

Critical success factors for a crm program



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Introduction

Customer relationship management (CRM) is a software model that a company can use to manage its interactions with customers. The company can communicate with both future and current customers and to synchronize, automate, and organize marketing, sales, technical support, and customer services using technology. The use of CRM is spreading to different organizations turning the management of customer relationship to a success. It is driving growth of revenues, customer satisfaction and productivity in these organizations. However, some companies may face problems such as cost overruns and user acceptance. It is due to improper designing and execution in the implementation. CRM solutions continue to provide employees with consumer information, thus, streamlining overall business processes. Some CRM products include Siebel products from the Oracle Company. For successful implementation, a company must apply certain critical success factors.

Critical Success Factors

The major factor that a company must consider in implementation of CRM solution is the establishment of business goals which can be measurable. The organizations must draw out the specific business benefits which CRM project should provide. The fact that a business assumes success factors from a CRM project leads to failures in most cases. The business must therefore have specific targets such as a reduction of service response by employees by a certain percentage other than general targets such as improvement of customer service (Silva & Rahimi 2007). It will ensure that

the CRM solution they shop for fits their specific targets. Different CRM solutions address specific objectives. According to a leading Australian indirect channels Communications director Peter Frueh, the success rate of a CRM project depends on its specific applications in the business.

A company must also prioritize in aligning its business and Information Technology (IT) operations. It means that a company must recognize the CRM solution as a means to achieve its objectives by use of technology, but not technology in itself. CRM's main objectives are to improve the customer services, sales, marketing and technical support. Therefore, the business must differentiate its IT departments from CRM customer processes. Jim Burns, the vice president of the National Consumer Services (Chase Manhattan bank, 2001), points out that managers should work together with the business user to come up with a prioritization criteria to determine the business requirements which will guide its configuration. It means that the organization should find a way to implement a way for business and IT to be in synchrony but giving business the driving power (Flynn & Arce 1997).

CRM implementation will also require up front support from the business executives. The CRM projects present strategic initiatives which require active support from the top management personnel. The executive must endorse the projects as well as explain to the employees the incorporation process of the new system in the business. They should also explain to all stakeholders the specific objectives of the project as well as how it will assist in achieving the goals of the organization (Nguyen & Newby 2007). The executive must make critical decisions regarding the acceptance or dismissal of a CRM project regarding its support to the business survival. According to <https://assignbuster.com/critical-success-factors-for-a-crm-program/>

Rob Baxter, the vice president of Honeywell Industrial control, the attitude of the top executives about e-business projects will influence the overall success or failure of the project.

The organization must allow the business goals to drive the functionality of the CRM project. The project must help the company directly, and its assessment will determine whether to continue with its application. The company must follow some assessment factors according to its goals. Technological solutions must improve the company's profitability, enhance its customer services, support process integration, improve system performance as well as reduce technological costs (Wilson & McDonald 2002). The business considerations should derive these assessment procedures. In a few cases, the CRM solution might change or expand the functional area scope of a business. It considers customer's feedback on productivity and performance.

The other success factor is minimization of CRM customization and using creative functionality. Different organizations suffer budget overruns due to the over-customization of software. These customization projects may come up with a product with more specializations than a function may need at that particular time. The customization projects may lead to trashing schedules, straining budgets or even midstream abandoning for cases where software developers struggle to make legacy systems. The organizations should prefer creative solutions with functionality that meets the needs of the organization to legacy system imitations. Customization presents a complex procedure in implementation since it is time-consuming and costly. Creative

solutions can provide out of the box functionalities to meet the requirements eliminating the need for customizations (Ling & Yen 2001).

The organizations should use consultants who have adequate training and experience. An organization should hire software consultants who have adequate training in implementation processes as well as experience in past implementations. The organization should consult its software provider to get the best CRM consultants. The consultants should be certified and have the latest software releases. It builds confidence in employees and the management since they work with people with professional understanding of the software. These consultants translate the requirements of the business into configurations of the software effectively. They also provide forecasts on the resource and time requirements of the project.

For a CRM project to succeed, the organization must rely on the feedback from the end users of the solutions design. It ensures that the project does not confuse the target customers it seeks to help. The customer care representatives should provide feedback on how to improve the vanilla capabilities of the solution to enhance its effectiveness. The users will give recommendations on the solution since they will use it in the daily running of the business. It will ensure that the implementation process runs smoothly without internal hindrances. The other factor concerning the end users is their training. The organizations should also train the users to ensure smooth implementation. The organization should equip the users with the long-term goals of the project before implementation.

The organization should also use a rollout schedule in phases during implementation. The successive phases will apply the first phase for quick implementation. Each implementation phase should take about three to four months after which the organization should assess its success. It allows the incorporation of new ideas, test of new methodologies and avoiding a repetition of errors. The use of phases in implementation leads to the last success factor. It is measuring, monitoring and tracking of the project's progress (Mendoza & Griman 2007). It ensures that the organization can measure, monitor and track its effectiveness as well as come up with ways to improve its performance. It also involves creating a feedback loop whereby the organization can know the behavior and attitudes of the customer towards the system. An independent survey can help determine the customers' attitudes on the system. The management of the organization should use this information to determine the future of the CRM solution.

Conclusion

CRM projects present a complex implementation processes in a business. It is because their role in the business is addressing complex problems in customer relationships. The organizations should not blame the complexity for failures in the projects. Different CRM projects serve different purposes in the organization. The size of the business determines the complexity of the solution. Therefore, the business should make CRM investments considering their business size and customer differentiation. Proper implementation will lead to effective customer solutions and business growth. The businesses should therefore choose the appropriate technology and follow the success factors for significant results from the CRM projects.