Succes Factors of CRM projects

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Abstract: The aim of this article is to gather all of necessary steps and stages to reach best effort by these special system implementations. Customer Relationship Management (CRM) systems have been established with high excpectations by companies to win more and more new customers, improve their customer retentations ratio and increase Customer Value. At the end of this professional summary the readers will have a high level overview about CRM projects to support these systems extensions on worldwide market.
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1. Introduction

Due to the fast-changing world in nowadays, businesses need to implement a customer strategy that will quickly respond to market changes through which they can meet their customers' individual needs. The impact of globalization on business felt in many areas, as consumers can choose from more than one competitors, mutation of products and services challenge market participants and, last but not least, the increase in the number of sales channels required for sales activity also significantly contributes to rethinking the existing strategy. The sales vision of companies sometimes focuses on acquiring new customers, otherwise keeping existing ones, increasing efficiency. To overcome these challenges, company can call on an integrated Customer Management System known as Customer Relationship Management (CRM) as an effective solution to reach best effort on their market.

2. About CRM in General

Definitions

There are several approaches to defining CRM and its inherent integrated systems, both by international and domestic authors. I have tried to present several approaches, the necessity of which lies in a more precise understanding. The customer relationship management approach has received much attention in marketing thought during the last three decades. At the core of this approach is the use of IT-based systems (CRM systems) to manage customer relationships, and also relationships within an organization with the ultimate purpose of creating customer value. A CRM system may be defined to be Technologies that support the planning, execution and monitoring of customer interactions. (Payne-Frow, 2006)

According to Coltman, Devinney, and Midgley (Coltman et. al, 2011), CRM is increasingly important to firms as they seek to improve their profits through longer term relationships with customers. (kebede-Tegegne, 2018) In recent years, many have invested heavily in IT assets to better manage their interactions with customers before, during and after purchase (Bohling et. al, 2006). Yet, measurable returns from IT investment programs rarely arise from a narrow concentration on IT alone, with the most successful programs combining technology with the effective organization of people and their skills (Piccoli, 2205). Most of the research in CRM and customer exit investigates the processes separately without linking the two processes together (Colgate, 2006). Based on literatures, this study developed a customer retention model linking several major constructs that are proposed to impact a customer's decision to stay with, or leave, his or her current bank. The literature suggests that there is a positive relationship between consumers' behavioral intentions and customers loyalty and customer retention in banks. Furthermore, there is a positive relationship between customer satisfaction and customer value and consumers' behavioral intentions and customer retention. Similarly, there is a positive relationship between competitive advantage, customer satisfaction, customer value, corporate image, switching barriers, customer loyalty and customer retention.

Types of CRM systems

Operational CRM:,,The main task is to provide technical support of direct management by the help of information science. It performs integrated and continuous collection of data meanwhile consolidating information. Information of client interactions, which are coming from the outer channels, is managed, recorded and computerized by the Operational CRM system. The system supports tasks from related functional fields like Implementation, client service and marketing. Operational CRM systems are able to report a wide range of client data, but they cannot be used for information analysis. The first and the most important systems' tasks to support daily operational duties duties (marketing,

Implementation, client service, production development) of contact management."
(Deák-Mester, 2005)

Analitical CRM:,,Due to the analysis of customer information collected by the operational CRM software and other outer data sources such knowledge can be gained, which can give significant advantage for the organization in any field of contact management. Reports are able to facilitate company management providing further advantages: observation of client segmentation; client dropout is a potential task of marketing. Realizations based on the purchasing models provide significant information for realization. Amount of complaints in different regions has high importance in the terms of customer care.

It should be mentioned that system helps on the way of company's strategy Implementation. Nevertheless, analytical methods should be realized only after setting up the Operational CRM System." (Deák-Mester, 2005)

Collaborative CRM: „ Perhaps this field of information technology develops most rapidly nowadays. Spread and development of mobile tools are significant for those merchants who are working in the field of Implementation. On-line mobile networking and Internet connection spread widely. Off-line network with a central database plays important role in providing extensive data safety and extending mobile tools accessibility." (Deák-Mester, 2005)

3.   Main Steps of successful CRM Project

In the previous chapters there were mostly underlying CRM backgrounds, but the success factors must be examined before the detailed of the necessary processes for implementation. Implementation of the system are separate processes, which only you can clearly understand each detailed. Many solution available if you want to introduce a company's CRM system, however, the selected software developed individually, boxed, or the existence of these is essential. (Payne, 2006)

Analysis of risks

Lack of expertise: The lack of expertise is most likely to be measured by human resources, as many leaders have realized that a complex project requires expertise that is lacking in the companies.

Insufficient investment: The budget for CRM projects is high, so many companies try to eliminate this by opting for fast-paced systems that may not always prove to be profitable.

Insufficient Data Quality and Data: One of the inhibitory factors is the inadequacy of available data, which can be a key issue at an early stage.

Lack of Understanding of Business Benefits: The lack of understanding and communication of benefits arising from the system can be a significant factor in introducing a successful system. This is to say that top executives who consider it expensive to maintain the CRM data warehouse will not be able to see the benefits of the system.

Functional barriers: Mostly, problems may arise in co-operation between the heads of the departmental divisions, they are not willing to help the project team work. This is an essential element of change management, which is also important when implementing the system.

Lack of Leadership representation: The most advanced senior executives are good customer relationship leaders nowadays. This factor can be one of the key issues in change management, as these managers can see what benefits the system should offer to their backward partners in a position.

Inadequate Performance Measurement Systems: Measuring Customer Relationships is a key factor in the system, since measurability gives success rates. In many cases, this key problem is missing or incorrectly defined in companies.

Process of Strategy Improvement

According to Adrian Payne, who is perhaps the industry's most prestigious authority, the strategy development process is in the first place, as it sets the nature of further processes and defines the company's CRM objectives. In reference to the CRM systems, the above-mentioned customer strategy is at the forefront, as creating the right direction will greatly help us to further structure the system. Segmentation involves these issues, through which we can get our potential customers and we can group our current customers. During segmentation, it is important to ensure that the company is genuinely the best way to create the segments through which it will be able to target target groups that CRM can provide on the basis of customer information. When creating a customer strategy, care must be taken to ensure that the corporate strategy is consistent with the factors under investigation. Defining the target market is an indispensable tool for the process, and it is also important to choose the method by which we want to serve the targeted customer segments. The basis for the segmentation in this case should be the correct segmentation of the segment, which requires a lot of creativity from the labor involved, whether it be a marketing or a salesman. Once you have the right levels, you need to think about how your company is heading towards mass marketing or choosing individualized sales.

From the other side Eisinger and Józsa have similar opinion about the analysis of the Hungarian sugar market. With the introduction of CRM systems, it could be more transparent to analyse the consumption habits in sugar market. It is clear, that the companies not jet introduced in Hungarian sugar market CRM system, but it could be important to improve their strategy. (Józsa-Eisinger, 2010) Competitive

environment and competitors definitely make necessary efficiency and strategy or the so-called management whose goal is not merely to control. (Gyenge – Buresch – Kozma, 2013)

Process of Value Foundation

One of the most important goals of the CRM system is to create relationships with the segments that can generate profitable revenue. If we do not pay enough attention to the values given to the most important clients, the value of the company bids will also be reduced. It is important, then, to create an ideal balance where both of the two parties meet. Recognizing conflicts of interest is the cornerstone of value creation, as the client's centricity can not go into excessive customer service, where no profit is created.

Determining the value provided to a client is not a complicated task, as it is nothing more than an added value through products and services. To achieve a successful CRM strategy, it is imperative to understand what the customer is buying. When you buy from us, you can benefit from our offer. The basic offer must in principle be supplemented, since the added value only arises if something is offered to customers. It is important to be aware of the properties of our products and services and find the communication that can be a source of awareness to the customer through which he or she may feel different when he buys us. Determining the value of customers can be distorted in many companies because they are still looking at profits through products and services, even if customers make a profit. Pareto has developed a theory called the 80/20 Pareto Rule. Its essence is that 80% of the company's total revenue is usually generated by 20% of customers and 80% of the total cost of serving customers is spent on 20% of customers. (Keller-Happ, 2016) It can be said that profits in each segment may be different, the finding of which is a key task. Examining values can help where the company sets the key clients you want to keep. They need to create the synergy through which we can increase profits and where both parties have been satisfied.

Integration of multi Sales Chanels

The process of integrating sales multichannels have a significant role in the successful introduction of CRM as it transforms corporate strategy and value creation process into value-added customer interactions. If you want to put the most important issues in the process, two factors can be mentioned: What is the best way to reach a client and how an affordable customer experience looks like. Ongoing task is up to get the company's campaigns and sales activities at the highest level. Finding the best method is a very difficult thing, as we can now reach a consumer on a number of roads. Today, it is typical that sales through

automated systems (SFA) are attempting to reach the maximum of personalization, but of course, the human resource's capability, of course, for both training and attitude. A negative factor, however, can be on the sales staff for limited access to them and may not always be able to serve all customers or even halfway. Many companies have therefore established a sales network, which in turn is a costly marketing channel, so others are more receptive to the traditional sales staff. There are many benefits from the physical manifestation of shops, as they can give the consumer peace of mind through the opportunity to get familiar with the products. The skills of employees working in stores can further increase this feeling in the end-user as they can help with specific questions and possibly decision-making. However, negative factors appear as well, as opening hours can limit buyers' traffic, and by virtue of on-line revenue, the physical presence of customers in the various shops is slowly disappearing. E-commerce started to grow in parallel with the spread of the Internet.

Nowadays, this channel is the most widely used, as it is possible to track customer behavior through various technologies to build a strategy later on. However, there is no way for the physical experience of the product, and there is also a question of mistrust. If the company chooses the right channel for them, they should be reviewed for their profitability and if one does not bring the expected results worthwhile. However, integration of off-line and on-line sales channels may help to improve CRM, but this is only possible if consensus is reached between the different functional areas and can determine the image of the channels. The background to this is the process of information management, through which it is possible to get a sense of the consistency of the different sales channels.

Process of Information Management

The process now being presented covers two main areas. One of these areas is gathering and organizing information from buyers, updating the information mentioned above, and assigning them to CRM-related departments. The aim of managing this information is thus to find a coherent balance between intelligent and ideal operation. For CRM systems, this goal can not be different because the acquired information needs to be transformed into knowledge so that employees can serve their achievements. That is why we can say that information management involves the systematization, use and regulation of information. It is worth introducing the information management process itself in two phases. Combining one's organization's information needs with the CRM strategy and the other is selecting technology for the strategy. These are presented separately to understand the horizontal position of the process in the model and we really know the importance of it. The need for information needs is important because data received through sales channels are not always important and should therefore be selected in accordance with the strategy. Because the CRM system has technical limitations (storage, maintenance, etc.), it is important to ensure that the most

important information is included in the system. The question of what information is relevant to the company is that the company has identified the segments in the processes and wants to sell them most efficiently. Through this process, we can achieve that the organization is customer-centric and really can think about with the customer. Taking these factors into account, it is worth developing the information management structure to meet the CRM strategy. Information obtained from customers is therefore really important, but only if the goal behind them is in line with the strategy. Many companies fall into the dock to record every interaction with the customer and lose the list of important things during the listing. The essence of the system is that the processes are automated and this can only be achieved with the required information set. As decision-makers decide on the need for information, central consensus is also a significant factor in the process being studied. "Many have tried to describe the process of decision-making. No one has properly succeeded, so it is still up to humans to use the knowledge they need when they need it, then and there. One cannot make decisions based on the few steps described by decision algorithms. The thinking of a decision maker is an internal monologue whose building blocks are meaningful symbols. They are not comprised of data, nor do they operate according to the laws of mathematical logic" (Velencei, 2016, p.3).

Process of Performance Evaluation

The final phase of the CRM strategic model is the process of benchmarking, where it is possible to determine the direction of future developments. Performance evaluation can be approached from two sides, which can categorized based on economy point of view. One such approach is exploring ownership interests (macro environment) and the other exploring factors describing performance (micro environment). There has not been a single statement to measure the success of the system, but companies can formulate benchmarks that can be tested. As I have already said, these indicators should cover areas affecting the system as well as financial indicators that are indirectly influenced by the results achieved. Profit is the primary consideration for the owners and the company's strength in the market. For management, it is important to create this environment, which can only be controlled by continuous measurements. Monitoring the results can also help reverse direction if the trend is negative. Exploring the factors affecting the profits expected by the owners is not a simple task, since the economy of companies is a complex process. As I have described in the value creation process, the value of the buyer's values and the employee's benefits greatly contribute to profit growth. Of course, you have to know the expected values because you can only plan and analyze it based on one goal. Nowadays it is not enought to think in corporate level, because of the organization and planning of supply chains have become a strategic area, the companies presence in the supply chain play an important role in their growth and expansions. Supply chain management provides many advantages to companies

connected to the chain. Due to organizational techniques and a high degree of coordination, work sharing and capacity utilization improve. (Kozma, 2017)

Summary

In the article, there are clear indications of what are the main steps of a successful CRM project, the factors that need to go through in order to meet the expectations of the system. Of course, these processes are company-dependent and can not be drawn to companies operating in different industries. Most of the CRM projects are backed up in many cases as capital investment is sometimes negligible compared to the company's financial position.

However, small and medium-sized companies with significant implementation of such a system may expect to follow-up, mostly in terms of profit, new customers, and customer retention rates. In sum, before the expectations of such projects, enterprise maturity needs to be recognized and serious strategic guidelines need to be developed to maximize returns. If they are missing, then the system will not be expected to produce the expected results, and companies may mistake that they take the wrong investment for the project to be delivered. This is dangerous because other IT investments can measure and stop in continuous development.

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