

Chapter 4

CRM implementation plan

From the previous chapter, companies should implement the CRM follow the framework and guideline to achieve the maximum performance and avoid the pitfall during the implementation phase. Therefore, this chapter will explain about the implementation plan and process that company use to implement CRM. A company needs to consider the following step to implement CRM.

- Setting the strategy
- Gaining customer insights
- Reinventing customer contact
- Transforming marketing

Therefore, company setups the project team to implement the CRM project in the company which consist of many people from every department in the company such as sales manager, accounting manager, engineering manager, production manager and logistic manager. This project team will control and guide the whoie company to drive the CRM project to be success and make the company to be competitive in the market.

4.1 SETTING THE STRATEGY

From the first issues, setting the strategy, company needed to evaluate themselves and setting all the strategy before implement or even select the CRM capability to use in the company to ensure the best return on CRM investment and avoid wasting precious resources building unnecessary capabilities. To set the strategy, company need to consider four critical perspectives.

- Customer
- Channel

- Brand
- CRM

Customer

The initiative of CRM project is to provide the service to the customer instead of product sales but to focusing more explicitly on satisfying the needs and wants of today's customer to gain the competitive advantage and profitable of the company in the future. So company need to make the customer segmentation because the entire customer needs is different from customer to customer.

Bases on the customer-centric continuum model, company need to identify themselves and set the strategy which stage that the company wants to be. From the assessment of project team, company is base on the far left of the continuum which is the produce-centric analysis that company focuses on the product lines which analysis tends to be based on purchase behavior of the customer. Then the project team consult with the top 10 customer of the company during the past 3 years, the project team and customer management level agree to set the customer segmentation of the company to jump to stage three which is customer segment advisors.

In this stage, company needs to create the segment managers who will take the responsibility for one or more segment. The segment manager will focused on specific segment, and they will serve as the advisors for the specific customer.

In figure 4.1, this chart will show the current organization structure for company. The only one employee to discuss and communicate with customer is sales staffs which normally consist of Sales engineer and Sales manager. In order to change the customer strategy from product centric to be customer segment advisor like the result from the project team and company's customer, company does need to understand the current organization structure and change the role of the sales staff.

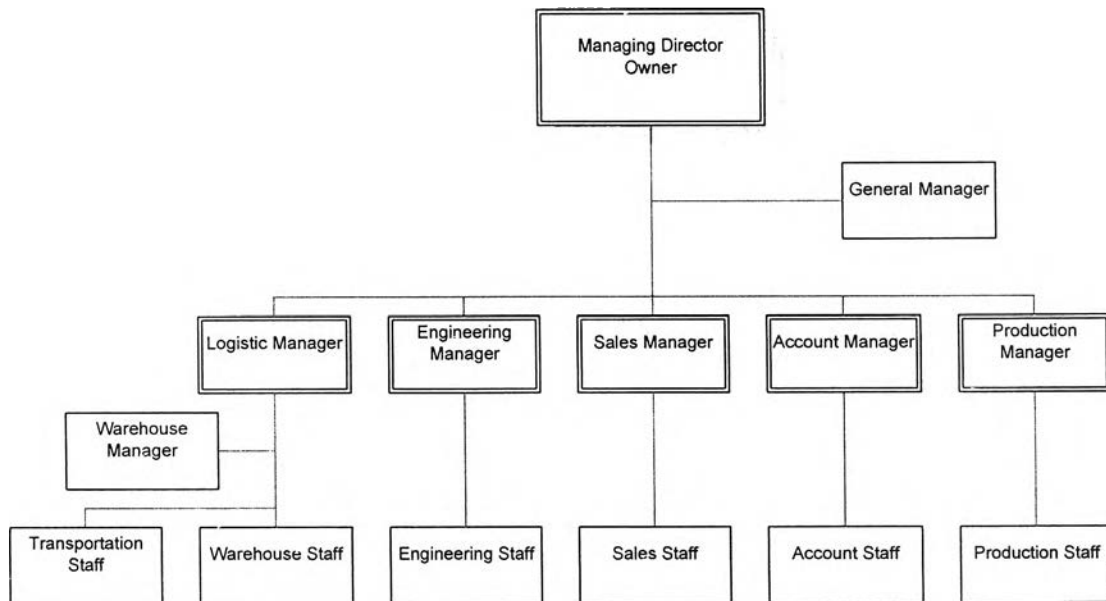


Figure 4.1 the organization structure of company

Therefore, company change the title and role of sales engineer to be **Industrial Advisor (IA)** which change the role that sales the product and service to the customer to be give the recommendation and advise the customer how to improve their business by using our product and service, offer the problem solution instead of offer the product and service.

This change will need additional training to give them the appropriate level of skill and knowledge about the product application and customer segmentation. And company need to change the system of responsibility of sales staff from territory to be the customer industrial type such as Pulp and Paper, Sugar, Water treatment, Automotive, Chemical, Refinery, Textile and etc. This change will implement from time to time by adding new IA to the company in the top three industrial type customers first (Textile, Paper and Water treatment) and then expand to cover more industrial type in the future. The sales engineer will fade out and IA will fade in until company will cover all type of existing customer.

Channel

In the channel to communicate with the customer, company need to set the strategy how to communicate with the customer and which way is the best efficiency and effectiveness and then let all the employee to understand and use the same way to communicate the customer to avoid conflict between each other. From figure 3.3 the channel map, company can separate the communication with the customer to be informed, interact, transact, deliver and service. However, company need to define the customer segment that company has to choose the method to communicate the customer.

Due to the fact that the entire customer of company is a corporate that they use our product and service for their plant or process to manufacture their product so company will consider only the corporate customer segment which will come out as the following table.

Type of activity	Channel	company (OLD)	company (NEW)
Inform	1. OEM sales force 2. Traditional ad agency	1. Sales force 2. Ad agency	1. Sales force 2. Ad agency
Interact	1. OEM sales force 2. Traditional ad agency 3. OEM direct online	1. Sales force	1. Sales force 2. Online (future)
Transact	1. OEM direct online 2. OEM direct	1. Customer support	1. Customer support 2. Online (future)
Deliver	1. Logistic partner	1. Logistic partner	1. Logistic partner
Service	1. Service organization 2. OEM buyback	1. Technical support	1. Technical partner 2. Technical support

Table 4.1 Channel map

From the table 4.1 that show the current method of communication of company and the new method of communication that company will change after the project team makes the recommendation to the management level base on the channel

map in figure 3.3. When consider to the table 4.1, company need to setup two projects to cover the new method of communication which is online and technical partner.

Due to the lack of resource and infrastructure, the online project need to plan for the future project which need much more time and investment in term of money, knowledge and people. However, company can implement the technical partner to support the customer instead of company's technical support but company need to keep the technical support in engineering department to support the new product introduction and critical process that technical partner do not have the capability to do it. Some products need a skilled work force and more advance setup and diagnostic tools to check and correct the problem. This is the reason why company still keeps the technical support in the company.

In order to improve the customer satisfaction level, the customer knowledge is one of the best tools to use. The technical support not only to give the after sales service to the customer when they have a problem but they need to give the training to the customer how to use and maintenance the product to gain the maximum level of mean time between failure (MTBF) which will give them the best profitable in their business.

Brand

Brand is the first thing that customer will remember and then they will think about the company name and so on. However, company do not have their own brand because company is a trading company who will provide product and service to the industrial customer in Thailand only so company can not change any strategy of any brand that company represent it in Thailand. Company need to get the brand strategy from the owner which is the supplier in the over sea country.

Normally, company does not concern about the brand strategy before and company will use any tool to inform the customer about selling not the brand building purpose. So project team decided to make the management meeting with their brand owner and discuss about brand building in Thailand not only use the hard selling strategy in advertising. From the fact that, brand building is a time and money

consuming in the beginning of the cycle but it will repay back in the future when the brand is in the customer mind. Therefore, this is the benefit for both company (company and Supplier) so company need to get the commitment from their supplier to give the marketing right and brand right to company in Thailand if company invest in money and people to build the brand in Thailand.

From the executive meeting, both sides agree in the idea to build the brand in Thailand and share the information together about this topic. So company setup the marketing team to build the brand by using exhibition, advertising, seminar and public relation follow the brand strategy from the brand owner in oversea and make the contract between both sides to protect the brand in Thailand.

CRM

Company uses the four key steps of CRM strategy and road map to be a fame work and guide line to set the CRM strategy in the company.

- Strategic context

Project team evaluate the business environment and corporate strategic to the involvement people to understand and know the same information across the project team to use as the information data to help the project team shape the project and the system that's ultimately created in the company. Finally, project team comes out with the strategic goal as following information.

- Target growth for company in next 4 years in average 20%.
- Most critical channel for interacting and serving customer is a sales staff which will change to industrial advisor.
- The balance of every strategy is base on customer focus.
- The top 3 valuable customer segment of the company is textile, pulp and paper, and food processing.
- Key point focus that impact company's customer is establishing the relationship, presales experience, after sales experience and maintaining relationship

- Capabilities assessment

The project team conducted an assessment of existing CRM capabilities. Through this assessment, it became clear that the company was an average developing insights into its customers' needs and behaviors and running a good efficient after sales service, but could benefit from enhancement in direct-marketing execution, customer support effectiveness and sales.

- Business case development

After assessing its existing CRM capabilities and identifying areas for improvement, the project team conducted a comprehensive analysis to determine the financial impact of those improvements. This effort led to a dramatic conclusion: company could generate an estimated 15 million baht in additional net profit over five years by focusing on 30 key capabilities in its direct-marketing, sales and customer support operations. The team also grouped these capabilities into four distinct initiatives:

- Direct marketing effectiveness, which sought to improve the company's campaign management efforts and its ability to provide more closely tailored to individual customers.
- Customer support optimization, which involved building robust capabilities for more intelligent handling of customers' incoming calls and better access by customer support officer to customer records.
- Sales effectiveness, which included sales force automation capabilities and an integrated channel sales approach.
- IT infrastructure enhancements, which focused on creating more robust customer data models and enhanced customer profiles.

- Implementation plan creation

In this step, the project team needs to clearly define how to go to the objective of the CRM by setup the technical, process and organizational structure to complete the CRM initiative and they come out with the following step.

1. Study: Study CRM and collect the data from another company who using CRM and successful.
2. Educate: Explain to the staff of organization about CRM project and the benefit of it.
3. Strategize: Study each job of each department, track every data of their job, every process in day-to-day basis to reengineer these processes to make it suitable for CRM system.
4. Structure: Setup project champion and project team who will sponsors in each department and help the employee to adopt day-to-day basis job with a new tool.
5. Baseline: Compare the existing business process with a new process which the company needs to be successful and modify existing process to achieve the business goal.
6. Planning: Define the data that company need and collect it for input to the database of CRM.
7. Installation: Install CRM software and hardware to support the system in the scope of study
8. Implement: Implement the software to the system and train the user on the new tool.
9. Evaluate: Evaluate the result and overcome that problem that may occur in the process.

Finally, the company defines all the strategy to use in CRM implementation. From this strategy company can make sure that they will get the best return on investment and gain the maximum competitive advantage over the competitor when the project is done.

4.2 GAINING CUSTOMER INSIGHT

For this stage, company must determine what data they need to use in CRM implementation base on the strategy that project team set in the above mention. So the approach includes three basic steps:

- Start with what you know.
- Define what you want to do with the information you gather.
- Define what you do not know.

Therefore, CRM project must identify the data base on the above mention approach for company.

Start with what you know

- Customer name
- Customer address, telephone and fax number
- Customer contact person
- Customer credit days
- Customer purchase history

Define what you want to do with the information you gather

- Use the information as the strategic tool to build the marketing campaign to increase sales volume and to build customer-centric service management.
- Use the information as the data to evaluate and approve the customer credit.
- Use the information to share the knowledge of product categories to enable IA to obtain, analyze and apply customer knowledge.
- Use the information to share the customer's knowledge for the customer support to give the correct information about customer profiles and improve the customer service for the customer.

- Use the information to build a sales automation system and make the sales management report to the management level.

Define what you do not know

- Competitor for individual customer
- Customer type
- Register Capital
- Business type
- Credit limit
- Discount structure
- Condition of collecting money
- Ownership
- Decision style
- Management style
- Company revenue
- No. of staff in office and factory
- Strength
- Weakness
- Customer contact tile and responsibility
- Transportation method

4.3 REINVENTING CUSTOMER CONTACT

Customer-centric service management is an approach for the OEM of industrial equipment companies like the company. Even company is not the original manufacturer but company act like their representative in Thailand before the OEM itself do not have the capabilities to do it by themselves in Thailand. Therefore, company is considering being the OEM who supplies product and service for the customer in Thailand also. Customer-centric service management (CCSM) can enable the industrial equipment OEMs to move beyond their core manufacturing capabilities and go into valuable product life-cycle revenues.

The critical capabilities that company need to implement for gain the CCSM is as follow:

Customer insight

This is the same as gaining customer insight that company needs to know the information of the customer which is knowledge manager, service forecasting, service proposal development, contract maintenance and monitoring and competitive intelligence. This information requirement is already inform in the gaining customer insight in the above mention.

Technician enablement

OEMs and their distributor need to deliver the promised service levels while still generating an acceptable margin. Customer view the ability of the technician to fix it right the first time. As one of the most critical measures of success, if the company can not make it right the first time, this is not only the operating cost will increase from the rework but it is make the reputation for the company will reduce also. Therefore, to avoid this problem, company needs to give the training to the technical service team in term of knowledge and skill. However, the most important for this factor is the service administrators which need to ensure that the technical arrives on time to the customer site with everything they needed. When this does not happen, the number of trips per work order, travel time, and expedited parts orders increase dramatically and customer satisfaction decreases.

Predictive maintenance

One way to enhance the customer satisfaction with service management is to address a problem to the customer before it even occurs. In some equipment will address the life time of the equipment or life cycle of the equipment and the company can predict when this equipment need to be replace or repair because the unexpected breakdown will cost a lot of money.

Therefore, the predictive maintenance can use as the strategic tool to use the service management more efficiency and effectiveness.

So in this issue, company need to discuss with the supplier about the life cycle of the equipment and consult with the customer about this number and predict the mean time between failures with them. So in all products company will give the installation manual and predictive life cycle for them and marketing department will send the maintenance reminder to the customer when the product need the maintenance.

4.4 TRANSFORMING MARKETING

Marketing is one of the important tools in the business to increase the revenue and gain more profit to make the company grow in the future. However, this tool is also very dangerous for the company because it use a lot of money and time to come out with the marketing campaign. Therefore, the management level of each company want to know the exact information in term of reputation, image and money return from the investment.

In the past, company marketing team will launch any new campaign or advertising based on the budget in each year without measure the return of investment. However, after implement CRM, company marketing team need to measure the return of investment of any marketing activity by using the CRM capabilities.

Company uses the six major stage of reining marketing ROI to measure and improve the ROI of marketing activity in the company.

1. Quantify the effects of past marketing efforts.
2. Analyze competitive performance.
3. Identify underperforming initiatives before they become too costly.
4. Establish accountability for each marketing element.
5. Identify products and markets that offer significant growth potential.

6. Reallocate marketing resources to capitalize on new growth opportunities.

In the past, this approach may not use in company due to the lack of both the necessary technology and the information of the marketing to use it. However, better access to data and newer CRM capabilities make this analyze feasible.

Step 1 quantify the effects of past marketing efforts

From the CRM capability, marketing officer can check that the customer know our product from IA or from the marketing activity. Therefore, they can check the past of marketing effort effect on the customer side. This will help the company to measure the investment on the marketing one. However, marketing activity will provide both tangible and intangible benefit to the customer. So the marketing must evaluate the activity and reallocated to accelerate growth or cut cost more effectively.

Step 2 Analyze competitive performances

From the CRM capability, marketing officer can evaluate the competitive performances from the database of CRM software. This analyze will let the management to know the competitive performances for the whole company and also can use as a feed back to send back to the supplier too.

Step 3 Identify underperforming initiatives before they become too costly

This is the serious factor for the marketing officer for company, because they do not want to report the bad performance to their superior level. So some campaigns are not worst for the investment. company need to change the fear of people to understand about this step and make them comfortable to report the underperforming task and change it to a better campaign and better ROI also.

Step 4 Establish accountability for each marketing element

Company's marketer need to set the objective of the marketing activity or campaign that launch to the market. When they can achieve the target, the new target needs to be set to that campaign and give marketing officer as the appropriate awards for the good performance. However, the important matter is to establish reasonable, reachable, and appropriate goals for each marketing activity, specify clearly what those goals are, and reward each element appropriately if it achieves the desired outcome.

Step 5 Identify products and markets that offer significant growth potential

Company's marketer need identify and evaluate the marketing based on each product group instead of evaluate for the whole company as today. Another issue is marketing activity budget must based on the future potential revenue not the past like today, that company still look for the past and set the budget based on the last years sales. Once those determinations are made, resources can be aligned and reallocated to drive growth and higher profits.

Step 6 Reallocate marketing resources to capitalize on new growth opportunities.

Finally, company will get the product and market that show the significant growth potential and then company need to reallocate marketing resources to change from potential to profit. However, this is the most difficult task to implement because reallocating resources may mean the loss of jobs, products, plants, or even an entire brand.

4.5 CONCLUSION

From the above strategy and implementation guidelines, company need to make the investment in the software, hardware and people to improve the CRM capability to achieve the initiative that the project team come out with the guild line. Therefore, the project team needs to evaluate the current system and requirement system in the future as follow:

- Software: The project team decided to discuss the software capabilities with the software house which is the Thai company who develop the accounting software for the company since 2001 for the requirement of CRM capability that the project team needs. Then, after 2 month, software house come out with the software which include CRM module in the software for company to use.
- Hardware: The project team assigned IT department to check the capability and performance of the system to support the CRM module that software house will develop for the company in the future. The result is the company can use the same system and network for use a new module. However, the company needs to invest in a new workstation (on the central area) for IA to access all the data and CRM module by themselves.
- Business process: The project team needed to evaluate the current business process and redesign it to meet the objective of CRM project.
- People:
 - The project team assigns a support team (Sales manager, Customer support manager, Account manager, and Engineering manager) for training to user (Industrial Advisor, Customer support, Marketing officer, Accountant, and Administration officer) to use the system and support the system during the beginning of the system.
 - The project team assigns a Human resources manager to setup the training schedule for the user for knowledge and practical practice for the CRM system and for another employee to understand what CRM is and how it can help the company in the future.