CRM SOLUTIONS ALIGNMENT WITH SALES PROCESSES: LESSONS LEARNED FROM PILOT STUDY

[1]SAMO BOBEK, [2]BOJAN KRAJNC, [3]POLONA TOMINC, [4]UROS ZABUKOVSEK

[1,3,4] University of Maribor, Faculty of Economics and Business, Razlagova 14, 2000 Maribor, Slovenia
[2] Lopis , Thalerjeva 10, 2212 Sentilj, Slovenia
E-mail: [1]samo.bobek@um.si, [2]bojan.krajnc@lopis.si, [3]polona.tominc@um.si, [4]uros.zabukovsek@student.um.si

Abstract - The main purpose of conducted research study was to analyze impacts of CRM solutions on the efficiency of sales processes in companies. In research study the data base SloExport and data, gained from the web questionnaire have been used. Despite surveyed companies expressed opinion, that CRM supported sale processes are the most important for implementation of key criteria of efficiency, the survey showed that in most cases companies have not supported all sales process phases and that they are also using only selected functionalities of CRM solutions and because of that impact of CRM solutions on sales efficiency is limited.

Keywords - CRM, sales process, automatization of sales staff, key performance indicators, competitive advantage in international business

I. INTRODUCTION

In the last years there were intensive discussions about CRM information solutions in the academic and business world. Modern trends in business are deregulation, globalization, convergence, mobility and fast growth of internet of things (IOT) which have changed the way companies make business; it forced them to find new business models, products and sale orientations. On the other side companies benefit by gaining more attention and focus to the customers, improving customers' relationships, satisfaction, loyalty, thus improving profitability and successfulness of business.

Strategic customer relationship management is becoming one of the most critical and strategic activities for companies regardless of the size, industry and the mode of operation. In the highly complex and heterogeneous environment of the 21st century, companies have realized that creating and maintaining quality long-term relationship with the costumers is more important than just focusing on gaining new costumers.

In these specific circumstances CRM information solutions have more important impact on business, as compared to other business applications. Companies need quality information support and better control over the sales process with which they can increase successful rate of closed sales opportunities. Collecting, storing and using information about existing and potential costumers have never been as efficient as in the time of information technology. Salespersons have to appreciate data base as a precious tool which shortens the time for searching for the potential customers and increases the time available for gaining the customers. The nature of strategic sales approach demands fusion of business and selling processes and total support for costumers. This demands that companies' processes are supported with information system which assures clarity, traceability and fast response. Automation of sales process and integration of sales methodology and process in CRM is becoming an imperative without which the realization of strategic sales approach cannot be assured. That is why this research is focused on CRM solutions as information tools which enable salespersons to perform more tasks at a higher quality in very short time.

Companies included into the present research were among companies mainly involved in international business in Slovenia: exporters, which achieved more than 50 % of their income by export (1.365 companies) and all international companies operating in Slovenia (634 companies). The sample includes 101 companies. Questionnaires were addressed to the management teams, directors and managers of companies.

II. CUSTOMER RELATIONSHIP MANAGEMENT SOLUTIONS

Customer relationship management (CRM) solutions have been developed as an approach based on maintaining active relationships with customers, increasing customer loyalty, and expanding customers' lifetime value (Brassington & Pettit, 2000; Ahn et al., 2003). There are two main reasons for the increased interest in the field of CRM solutions: the development of information technologies and the increased importance of orientation to the customers as the basic business philosophy.

Effective CRM solution is about acquiring, analysing and sharing knowledge about the customers and also sharing information with the customers for the quick and timely service to the customer. CRM solution provides an integrated view of customer interactions starting with software applications that capture these interactions and with the effective analyses of the data to reveal the hidden and important information

required for improving the relationship of companies with the customers (Davood Karimzadgan et al., 2013).

After implementing CRM solutions, the improvement of its effectiveness is the constant endeavour of organizations. CRM solution held out a lot of promise in the mid-1990s, but a considerable number of failures caused concern about its usefulness (Kaushik & Kundan, 2009). An important factor for this could be that the management in the organization still often treats the technological aspects as the most important and not enough attention is focused into processes and employees (Vella & Caruana, 2012). Research results show, that the technology is important, but is not the only and sufficient factor for the success of the implementation of the CRM system (Mary Lou et al., 2005). The majority of problems in implementation of CRM are not of the technological nature, but organizational and include organizational changes and disorders, different views regarding customers data and changes in business processes (Finnegan & Currie, 2010). That is why the comprehensive research of organization's orientation towards organizational factors that have the impact on effective use of CRM solutions is needed.

Researchers are analysing the effectiveness of implementation of CRM solutions (McGill & Bax, 2007) from the different view-points. Researchers often base their work on TAM (Technology acceptance model) and extend it with factors associated with level of individuals at the different working positions (Avlonitis et al., 2005; Lee et al., 2010), as well as at the level of the whole organization; some are also oriented towards research of factors influencing the usefulness of IT solutions and technologies at clients on the market (Giovanis et al., 2012).

In 2013 CRM solutions were the first most commonly used management tool worldwide (Rigby & Bilodeau 2013). Organizations are constantly dealing with the question of how to obtain the highest quality information about their customers, which would help them make key business decisions as well as establish long-term and profitable relationships with customers, and thus at the same time indirectly boost the chances of business success (Gneiser 2010). With the development of technology new forms of CRM solution (e.g. e-CRM, m-CRM, the s-CRM) were developed that facilitate the collection of customer data with the widest possible perspective, the creation of large-scale data warehousing and data mining as an important infrastructure of analytical CRM solution (Srivastava et al. 2002). The analytical functions become more important in the actual context of the economy. The database with customers and the analytical functions associated with the database could make the difference between a winner and a loser in the game of the economy (Furtuna & Barbulescu 2012). Analytical CRM solutions, which can discover information and enhance the knowledge hidden in the huge amount of data, play a crucial role in decision support (Xie et al., 2008).

CRM solution has therefore become a key enabler to personalize customers' experience and improve customer satisfaction and customer retention. However, it has been found that some organizations do not exploit the full potential of CRM solution and the majority of organizations are trying the enhance its' successful implementation. Research findings show that investment in technology is a necessary but not a sufficient condition for achieving positive results with CRM solutions (Padilla-Melendez & Garrido-Moreno, 2014).

For the organizations to achieve positive results with CRM solutions, the employees have to understand the critical success factors (CSF) of CRM solution use. The researchers emphasize that organizational factors (management support, training and motivating the employees, together with the organizational structure/processes) play a key role in the implementation of CRM solutions in different business areas (Padilla-Melendez & Garrido-Moreno 2014). King and Burgess (2008) developed a simulation model to encourage the use of CRM solution innovation, taking into account the CSF and the relationships between them. It was also pointed out that it is not sufficient to develop and test CSF for developing the holistic CRM philosophy (Riyad & Hatem 2014).

III. RESEARCH STUDY

The main purpose of research was to analyse impacts of CRM information solutions on the efficiency of sales processes in companies. The key criteria, according to which we have measured the efficiency of sales processes, were:

- time duration of sales cycle,
- the number of closed sales opportunities,
- the number of gained sales opportunities,
- the value of sales income.

In research study we have used data base SloExport. The random sample of export organisations was obtained using the sampling frame of the SloExport data base; the web-based survey was conducted. The database of Slovene exports is a project of Chamber of Commerce and Industry of Slovenia. Data base SloExport contains data of more than 4.500 Slovene exports companies (SloExport, 2014). We received 101 completed questionnaires. Most companies (63.4 %) reported they use a CRM solutions. The most companies (34.9 %) use Microsoft Dynamics CRM solution for supporting the sales activity efficiency in sale process. On the second place there is SAP CRM solution, being used in 17.5 % companies. Intrix CRM is used in 15.9 % of companies. Less frequently used are: 11.1 % of companies use CRM modules of existing business information system (ERP), 4.8 % use Sales Force CRM, 3.2 % use Sugar CRM. Other solutions are used by 12.7 % of companies.

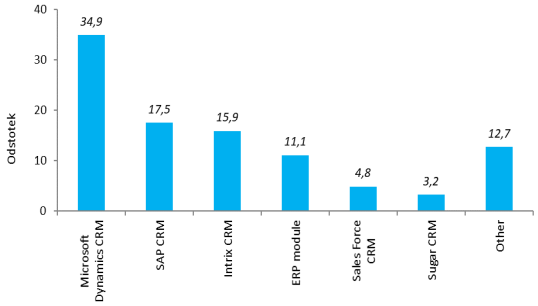


Figure 1. The use of major CRM solutions

Almost all companies which use CRM solution, mainly use it for managing costumers' contacts and other customers' data (93.7 %). More than four fifths (81.0%) of companies use it for detecting leads (potential sale opportunities), 77.8 % for analytics or reports and 68, 3 % for managing workflows of sales process. Other less frequently used areas of CRM solutions are customers' orders (57.1 %), financial information about costumers (55.6 %), dashboards (55.5 %), qualification of leads in sales opportunities (54 %), planning and implementation of marketing campaign (49.2 %), "360 degree" view on the costumer (47.6 %). Less than 40 % of companies use CRM solution for costumer segmentation (38.1 %), for automation of sales activities (38.1 %), for management of procedure of complaints (34.9 %), for measuring efficiency of sales employees (31.7 %), for customer profitability analysis (28.6 %) and as knowledge base (27 %). Only 15.9 % of companies use CRM solution for measuring customer satisfaction. The research shows that not all functionality of CRM solutions is implemented and used as it might be expected.

CRM solutions are workflow based solutions and could provide support for sales process workflows of different complexity. We have amalyzed the characteristics and complexity of defined workflows within CRM solutions used by the companies. In almost all companies (93.0 %) the step named "offer or cooperation offer" is well defined and implemented. On the second place is the step named "closing an opportunity", which is defined and implemented in 80 % of companies, on the third place is the step named "first contact with the client" which is implemented in 78 % of companies. Only three other steps are implemented in more than half of the companies: "current analysis of costumers" in 62 % of companies, "lead or potential sales opportunity" in 60 % of companies and "negotiation" in 55% of companies. Workflow steps which are at least implemented are: "qualification of costumers based on defined measures" in 45 % of companies, "problem solving" in 43 % of companies and the step named "additional - cross selling" only in 35 % of companies. There are many even less presented steps of sales process workflow – only 11 % of companies have implemented the step "solving complaints".

Nearly all companies (92.7 %) replied that CRM solutions are an important source for ensuring and increasing the competitiveness and they contribute to faster and better access to internal data and better control, coordination and transparency of the sales activities in the company.

A lot of companies also replied (88.5%) that using CRM solution lead to better sales effectiveness and better resource controlling in sales. 82.3 % of companies answered they have better response time. Furthermore, 77.1 % of companies quoted better sales satisfaction of clients, more efficient segmentation of costumers and creating better qualitative long-term relationship with costumers. Only a few companies quoted shorter sale cycles, increasing sales incomes and the volume of sales opportunities (76.0 %), greater flexibility of buying process (75 %) and lower processing costumer costs (70.8 %) Other areas of CRM solutions usage identified by companies are: differentiation from other competitors (65.6 %), ensuring greater and more unique added value for costumer (62.5 %), increased reputation for the company (54.2 %), the improvement of strategic position on the market (51.0 %), better profitability (50.0 %) and bigger market share (50.0 %).

IV. DISCUSION

Based on conducted survey research study and based on interviews with selected companies which we studied as cases, it may be concluded, that in most companies a high share of CRM implementation initiatives start without defining a business case or blueprint which will define what the company wants to accomplish. In similar way potential barriers which company needs to overcome are not defined properly. The sales (CRM solution use) vision too often relies on the short-term results, despite it should be developed from the long-term vision of creating the value for the costumers and other stakeholders of the company. Our research showed that 74.3 % of companies measure efficiency in sales process, while 22.8 % companies do not. First part in the process of CRM development strategy is to revise the business strategy of the company. The detailed understanding of business strategy is crucial for the appropriate implementation of costumer relationship strategy. CRM solution implementation activities have to be aligned with business strategy of the company.

Many research surveys in the past years show that the consistent sales success is closely connected with CRM solutions use in the company and its alignment with the sales methodology. The implementation of CRM solution in the company is not a guarantee for the complete exploitation of CRM concept and expected benefits necessary for successful business in a long term. Our research shows that only quarter of companies share the opinion (25.7 %) that sales process is entirely unsupported with CRM solutions, while 8.9 % of companies share opinion of being

poorly supported. Only 27.7 % of companies think that they are partially supported, and it is surprising that the same percentage of companies thinks that they are well supported. Very surprising is that only one tenth of them (9.9 %) think that sales processes are entirely supported with CRM solution.

The key is the orientation to costumers in all areas of company operations, and full awareness of these processes, before the company even starts with CRM solution implementation. We recommend to companies that they conduct the preliminary analysis of CRM solutions acceptability by employees. At that point, there is always good to refer to the examples of good practice where the increase of the sales efficiency was achieved. Sales force automation (SFA) systems as part of CRM were developed to help companies in the areas of leading and tracking of sales activities and also to assure the sales forecasting and support. In practice a great number of CRM projects fail because they are not efficient and do not have enough tools and resources to support sales employees. Salespersons in most cases simply do not get the promised value from the CRM solutions. SFA systems are mostly used for routine data entry. Collected data is usually used by management but directly the sale dose not benefit from it.

On the other hand, it often happens that the employees are not at all or are only poorly qualified for costumer conduction, contacts improvement and long-term relationship building. But, nevertheless, management expects that the implementation of CRM solution in the company will solve all these problems. Despite the companies think they are costumer oriented, what the company is willing to show in public, we often detect, that this is not always true. Most companies usually still possess the predomination of short term vision of making business or gaining benefits instead of the long term strategic vision.

Companies need more proper information support and precise control over sales process which will allow them to increase the success of closing sales opportunities. Collecting, saving and using information about the existing and potential customers could never been as efficient as now, in the era of IT. The salespersons have to consider the use of data base as a crucial tool which shortens the time for costumer seeking and enlarges the time available for costumer contact.

The nature of strategic sales approach demands fusion of business and sales processes, and a complete customer support. This point of view demands that company develops information supported sales processes which ensure visibility, traceability and fast response. Automatization of sales process and integration of sales methodologies and processes within CRM solutions is becoming an imperative without which it is practically impossible to ensure the realization of strategic sales approach that would consequently enable company to adapt to the specific customer needs. Sales process should not be confused with sales methodology.

Sales process provides information about the daily activities of salespersons when they are gaining new costumers, qualifying sales opportunities, preparing offers, dealing or closing the open opportunities. It is a sequence of steps which salespersons are systematically carrying out with the one goal - successfully close the sale. All these phases are supported if they are included in CRM solution workflow and that support provided by CRM solution is regularly used. More than 30.6 % of companies are not practicing this. Only 21.4 % of companies have defined basic three steps in their CRM workflow, 18.4 % of companies have defined four or five steps in CRM workflow, 16.3 % have defined six or seven steps in their CRM workflow and only 13.3 % are using CRM with very elaborated workflow of more than seven steps. Good leaded sales process helps company to improve the visibility, predictability, forecasting, consistency, scalability and sustainability; this is usually reflected in the stronger company's competitive advantage on the market.

CONCLUSIONS

Sales methodology is a concretization of sales process steps, since it precisely illustrates the concrete action of salespersons' activity in sales process. Both, sales process and sales methodology are extremely powerful and efficient in company when they are supported or integrated with adequate CRM solution. CRM solution could be beneficial system for management as well as for the salespersons, while it focuses on the automation of sales efficiency and therefore influences sales processes as well as sales methodology supported. In that case, salespersons data capturing is used for sales management, as well as for sale process itself. Salespersons will definitely rather use the tool or application which will help them to sell more and enables them to be more successful.

Our research results revealed that the companies on average share the opinion, that CRM solution supported sale processes are the most important for implementation of key criteria of efficiency. It is interesting that 74.3 % of companies' measure their efficiency in sales processes and, for that, they use key performance indicators which are bound to accomplished activities or achieved results. Furthermore, we have found that the number of information supported phases as well as the number of information supported areas of sale processes does not affect the efficiency of sales processes. The same relates for the proportion of users of CRM solution supported sales processes which do not have any influence. On the other side, we have established that companies' that are users of CRM solutions give more importance to CRM information supported sale processes for ensuring or increasing the competitive

advantages on the market in international business, as compared with companies not using CRM solutions.
The most important for companies are: faster and better access to information, better control, coordination and visibility over the sales activities, bigger operative efficiency in sales and better resource controlling in sale, faster time response and better customer satisfaction with sale service, more efficient segmentation of costumers and creating qualitative long-term relationships at higher level. CRM solutions, which are intended for sales support and are supporting different business areas in company, can be treated as investment in business process, which brings several benefits and extra value in different phases of sales process.
Although companies' opinion is that CRM information supported sales process does not affect companies' efficiency, we conclude, that CRM can create the foundation for long-term success of the company.

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