

Evaluating the Effectiveness of the Implementation of CRM - Systems

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Abstract. Identified the main indicators that can determine ongoing project implementation successful CRM-system or require urgent action to improve it. The analysis of the reasons for the unsuccessful implementation of CRM-systems, and follow-up to improve the quality of implementation. On the basis of analyzing the causes of unsuccessful implementation of CRM-system, identified key recommendations to improve the quality of implementation of CRM-systems, if not met the expected results of the implementation of end-users.

Introduction

There are many definitions of CRM (Customer Relationship Management), from which we can highlight the following.

CRM – a management approach or model that puts the customer at the center of business - processes and working methods of the company assumes that the organization philosophy and culture, customer-oriented, aimed at operational efficiency in marketing, sales and service [2, 4].

The need to implement CRM – systems arose directly from the requirements of the market (constantly increasing competition, the struggle for each client, the ever-increasing customer demands for quality of goods and services). Collection and storage of all information that could keep the old and attract new customers, increase the speed of the units and their response to the ever-changing market demands, the possibility of providing the best products for every customer, it has become necessary for every company seeking to stay on par with competitors [4].

CRM – system really is a powerful customer relationship management allows you to view the business to a new level, but it is so easy to implement a comprehensive system of enterprise with its internal regulations, dynamically changing business and established practices. How big is the probability of failure of the use of CRM-system for the completion of the project implementation, how to understand what the implementation project seeks to failure even before its completion and to take appropriate steps to remedy the situation.

There are quite a large number of analytical reports assessing the failure rate of CRM - projects. According to various indicators analysts number of failed CRM - projects range from an average of 20 to 50% [1, 2, 3].

Most of the indicators focus on the question "Did the project expectations?". Although in reality the question cannot give a definite answer, since the average project implementation of CRM-system for large enterprise lasts from 3 to 7 years [3]. Moreover, after the implementation of CRM - system will take time until it begins to justify themselves and bring real benefits and profits.

Key Indicators to Measure the Success of the Project Implementation of CRM-System

According to the results of the analysis, selected list of core criticality of the project, allowing to determine whether the project is implemented CRM-unsuccessful or justifies set expectations. All parameters can be divided into the following groups represented in Figure 1.

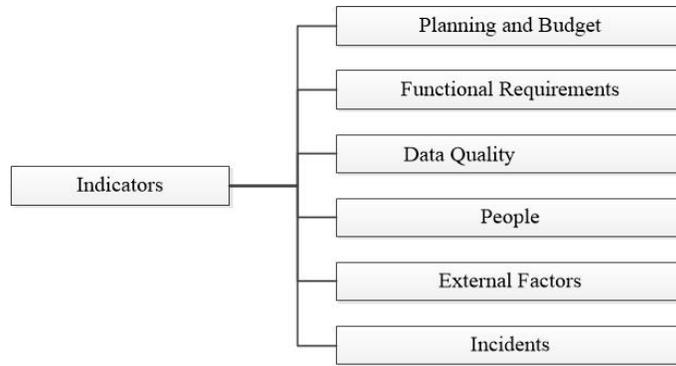


Figure 1. Groups of indicators criticality of the project

All figures are further described in accordance with certain groups.

Planning and Budget:

- ❖ *The deviation from the planned budget* - is measured in percentage terms, and the excess, deviation of more than 10% have a negative impact on the CRM - project.
- ❖ *The deviation from the planned schedule* - as well as the deviation from the budget is measured in percentage terms, and so the excess of more than 10% have a negative impact on the CRM - project. Moreover usually plan the work schedule and budget plan depend on each other and the deviation of one of them Tutu also will entail the rejection of another.
- ❖ *Work schedule did not initially realize in practice.*
- ❖ *Planned budget is not realistic and is merely a product of idealistic thinking.*

These four key indicators of planning will help you understand how well was planned budget and labor for the introduction of CRM - system. Perhaps the reason for failure is the introduction at the beginning of the project.

Data Quality:

Data quality is a major factor in user satisfaction. As is well known user satisfaction guarantee product introduction more than half of the project's success. Figure 2 shows the main sources of the data in CRM - systems.

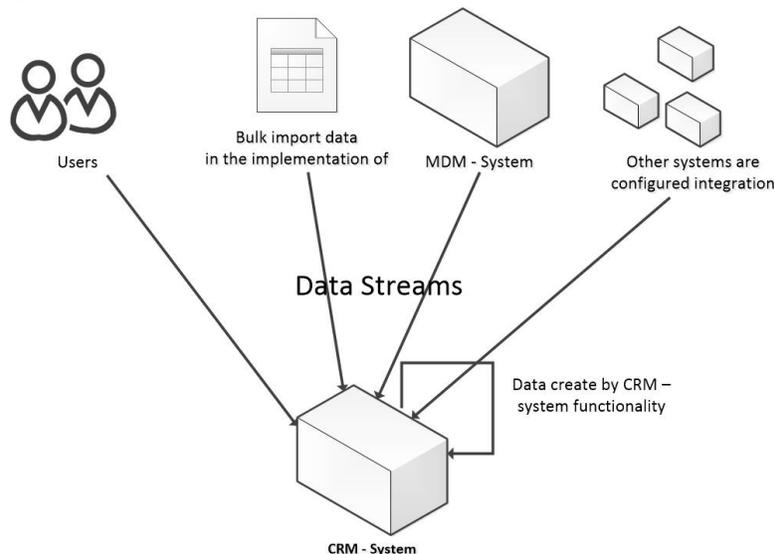


Figure 2. Sources of data generation in CRM - system

Given all the above sources of the data identified the following data quality indicators:

- ❖ *Data replication* - the creation of a system of entity instances (records) are essentially doubles each other but different contents of a set of fields. Typically, these data appear due to the lack of completeness verification data, means for integrating with MDM - systems or importing a large amount of data [2].
- ❖ *Incorrect record owners or improper fastening records for users of the system* - wrong setting of responsible users for an instance of a particular entity for the provision of the rights and privileges to edit, delete, or creating records affiliated entities [2].
- ❖ *The integrity and completeness of data* - at any time the data must be accurate, complete, and consistent. At the level of data integrity is ensured completeness of the data. That is, each entity must have a complete set of attributes required for the storage and delivery and performance of the system [6].

Fields accuracy (especially addresses, products, sums, and date format fields) - uniform filling of fields or fields to bring to a single internal standard [1].

Given that the problems associated with the above indicators of data quality is always more or less present on any project implementation, and evaluate them only by the level of the state of data quality in accordance with **Table 1**.

Table 1. State levels of data quality

State level data quality	Description
No problem	Throughout the project with rare cases of problems do not affect the correct operation of user.
Problem solved	Throughout the project identified the problem, but resolved in a timely manner and not to aggravate
The problem of data degradation	There are problems and they are constantly getting worse

If implemented CRM - the system has a problem related to the indicators of quality of data that is constantly aggravated by, such a system is not able to provide timely, accurate and quality information to the end user [2].

Functional Requirements:

Functional Requirements – requirements covering the expected behavior of the system, defining the actions that the system must perform [7].

Functional requirements for the system directly affect the quality and timely execution of business processes approved by the company's internal regulations, which is why they are also playing a major role in the health system [2]. We distinguish the following quality indicators of functional, allowing the requirements to assess the overall system functionality. The indicators are located on the degree of influence on the quality of the project.

- ❖ *Lack or not well conceived requirements* - availability requirements that were absent or not developed to the end users and made it clear that it is too early to implement these requirements within the project
- ❖ *Incorrect requirements* - which have been adopted, but never had success, the root cause is the lack of understanding of what really necessary requirements

❖ *Conditionally satisfactory requirements* - which are generally satisfactory, but have problems with reliability, design, architecture and overall concept.

If you found more than 30% of the functional requirements that satisfy the above figures, it means that your system can not, in whole or in part is actually required to perform the functions necessary to implement the business processes of the company [1].

People:

The introduction of any CRM - project deals with a large number of people. There are those who take part in the introduction, these are people involved in the analysis of requirements, development, testing, direct leadership team for the implementation of business - experts, etc. There are those who take an indirect participation, but, despite this, can greatly affect the project. This salesmen, leaders of high-level representatives on the introduction of related systems, etc. [1]. Therefore, people and their behavior, like no one else can tell you what is happening with your project actually is. Figure 3 shows a group of people distributed according to the degree of participation in the project implementation of CRM - system.

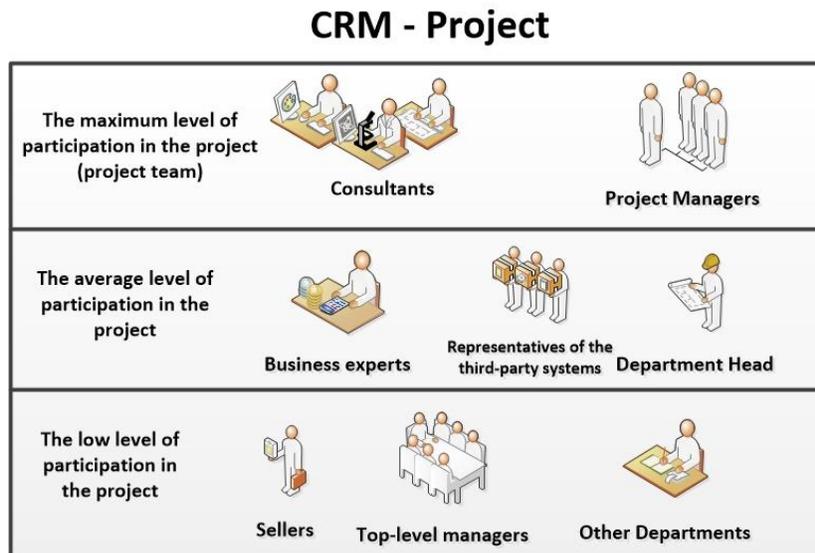


Figure 3. Groups of people, distributed according to the degree of participation in the project

❖ Assess the quality of project implementation CRM - system in terms of people taking to participate can be on the following parameters:

❖ *In the project there are people who take continuous participation* - people like no one else can tell you about the real state of your project. Therefore, it's always worth listening to in the first place.

❖ *People, establishing expectations for the current project, in fact, do not know of what they say.* Very often the sellers CRM - systems, set expectations that can only be achieved through a large budget, a huge number of improvements and a large team of consultants. However, they argue that it's all done very quickly and with minimal resources [1].

❖ *There are those that prevent the successful completion of the project* - implementation of CRM - system always is political in nature and there are always people who do not want to use it in every possible way and contribute to the fact that the project was a failure.

External Factors:

Any introduction of CRM - system can not take place in complete isolation from external factors, such as a database, hardware (server and the local PC), external systems with which the integration is realized, all located in a dynamically changing business [3]. Based on the results of the analysis, it can be said that external factors also have a major impact on the quality of the implemented system. **Figure 4** shows the main external factors influencing the CRM - system.

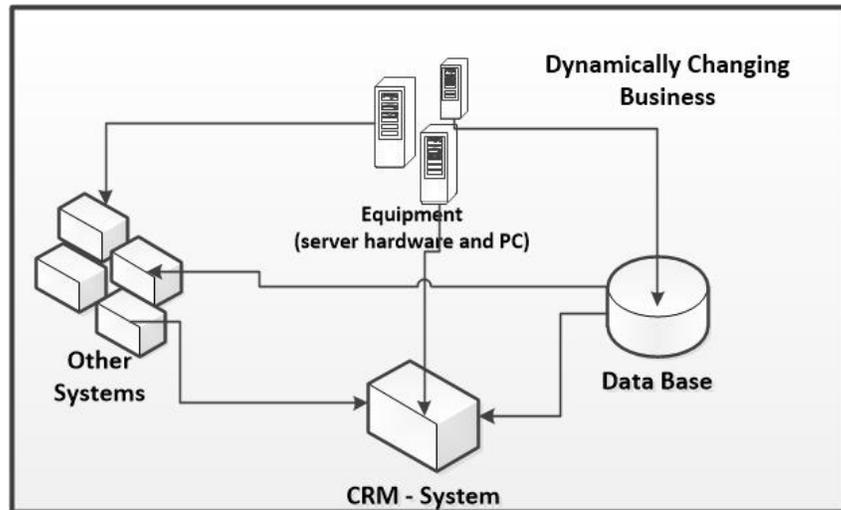


Figure 4. External factors influencing the CRM - system

The following highlights the main indicators for each external factors that can assess the frequency of problems ("Not often, there are almost no", "Often", "Very often") associated with a particular factor:

- ❖ *The problems associated with external systems* - often causes malfunction or errors are not in the CRM - system, and in the systems with which it is integrated, unfortunately, the end user, seeing the error in CRM - system does not understand who is to blame and interprets it as a defect CRM - system
- ❖ *The problems associated with the database* - the database is a critical component of any system of working with large amounts of data, so the choice and tuning database also plays a crucial role in the performance CRM - system
- ❖ *Problems with equipment* - substandard equipment or equipment that does not satisfy the requirements of the implemented CRM - system, can greatly slow down the project
- ❖ *The problems arising from the dynamically changing business* - a dynamically changing business is the norm nowadays, but in any change there are limits. If the company, which is being implemented CRM - system constantly occur any changes that do not agree with the functionality being introduced, the implementation becomes quite problematic.

Very often the root cause of a failed CRM - project are precisely the error associated with the integration, database, hardware, or a dynamically changing business. And this should be given special attention.

Incidents:

Incident or defect - a mismatch of product to determined requirements. In this case, the product is being introduced CRM - system [8].

Monitoring and correction of incidents or even accepted to call them defects, is a very important task in the implementation of CRM - system, since this stage of implementation, as nor any other, allows you to view your system to the desired level of quality. Stage monitoring and correction of defects can be divided into three iterations:

1. *Internal testing* - testing of internal stands and booths design contractor carrying out the implementation of CRM - system.
2. *Acceptance tests* - tests on internal customer stands or stands contractor available to the customer and / or testing team, representing the interests of the customer. Data boards contain a large amount of data and the most identical Industrial stand.
3. *Technical support industrial stand* - this stage of monitoring and correcting incidents directly to the industrial stand at this stage, as a rule, the incidents are identified only by end-users and transferred to the analysis of technical support team.

Any defects can be classified by severity, furthermore, the criticality of each defect is strongly dependent on the above-described steps. Assume that the criticality of the defect has a weight of from 1 to 5, and increases in direct proportion to the testing stage, in which the defect detected. This ratio is presented in **Table 2**.

Table 2. The ratio of the criticality of the defect and the test phase

Testing Phase		Internal testing	Acceptance tests	Technical support industrial stand
Criticality of the defect (description)	Weight	1	2	3
"Low defect" (Defects associated with spelling and syntax errors, incorrect name fields)	1	1	2	3
"The average defect" (Defective functionality does not affect the passage of the business process)	2	2	4	6
"The high defect" (Functionality error, there is a workaround for the passage of the business - process)	3	3	6	9
"Very high defect" (Functionality error, you cannot perform a business process)	4	4	8	12
"A critical defect" (System crash)	5	5	10	15

On the basis of data provided by the above incidents are the following indicators:

- ❖ *The presence of defects lead to a system crash*

- ❖ *Poor internal testing* - at the stage of acceptance tests revealed more incidents than at the stage of internal testing.
- ❖ *Problems with the transfer of functionality between the stands* - stands on the acceptance tests are reproduced defects that were considered corrected, or not replicating the stands internal testing. Often, such defects occur due to incorrect installation and / or transfer of improvements to the stand acceptance testing.
- ❖ *Defects industrial stand* - defects identified in the industrial stand that prevent correct operation of the system by the end user. Such defects have the highest priority and should be corrected for the shortest possible time.
- ❖ *Study of incidents identified in the industrial stand* - very often the defects identified in industrial stands corrected point and real-time means to not stop the work of such stands. However, this does not mean that these defects are to be corrected in the same manner in the stands and internal development testing. Should be a detailed analysis of the problem and choose the best solution to fix these defects for future releases introducing CRM - system [2].

The analysis of these indicators, taking into account the scale of the criticality of defects, will determine the degree of criticality of the problems associated with the quality control system for ongoing projects.

Assessment Successfully Implemented CRM - Project

Classical reaction to the situation when the project fails, the accusation of the project team, the appointment of a new head of the project, the replacement of all consultants and other staff of the project team. At the very least, just refuse to use the new system [1].

Although such a reaction and an emotional and politically satisfactory, however, is quite expensive, as all changes are a big effort. What's worse, these programs often cleaning and restoration want to spend the extremely short period of time, estimating the cost of resources in one person - a month [1].

Based on the analysis of indicators of successful implementation of CRM - systems and personal experience revealed a number of the following statements is presented in **Table 3** allow you to independently assess the success of their CRM - project by putting the degree of agreement with the statement from 1 to 5 where 1 - strongly disagree, 5 - completely agree.

Table 3. A number of statements for self-assessment CRM - Project

Number	Statement	The degree of agreement from 1 to 5, where 1 is strongly disagree and 5 strongly agree
1	The original concept of the project was originally is not viable	
2	Organization is not ready for a big promotion in business management automation	
3	On the project there are people who do not observe the rules of the project and constantly makes mistakes	
4	Other systems and data sources, not flexible enough, that would be integrated with the	

	CRM-system	
5	The budget does not meet the terms of the functional requirements	
6	There is still not yet well established requirements	
7	Required to implement the project for a fixed price, regardless of the improvements arising during the project	
8	Parties interested in this project, do not devote enough time to it	
9	On the chart works have long periods of time for which the project or not, there was no activity	
10	There is a real trust between users and the project team	
11	There is no real trust between users and the project team	
12	The project has been or people just are not able to communicate effectively	

If the analysis on the basis of the above statements on your level of agreement exceeds 30 points, the ongoing project really suffered or fails and requires immediate action to restore that may be associated with changes in the project team and the involvement of more experienced professionals and management [1,2].

Conclusions

After analyzing the ongoing project implementation of CRM-systems, taking into account all written in this article, and draw some conclusions, we should not forget that the introduction of CRM-system, rather expensive and long-term project. On always is political in nature, and there are always those who do not want use the new system and only worsen the situation. Therefore, even if you decide that the project is not very successful, there is nothing critical, may have been achieved goals that were realistic at this point in time, in accordance with the current budget and effort. Without a doubt, users may be dissatisfied with the introduction of products, but users almost always expect a lot more from the system before starting to use it. In other words, it does not mean that you deliver poor quality system, most likely, the project delivered a functional part of the system that is actually relevant to the end user, because, as mentioned earlier, the introduction of CRM-system is complex and long-term task.

Also worth noting is that we should not immediately rush to reorganize the project team and the purchase of new, more expensive specialists. Perhaps the problem lies much deeper, or even beyond the scope of the project team, and these structural changes only made things worse, and you will incur large financial and time losses, but in the end did not get the desired result. Indeed, the emergence of new specialists in the project, even more experienced, but never took part in the implementation of your project and have not yet know all the pitfalls, not a guarantee of change of course of the project the better.

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