Opinion

Monitoring qualitative aspects of CRM implementation: The essential dimension of management responsibility for employee involvement and acceptance

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Abstract The need for the people who use customer relationship management (CRM) systems to 'buy-in' is widely recognised as a critical success factor. Apart from bland advice on consulting all stakeholders and selling the concepts and ideas to the potential users, there is a remarkable shortage of competent information on people issues specific to CRM. Little has been done to study how people behave within the complex social context of CRM implementation and operation.

Stimulated by current research this paper is intended to act as a 'shout' to those who pay more attention to the mechanistic aspects of CRM systems implementation than to the people who will use them. The wording is didactic, in part, and it does not conform to the usual requirements for formally argued papers. Where assertions are made that can be supported this has been done but many years' additional research would be required to support other assertions. The paper is, therefore, an opinion piece with no pretensions beyond that status. The opinions that are expressed are firmly held, however, and the authors are convinced of the need for much greater awareness of social issues when attempting to align CRM operations with management intentions.

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INTRODUCTION

For some years CRM has been described as having great potential but a poor track record on performance. CRM has

evolved, and there are many successful implementations. Nevertheless, some organisations are still unable to realise benefits from substantial investment in

CRM. A number of information system (IS) researchers argue that the core difference between successful systems and inadequate systems lies primarily with the ways in which people relate to their organisations and the systems they use.¹⁻¹⁰ The paper starts by describing some characteristics of good CRM systems that the authors have seen and inadequate CRM is compared to this model. Then a number of areas where organisations can start looking for clues on how to unblock inadequate operations to get the results they need are identified.

PERFECT CRM

Perfect CRM is unattainable and from a practical perspective should never be sought. If a system is perfect then, by definition, it should not be changed. In ever-changing business environments, changes to systems will always be required. Good, slightly imperfect, continually assessed, continually evolving CRM is a much better option.

GOOD CRM

A good CRM operation is likely to have the following characteristics:

- the chief executive officer (CEO), directors and managers see it as a core business system that provides information that is essential for the management of the business;
- more customers are retained for longer periods and revenues per customer are increasing and the numbers are known, monitored and reviewed;
- more new customers and identified prospects are being attracted and the numbers are known, monitored and reviewed;
- employees at the interface with prospects and customers like using the

- system because it makes their jobs easier and they benefit from using it;
- staff turnover within the functions that use CRM has probably reduced;
- managers and staff would generally regard the system as enabling them to do their job better and not as a means of controlling their behaviour;
- the system implementation may have overrun by up to 25 per cent on time and cost because the specifications were changed but there was contingency funding available, it was important to get it right and it is fine now;
- customer data are probably more accurate and meaningful;
- the system probably has some minor flaws for which staff quickly developed effective 'work-arounds' until they can be changed;
- the organisation is looking for potential benefits from extending aspects of the system and exploiting the data that are being generated;
- when there is a glitch in the system the staff are more likely to focus on solving it rather than on complaining about it;
- the system's faults are recognised but staff are probably quite proud of it and pleased with their role within it.

INADEQUATE CRM

There are 12 characteristics listed above. A CRM system that demonstrates less than eight or nine of those characteristics will, in some way or other, be inadequate. Many will demonstrate none of the 12, despite, in some cases, having cost millions of pounds.

It is reasonable to assume that the software systems used as the technology basis for CRM are reasonably competent because many are sold, and in similar environments will have been successful. It is also reasonable to assume that

expensive system implementations will be reasonably well-planned and monitored and that competent staff will be employed in the task of using project management disciplines.

Yet, somehow or other, people have not done what is necessary to make the system work at the 'Good CRM' level. It is important to note that 'people' in this context means all of the people involved at every level from the CEO to the engineer that services the PCs.

It would be foolish to claim that a paper of this size will show how to put right all of the issues in an inadequate CRM system or explain the detail of a full CRM behavioural analysis. It is, however, possible to give some pointers for consideration and examples of what can be done.

ASSUMPTIONS

There is an old saying that rings bells in the heads of project managers:

'The earlier in a project that something goes wrong then the longer into the project from that point, the more difficult it is to put right'.

Assumptions start very early on in projects and are sometimes an unfortunate consequence of much that is held dear in good managers. Most project teams taking on the responsibility for expensive implementations will be keen, excited and imbued with positive thinking. The authors have seen many whose assumptions are strongly influenced by their positive mind-set, including the following, which the authors consider to be invalid.

Invalid assumptions

There are four assumptions that are frequently adopted by default by project

teams. When looked at in the cold light of day they appear scary. Nonetheless they are usually adopted by default, probably because the project team has not considered what assumptions they are going to make about the people the CRM project will affect.

The first assumption is that people will adopt new systems as a result of having the benefits explained to them. The second is that people will always put the interests of the organisation above their own immediate interests. The third is that managers will always put the interests of the organisation above the immediate interests of their departmental function and the fourth is that different functions share a common view of the best interests of the organisation.

Such assumptions, however strongly grounded in positive thinking, avoid addressing the realities of how people react to change. It is at the point when invalid assumptions are made that something has gone wrong that will become more and more difficult to put right as the project progresses. The authors have seen cases where it has never been put right.

A common assumption in management thinking is that once managers have determined a strategic plan then they need to work on a process of alignment that involves management control over all that is needed to achieve that plan. Eric Monteiro presents a more realistic perspective by suggesting that alignment requires a process of negotiation.¹¹ The following assumptions are regarded as being more valid.

Assumptions that are more useful

The first two relate to the end users of systems. First that people tend to adopt new systems more readily when they recognise that those systems serve their own interests as well as those of the

organisation. Secondly, people tend to adopt new systems more readily when the influential people within their work group or operating area are in favour of them.

The next is that managers are more likely to be supportive of new systems that enhance the status of their functional area in relation to other functions. Equally, they tend to oppose those systems that undermine their functional status. (Overt support and covert recalcitrance among managers involved in change is well documented.)¹²

It is also essential to assume that different functions have different views regarding the best interests of an organisation.¹³

Finally, people do not believe what they are told just because the person telling them wants them to believe it, see Baron and Byrne on cognitive schemas.¹⁴

The significance of adopting these more valid and realistic assumptions determines how those responsible for implementing and operating a project start and continue to interact with the users (all users from the CEO to those at the frontline interface with customers and prospects.)

The 'ask not tell' watershed

One of the fundamental watersheds between the two sets of assumptions is the requirement for adopters of the latter to 'ask' and not 'tell'. The dictionary defines the verb 'to consult' to be 'to take counsel together, deliberate, confer'. Consulting with the potential users of CRM systems does not mean just telling them what is going to happen and how it will benefit them and the organisation. That is communication. Asking and not telling is the primary watershed between good and inadequate CRM and is the point at which many projects make the error that becomes very difficult to correct.

A powerful illustration of the role of consultation in the introduction of CRM systems is provided by Claudio Ciborra, in his description of the development of CRM at IBM.¹⁵ (This appears to be where the acronym for customer relationship management was generated in 1994.)

The authors generally recommend, as a result of their experiences, that all users be consulted on the introduction of a CRM system along the following lines.

PRELIMINARY CONSULTATION — WORK GROUP

All users within a work group are consulted in groups of not more than ten so that individual opinions are easy to express. An explanation of the overall vision and plans for the system will be required together with an outline of how the system might affect them.

Then questions such as the following should be asked:

- what would you like the system to do for you;
- how might the system help you do your job better;
- what benefits might there be for you;
- might the system cause you problems? If so, how;
- how do you interact with other departments;
- how might the system affect relationships with other departments?

PRELIMINARY CONSULTATION — DEPARTMENTAL AND FUNCTIONAL HEADS

This consultation will be similar to that for customer interface users, but with more emphasis on interfunctional relationships, interactions and specific functional values that may be questioned by the potential or actual system.

Figure 1 Basis for drawing up a preliminary assessment

PRELIMINARY CORRELATION

All comments and information should be correlated and the following looked for: perceived threats to the current way of working; potential interfunctional differences and their potential for conflict; potential 'wins' for the users; influential users; critical functional values that the system may challenge; critical personal values that the system may challenge.

An attempt should be made to draw up a pattern, as a diagram, for the functional and personal values for each department or function from both management and user perspectives. These patterns are probably best prepared prior to the process of defining business processes and the subsequent project-based risk analysis. There are a number of options on how these patterns or schemas may be drawn. Some are tabular and some relational. Individuals should choose a model with

which they are comfortable but including the issues outlined in Figure 1.

RISK ASSESSMENT AND MANAGEMENT

Risk is inherent in any systems implementation but there is evidence that it is particularly so in the case of CRM.¹⁶ This is partly down to the relative 'newness' of systems that are customer facing and partly down to scale and nature of the systems.

Issues of mobility are peculiar to the sales element of CRM. For example, if the system will have remote users, what technology will they use and since most 'road warriors' tend to update their systems when they get home from the road, will there be any out-of-hours support for them. It is one thing to learn a new system in the company of

colleagues, quite another to learn on one's own with nobody back in the office to advise and support.

User reaction can be a complex area of risks. Hewson and Hewson¹⁷ suggest that systems that are seen to be enabling tend to get a 'buy-in' of around 80 per cent of users whereas those that are seen to be controlling tend to get about 50 per cent. The obvious choice is to have a system that is enabling, but what about those who do not buy-in? And what if it is decided, quite reasonably, that use of the system is mandatory?

Organisational politics are always present, however hard people try to avoid admitting it. They are an integral part of organisational life and should be addressed and assessed. For CRM systems there are three political issues of considerable consequence.

The first issue concerns power. Does the organisation have the will to address all of the challenges and make the project successful? This is not an easy question to answer superficially. Frequently project teams say yes, the organisation does have the will, only to be faced with wilting enthusiasm when difficulties arise. Strongly worded formal backing is essential. This not only legitimises the project but also reinforces the will for completion. The second issue concerns the vulnerability of the project sponsor. As a general rule, fast-track rising managers are a better bet than senior managers working on special projects. The third core area is that of interfunctional conflict — managers who see the system as undermining the status and position of their department.¹⁸

Funding is an area fraught with risk. As a rule the authors recommend fixed price contracts when employing external resources. It is too easy to bid for a contract and estimate two weeks to do something and then bill for three because it took longer. Equally, it is too easy to

change specifications without regard to the impact on the original estimate. Good change management procedures are essential in order to maintain an equitable financial relationship with contractors.

This raises the issue of budgets. It is important to make sure the budget has some embedded flexibility for contingencies otherwise it will not be possible to change the specifications. Finally there is the 'hap'orth of tar' budget. This budget should be planned for about three or four weeks after the system has rolled out, just after the post-implementation review. Too often the authors have encountered good reviews where the comment has been made: 'This system is pretty good but if only it could just do this little bit here...'. But at this stage the budget had been spent and that little bit extra had to go on hold.

Rapid change, both internal and external, can cause problems. For the most part rapid change cannot be foreseen, for example stock market fluctuations, political crises, takeovers and other uncontrollable events. Some change can be predicted, however, and the risks associated with change should be considered and planned for.

The methodologies used for implementing financial and enterprise resource planning (ERP) type systems may not be suitable for CRM systems. For example they may not take due account of people-related issues. Standard methodologies should be evaluated in the light of specific CRM requirements and the risks of maintaining inappropriate approaches should be considered.

Finally, data quality should be considered in detail. Poor data quality in terms of accuracy and validity may extend implementation times and costs considerably.

Risks may be assessed in the context of the likelihood of emergence, the actions

to be taken to mitigate against them and the costs of those actions. Once the risks have been assessed project design and business process analysis may begin.

INTERIM CONSULTATION

Once the prototype system has been prepared it should be presented to the users and managers for their opinions, regularly if required. The issues they raised at the preliminary consultation should be identified and the solutions to them presented, not just the technology solutions but the organisational solutions as well. It should be clear that they have been listened to and their input used. A profound element of work is the opportunity to influence how one goes about it. Asking, listening and using suggestions from users are the most significant things that can be done in conjunction with getting CRM right. For those issues that have not been included an explanation should be provided as to why and the project team should be prepared to debate with users while retaining authority to make the decisions. Further feedback and ideas should be sought, and those ideas that the project team is prepared to consider further should be.

The responses should be correlated and the cognitive schemas revised where there is evidence of change. Interim consulting should be continued until the system design is signed off as ready to implement. Monitoring of the risks should also be regarded as a continuous process. Just because someone wants things to go well it does not mean that they will.

TRAINING AND ROLLOUT SUPPORT

It is assumed that any competent project team will invest well in training because

it is essential. Not all teams invest as well in rollout support, however. Close monitoring of the first few hours after a system goes live is essential and continued monitoring for a few days as people ease into using the system is very wise. It should be ensured that there is out-of-hours support for service engineers and salespeople using the system from home.

POST-IMPLEMENTATION REVIEWS

Very few systems are implemented without a few problems, because not every eventuality can be anticipated. After three or four weeks the users will have settled into the patterns of the system. What works well will be doing so and what does not quite work well will be evident. Again it is worth consulting, asking and listening. It would be surprising if at least one person does not say 'if only we could have just this one feature it would make life a lot easier'. Some funding should be kept in reserve for the finishing touches.

CRM is usually best implemented in phases so what has happened in this first phase should be summarised and a start made on preparations for the second provided the project team feels confident that the system demonstrates the characteristics of 'Good CRM'.

POST-IMPLEMENTATION OWNERSHIP

If the users feel they own their system then the project team will have done very well. They will fix little workarounds and focus on solving problems and be thoroughly reasonable and understanding of the project team's problems. If they just moan about problems and expect the project team

to fix them without input from themselves then there are serious problems. The users will consider the project team as the owners of the system and responsible for its performance.

Most successful systems will have benefited from the attentions of a keen project champion capable of resolving issues in a short time. The champion is the standard bearer for the project and others look to the champion as the key system person. It is quite common for projects to succeed while the champion is championing, but fade away when the champion moves on to other work. Project champions need successors who will be trained and ready to take on the champion's mantle at an appropriate time.

CONCLUSION

Most of the material on CRM falls into two broad categories — the technology that provides the tools to enable CRM and the management of the business process and measurements that are integral to good systems implementation. The authors have no quarrel with this material. The writers describe essential elements for CRM implementation, but, and it is a big but, these elements are insufficient in themselves to create success. Careful, skilled analysis and management of people, their fears, their strengths, their politics, their prejudices, their commitments, their skills and all of those wonderful and scary characteristics that everyone shares, is the essential third element.

For some, the processes described above might appear rather lengthy and expensive, particularly in organisations that have many well-established systems already in place. The unpalatable alternative, however is to watch an

alienated workforce trying to give the organisation's customers a good time.

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