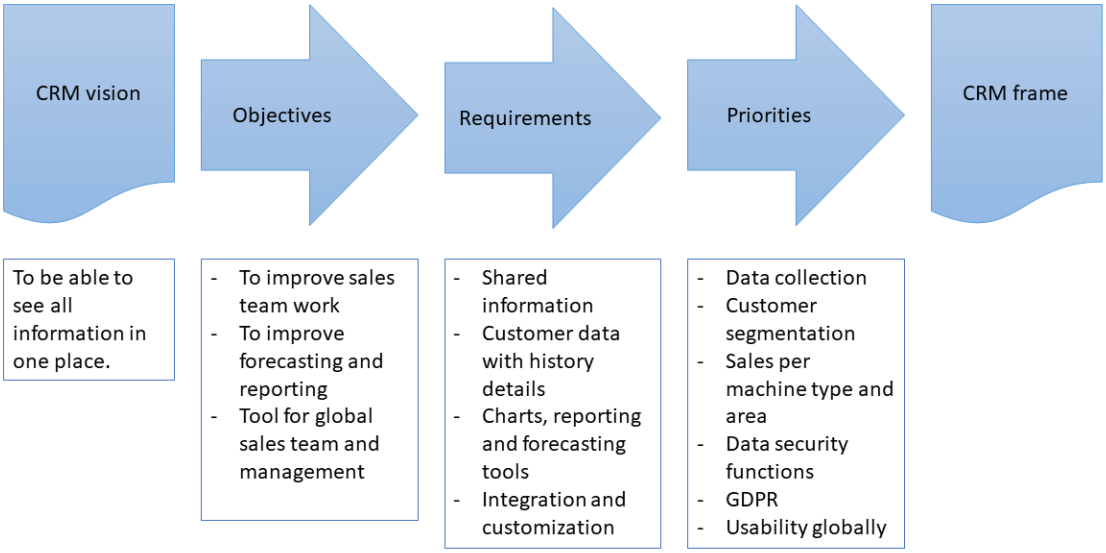

FIGURE 12. The Process for Specifying CRM Objectives and Requirements in the case company.

According to the interviewee of the technology component, the selected system met the needs of the sales team. The design of the software was considered to be up-to-date and the features seemed versatile. The interviewee considered Zoho CRM to be approachable by the user's point of view and overall the system build-up to be relatively easy due to off-the-shelve solution. For the service needs the interviewee was doubtful as the demo system didn't present the needed functions.

4.3.1 Preparing for the system implementation

As a structured data source, the case company is having ERP, PLM and service tools in active use and all of the three store customer-related data for different purposes. ERP is the customer master with invoicing and delivery addresses and produces data related to projects and transactions overall. PLM is the serial number master that among many other things combines machine main assembly to customer name and project number. The PLM system has only recently started to gather structured customer-related information. The service tool handles the serial numbers in respect of customer details and service history and includes contact persons to the customer details as well. In the following figure 13 the customer-related systems are shown.

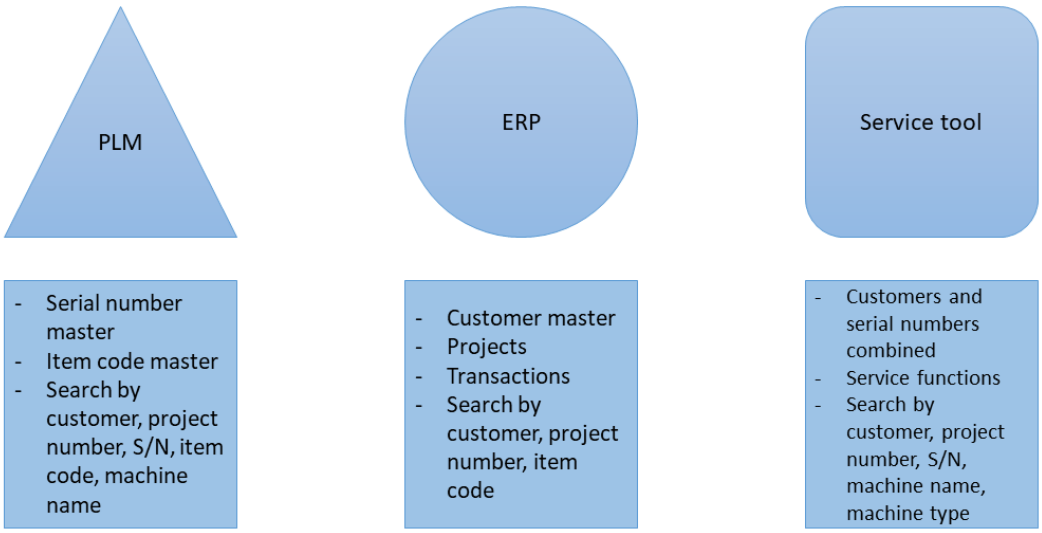

FIGURE 13. Customer-related systems in the case company.

The sales team is also using different kinds of Excel-books to forecast the sales and to keep a track of the sales pipeline on a monthly basis. The CEO follows the most probable sales in another Excel-book that combines the team sales into one view. Additionally, many of the team members have personal customer-related unstructured databases.

According to the interviewee of the technology component the company is, in addition, having lead feeder and mass marketing tools in use. Those particular tools include data related to e-mail addresses and currently are not particularly monitored. The interviewee estimated that the amount of data that would possibly be gathered from the structured system sources was 1/3, and the balance 2/3 from a variety of unstructured sources.

The major issues with data collection and management according to the interviewee was the data cleansing and the sources for the needed data. The limited resources in time and personnel manner was also a challenge to be considered. In the future, there should be a plan for updating and managing the data overall and data quality management should be documented as a process. The security matters related to the data stored in the system and how the personal information is erased should be considered as well.

From the existing systems, the customer company details were collected from the ERP system and the exported listing was cleaned from the duplicates and other anomalies. However most of the customer-related contact information needed to be collected from the sales team members' files and phone books. The data collection was done with a pre-defined Excel-book that related the customer company details to contact information with an identification code. The collected information was imported to the CRM system that combined the information to both the company and the contact view.

For the sales pipeline, the deals were collected from both personal and team sales forecasting Excel-books from the current fiscal year. The deals were allocated to the customer companies with the same identification code as with the contacts. Once the deals were imported to Zoho CRM the complete view of a customer included company and contact details, closed and ongoing deals, machine types related to the deals and project numbers related to the closed-won deals.

The implementation project kick-off meeting was at the end of September 2019 and by the end of November, after the system end-user training, the CRM system was ready to be actively in use by the sales team. During the system implementation project, the most time-consuming task was undoubtedly the data gathering and cleansing, which was done by the employees of the case company. For the external expert, the system build-up practically meant system modification and report creation as well as finalizing and importing the collected data. The CRM system implementation project stayed in the frames of both time and budget.

5 CONCLUSIONS

The aim of this thesis was to receive a holistic view of Customer Relationship Management and to understand what implementing CRM in an organization completely mean. This research especially concentrated on three core components in CRM implementation: people, process and technology and how those three components should be taken into account to succeed in the process. The research was done as a case study in a medium-sized manufacturing company in Finland in 2019. The data was collected by examining the starting point and needed changes in CRM team meetings, interviewing three employees of the case company regarding the components and observing the activities related to the topic. Based on the empirical data collected I found that in the successful implementation of CRM, people need to get on board to change, processes should have cross-process collaboration and technology should be approachable and data coherent.

The findings were mainly in line with the CRM literature, as Goldenberg (2008), Chen & Popovich (2003) and Wagner & Zubey (2007) being the background of the study. Every organization has its own culture, ways to execute processes and an existing IT infrastructure to be taken into account. When implementing CRM it is important to understand the phenomenon and to mirror it to a situation in question.

People of the organization is the key asset to every business activity. As stated by many authors of CRM literature, top-level executive support is seen as one of the most important things to be considered when implementing CRM and change related to it in an organization. People also need training and clearly defined roles. The interviewees mentioned the same during the interviews. The change should be led from the top to put it into practice, especially in an international environment. People need to be continuously informed of the need behind the change. CRM implementation affects the way people have used to do their work and adopting the new activities and tools takes time. For the training, there should be enough information and resources given to the employees.

The process component needs cross-process collaboration and putting the customer to the very centre of every activity. The collaboration and shared information was also mentioned in both interviews and while observing. The challenges within the processes also affect people who execute them. Implementing CRM in an organization means that the existing processes need to be valued and restructured to be more customer-centric. This means the change in both organizational culture and in general view of how the processes should be carried out. To improve the cross-process collaboration, the related functions and especially people involved should be overheard. The change in the processes should be led from the top and the vision to be clear to all in the organization. As the change is always a continuous process, it should be monitored and analysed by the top management. If the processes are inefficiently working the CRM systems are not capable of fixing them. Therefore before implementing an actual system the current situation with the processes should be evaluated and activities changed if needed.

For the technology component, the companies should first understand the key issue behind many failed CRM implementation: it is not about the system. The system is an enabler for the customer-centric business strategy that is put into practice to the customer-interface processes by people of the company. The system helps employees to do their daily work, but the companies can execute customer-centricity without a CRM system. However, to see the complete 360 view of a customer the systems provide useful tools and instead of having all the information in several different places it is both time and money-saving to have such a system. Before selecting a system the companies need to define the objectives and requirements to have a CRM frame. Then the existing IT infrastructure and different data sources need to be carefully considered. Customer-related data is the foundation for every CRM system and going through the old databases is time-consuming. By doing the data cleansing and integration too quickly and without completeness the CRM system will provide “dirty” data in future use which eventually leads to frustration among the user group as well as customers who get service related to the wrong information.

5.1 Recommendations for future studies and improvements

Implementing CRM in an organization is not a one-time action and the change takes time before completely adopted. Especially in companies with international functions the change needs monitoring and management. As every organization is different, the implementation of CRM means different things as well, but generally speaking, every organization should put time and resources to evaluating the starting point, listing the needed changes and monitoring the actions too.

For future study in this particular case, it would be interesting to examine how the implementation succeeded over time. As this study ends when the CRM system was about to be actively in use by the end-users, the future study would start with evaluating the actual level of use of the system together with overall effects to the business activities. This study would be done by interviewing the end-users about the functions, ease of use, overall benefits to the daily work and so on. Also, the data for the level of use would be gathered from the CRM system itself.

For the case company, the recommendation for further improvement is to continue with building the processes and the CRM system to be more customer-centric. The customer lifecycle includes a variety of activities with the company and selling a machine is only the beginning of a long relationship with the customer. Collaboration with the sales, projects and customer care would be beneficial to both the company and the customer. Different processes would benefit from the information received from the activities done in different parts of the organization with the customer in question, on the other hand, the customers would benefit from deeper knowledge the company has of them. Overall keeping the old customers and building long relationships with them is more affordable than trying to win new customers. Cross-selling and up-selling the company's services can be improved only by shared information and functioning collaboration, and to succeed in cross-process collaboration and customer-centricity, the vision and the needed actions should be continuously informed across the organization.

5.2 Personal reflections

The process of this research has been long and educational. At the beginning of the project, the goal was unclear, as firstly the objective was to compare different systems and the further the project went, the goal changed to have the system actually in use as well. However implementing CRM doesn't mean only system implementation, instead, it is understanding the general view of how the customer-centric approach affects the whole organization in terms of both people and processes.

Gaining the complete picture of the components involved in the implementation process required a lot of time, hands-on work and discussion with people in different parts of the organization. Sometimes the need to raise the issues on the topic of the discussions felt frustrating to both the researcher and the participators. However, to improve the current ways to work there need to be openness from either party. Personally, the process has brought many positive things and as I continue with developing the CRM system as my daily work, due to this research I have gained a deeper knowledge of the overall functions related to customer-related actions in the company.

5.3 Limitations

This research is limited to study the needed actions and the overall view of functionalities involved before and during the implementation project of CRM tool in the case company and therefore can't be generalized to other CRM implementations. The case company is a medium-sized manufacturing company doing business-to-business (B2B) sales globally for a very specific customer base. The company's needs for a CRM system were unique due to the size of the company, the industry in question, the global sales team and limited resources. Therefore the results of similar research in another company and industry would be different.

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APPENDICES

1. Previous experiences of CRM tools?
2. Which tools exactly?
3. First impressions of the benefits of such tools?
4. What could be the challenges in using such tools?
5. What could help overcome those challenges?
6. How does the customer benefit from CRM tool implementation?
7. What could be the challenges from the customer’s point of view?

Appendix 2. PEOPLE – Interview Questions 1 (1)

1. Organizational Culture
    a. How would you describe the organizational culture of the company?
2. Organization & People
    a. What is the driving force to motivate people towards change in their work especially in this company?
    b. What would be the motivating actions needed to get people involved?
3. Personalities
    a. How would you describe the personality factor in change engagement?
    b. What would be the easiest kind of character to get positively involved to change?
    c. What would be the most likely character to resist the change?
    d. What could be help overcome possible resistance to change?
4. Culture & Distance
    a. How would you describe change management in global organization?
    b. What would be challenging in global change management?
5. Continuum of the Change
    a. What are the ways to manage continuous change?
    b. What would help track possible resistance to change in the future?

Appendix 3. PROCESS – Interview Questions 1 (1)

1. Organizational Culture
    a. How would you describe the organizational culture of the company?
2. Processes & Customers
    a. What would be the key processes in the customer interface?
    b. How would you describe the functionality of the processes?
    c. Are there clear gaps between the process functions?
    d. How could the processes be improved?
3. Process Functionality
    a. How would you describe the ownerships of each process?
    b. Are the process practices consistent throughout the organization? Are there clear differences?
    c. Are the critical interfaces between both internal, external and customer groups functional?
    d. What could be improved?
    e. Are there stated metrics for each process performance from both company and customer point of view?

Appendix 4. TECHNOLOGY – Interview Questions 1 (1)

1. Organizational Culture
   a. How would you describe the organizational culture of the company?
2. Customer-related databases
   a. How many customer-related databases there are in this company?
   b. How are the different databases related?
   c. Comparing to structured data, what is the amount of unstructured data sources that should be taken into account in CRM system implementation?
3. Information sources for each type of CRM
   a. What could be the difference in information sources for each type of CRM (strategic, operational, collaborative, analytical) to use?
4. Data collecting & management
   a. What are the major issues in data collecting?
   b. How could the quality of the data be ensured?
   c. What would be the continuous tasks in data management?
5. Selected CRM system
   a. From your point of view, how would you describe the system design of the selected CRM software?
   b. Is it logical and user-friendly?
   c. Does it meet the company's needs?
   d. What issues there might arise during the implementation?