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CRM – How is it effectively Implemented?

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ABSTRACT

Today, Customer Relationship Management (CRM) manages business processes spanning sales, support, and marketing creating effective customer interactions. CRM also helps in creating value and profitability for any company. Great CRM solutions need to encourage users to interact with the application as well as be in-tune with the business and IT cost-saving needs. This paper is a modest attempt to outline the whole process of CRM, its history, evolution, need for CRM, CRM tools employed by various companies, how can it be effectively implemented and what are the road blocks for the effective implementation of CRM. This paper also focuses on the way CRM shall be properly implemented and how it helps to enhance the company's revenues and profits while lowering the cost of marketing, selling to and servicing their customers.

KEYWORDS | CRM, Collaborative, Analytical, M commerce

Introduction:-

In today's fast-paced, competitive business environment it's more important than ever to create and maintain long-lasting business relationships. Customer Relationship Management entails all aspects of interaction a company has with its customer, whether it is sales or service related; it starts with the foundation of relationship marketing. CRM is a systematic approach towards using information and on going dialogue to built long lasting mutually beneficial customer relationship. The use of CRM technology helps in developing an e-business strategy. Customer Relationship Management (CRM) manages business processes spanning sales, support, and marketing creating effective customer interactions. CRM allows companies to increase both their revenues and profits while lowering the cost of marketing, selling to and servicing their customers. Great CRM solutions need to encourage users to interact with the application as well as be in-tune with the business and IT cost-saving needs.

Why Customers are the New Focus:-

For most enterprises, growth comes from developing new customer or market segments, bringing new products and services to market, or driving more value from current customer relationships. For one, consumers know more –and their knowledge is power. Detailed product information and the opinions of other buyers is easily available, courtesy of the networked world.

Accelerating product life cycles pose another challenge. The rapid pace of innovation means competitive advantage is increasingly short- lived, forcing providers to improve the impact and velocity of innovation and increasing the damage they incur when the launch back fires or a product fails.

Increasingly, enterprises must also consider a changing consumer base, often including entirely new buyer segments. The demographics of mature economies are evolving, and companies must respond to changing buyer needs and values. Also emerging economies are becoming important consumer markets in their own right, expected to account for more than half of the global consumption by 2025. These new consumers have distinct characteristics and may regard foreign brands with uncertainty or doubt. Understanding and appealing to buyers in these markets will require new insights and new approaches to marketing, sales and customer service.

Another factor helping to tip the balance of power away from companies is their own success. While learning to satisfy latent customer demand- for speed, efficiency, convenience-organizations also taught their customers to expect more from all providers.

Need for CRM:-

CRM is as vital to a company as its employees, management and resources. Its importance cannot be diminished and should be understood in terms of its ability to provide a holistic customer approach. CRM uses the varied resources available at its disposal and tries to collect as much information as possible about the customer and how to deal with them in the appropriate manner.

Customer Relationship Management serves to:

- Increases the efficiency in a call center
- Streamlines sales
- Assists remarkably in reducing costs and aiding marketing
- Improves cross selling and hangs on to sales leads
- Increases the market share
- Endeavors to upgrade the entire marketing process
- Contributes to overall organization efficiency and profitability

CRM brings together information from all data sources within an organization. It also collects information about the customer from outside resources and endeavors to give an overall view of the customers purchasing patterns, likes, dislikes, etc. This allows employees who are in the front line to solve customer oriented problems. It enables sales and marketing to learn more about customer needs and behaviors in order to develop stronger relationships with them.

CRM Tools and its types:-

Customer Relationship Management (CRM) is an information industry term for methodologies, software, and usually Internet capabilities that help an enterprise manage customer relationships in an organized and efficient manner. In many cases, an enterprise builds a database about its customers. This database describes relationships in sufficient detail so that management, salespeople, and customer service reps can access information; match customer needs with product plans and offerings; remind customers of service requirements; know what other products a customer had purchased; etc.

There are three parts of application architecture of CRM.

1. Operational CRM

Operational CRM means supporting the so-called "front office" business processes, which include customer contact (sales, marketing and service). Tasks resulting from these processes are forwarded to employees responsible for them, as well as the information necessary for carrying out the tasks

and interfaces to back-end applications are being provided and activities with customers are being documented for further reference. Operational CRM provides the following benefits:

- Delivers personalized and efficient marketing, sales, and service through multi-channel collaboration
- Enables a 360-degree view of your customer while you are interacting with them
- Sales people and service engineers can access complete history of all customer interaction with your company, regardless of the touch point

The operational part of CRM typically involves three general areas of business:

2. Analytical CRM
In analytical CRM, data gathered within operational CRM are analyzed to segment customers or to identify cross- and up-selling potential. Data collection and analysis is viewed as a continuing and iterative process. Ideally, business decisions are refined over time, based on feedback from earlier analysis and decisions. Business Intelligence offers some more functionality as separate application software. . Companies also need to analyze the performance of those relationships, uncover trends in customer behavior, and understand the true value of their customers to the company. Analyzing customer relationships from a lifetime perspective is critical for success.

The crux of the business problem resides in achieving the following:

- Widening the relationship with customers by acquiring new and profitable customers
- Lengthening the relationship with your top customers by targeting existing resources and strengthening the foundation of those relationships
- Deepening the relationship with customers by transforming minor customers into highly profitable ones. An additional step is increasing your share of sales revenue (and hence your share of wallet), or recognizing cross-selling or up-selling opportunities with current customers and making the right offers.

3. Collaborative CRM
Collaborative CRM facilitates interactions with customers through all channels (personal, letter, fax, phone, web, e-mail) and supports co-ordination of employee teams and channels. It is a solution that brings people, processes and data together so companies can better serve and retain their customers. The data/activities can be structured, unstructured, conversational, and/or transactional in nature.

CRM has to two typical implementation methods: on-premise and on-demand/hosted. Each method has its advantages and disadvantages as described below.

On-premise CRM is appropriate for:
- Companies seeking to implement highly customized customer-management practices
- Companies that need specialized data structures
- Companies with complex or real-time integration requirements
- Companies with available in-house IT resources and support systems
- Companies who can afford the up-front capital investment and fixed costs
- Companies who deal with sensitive data that don't want other parties to see

On-demand/hosted CRM is appropriate for:
- Customers seeking to implement standard processes from a variety of industries and companies
- Companies that are able to use standard data structures
- Companies with more basic integration requirements
- Companies with limited technical resources and support personnel

- Companies seeking variable pricing and lower up-front costs
- Companies dealing with non-proprietary data

Steps for Effective Implementation of CRM:-
1. Establishing CRM goals
2. Educating other departments
3. **Assembling Information of Customers through secondary data**
4. Designing the data warehouse model
5. Selecting the CRM Tools
6. Interaction with customers
7. Customer satisfaction program
8. Analysis
9. Implementation

Why should we adopt CRM?
CEOs are realizing those who are not able to come up with effective CRM strategies risk being edged out of business. Customer is the king and the business strategies must be built for ensuring customer loyalty. It costs six times more to create a new customer then to retain old one.

1. Increased sales revenues
2. Increased responsiveness
3. Increased win rates
4. Increased margins
5. Reduced cost
6. Decreased costs

The Road Ahead:-
Technology has been a major driving factor for CRM and is bringing about radical changes. The developments in several technological areas are likely to have a major impact on CRM. Some of the areas are listed below:-

Biometric sensing: -These passwords continue to be the least user friendly and the most unsecured link in the CRM chain.

However, advancement in biometrics will soon make it possible to make foolproof recognition through voice, live fingerprint or image. The system will automatically identify the user. People soft has already announced that it is working on voice recognition.

M- commerce: - There has been an enormous advancement in this area. Rapid developments in the mobile computing and data access devices are likely to be major growth area for CRM. The global marketplace is all set to shrink to a palmtop, digital signatures and secured identification technologies.

Integration with B2B marketplaces: - Many argue that online market place will drive sales in the coming decades and branding will no longer be important. Even if such a postulation is far- fetched, there can be little doubt that enterprises will integrate the CRM solutions with B2B market places.

Conclusion:-
CRM starts with the foundation of relationship marketing. It includes all kinds of relationship an organization has with its customers. . Customer Relationship Management (CRM) manages business processes spanning sales, support, and marketing creating effective customer interactions. Customer Relationship Management originated years before the start of the first millennium in Mesopotamia. The advent of the 1990's however saw a more refined customer oriented implementation taking place, laying the ground for the CRM strategy. The term 'CRM' first emerged in the mid-1990's, created with the intent of describing how Sales, Marketing and Customer Service technologies needed to work not just within each department but also together. CRM brings together information from all data sources within an organization. It also collects information about the customer from outside resources and endeavors to give an overall view of the customers purchasing patterns, likes, dislikes, etc. After collecting information about

the customers the various tools available for CRM is selected. The various tools available for CRM are analytical, operational and collaborative CRM. Success of CRM depends upon the selection of various tool. It is important to create a cross-functional CRM steering committee and to appoint an overall CRM executive sponsor who will look after the whole implementation process of CRM. CRM solution if taken properly will increase our sales, reduce costs, increase margins, increase win rates and increase the responsiveness. In India CRM is in its infancy but still many companies have started following it. With the developments of various technologies like biometrics, m-commerce and B2B transactions CRM is hopeful to improve.

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