

Multidivisional marketing programs analysis flashcard



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Experiences. Most important, they've all taken a pragmatic, disciplined approach to CRM, launching highly focused projects that are relatively narrow in their scope and modest in their goals. Rather than use CRM to transform entire businesses, they've directed their investments toward solving clearly defined problems within their customer relationship cycle - the series of activities that runs from the initial segmenting and targeting of customers all the way through to wooing them back for more.

These successful users have also exhibited a healthy skepticism, discounting overblown claims that the ultimate payoff is substantial. For example, a global, and electronic connector manufacturer Molex. We'll also lay out some basic considerations that can help firms determine which CRM projects are likely to yield the most value.

Is It Strategic? There's no getting around it: A CRM program involves complicated business and technology issues and requires significant investments of time and money.

CRM is not a tool for buffing a company's performance at the edges; it should be applied only to processes vital to a company's competitiveness - those that can distance a firm from its competitors or keep a function (such as call center response time) on par with the rest of the industry when parity counts. If the target is not truly strategic, the organization will be hard-pressed to summon the vigor necessary to tackle entrenched business processes or retool its organizational structure and garner expected returns. Before spending a dime on CRM, therefore, executives need to make sure they have the right targets in their sights.

Paul Fulchino knew the stakes involved when he brought CRM into Aviall after being appointed CEO in 2000.

Fulchino had ambitious plans to transform the Dallas-based distributor of aircraft parts into the premier vendor of supply chain management services to the aviation industry. By becoming the preferred partner of both the big original equipment manufacturers (OEMs) and the commercial and military fleet owners, Aviall could consolidate customer demand and extend its reach worldwide, which would reinvigorate its sales and strengthen its margins.

But Fulchino faced a daunting obstacle to realizing his vision: Poor information and cumbersome processes hampered the company's sales and service operation. Difficulties with an existing IT system had increased sales reps' workloads, sometimes keeping salespeople trapped in local branches, helping managers input order information instead of making sales calls.

What's more, the company hadn't trained the sales reps in proper time and territory. One key benefit of a CRM system is the creation of a "real-time enterprise. Understanding that highly accurate and timely data are not required everywhere in their businesses, they've tailored their real-time CRM initiatives to those parts of their customer relationships that truly do depend on "perfect" information. Once they've succeeded with the smaller, more-targeted CRM project, they've used their initial investments as springboards for solving additional problems. We've distilled the experiences of the CRM leaders into four questions that all companies should ask themselves as they launch their CRM initiatives: Is it strategic? ? Where does it hurt?