

# What is CRM?

A White Paper by TBC Research in association  
with GoldMine Software (Europe) Ltd

*LIGHT VERSION*

# Contents (full version)

Introduction ... 5

1 Business first, technology second ... 5

2 Unified view of the customer ... 7

3 Where does e-business fit in? ... 9

4 The technology components ... 11

5 Integration ... 15

6 Implementation ... 16

Conclusion – the impact of CRM on the organisation ... 18

Glossary of Terms ... 19

Please note: This is a 'light' version of the What is CRM White Paper.

If you would like a full version containing the contents listed above please visit [www.mycrm.co.uk](http://www.mycrm.co.uk) and order your copy.

## Introduction

Over the last eighteen months, the concept of customer relationship management (CRM) has taken centre stage in the business world.

Where customer service once ranked low in corporate priorities, organisations are now being harried to place their clients at the heart of all their activities and rethink their entire sales and marketing strategies. In the process, the information technology (IT) industry has been transformed.

Sensing that a massive new market is up for grabs, the world's leading business software vendors have reinvented themselves to focus on CRM, joining a raft of specialist suppliers in a race for dominance. Buoyed by hype, the CRM market is beset by claim and counter-claim as vendors jostle for position.

Amidst all this noise and frantic activity, organisations that are looking to improve their customer-focused activities face a difficult task. There is widespread confusion about the terminology employed by both management consultants and IT suppliers. There is disagreement about the approaches organisations should take to build a CRM strategy. There is a lack of consensus about what CRM really means. And there is growing uncertainty about how e-business fits into the customer management vision.

This paper sets out to explain the fundamental meaning of CRM from both a business and a technology perspective. By cutting through the noise in the market, it clarifies the management philosophy behind CRM, explains the core components that help organisations build an effective IT infrastructure, and highlights the key issues users need to address as they embark on a CRM strategy.

## The impact of CRM

### *The MD / Director's perspective*

Implementing a CRM strategy will have far-reaching implications across your organisation, from 'back-office' functions such as finance and logistics; through customer-facing activities such as sales, marketing and service; and beyond to suppliers and partners. The enterprise-wide implications need to be fully understood before organisations embark on a CRM project. The cultural implications of CRM are significant. Historically, many projects have failed, despite effective IT implementations, because people-related issues have not been tackled. CRM projects will fail unless they have buy-in at board-level and are driven from the top.

### *The Implementor / Project leader's perspective*

Fundamentally, CRM is a business philosophy, not a technology. All projects should be approached from a corporate, strategic perspective. As such, technology is merely the tool that allows your organisation to achieve its strategic goals.

There are a number of practical steps that can be taken to ensure that a CRM-related project runs smoothly. While some of these are common to all IT projects, 'front-office' implementations bring unique challenges. With less of a legacy in systems implementation than the back-office, there is additional pressure for speedy, tangible returns. Outside greenfield sites, the big bang approach to implementation is rarely recommended. Early adopters typically favour incremental projects that offer quick wins. 'Front-office' implementations bring unique challenges because there is less of a tradition of systems implementation compared to the back-office.

### *The IT perspective*

CRM is fundamentally a business philosophy: technology is the tool that allows the business goals to be achieved. Unless an organisation understands the business drivers and the implications of embarking on a customer management strategy, no amount of IT expertise will bring success. IT developments need to be closely aligned to business needs.

The key to successful customer management is to build a unified view of each client, drawing together data from a wide variety of sources and making it available in a relevant format to business managers and users. The IT implications are vast as ultimately, CRM will touch every system within the organisation, as well as suppliers' and partners' systems. As a result, integration is one of the biggest challenges IT departments face in the CRM arena.

### *The User's perspective*

Implementing a CRM strategy does not just affect customer-facing employees. Because of the need to transmit information both within the organisation itself and externally to customers and suppliers, every function is likely to be affected by a CRM project. That means every department should have a representative involved in planning and, where necessary, rolling out a major CRM project.

Ongoing training for users is essential and may eventually make the difference between success and failure.

The introduction of CRM systems is likely to have some degree of impact on every job within an organisation. At an individual level, the aim is to provide individuals with better information, allowing them to operate more effectively. At a departmental level, by monitoring the effectiveness of different activities, organisations can better achieve their strategic goals.